

A photograph of three mountaineers ascending a steep, snow-covered mountain. The lead climber is in the foreground, wearing a dark jacket, a hood, and goggles, with a thick rope coiled around their waist. They are using ice axes and crampons. Two other climbers are visible behind them, also equipped for the ascent. The background is a vast, hazy, and snowy mountain landscape under a bright sky.

Courage
of Conviction.
Constancy
of Change.

Board's Report

To the Members

Kotak Mahindra General Insurance Company Limited

The Board of Directors of your Company is pleased to present its Fifth Annual Report together with the audited financial statements for the year ended March 31, 2019.

INDUSTRY HIGHLIGHT

The general insurance industry as a whole registered a growth of 12.96%, in which the private sector (excluding standalone health insurance companies) grew by 24.73%. Your Company grew its direct premium from ₹ 185.4 crore in financial year 2017-18 to ₹ 301.1 crore in financial year 2018-19 registering a growth of 62%.

FINANCIAL SUMMARY/HIGHLIGHTS

The summarized results of operations of your Company for the Financial Year ("FY") 2018-19 are as follows:

(₹ Crore)

Particulars	Year ended March 2019	Year ended March 2018
Gross Written Premium	303.80	188.10
Premium Earned	197.35	115.87
Profit / (Loss) Before Tax	(34.89)	(32.55)
Profit / (Loss) After Tax	(34.89)	(32.55)
Net worth	107.83	97.73
Assets Under Management	414.8	248.9

SEPARATE SECTION CONTAINING A REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Your Company does not have any subsidiary or associate and has not entered into any joint venture. Therefore the financial statements have not been consolidated and no separate report on the performance and financial position of subsidiary, associates and joint venture is applicable for the financial year ended on March 31, 2019.

DIVIDEND AND RESERVES

Your Directors do not recommend any dividend for the current year. Your Company does not propose to carry any amount to the reserves of the Company.

PRODUCTS

In continuing with the Company's philosophy of having a diverse range of products, your Company has launched 17 new insurance products – 9 Commercial Products, 1 Health Product and 7 Motor Products. Your Company has also launched 4 Health Products in the Micro Insurance space. To expand its bouquet of products, in the coming year, the product offering would be expanded to include Travel insurance and Commercial Products like Marine Insurance and various liability insurance products.

DISTRIBUTION NETWORK

During its fourth full year of operations, your Company has significantly ramped up its bancassurance and multi-distribution network through various intermediaries. Your Company has been able to engage various banking & non-banking institutions and insurance brokers as its intermediaries during the financial year. Your Company has been able to scale premium across digital and non-digital channels in financial year 2018-19. Your Company has been able to maintain its claim ratio and control its expenses through prudent underwriting principles and cost management. Going forward, your Company continues to focus on automation and increase share of digitally issued policies. Your Company also plans to build its commercial portfolio and scale up the health business in the coming year.

MARKETING

This was a year of multiple digital breakthroughs for your company. Reaching out to over 6 million audiences on social media platforms, your company launched a special initiative titled #DriveLikeALady on the occasion of Women's Day. This campaign was aimed at celebrating women as safer drivers and spreading awareness about safe driving practices. As an extension of the campaign, female car owners were offered special rates on their car insurance premium. A seamless journey was created on its website which enabled female car owners to purchase car insurance at special rates.

OPERATIONS

Your company has rapidly scaled up its operational capabilities from issuing 16,455 policies in April 2018 to 128,983 policies in March 2019, thereby taking the total policies issued in financial year 18-19 to 7,37,435 vis-à-vis 252,125 issued policies in financial year 17-18.

CLAIMS

Your Company considers customer service as the focal point of all operations especially at the time of settlement of claims. We strongly believe and follow proactive approach of fair, fast and friendly settlement of claims. We have extensive network of garages and hospitals to offer cashless services to our customers. By using the technology platform, we are able to speed up the claims processing for the benefit of customers.

CAPITAL

During the financial year 2018-19, your Company issued 4,50,00,000 equity shares of ₹ 10/- each at par on Rights basis. The issued, subscribed and paid up share capital as on March 31, 2019 is ₹ 220,00,00,000/-. The solvency ratio of the Company as at March 31, 2019 is 1.86.

CORPORATE GOVERNANCE

Your Company has consciously endeavored to follow the policy of transparency and accountability and holds the interest of its stakeholders paramount. Your Company has implemented the requirement of Corporate Governance circular issued by IRDAI. (Note: A separate report pertaining to the Corporate Governance compliances is enclosed as Annexure 1).

CHANGE IN REGISTERED OFFICE/ NAME OF THE COMPANY DURING THE FINANCIAL YEAR

There has been no change either in the Name or the Registered Office of your Company.

DIRECTORS

The appointment and remuneration of Directors of the Company is governed by the provisions of Corporate Governance Guidelines issued by the IRDAI and the Companies Act, 2013.

At the ensuing Annual General Meeting, Mr. G Murlidhar (DIN: 0003601196) is liable to retire by rotation. Being eligible, Mr. G Murlidhar has offered himself for reappointment. The Board recommends his appointment.

Your Directors are not in receipt of any commission from the holding Company.

DECLARATION FROM INDEPENDENT DIRECTORS

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013.

BOARD EVALUATION

The Independent Directors and the Board of Directors of the Company have conducted the evaluation of the Board and its Committees.

BOARD MEETINGS

During the financial year ended March 31, 2019, 6 meetings were held of the Board of Directors of your Company. The details are as follows:

Date of the Board Meeting	No. of Directors who attended the Meeting	Strength of the Board on the date of the Meeting
April 24, 2018	6	7
May 14, 2018	7	7
July 24, 2018	6	7
October 16, 2018	7	7
January 18, 2019	6	7
March 29, 2019	6	7

CONSTITUTION OF COMMITTEES

In accordance with the applicable provisions of the Corporate Governance Guidelines, your Company has constituted the Audit Committee, Policyholder Protection Committee, Risk Management Committee, Investment Committee, Banking Committee and the Nomination and Remuneration Committee.

The details of the terms of reference of the Committees is provided in the report pertaining to the Corporate Governance compliance enclosed as Annexure 1.

DEPOSITS

Your Company has not accepted any deposits from the public during the financial year ended 2018-19.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business.

Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013.

All related party transactions as required under Accounting Standard 18 are reported in Related Party Disclosures under Note 14 of Schedule 16 of Notes to Financial Statements.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS U/S 186

Your Company has not given any loan, or given guarantees or made any investment as specified in section 186 of the Companies Act, 2013.

RISK ARCHITECTURE

Your Company understands that Risk management and internal control is an integral part of good management practice and endeavors to make them an essential component of the business culture. As part of these efforts it has a Risk Management Policy which defines identification, assessment, mitigation and monitoring of risks. Major risks that are faced by Your Company are underwriting risk, reserve risk, assets risk, and expense risk for which appropriate policies, procedures and standards have been established. Furthermore, complementary controls in the form of independent audits of various functions are conducted and findings of which are placed to the Audit Committee in line with good Corporate Governance. Your Company has a Risk Management Committee for developing and promoting the risk management culture which oversees the Risks Management Framework. The Company has appointed Chief Risk Officer who is responsible for the implementation and monitoring of the framework. The Risk, Internal Audit, Concurrent Audit and Statutory Audits support the identification, measurement and control of risks and helps to identify areas where corrective action is required.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Your Company has in place a Whistle Blower Policy and vigil mechanism. There are no reportable instances for the financial year 2018-19.

RURAL AND SOCIAL RESPONSIBILITY

Your Company fulfilled its rural and social responsibility as prescribed by the Insurance Regulatory and Development Authority of India (IRDAI).

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility were not applicable to Your Company for the financial year 2018-19.

SUBSIDIARIES

As on March 31, 2019, Your Company did not have any subsidiaries or joint ventures.

CONSERVATION OF ENERGY/ ABSORPTION OF TECHNOLOGY

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the insurance industry. However, Your Company has used information technology in its operations.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	Year ended March 2019	Year ended March 2018
Foreign Exchange Outgo	₹ 148,366	₹ 129,934

STATUS ON IMPLEMENTATION OF INDIAN ACCOUNTING STANDARDS (IND AS)

Your Company has set up a Steering Committee for implementation of IND AS as per the circular issued by Insurance Regulatory and Development Authority of India (IRDAI) on March 1, 2016. The Committee comprises of the following members:

1. Managing Director & Chief Executive Officer, Head of the Committee
2. Chief Finance Officer
3. Chief Investment Officer
4. Appointed Actuary
5. Chief Operating Officer
6. Chief Technology Officer
7. Company Secretary

IRDAI had constituted an implementation group to examine implications of implementing IND AS, address implementation issues and facilitate formulation of operational guidelines to converge with IND AS. The implementation group submitted its report along with recommendations on December 29, 2016 to IRDAI.

IRDAI vide circular dated June 28, 2017 deferred the implementation of IND AS for a period of two years and the same shall be implemented effective 2020-21. However, submission of Proforma IND AS financial statements needs to be submitted on a quarterly basis. Your Company has submitted its financial statements in IND AS report to IRDAI within the prescribed time.

AUDITORS

M/s K.S. Aiyar & Co. and M/s V.C. Shah & Co. were appointed as joint first statutory auditors of Your Company for a period of five years subject to ratification. It is proposed to ratify reappointment of M/s K.S. Aiyar & Co. and M/s V.C. Shah & Co. as joint auditors of the Company for the financial year 2019-20.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013, your Company has appointed Ms. Rupal D. Jhaveri, a Company Secretary in Practice, as its Secretarial Auditor for the financial year 2018-19. The Secretarial Audit Report for the FY 2018 - 2019 is annexed to this Report.

EXPLANATIONS/ COMMENTS BY THE BOARD

There are no qualifications, reservation or adverse remark or disclaimer made by the auditors in their report which require any explanation or comment by the Board.

In terms of the Proviso to Section 136(1) of the Companies Act, 2013, the Directors' Report is being sent to all shareholders excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is disclosed in a separate annexure. The said annexure is available for inspection at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company. The Board affirms that the remuneration paid to the employees of the Company is as per the remuneration policy of the Company and none of the employees listed in the said annexure is related to any Director of the Company. The Remuneration details of the Key Management Persons as defined under Section 2(51) of the Companies Act, 2013 are disclosed in Form MGT-9 – Extract of Annual Return which forms part of this report. Remuneration details of the other Key Management Persons as defined under the IRDAI Guidelines on Corporate Governance for Insurers in India is separately disclosed in the annexure.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm in pursuance of Section 134(5) of the Companies Act, 2013, that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at the end of the financial year and of the profit/ loss of your Company for the financial year ended March 31, 2019;
- (iii) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Company would like to thank the Insurance Regulatory and Development Authority of India, the Ministry of Corporate Affairs, the General Insurance Council and other regulatory authorities for its support. The Directors express sincere thanks for the co-operation extended by the Policyholders, Reinsurers and Intermediaries. The Directors also acknowledge and express appreciation of the teams for their efforts and commitment towards the growth of the Company.

ANNEXURES:

- Corporate Governance Report
- Secretarial audit report
- Extract of Annual Return
- Form AOC-2 (Rule 8(2) of the Companies (Accounts) Rules, 2014)

For and on behalf of the Board of Directors

Mahesh Balasubramanian
Managing Director and Chief Executive Officer

Gaurang Shah
Director

Virat Diwanji
Director

Place: Mumbai
Date: April 24, 2019

Report on Corporate Governance

Annexure 1

In accordance to the provisions of the Corporate Governance Guidelines issued by the Insurance Regulatory & Development Authority of India (IRDAI), the report containing details of the Corporate Governance systems and processes of the Company for the Financial Year 2018 - 19 is as under:

BOARD OF DIRECTORS AND COMMITTEES

Composition, Meeting and Attendance

The Composition of the Board of Directors of the Company as on March 31, 2019 is as follows:

Name of Directors	DIN	Designation
Mr. Gaurang Shah	00016660	Non-executive Director
Mr. G Murlidhar	03601196	Non-executive Director
Mr. Virat Diwanji	07021146	Non-executive Director
Ms. Anu Aggarwal	07301689	Non-executive Director
Mr. Dhananjay Date	01030900	Independent Director
Mr. Arun Agarwal	07299000	Independent Director
Mr. Mahesh Balasubramanian	02089182	Managing Director and Chief Executive Officer

The details of the Directors like qualification, specialization, and status of directorship as well as brief profile, as at March 31, 2019, is given at 'Annexure A' enclosed with this report.

COMPOSITION OF THE COMMITTEE POSITIONS HELD BY DIRECTORS AS ON MARCH 31, 2019

Name	Position	Audit Committee	Investment Committee	Risk Management Committee	Banking Committee	Policyholders Protection Committee	Nomination and Remuneration Committee
Mr. Gaurang Shah	Non-executive Director	-	-	-	-	Chairman	Member
Mr. G Murlidhar	Non-executive Director	Member	Chairman	-	Member	Member*	-
Mr. Virat Diwanji	Non-executive Director	-	Member	Chairman	Chairman	-	-
Ms. Anu Aggarwal	Non-executive Director	-	-	-	Member	-	-
Mr. Dhananjay Date	Independent Director	Member	-	-	-	-	Chairman
Mr. Arun Agarwal	Independent Director	Chairman	-	-	-	-	Member
Mr. Mahesh Balasubramanian	Managing Director and Chief Executive Officer	-	Member	Member	Member	Member	-

*Mr. G. Murlidhar was inducted as a member of the Policyholders' Protection Committee on October 15, 2018

BOARD MEETINGS

During the Financial Year 2018-19 six meetings of the Board were held on April 24, 2018, May 14, 2018, July 24, 2018, October 16, 2018, January 18, 2019 and March 29, 2019.

Name of Directors	No. of meetings held	No. of meetings attended
Mr. Gaurang Shah	6	6
Mr. G Murlidhar	6	5
Mr. Virat Diwanji	6	4
Ms. Anu Aggarwal	6	6
Mr. Dhananjay Date	6	5
Mr. Arun Agarwal	6	6
Mr. Mahesh Balasubramanian	6	6

AVAILABILITY OF INFORMATION TO THE BOARD:

The Board of Directors of your Company has an unfettered and complete access to all the information within the Company and to the employees of your Company. The Meetings are convened by giving appropriate notice to all the Board of Directors. Detailed agenda, memorandum along with all the relevant documents and explanatory statements are circulated to the members of the Board to facilitate meaningful, informed and focused decisions at the meetings.

The Board is apprised with all the information pertaining to the following:

- Minutes of meetings of the various Committees of the Board of Directors like Audit Committee, Investment Committee, Risk Management Committee, Policyholders Protection Committee, Nomination and Remuneration Committee and Banking Committee
- General notices of interest received from Directors of the Company
- Quarterly/ Half Yearly/ Annual Financial Statements of the Company
- Information pertaining to the policies of the Company
- State of affairs of the Company vide detailed updates by the Managing Director and Chief Executive Officer

DIRECTORS' REMUNERATION

(₹'000)

Name of Director	Sitting Fee	Commission
Mr. Gaurang Shah	-	-
Mr. Arun Agarwal	380	-
Mr. Dhananjay Date	320	-
Mr. G Murlidhar	-	-
Mr. Virat Diwanji	-	-
Ms. Anu Aggarwal	-	-
Mr. Mahesh Balasubramanian	-	-

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted several committees and delegated various functions and responsibilities to such Committees, as mandated by the Corporate Governance Guidelines issued by IRDAI. The details of the various Committees are as under:

1. AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Non-Executive Directors. The Chairman of the Committee is an Independent Director. The terms of reference of the Audit Committee are as follows:

- Recommend appointment of, remuneration and terms of appointment of auditors of the Company
- Review and monitor the auditor's independence and performance and effectiveness of audit process
- Examination of the financial statements and the auditor's report thereon
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter corporate loans and investments
- Valuation of undertaking or assets of the Company, wherever necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters
- Oversee financial statements, financial reporting, statement of cash flow and disclosure processes on annual and quarterly basis
- Setting up of procedures and processes to address concerns relating to adequacy of checks and control mechanisms
- Oversee efficient functioning of internal audit and review its reports
- Monitor progress made in rectification of irregularities and changes in processes wherever deficiencies have come to notice
- Oversight on procedures and processes established to attend to issues relating to maintenance of books of account, administration procedures, transactions and other matters having bearing on the financial position of the Company, whether raised by the auditors or any other person
- Discuss with the statutory auditors before audit commences, about the nature and scope of audit

During the Financial Year 2018 – 19, five meetings of the Committee were held on April 24, 2018, July 24, 2018, October 16, 2018, January 18, 2019 and March 29, 2019.

The details of the attendance of the Members at the Committee meetings are as follows:

Name of Members	No. of meetings held	No. of meetings attended
Mr. G Murlidhar	5	4
Mr. Dhananjay Date	5	4
Mr. Arun Agarwal	5	5

2. INVESTMENT COMMITTEE

The Investment Committee of the Company comprises of two Non-Executive Directors, the Managing Director and Chief Executive Officer, the Chief Investment Officer, the Chief Financial Officer and the Appointed Actuary and Chief Risk Officer. The terms of reference of the Investment Committee are as follows:

- Lay down an overall investment policy and operational framework for investment operations
- Independently review investment decisions duly supported by due diligence process and not be solely influenced by credit rating agencies
- Put in place effective reporting system to ensure compliance with the policy set apart from internal/ concurrent audit mechanism for a sustained and on – going monitoring of investment operations
- To meet at least once in a quarter and look into various aspects of investment operations and monitor them
- Furnish a report to the Board on the performance of investments at least once in a quarter and provide analysis of the Investment portfolio and future outlook to enable Board to look at possible policy changes and strategies.

During the Financial Year 2018 – 19, five meetings of the Committee were held on April 23, 2018, July 23, 2018, October 15, 2018, November 16, 2018 and January 16, 2019.

The details of the attendance of the Members at the Committee meetings are as follows:

Name of Members	No. of meetings held	No. of meetings attended
Mr. G Murlidhar	5	4
Mr. Virat Diwanji	5	4
Mr. Mahesh Balasubramanian	5	5
Mr. Mehul Shah	5	5
Mr. Yash Kotak	5	5
Mr. Gajendra Manavalan	5	5

3. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of one Non-Executive Director, the Managing Director and Chief Executive Officer and the Appointed Actuary and Chief Risk Officer. The terms of reference of the Committee include:

- Lay down Company's risk management strategy
- Assist the Board in effective operation of the risk management system by performing specialized analysis and quality reviews
- Maintain group-wide and aggregated view on the risk profile of the Company in addition to solo and individual risk profile
- Report to the Board on risk exposure and action taken to manage the exposures
- Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers, acquisitions and related matters
- Establish Risk Management Framework and adopt Risk Management Policy
- Set risk tolerance limits
- Review solvency position of the company
- Monitor regular updates on business continuity
- Formulate Fraud Monitoring Policy & monitor implementation
- Review compliance with Guidelines on Insurance Fraud Monitoring Framework

During the Financial Year 2018 – 19, four meetings of the Committee were held on April 23, 2018, July 23, 2018, October 15, 2018 and January 16, 2019.

The details of the attendance of the Members at the Committee meetings are as follows:

Name of Members	No. of meetings held	No. of meetings attended
Mr. Virat Diwanji	4	4
Mr. Mahesh Balasubramanian	4	4
Mr. Mehul Shah	4	4

4. POLICYHOLDERS PROTECTION COMMITTEE

The Policyholders Protection Committee comprises of one Non-Executive Director, the Managing Director and Chief Executive Officer, the Chief Operating Officer, Chief Technology Officer and Chief Technical Officer. Pursuant to the Corporate Governance Guidelines for Insurers, the Committee also includes a representative of customers as an invitee to the meetings. The terms of reference of the Committee include:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries

- Ensuring compliance with the statutory requirements as laid down in regulatory framework
- Review of mechanism at periodic intervals
- Ensuring adequacy of disclosure of material information to the policyholders at the point of sale and at periodic intervals
- Review the status of complaints at periodic intervals
- Provide details of grievances at periodic intervals in such format as may be prescribed
- Provide details of insurance ombudsman to the policyholders
- Adopt standard SOP to treat the customer fairly including time frames for policy and claims servicing
- Recommend Policy on customer education to the Board
- Review of awards given by Insurance Ombudsman/ Consumer Forums unimplemented for 3 months
- Analyze the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any
- Measures to reduce customer complaints and review of the same
- Review of Claims Report, including status of Outstanding claims with ageing of outstanding claims
- Reviewing Repudiated claims with analysis of reasons
- Submit status report to the Board
- Induction of an expert/ representative of customers as an Invitee in the Policyholder Protection Committee

During the Financial Year 2018 - 19 four meetings of the Committee were held on April 23, 2018, July 23, 2018, October 15, 2018 and January 16, 2019.

The details of the attendance of the Members at the Committee meetings are as follows:

Name of Members	No. of meetings held	No. of meetings attended
Mr. Gaurang Shah	4	1
Mr. Mahesh Balasubramanian	4	4
Mr. N. Eswaranatarajan	4	4
Mr. N. Ravichandran	4	4
Mr. Suresh Sankaranarayanan	4	3
Mr. G. Murlidhar*	1	1
Ms. Manisha Kapoor**	4	4

*Mr. G. Murlidhar was inducted as a member of the Policyholders' Protection Committee at its meeting held on October 15, 2018.

**Ms. Manisha Kapoor, Representative of Customers/expert is appointed by Company in accordance with the requirement of IRDAI.

5. **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises of three Non-Executive Directors. The terms of reference of the Committee include:

- Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- Evaluation of every director's performance
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees

- Scrutinize declarations of intending applicants before the appointment / reappointment/election of directors by shareholders at General Meetings
- Make independent and discreet references to verify accuracy of information furnished
- Determine on behalf of the Board and on behalf of shareholders with agreed terms of reference, the company's policy on specific remuneration packages and any compensation payment, for the CEO and executive directors of the Company
- Ensure Remuneration package of the Key Managerial Persons is as per the Policy

During the Financial Year 2018 - 19 one meeting of the Nomination and Remuneration Committee was held on May 14, 2018.

The details of the attendance of the Members at the Committee meeting are as follows:

Name of Members	No. of meetings held	No. of meetings attended
Mr. Gaurang Shah	1	1
Mr. Dhananjay Date	1	1
Mr. Arun Agarwal	1	1

6. BANKING COMMITTEE

The Banking Committee comprises of three Non-Executive Directors and the Managing Director and Chief Executive Officer. The terms of reference of the Committee include:

- To consider the proposals and pass requisite resolutions for opening of bank accounts for the Company with one or more banks
- To authorize the Directors, officers and such other person or persons to operate such Accounts and to decide the manner and monetary limits for operations of such Accounts
- To revise the manner and mode of operations of the bank accounts, to decide to close any bank accounts of the Company
- To avail of any facilities including net banking facilities from one or more banks and authorize Directors, Officers of the Company and such other person or persons to operate these facilities, revise the manner and mode of operation of these facilities as it may deem fit
- Authority to instruct the banks accordingly and to do such other acts, matters and things as the Committee may think necessary

During the FY 2018 - 19 one meeting of the Committee was held on July 24, 2018

The details of the attendance of the Members at the Committee meeting are as follows:

Name of Members	No. of meetings held	No. of meetings attended
Mr. Virat Diwanji	1	1
Mr. G Murlidhar	1	1
Mr. Mahesh Balasubramanian	1	1
Ms. Anu Aggarwal	1	1

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Krishnan Gopalakrishnan hereby certify that Kotak Mahindra General Insurance Company Limited has complied with the Corporate Governance Guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Krishnan Gopalakrishnan
Company Secretary

ANNEXURE A TO THE CORPORATE GOVERNANCE REPORT

DETAILS OF THE DIRECTORS OF THE COMPANY:

Name	Mr. Gaurang Shah – Non Executive Director (DIN: 00016660)
Qualification	M.Com, ACA, ACWA, ACS
Brief Details	<p>Mr. Gaurang Shah heads the Life Insurance, Asset Management and the International business of the Kotak Mahindra Group. He took over this assignment on May 1, 2010.</p> <p>Mr. Shah has over 32 years of rich and varied experience in the Financial Services sector, several of which are with the Kotak Mahindra Group. He has played a stellar role in building the Group's Consumer Banking business and Life insurance business.</p>
Status of Directorship	Kotak Mahindra Asset Management Company Limited
	Kotak Mahindra (UK) Limited
	Kotak Mahindra Inc
	Kotak Mahindra Asset Management (Singapore) Pte. Ltd.
	Kotak Mahindra Life Insurance Company Limited
	Kotak Mahindra General Insurance Company Limited

Name	Mr. Arun Agarwal - Independent Director (DIN: 07299000)
Qualification	M. SC.
Brief Details	<p>Mr. Arun Agarwal has a long career span in the General Insurance Industry (Government and the Private sector). He started his career as a direct recruit officer of the GIC 1977 and worked with Oriental Insurance for the next 20 plus years. He has been involved with research and training on behalf of National Insurance Academy and has published several papers.</p>
Status of Directorship	Kotak Mahindra General Insurance Company Limited

Name	Mr. Dhananjay Date - Independent Director (DIN: 01030900)
Qualification	B.A. (Hons), Chartered Insurer
Brief Details	<p>Mr. Dhananjay Date is a Chartered Insurer from the CII, UK and an alumnus of the Bishop Cotton School, Simla and St. Stephens College, Delhi. After a stint as Branch Manager in Pune for the New India Assurance Co, he was seconded to their London Office. From 1996, he worked for Swiss Re initially in Zurich and then in London. In 2003 he returned as the Head of Swiss Re's Reinsurance operation in India. After twelve years as the Head, he took early retirement in Dec 2014.</p>
Status of Directorship	Softcell Technologies Ltd.
	Bajaj Energy Limited
	Kotak Mahindra General Insurance Company Limited
	Swiss Re Healthcare Services Private Limited

Name	Mr. G Murlidhar – Non Executive Director (DIN: 03601196)
Qualification	ACA, ICWA, ACS
Brief Details	<p>Mr. G Murlidhar is a founder member of Kotak Mahindra Life Insurance Company Limited, and has served the Company in various capacities of increasing responsibility over the years.</p> <p>Mr. Murlidhar has over 31 years of rich and varied experience in functional areas of Finance, Commercial Projects, Marketing, HR, IT, Consumer distribution besides handling public issues and open offers across BFSI, Services and Manufacturing.</p>
Status of Directorship	<p>Kotak Mahindra Life Insurance Company Limited</p> <p>Kotak Mahindra General Insurance Company Limited</p>
Name	Mr. Virat Diwanji – Non Executive Director (DIN: 07021146)
Qualification	B.E. (Mechanical), Master of Business Administration
Brief Details	<p>Mr. Virat Diwanji is part of the Consumer Banking function of Kotak Mahindra Bank Ltd. Mr. Diwanji has over 23 years of rich and varied experience in the financial services industry. An experienced business leader in Retail finance space, Virat is currently spearheading the Branch Banking and Customer Acquisition at Kotak.</p>
Status of Directorship	Kotak Mahindra General Insurance Company Limited
Name	Ms. Anu Aggarwal – Non Executive Director (DIN: 07301689)
Qualification	Bachelor of Commerce, Master of Business Administration
Brief Details	<p>Ms. Anu Aggarwal co-heads the Conglomerate and Corporate business group of Kotak Mahindra Bank Ltd. Ms. Aggarwal has over 21 years of rich and varied experience in the financial services industry. Ms. Aggarwal is also amongst the Top women leaders in the banking industry</p>
Status of Directorship	Kotak Mahindra General Insurance Company Limited
Name	Mr. Mahesh Balasubramanian – Managing Director and Chief Executive Officer (DIN: 02089182)
Qualification	Bachelor's in Mechanical Engineering and Masters in Management Studies
Brief Details	<p>Mr. Mahesh Balasubramanian has over two decades of professional entrepreneurial experience in financial services. Starting his career at Godrej & Boyce in 1992, Mahesh moved to Cholamandalam Investment and Finance company in 1994, as the first regional head for the retail business in the West.</p> <p>In 2005 Mahesh joined Kotak Mahindra Bank as part of the core team of the Retail Liabilities and Branch Banking Business. He was instrumental in setting up and leading the Retail Sales, Retail Institutional, Government Business and Cross Sell verticals. In his last assignment he was also the Co-Head of Branch Banking Division.</p> <p>After successfully setting up and building significant scale across business in Assets, Liabilities and Branch Banking, he was given the opportunity in October 2014, to be the founder CEO of Kotak Mahindra General Insurance Company Limited. In January 2017, he was appointed as the Managing Director and Chief Executive Officer of the Company.</p>
Status of Directorship	Kotak Mahindra General Insurance Company Limited

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kotak Mahindra General Insurance Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings (Not Applicable);
- (v) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (viii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 were not applicable to the Company during the Audit Period as the Company is not a listed entity:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- (ix) The Company, being a General Insurance Company, has complied with the Insurance Act, 1938 and regulations, guidelines and directions issued by the Insurance Regulatory & Development Authority of India (IRDAI). The Company has its own robust Compliance system and the Company is also subject to monitoring by and reporting of compliance to IRDAI.
- (x) Other laws to the extent applicable to the Company as per the representations made by the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued pursuant to section 118(10) of the Act, by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the above Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period

1. An Ordinary Resolution was passed at the Extra Ordinary General Meeting of the Company held on 24th April, 2018 by the members in pursuance of section 61 of the Companies Act, 2013 for increase in Authorized Share Capital of the Company from the present ₹ 1,90,00,00,000/- (Rupees One Hundred Ninety Crores) to ₹ 235,00,00,000/- (Rupees Two Hundred and Thirty Five Crores).
2. An Ordinary Resolution was passed at the Extra Ordinary General Meeting of the Company held on 24th April, 2018 by the members in pursuance of section 13 of the Companies Act, 2013 for alteration of Memorandum of Association of the Company to reflect the increased Authorized Share Capital.

Place: Mumbai

Date: April 24, 2019

Rupal Dhiren Jhaveri

FCS No: 5441

Certificate of Practice No. 4225

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

To,

The Members

KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED

My report of even date is to be read along with this letter.

'Annexure A'

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai
Date: April 24, 2019

Rupal Dhiren Jhaveri
FCS No: 5441
Certificate of Practice No. 4225

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

i)	CIN	U66000MH2014PLC260291
ii)	Registration Date	December 20, 2014
iii)	Name of the Company	Kotak Mahindra General Insurance Company Limited
iv)	Category	Company limited by shares
	Sub-Category of the Company	Indian Non-Government Company
v)	Address of the Registered office and contact details	27BKC, C27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel: 022 61660001
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	General insurance business (including health insurance)	65120	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Kotak Mahindra Bank Limited 27BKC, C 27, G - Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	L65110MH1985PLC038137	Holding	100	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF*	-	6	6	0.01	-	6	6	0.01	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	174999949	174999994	99.99	-	219999994	219999994	99.99	25.71
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	175000000	175000000	100.00		220000000	220000000	100.00	25.71
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	175000000	175000000	100.00		220000000	220000000	100.00	25.71
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GD₹ & AD₹	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	175000000	175000000	100.00		220000000	220000000	100.00	25.71

*Individuals are nominees of Kotak Mahindra Bank Ltd. and they do not hold any beneficial interest in the shares

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% Change in share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / Encumbered to total shares	
1	Kotak Mahindra Bank Limited and its nominees	175000000	100.00	-	220000000	100.00	-	25.71
Total		175000000	100.00	-	220000000	100.00	-	25.71

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	175000000	100.00	175000000	100.00
Further issue of shares via Rights issue	45000000	-	45000000	-
At the End of the year	220000000	100.00	220000000	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GD[₹] and AD[₹]):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if Separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

S I. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	2*	-	2*	-
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	2*	-	2*	-

*2 shares held by a Directors as nominees of Kotak Mahindra Bank Ltd. They have no beneficial interest in the shares.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		MD & CEO	WTD	Manager	
1.	Gross salary	-	-	-	-
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,52,31,235	-	-	2,52,31,235
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	44,27,411	-	-	44,27,411
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	
2.	Stock Option		-	-	
3.	Sweat Equity		-	-	
4.	Commission		-	-	
-	as % of profit		-	-	
-	others, specify		-	-	
5.	Others, please specify		-	-	
	Total (A)	2,96,58,646	-	-	2,96,58,646
	Ceiling as per the Act		-	-	

B. Remuneration to other directors:

(₹'000)

Name of Director	Sitting Fee	Commission
Gaurang Shah	-	-
Arun Agarwal	380	-
Dhananjay Date	320	-
Murlidhar Gangadharan	-	-
Virat Diwanji	-	-
Anu Agarwal	-	-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary	CFO
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	As mentioned above	31,43,230	46,35,660
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		71,316
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961			-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	-	31,43,230	47,06,976

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis : NA

(a)	Name(s) of the related party and nature of relationship	NA
(b)	Nature of contracts/arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	As per details provided in the related party disclosures
(b)	Nature of contracts/arrangements/ transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any:	

Independent Auditor's Report

TO THE MEMBERS OF KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **Kotak Mahindra General Insurance Company Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, the Revenue Account, the Profit & Loss Account and Receipts and Payments Account for the year ended on that date, the schedules annexed there to and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Revenue Account, the Profit & Loss Account and Receipts and Payments Account for the year ended on that date for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. There are no Key Audit Matters to be reported.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. We have been provided with the Board's Report and Secretarial Audit Report as on the date of signing this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on our verification of the above referred reports, we did not come across any material inconsistency therein as compared to the financial statement.

OTHER MATTER

The actuarial valuation of liabilities Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), included under Claims Outstanding as at March 31, 2019 has been duly certified by the Company's Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Financial Statements in accordance with

- (a) The Insurance Act, 1938 (Act 4 of 1938) as amended by Insurance Laws (Amendment) Act, 2015 read with circular no. IRDAI/F&A/CIR/CPM/056/03/2016 dated 4th April, 2016 and IRDAI/F&A/CIR/CPM/010/01/2017 dated January 12, 2017 (the "Insurance Act");
- (b) The Insurance Regulatory and Development Act, 1999 (the "IRDA Act") ,
- (c) IRDA (Preparation of Financial Statements and Auditor's report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statement Regulations").

(d) Orders/Directions Issued by the Insurance Regulatory and Development Authority of India (the "IRDA") in this regard.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act and the Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and in the manner so required. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statement Regulations, orders/directions issued by the IRDA, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by IRDA Act and IRDA Financial Statement Regulations, we set out in the 'Annexure A' statement, certifying the matters specified in paragraph 3 and 4 of Schedule C to the Regulations.

As required by the IRDA Financial Statements Regulations read with Section 143 (3) of the Act, we further report:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) As the Company's financial accounting system is centralized, no returns for the purposes of our audit are prepared at the branches of the Company.
- (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with in this report are in agreement with the books of account.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDA in this regard.
- (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations and/or orders/directions issued by the IRDA in this regard,

In our opinion, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under section 133 of the Company Act and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and Orders/direction issued by IRDA in this regard.

- (g) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) The managerial remuneration paid to the Managing Director is currently governed as per Section 34A of the Insurance Act. The remuneration for FY 2018-19 to the Managing Director has been approved by IRDA as per their approval vide letter IRDA/Non Life/2016-17/359 dated 16.07.2018. Hence, there is no reporting required in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations as at the balance sheet date which has an impact on its financial position in its financial statements.
 - ii. The Company did not have any other long term contracts including derivative contracts for which there we any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No.100186W

For **V. C. Shah & Co**
Chartered Accountants
ICAI Firm Registration No. 109818W

Rajesh S. Joshi
Membership No.38526
Partner
Mumbai, April 24, 2019

V.C. Shah
Membership No. 10360
Partner
Mumbai, April 24, 2019

"Annexure A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kotak Mahindra General Insurance Company Limited of even date)

AUDITORS' CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by **Kotak Mahindra General Insurance Company Limited** ('the Company') for the year ended March 31, 2019, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2019, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on the Management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDA;
3. We have verified the Cash Balances, to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2019 by actual inspection or on the basis of certificate/confirmations received from the depository participant appointed by the Company, as the case may be.
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 (4 of 1938), as amended by Insurance Laws (Amendment) Act, 2015 relating to the application and investment of the Policyholders' funds.

This certificate is issued to comply with Para 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, ("the Regulations") and may not be suitable for any other purpose.

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No.100186W

For **V. C. Shah & Co**
Chartered Accountants
ICAI Firm Registration No. 109818W

Rajesh S. Joshi
Membership No.38526
Partner
Mumbai, April 24, 2019

V.C. Shah
Membership No. 10360
Partner
Mumbai, April 24, 2019

“Annexure B” to the Independent Auditor’s Report

(Referred to in paragraph 1(i) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Kotak Mahindra General Insurance Company Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls over financial reporting of **Kotak Mahindra General Insurance Company Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements of the Company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance

Regulatory and Development Authority of India (the “IRDA”) and circulars/notifications issued by IRDAI from time to time (including circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017) in this regard.

AUDITORS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

OTHER MATTER

The actuarial valuation of liabilities Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), included under Claims Outstanding as at March 31, 2019 has been duly certified by the Company's Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

For **K.S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No.100186W

For **V. C. Shah & Co**
Chartered Accountants
ICAI Firm Registration No. 109818W

Rajesh S. Joshi
Membership No.38526
Partner
Mumbai, April 24, 2019

V.C. Shah
Membership No. 10360
Partner
Mumbai, April 24, 2019

Balance Sheet

As at March 31, 2019

₹ '000

S. No	Particulars	Schedule	As at 31.03.2019	As at 31.03.2018
Sources of Funds				
1	Share Capital	5	2,200,000	1,750,000
2	Share Application Money Pending Allotment		-	-
3	Reserves And Surplus	6	-	-
4	Fair Value Change Account - Shareholder's fund		1,341	-
5	Fair Value Change Account - Policyholder's fund		3,981	-
6	Borrowings	7	-	-
TOTAL			2,205,322	1,750,000
Application of Funds				
1	Investments-Shareholders	8	946,114	755,421
	Investments-Policyholders	8A	3,202,128	1,733,226
2	Loans	9	-	-
3	Fixed Assets	10	71,284	102,992
4	Deferred Tax Asset (Refer Note 26 of Schedule 16)		-	-
5	Current Assets			
	Cash and Bank Balances	11	125,948	95,329
	Advances and Other Assets	12	333,961	216,511
Sub-Total (A)			459,909	311,840
6	Current Liabilities	13	1,924,213	968,884
7	Provisions	14	1,671,589	957,290
	Sub-Total (B)		3,595,802	1,926,174
Net Current Assets (C) = (A - B)			(3,135,893)	(1,614,334)
8	Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
9	Debit Balance in Profit and Loss Account		1,121,689	772,695
TOTAL			2,205,322	1,750,000

Significant Accounting Policies & Notes to Accounts - Schedule 16

The schedules referred to above form an integral part of the Financial Statements

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No.: 100186W

For V.C.Shah & Co.
Chartered Accountants
Firm Registration No.: 109818W

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Rajesh S Joshi
Partner
M. No :38526

V.C.Shah
Partner
M. No :10360

Gaurang Shah
Director
DIN : 00016660

Virat Diwanji
Director
DIN : 07021146

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Profit and Loss Account

for the year ended March 31, 2019

₹ '000

S. No	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
1	Operating Profit/(Loss)		
	(a) Fire Insurance	(13,874)	3,939
	(b) Marine Insurance	-	-
	(c) Miscellaneous Insurance	(404,497)	(396,648)
2	Income from Investments		
	(a) Interest, Dividend & Rent – Gross	75,646	67,248
	(b) Profit on sale/redemption of Investments	9,033	12,594
	Less: Loss on sale of investments	(4,071)	(2,712)
3	Other Income	44	53
	Profit/Loss on Sale of Fixed Assets	1,646	101
	TOTAL (A)	(336,073)	(315,425)
4	Provisions (Other than taxation)		
	(a) For diminution in the value of Investments	-	-
	(b) For doubtful debts	-	-
	(c) Others	-	312
5	Other Expenses		
	(a) Expenses other than those related to Insurance Business:		
	Employees' related remuneration and welfare benefits	12,921	9,758
	(b) Bad debts written off	-	-
	(c) Others	-	-
	TOTAL (B)	12,921	10,070
	Profit / (Loss) Before Tax	(348,994)	(325,495)
	Provision for Taxation		-
	Current Tax	-	-
	Deferred Tax (Refer Note 26 of Schedule 16)	-	-
	Profit / (Loss) After Tax	(348,994)	(325,495)
	Profit available for appropriation	(348,994)	(325,495)
	Appropriations		
	(a) Interim dividends paid during the year	-	-
	(b) Proposed final dividend	-	-
	(c) Dividend distribution tax	-	-
	(d) Transfer to any Reserves or Other Accounts	-	-
	Balance of profit/ (loss) brought forward from previous period	(772,695)	(447,200)
	Balance carried forward to Balance Sheet	(1,121,689)	(772,695)
	Earning Per Share (Basic & Diluted)	(1.62)	(1.90)

Significant Accounting Policies & Notes to Accounts - Schedule 16

The schedules referred to above form an integral part of the Financial Statements

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No.: 100186W

For V.C.Shah & Co.
Chartered Accountants
Firm Registration No.: 109818W

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Rajesh S Joshi
Partner
M. No :38526

V.C.Shah
Partner
M. No :10360

Gaurang Shah
Director
DIN : 00016660

Virat Diwanji
Director
DIN : 07021146

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Revenue Account

for the year ended March 31, 2019

₹ '000

Particulars	Schedule	For the year ended 31.03.2019				For the year ended 31.03.2018			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
Premiums earned (Net)	1	49,759	-	1,923,788	1,973,547	23,564	-	1,135,184	1,158,748
Profit/ (Loss) on sale/redemption of Investments		302	-	11,613	11,915	154	-	12,624	12,778
Others - Miscellaneous Income		3	-	103	106	0.8	-	68	69
Interest, Dividend & Rent – Gross		7,191	-	177,618	184,809	2,718	-	86,265	88,983
TOTAL (A)		57,255	-	2,113,122	2,170,377	26,437	-	1,234,141	1,260,578
Claims Incurred (Net)	2	29,163	-	1,314,037	1,343,200	9,226	-	821,078	830,304
Commission	3	4,286	-	194,960	199,246	(84)	-	134,177	134,093
Contribution to Solatium Fund		-	-	963	963	-	-	594	594
Change in Premium Deficiency		-	-	-	-	-	-	-	-
Operating Expenses related to Insurance Business	4	37,680	-	1,007,659	1,045,339	13,356	-	674,940	688,296
TOTAL (B)		71,129	-	2,517,619	2,588,748	22,498	-	1,630,789	1,653,287
Operating Profit/(Loss) from Fire/ Marine/Miscellaneous Business C= (A - B)		(13,874)	-	(404,497)	(418,371)	3,939	-	(396,648)	(392,709)
APPROPRIATIONS						-	-	-	-
Transfer to Shareholders' Account		(13,874)	-	(404,497)	(418,371)	3,939	-	(396,648)	(392,709)
Transfer to Catastrophe Reserve		-	-	-	-	-	-	-	-
Other Investments		-	-	-	-	-	-	-	-
TOTAL (C)		(13,874)	-	(404,497)	(418,371)	3,939	-	(396,648)	(392,709)

Significant Accounting Policies & Notes to Accounts - Schedule 16

The schedules referred to above form an integral part of the Financial Statements

As required by Sec 40C(2) of Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act 2015, we hereby certify that all expenses of management in respect of General Insurance business transactions in India by the company have been fully recognised in the revenue account as expenses.

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No.: 100186W

For V.C.Shah & Co.
Chartered Accountants
Firm Registration No.: 109818W

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Rajesh S Joshi
Partner
M. No :38526

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Director
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Virat Diwanji
Director
DIN : 07021146

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Receipts & Payments Account

for the year ended 31st March 2019

₹ '000

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Cash Flows from the operating activities:		
Premium received from policyholders, including advance receipts	3,664,881	2,184,766
Payments to the re-insurers, net of commissions and claims	(236,238)	(126,431)
Payments of claims	(737,820)	(385,906)
Payments of commission and brokerage	(268,419)	(154,300)
Payments of other operating expenses	(941,113)	(704,359)
Deposits, advances and staff loans	(54,261)	(4,276)
Income taxes paid (Net)	(858)	(26)
GST/Service tax paid	(352,510)	(239,549)
Cash flows before extraordinary items	1,073,661	569,919
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities (A)	1,073,661	569,919
Cash flows from investing activities:		
Purchase of fixed assets	(72,591)	(44,818)
Proceeds from sale of fixed assets	2,936	1,452
Purchases of investments	(11,805,189)	(4,106,940)
Sales of investments	10,041,435	2,986,279
Repayments received	155,000	111,100
Rents/Interests/ Dividends received	216,837	139,827
Investments in money market instruments and in liquid mutual funds (Net)	(30,918)	6,079
Expenses related to investments	(554)	(272)
Net cash flow from investing activities (B)	(1,493,044)	(907,293)
Cash flows from financing activities:		
Proceeds from issuance of share capital	450,000	400,000
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities (C')	450,000	400,000
Effect of foreign exchange rates on cash and cash equivalents, (Net) (D)	-	-
Net decrease in cash and cash equivalents: (A+B+C+D)	30,618	62,626
Cash and cash equivalents at the beginning of the year	95,329	32,703
Cash and cash equivalents at the end of the year	125,947	95,329
Net increase/(decrease) in cash and cash equivalents	30,618	62,626

Notes To Accounts

Refer Schedule 11 for components of cash and bank balances

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No.: 100186W

For V.C.Shah & Co.
Chartered Accountants
Firm Registration No.: 109818W

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Rajesh S Joshi
Partner
M. No :38526

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M. No :10360

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Director
DIN : 00016660

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Director
DIN : 07021146

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 1 - PREMIUM EARNED (NET)

₹ '000

Particulars	For the year ended 31.03.2019					For the year ended 31.03.2018				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Premium from direct business written :	162,254	-	-	2,848,845	3,011,099	81,556	-	-	1,772,359	1,853,915
Add : Premium on reinsurance accepted	21,515	-	-	5,045	26,560	22,029	-	-	4,668	26,697
Less : Premium on reinsurance ceded	90,386	-	-	275,821	366,207	59,897	-	-	191,309	251,206
Net Premium	93,383	-	-	2,578,069	2,671,452	43,688	-	-	1,585,718	1,629,406
Adjustment for change in reserve for unexpired risks :										
Change in the unexpired risk reserve	43,624	-	-	654,281	697,905	20,124	-	-	450,534	470,658
Total Premium Earned (Net)	49,759	-	-	1,923,788	1,973,547	23,564	-	-	1,135,184	1,158,747
Premium Income from business effected :										
In India	49,759	-	-	1,923,788	1,973,547	23,564	-	-	1,135,184	1,158,747
Outside India	-	-	-	-	-	-	-	-	-	-
Total Premium Earned (Net)	49,759	-	-	1,923,788	1,973,547	23,564	-	-	1,135,184	1,158,747

*Refer Schedule 1A

SCHEDULE 1A - PREMIUM EARNED (NET)

for the year ended 31.03.2019

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Premium from direct business written :	1,036,087	939,914	1,976,001	2,920	-	3,622	-	149,791	607,617		108,894	2,848,845
Add : Premium on reinsurance accepted	-	-	-	-	-	5,045	-	-	-	-	-	5,045
Less : Premium on reinsurance ceded	64,010	57,806	121,816	179	-	3,642	-	89,238	38,354		22,592	275,821
Net Premium	972,077	882,108	1,854,185	2,741	-	5,025	-	60,553	569,263	-	86,302	2,578,069
Adjustment for change in reserve for unexpired risks :												
Change in the unexpired risk reserve	124,672	194,343	319,015	999	-	702	-	26,889	225,916		80,760	654,281
Total Premium Earned (Net)	847,405	687,765	1,535,170	1,742	-	4,323	-	33,664	343,347		5,542	1,923,788
Premium Income from business effected :												
In India	847,405	687,765	1,535,170	1,742	-	4,323	-	33,664	343,347		5,542	1,923,788
Outside India	-	-	-	-	-	-	-	-	-		-	-
Total Premium Earned (Net)	847,405	687,765	1,535,170	1,742	-	4,323	-	33,664	343,347		5,542	1,923,788

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 1A - PREMIUM EARNED (NET)

for the year ended 31.03.2018

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Premium from direct business written :	814,659	579,048	1,393,707	-	-	-	-	71,015	252,789	-	54,848	1,772,359
Add : Premium on reinsurance accepted	-	-	-	-	-	4,668	-	-	-	-	-	4,668
Less : Premium on reinsurance ceded	60,029	37,699	97,728	-	-	542	-	45,623	12,723	-	34,693	191,309
Net Premium	754,630	541,349	1,295,979	-	-	4,126	-	25,392	240,066	-	20,155	1,585,718
Adjustment for change in reserve for unexpired risks :	-	-	-	-	-	-	-	-	-	-	-	-
Change in the unexpired risk reserve	152,304	-	313,256	-	-	104	-	4,004	110,445	-	22,725	450,534
Total Premium Earned (Net)	602,326	380,397	982,723	-	-	4,022	-	21,388	129,621	-	(2,570)	1,135,184
Premium Income from business effected :	-	-	-	-	-	-	-	-	-	-	-	-
In India	602,326	380,397	982,723	-	-	4,022	-	21,388	129,621	-	(2,570)	1,135,184
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium Earned (Net)	602,326	380,397	982,723	-	-	4,022	-	21,388	129,621	-	(2,570)	1,135,184

SCHEDULE 2 - CLAIMS INCURRED (NET)

₹ '000

Particulars	For the year ended 31.03.2019					For the year ended 31.03.2018				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Claims paid :-										
Direct claims	18,066	-	-	672,656	690,722	4,837	-	-	369,372	374,209
Add : Re-insurance accepted to direct claims	1,028	-	-	214	1,242	804	-	-	169	973
Less : Re-insurance Ceded to claims	10,406	-	-	40,908	51,314	2,595	-	-	45,246	47,841
Net Claims Paid	8,688	-	-	631,962	640,650	3,046	-	-	324,295	327,341
Claims Outstanding (Including IBNR and IBNER)						-	-	-	-	-
Add : Claims Outstanding at the end of the period (Net of Reinsurance)	26,672	-	-	1,355,978	1,382,650	6,197	-	-	673,903	680,100
Less : Claims Outstanding at the beginning of the period (Net of Reinsurance)	6,197	-	-	673,903	680,100	17	-	-	177,120	177,137
Total Claims Incurred (Net)	29,163	-	-	1,314,037	1,343,200	9,226	-	-	821,078	830,304
Claims paid to claimants:						-	-	-	-	-
In India	29,163	-	-	1,314,037	1,343,200	9,226	-	-	821,078	830,304
Outside India	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred	29,163	-	-	1,314,037	1,343,200	9,226	-	-	821,078	830,304

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 2A - CLAIMS INCURRED (NET)

for the year ended 31.03.2019

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Claims paid :-												
Direct claims	476,822	24,715	501,537	-	-	8	-	9,049	159,777	-	2,285	672,656
Add : Re-insurance accepted to direct claims	-	-	-	-	-	214	-	-	-	-	-	214
Less : Re-insurance Ceded to claims	23,842	2,039	25,881	-	-	7	-	6,052	7,989	-	979	40,908
Net Claims Paid	452,980	22,676	475,656	-	-	215	-	2,997	151,788	-	1,306	631,962
Claims Outstanding (Incuding IBNR and IBNER)	-	-	-	-	-	-	-	-	-	-	-	-
Add : Claims Outstanding at the end of the period (Net of Reinsurance)	123,505	1,173,242	1,296,747	930	-	140	-	9,777	45,375	-	3,009	1,355,978
Less : Claims Outstanding at the beginning of the period (Net of Reinsurance)	124,676	515,913	640,589	-	-	-	-	9,312	22,674	-	1,328	673,903
Total Claims Incurred (Net)	451,809	680,005	1,131,814	930	-	355	-	3,462	174,489	-	2,987	1,314,037
Claims paid to claimants:												
In India	451,809	680,005	1,131,814	930	-	355	-	3,462	174,489	-	2,987	1,314,037
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred	451,809	680,005	1,131,814	930	-	355	-	3,462	174,489	-	2,987	1,314,037

for the year ended 31.03.2018

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Claims paid :-	-	-	-	-	-	-	-	-	-	-	-	-
Direct claims	307,829	5,259	313,088	-	-	-	-	7,050	49,231	-	3	369,372
Add : Re-insurance accepted to direct claims	-	-	-	-	-	169	-	-	-	-	-	169
Less : Re-insurance Ceded to claims	38,737	263	39,000	-	-	-	-	3,783	2,461	-	2	45,246
Net Claims Paid	269,092	4,996	274,088	-	-	169	-	3,267	46,770	-	1	324,295
Claims Outstanding (Incuding IBNR and IBNER)	-	-	-	-	-	-	-	-	-	-	-	-
Add : Claims Outstanding at the end of the period (Net of Reinsurance)	124,676	515,913	640,589	-	-	-	-	9,312	22,674	-	1,328	673,903
Less : Claims Outstanding at the beginning of the period (Net of Reinsurance)	49,208	118,685	167,893	-	-	-	-	1,332	7,894	-	1	177,120
Total Claims Incurred (Net)	344,560	402,224	746,784	-	-	169	-	11,247	61,550	-	1,328	821,078
Claims paid to claimants:	-	-	-	-	-	-	-	-	-	-	-	-
In India	344,560	402,224	746,784	-	-	169	-	11,247	61,550	-	1,328	821,078
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred	344,560	402,224	746,784	-	-	169	-	11,247	61,550	-	1,328	821,078

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 3 - COMMISSION

₹ '000

Particulars	For the year ended 31.03.2019					For the year ended 31.03.2018				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Commission paid :-										
Commission Paid Direct	20,005	-	-	255,231	275,236	9,118	-	-	173,151	182,269
Add: Re-insurance Accepted	353	-	-	55	408	406	-	-	42	448
Less: Commission on Re-insurance Ceded	16,072	-	-	60,326	76,398	9,608	-	-	39,016	48,624
Net Commission	4,286	-	-	194,960	199,246	(84)	-	-	134,177	134,093
Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:										
Agents	156	-	-	16,960	17,116	150	-	-	13,074	13,224
Brokers	901	-	-	72,077	72,978	368	-	-	36,567	36,935
Corporate Agency	18,948	-	-	130,706	149,654	8,600	-	-	95,061	103,661
Referral	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	35,488	35,488	-	-	-	28,449	28,449
TOTAL	20,005	-	-	255,231	275,236	9,118	-	-	173,151	182,269
Commission Paid										
In India	20,005	-	-	255,231	275,236	9,118	-	-	173,151	182,269
Outside India	-	-	-	-	-	-	-	-	-	-
Total Commission	20,005	-	-	255,231	275,236	9,118	-	-	173,151	182,269

SCHEDULE 3A - COMMISSION

for the year ended 31.03.2019

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Commission paid :-											
Commission Paid Direct	171,286	27	171,313	435	-	375	-	2,167	63,988	16,953	255,231
Add: Re-insurance Accepted	-	-	-	-	-	55	-	-	-	-	55
Less: Commission on Re-insurance Ceded	7,771	2,352	10,123	22	-	587	-	40,137	6,942	2,515	60,326
Net Commission	163,515	(2,325)	161,190	413	-	(157)	-	(37,970)	57,046	14,438	194,960
Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:											
Agents	16,038	10	16,048	79	-	-	-	56	764	13	16,960
Brokers	60,616	1	60,617	228	-	239	-	2,083	8,482	428	72,077
Corporate Agency	60,111	13	60,124	128	-	136	-	28	53,778	16,512	130,706
Referral	-	-	-	-	-	-	-	-	-	-	-
Others	34,521	3	34,524	-	-	-	-	-	964	-	35,488
TOTAL	171,286	27	171,313	435	-	375	-	2,167	63,988	16,953	255,231
Commission Paid											
In India	171,286	27	171,313	435	-	375	-	2,167	63,988	16,953	255,231
Outside India	-	-	-	-	-	-	-	-	-	-	-
Total Commission	171,286	27	171,313	435	-	375	-	2,167	63,988	16,953	255,231

Schedules forming part of Balance Sheet and Profit and Loss Account

for the year ended 31.03.2018

₹ '000

Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others	Total
Commission paid :-											
Commission Paid Direct	130,002	35	130,037	-	-	-	-	96	34,358	8,660	173,151
Add: Re-insurance Accepted	-	-	-	-	-	42	-	-	-	-	42
Less: Commission on Re-insurance Ceded	6,110	1,448	7,558	-	-	-	-	23,200	1,940	6,318	39,016
Net Commission	123,892	(1,413)	122,479	-	-	42	-	(23,104)	32,418	2,342	134,177
Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:											
Agents	12,828	16	12,844	-	-	-	-	5	188	37	13,074
Brokers	32,680	2	32,682	-	-	-	-	61	3,792	32	36,567
Corporate Agency	56,184	16	56,200	-	-	-	-	30	30,240	8,591	95,061
Referral	-	-	-	-	-	-	-	-	-	-	-
Others	28,310	1	28,311	-	-	-	-	-	138	-	28,449
TOTAL	130,002	35	130,037	-	-	-	-	96	34,358	8,660	173,151
Commission Paid											
In India	130,002	35	130,037	-	-	-	-	96	34,358	8,660	173,151
Outside India	-	-	-	-	-	-	-	-	-	-	-
Total Commission	130,002	35	130,037	-	-	-	-	96	34,358	8,660	173,151

SCHEDULE 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

₹ '000

S. No.	Particulars	For the year ended 31.03.2019					For the year ended 31.03.2018				
		Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
			Cargo	Others				Cargo	Others		
1	Employees' remuneration & welfare benefits	21,408	-	-	481,526	502,934	6,127	-	-	355,399	361,526
2	Travel, conveyance and vehicle running expenses	749	-	-	26,613	27,362	241	-	-	15,383	15,624
3	Training expenses	342	-	-	15,797	16,139	28	-	-	1,645	1,673
4	Rents, rates & taxes	1,304	-	-	53,951	55,255	601	-	-	40,094	40,695
5	Repairs and maintenance	436	-	-	13,603	14,039	188	-	-	10,966	11,154
6	Printing & stationery	254	-	-	7,979	8,233	89	-	-	5,602	5,691
7	Communication	351	-	-	11,222	11,573	150	-	-	9,028	9,178
8	Legal & professional charges	1,173	-	-	49,649	50,822	525	-	-	35,879	36,404
9	Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-
(a)	as auditor	74	-	-	2,326	2,400	34	-	-	1,966	2,000
(b)	as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-
(i)	Taxation matters	-	-	-	-	-	-	-	-	-	-
(ii)	Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii)	Management services; and	-	-	-	-	-	-	-	-	-	-
(c)	in any other capacity	10	-	-	305	315	1	-	-	65	66
(d)	out of pocket expenses	-	-	-	-	-	0.27	-	-	16	16
10	Advertisement and publicity	1,925	-	-	112,852	114,777	176	-	-	38,685	38,861

Schedules forming part of Balance Sheet and Profit and Loss Account

₹ '000

S. No.	Particulars	For the year ended 31.03.2019					For the year ended 31.03.2018				
		Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
			Cargo	Others				Cargo	Others		
11	Interest & Bank Charges	258	-	-	8,058	8,316	45	-	-	2,633	2,678
12	Others :-				-						
	Membership and Subscription Fees	121	-	-	4,971	5,092	32	-	-	2,161	2,193
	Information Technology Related Expenses	3,447	-	-	108,694	112,141	1,189	-	-	69,450	70,639
	Electricity Expenses	127	-	-	3,969	4,096	39	-	-	2,277	2,316
	Business Promotion	-	-	-	-	-	0.04	-	-	2	2
	Administrative Expenses	-	-	-	-	-	-	-	-	-	-
	Policy Related Expenses	-	-	-	-	-	-	-	-	-	-
	Directors Sitting Fees	22	-	-	683	705	10	-	-	590	600
	Exchange Gain/Loss (Net)	-	-	-	-	-	-	-	-	-	-
	Miscellaneous Expenses	2,512	-	-	5,431	7,943	2,519	-	-	2,969	5,488
13	Depreciation	3,167	-	-	100,030	103,197	1,362	-	-	80,130	81,492
	TOTAL	37,680	-	-	1,007,659	1,045,339	13,356	-	-	674,940	688,296

*Refer Schedule 4A

SCHEDULE 4 (A) - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

for the year ended 31.03.2019

₹ '000

S. No	Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
1	Employees' remuneration & welfare benefits	187,799	154,145	341,944	711	-	162	-	10,938	103,289	-	24,482	481,526
2	Travel, conveyance and vehicle running expenses	10,456	9,486	19,942	25	-	6	-	545	5,239	-	856	26,613
3	Training expenses	6,716	6,093	12,809	11	-	3	-	249	2,334	-	391	15,797
4	Rents, rates & taxes	15,343	13,919	29,262	43	-	10	-	9,938	13,214	-	1,484	53,951
5	Repairs and maintenance	5,138	4,661	9,799	14	-	3	-	317	2,972	-	498	13,603
6	Printing & stationery	3,008	2,729	5,737	8	-	2	-	185	1,756	-	291	7,979
7	Communication	4,262	3,866	8,128	12	-	3	-	255	2,422	-	402	11,222
8	Legal & professional charges	19,275	17,485	36,760	77	-	9	-	854	9,316	-	2,633	49,649
9	Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-	-	-
	(a) as auditor	878	797	1,675	2	-	1	-	54	508	-	86	2,326
	(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
	(c) in any other capacity	115	105	220	-	-	-	-	7	66	-	12	305
	(d) out of pocket expenses	-	-	-	-	-	-	-	-	-	-	-	-
10	Advertisement and publicity	50,065	45,418	95,483	80	-	15	-	1,400	13,129	-	2,745	112,852
11	Interest & Bank Charges	3,043	2,761	5,804	9	-	2	-	188	1,760	-	295	8,058

Schedules forming part of Balance Sheet and Profit and Loss Account

for the year ended 31.03.2019

₹ '000

S. No	Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
12	Others :-												
	Membership and Subscription Fees	1,973	1,790	3,763	8	-	1	-	88	828	-	283	4,971
	Information Technology Related Expenses	41,206	37,381	78,587	115	-	26	-	2,507	23,517	-	3,942	108,694
	Electricity Expenses	1,499	1,360	2,859	4	-	1	-	92	867	-	146	3,969
	Business Promotion	-	-	-	-	-	-	-	-	-	-	-	-
	Administrative Expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Policy Related Expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Directors Sitting Fees	258	234	492	1	-	-	-	16	149	-	25	683
	Exchange Gain/Loss (Net)	-	-	-	-	-	-	-	-	-	-	-	-
	Miscellaneous Expenses	2,108	1,913	4,021	3	-	556	-	60	676	-	115	5,431
13	Depreciation	37,817	34,307	72,124	105	-	24	-	2,303	21,852	-	3,622	100,030
	TOTAL	390,959	338,450	729,409	1,228	-	824	-	29,996	203,894	-	42,308	1,007,659

for the year ended 31.03.2018

₹ '000

S. No	Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
1	Employees' remuneration & welfare benefits	160,513	125,452	285,965	-	-	-	-	7,541	56,737	-	5,156	355,399
2	Travel, conveyance and vehicle running expenses	7,467	5,308	12,775	-	-	-	-	276	2,115	-	217	15,383
3	Training expenses	785	558	1,343	-	-	-	-	32	244	-	26	1,645
4	Rents, rates & taxes	16,658	11,840	28,498	-	-	-	-	4,765	6,287	-	544	40,094
5	Repairs and maintenance	5,235	3,721	8,956	-	-	-	-	216	1,624	-	170	10,966
6	Printing & stationery	2,708	1,925	4,633	-	-	-	-	102	786	-	81	5,602
7	Communication	4,311	3,064	7,375	-	-	-	-	172	1,336	-	146	9,029
8	Legal & professional charges	16,960	12,055	29,015	-	-	-	-	584	5,739	-	540	35,878
9	Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-	-	-
	(a) as auditor	939	667	1,606	-	-	-	-	39	290	-	31	1,966
	(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-
	(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-
	(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
	(c) in any other capacity	31	22	53	-	-	-	-	1	10	-	1	65
	(d) out of pocket expenses	8	5	13	-	-	-	-	0.8	2	-	0.2	16
10	Advertisement and publicity	21,249	15,103	36,352	-	-	-	-	243	1,885	-	205	38,685
11	Interest & Bank Charges	1,257	893	2,150	-	-	-	-	52	390	-	41	2,633

Schedules forming part of Balance Sheet and Profit and Loss Account

for the year ended 31.03.2018

₹ '000

S. No	Particulars	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
12	Others :-	-	-	-	-	-	-	-	-	-	-	-	-
	Membership and Subscription Fees	1,063	756	1,819	-	-	-	-	37	276	-	29	2,161
	Information Technology Related Expenses	33,172	23,578	56,750	-	-	-	-	1,363	10,258	-	1,079	69,450
	Electricity Expenses	1,087	773	1,860	-	-	-	-	45	337	-	35	2,277
	Business Promotion	1	1	2	-	-	-	-	0.04	0.31	-	0.03	2
	Directors Sitting Fees	282	200	482	-	-	-	-	12	87	-	9	590
	Miscellaneous Expenses	1,480	1,052	2,532	-	-	-	-	64	333	-	40	2,969
13	Depreciation	38,210	27,160	65,370	-	-	-	-	1,560	11,967	-	1,233	80,130
	TOTAL	313,416	234,133	547,549	-	-	-	-	17,105	100,703	-	9,583	674,940

SCHEDULE 5 - SHARE CAPITAL

₹ '000

S. No	Particulars	As at 31.03.2019	As at 31.03.2018
1	Authorised Capital		
	235,000,000 (Previous Year: 190,000,000) Equity Shares of ₹ 10 each	2,350,000	1,900,000
2	Issued Capital		
	220,000,000 (Previous Year: 175,000,000) Equity Shares of ₹ 10 each	2,200,000	1,750,000
3	Subscribed Capital		
	220,000,000 (Previous Year: 175,000,000) Equity Shares of ₹ 10 each	2,200,000	1,750,000
4	Called-up Capital		
	220,000,000 (Previous Year: 175,000,000) Equity Shares of ₹ 10 each	2,200,000	1,750,000
	Less : Calls unpaid	-	-
	Add : Equity Shares forfeited (amount originally paid up)	-	-
	Less : Par Value of Equity Shares bought back	-	-
	Less : Preliminary Expenses	-	-
	Less : Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	TOTAL	2,200,000	1,750,000

Entire 220,000,000 (Previous Year 175,000,000) equity shares of ₹ 10 each fully paid up are held by Kotak Mahindra Bank Ltd the holding company and its nominees.

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 5A - PATTERN OF SHAREHOLDING

Sr No	Particulars	As at 31.03.2019		As at 31.03.2018	
		Number of Shares	% of Holding	Number of Shares	% of Holding
1	Promoters				
	- Indian	220,000,000	100%	175,000,000	100%
	- Foreign	-	-	-	-
	Others				
	TOTAL	220,000,000	100%	175,000,000	100%

SCHEDULE 6 - RESERVES AND SURPLUS

₹ '000

S. No	Particulars	As at 31.03.2019	As at 31.03.2018
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	-	-
4	General Reserves	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy-back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves	-	-
7	Balance in Profit & Loss Account	-	-
	TOTAL	-	-

SCHEDULE 7 - BORROWINGS

₹ '000

S. No	Particulars	As at 31.03.2019	As at 31.03.2018
1	Debentures/ Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 8 - INVESTMENTS-SHAREHOLDERS

₹ '000

S. No	Particulars	As at 31.03.2019	As at 31.03.2018
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	302,514	193,810
2	Other Approved Securities	-	-
3	Other Investments :-	-	-
(a)	Shares	-	-
(aa)	Equity	-	-
(bb)	Preference	-	-
(b)	Mutual Funds	-	-
(c)	Derivative Instruments	-	-
(d)	Debentures/ Bonds	189,174	162,275
(e)	Other Securities	-	-
(f)	Subsidiaries	-	-
(g)	Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	282,077	351,965
5	Other than Approved Investments	18,173	-
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	50,110	676
2	Other Approved Securities	-	-
3	Other Investments :-	-	-
(a)	Shares	-	-
(aa)	Equity	-	-
(bb)	Preference	-	-
(b)	Mutual Funds	16,302	10,315
(c)	Derivative Instruments	-	-
(d)	Debentures/ Bonds	37,787	18,032
(e)	Other Securities - Commercial Papers	-	-
(f)	Subsidiaries	-	-
(g)	Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	49,977	18,348
5	Other than Approved Investments	-	-
TOTAL		946,114	755,421

Notes:

- 1) All the Investments are free of any encumbrances.
- 2) All the above Investments are performing assets.
- 3) During the Period under review, there have been investments in Subsidiary, Joint Ventures & Fellow Subsidiaries as below:

Schedules forming part of Balance Sheet and Profit and Loss Account

- Investment in Mutual Fund Schemes of Kotak Mahindra Asset Management Company Limited ₹ 47,860 (PY12,000) (figures in '000), including ETF investment of ₹23,848 (PY NIL) (figures in '000),
 - Investment in Debentures of Kotak Mahindra Prime Ltd ₹ NIL (PY 1,00,012) (figures in '000).
- 4) Aggregate amount of investments other than listed equity securities and derivative instruments- ₹ 40,76,102 (PY 24,88,648) (figures in '000) Market Value: ₹40,42,029 (PY 24,20,945) (figures in '000).
- 5) Investment maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve month from balance sheet date are categorised as Short Term Investments.
- 6) Value of contracts in relation to investments for Purchases where deliveries are pending NIL (Previous Year NIL), and in respect of sales where payments are overdue Rupees NIL (Previous Year NIL).
- 7) Segregation between Policyholders & Shareholders investments with reference to IRDAI Circular no IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017

SCHEDULE 8A - INVESTMENTS-POLICYHOLDERS

		₹ '000	
S. No	Particulars	As at 31.03.2019	As at 31.03.2018
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	1,290,903	737,223
2	Other Approved Securities	-	-
3	Other Investments :-	-	-
(a)	Shares	-	-
(aa)	Equity	-	-
(bb)	Preference	-	-
(b)	Mutual Funds	-	-
(c)	Derivative Instruments	-	-
(d)	Debentures/ Bonds	561,766	287,790
(e)	Other Securities	-	-
(f)	Subsidiaries	-	-
(g)	Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	837,651	624,202
5	Other than Approved Investments	53,967	-
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	148,804	1,199
2	Other Approved Securities	-	-
3	Other Investments :-	-	-
(a)	Shares	-	-
(aa)	Equity	-	-
(bb)	Preference	-	-
(b)	Mutual Funds	48,412	18,293
(c)	Derivative Instruments	-	-
(d)	Debentures/ Bonds	112,213	31,980
(e)	Other Securities - Commercial Papers	-	-
(f)	Subsidiaries	-	-
(g)	Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	148,412	32,539
5	Other than Approved Investments	-	-
TOTAL		3,202,128	1,733,226

Schedules

 forming part of Balance Sheet and Profit and Loss Account

Notes:

- 1) All the Investments are free of any encumbrances.
- 2) All the above Investments are performing assets.
- 3) During the Period under review, there have been investments in Subsidiary, Joint Ventures & Fellow Subsidiaries as below:
 - Investment in Mutual Fund Schemes of Kotak Mahindra Asset Management Company Limited ₹ 47,860 (PY12,000) (figures in '000), including ETF investment of ₹23,848 (PY NIL) (figures in '000),
 - Investment in Debentures of Kotak Mahindra Prime Ltd ₹ NIL (PY 1,00,012) (figures in '000).
- 4) Aggregate amount of investments other than listed equity securities and derivative instruments- ₹ 40,76,102 (PY 24,88,648) (figures in '000) Market Value: ₹40,42,029 (PY 24,20,945) (figures in '000).
- 5) Investment maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve month from balance sheet date are categorised as Short Term Investments.
- 6) Value of contracts in relation to investments for Purchases where deliveries are pending NIL (Previous Year NIL), and in respect of sales where payments are overdue Rupees NIL (Previous Year NIL).
- 7) Segregation between Policyholders & Shareholders investments with reference to IRDAI Circular no IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017

SCHEDULE 9 - LOANS

₹ '000

S. No	Particulars	As at 31.03.2019	As at 31.03.2018
1	SECURITY-WISE CLASSIFICATION		
	Secured	-	-
	(a) On mortgage of property	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On Shares, Bonds, Govt. Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	TOTAL	-	-
2	BORROWER-WISE CLASSIFICATION		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	TOTAL	-	-
3	PERFORMANCE-WISE CLASSIFICATION		
	(a) Loans classified as standard	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non-performing loans less provisions	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	TOTAL	-	-
4	MATURITY-WISE CLASSIFICATION		
	(a) Short Term	-	-
	(b) Long Term	-	-
	TOTAL	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 10 - FIXED ASSETS

₹ '000

Particulars	Cost/ Gross Block			Depreciation				Net Block		
	As at April 1,2018	Additions during the period	Deductions/ adjustments during the period	As at 31.03.2019	As at April 1,2018	For the year ended 31.03.2019	On Sales/ Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Software	157,703	30,743	-	188,446	96,353	73,549	-	169,902	18,544	61,350
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	3,809	183	-	3,992	1,179	655	-	1,834	2,158	2,630
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	436	106	-	542	401	85	-	486	56	35
IT Equipments	73,599	11,983	96	85,486	48,747	21,145	65	69,827	15,659	24,852
Vehicles	21,837	22,936	7,428	37,345	8,773	7,360	6,169	9,964	27,381	13,064
Office Equipment	1,400	380	-	1,780	339	403	-	742	1,038	1,061
Others	-	-	-	-	-	-	-	-	-	-
TOTAL	258,784	66,331	7,524	317,591	155,792	103,197	6,234	252,755	64,836	102,992
Capital Work in progress	-	6,448	-	6,448	-	-	-	-	6,448	-
Grand Total	258,784	72,779	7,524	324,039	155,792	103,197	6,234	252,755	71,284	102,992
Previous Year	211,261	49,361	1,838	258,784	74,547	81,494	249	155,792	102,992	136,711

SCHEDULE 11 - CASH AND BANK BALANCE

₹ '000

S. No	Particulars	As at 31.03.2019	As at 31.03.2018
1	Cash (including cheques, drafts and stamps)	50,438	6,401
2	Bank Balances		
(a)	Deposit Accounts	-	-
(aa)	Short-term (due within 12 months)	-	-
(bb)	Others	-	-
(b)	Current Accounts	75,510	88,928
(c)	Others	-	-
3	Money at Call and Short Notice		
(a)	With Banks	-	-
(b)	With other Institutions	-	-
4	Others	-	-
TOTAL		125,948	95,329

Schedules

 forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 12 - ADVANCES AND OTHER ASSETS

₹ '000

S. No	Particulars	As at 31.03.2019	As at 31.03.2018
	ADVANCES		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	17,442	6,915
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	320	72
6	Others :-		
	Security Deposits	-	-
	Advances to employees	2,290	1,204
	Advances to vendors	1,462	5,001
	Advance to others	-	-
	TOTAL (A)	21,514	13,192
	OTHER ASSETS		
1	Income accrued on investments	115,155	72,121
2	Outstanding Premiums	-	-
3	Agents' Balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	6,315	6,838
6	Due from subsidiaries/ holding company	202	-
7	Deposit with Reserve Bank of India	-	-
8	Others :-		
	Investment of Unclaimed Amount	983	633
	Security and other deposits	5,329	1,675
	Service Tax Unutilised Credit	-	-
	Cenvat Credit	-	-
	Sundry Debtors	1,115	1,297
	Terrorism Pool Receivables	67,435	45,269
	Deposits	-	-
	GST Unutilised Credit	115,913	75,486
	TOTAL (B)	312,447	203,319
	TOTAL (A+B)	333,961	216,511

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 13 - CURRENT LIABILITIES

		₹ '000	
S. No	Particulars	As at 31.03.2019	As at 31.03.2018
1	Agents' Balances	19,599	8,896
2	Balances due to other insurance companies	92,143	59,174
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	88,549	13,874
5	Unallocated Premium	69,306	41,020
6	Unclaimed Amount of Policyholders	735	627
7	Sundry creditors	6,813	2,368
8	Due to subsidiaries/ holding company	17,585	11,183
9	Claims Outstanding	1,382,649	682,792
10	Due to Officers/ Directors	-	-
11	Others :-		
	Statutory Dues	91,134	53,594
	Refund Payable - Premium	2,654	1,205
	Provision for expenses	150,637	92,106
	Premium Deposits	-	-
	Solatium Fund	1,815	852
	Payable to Related Parties	-	-
	Contracts for Investments	-	-
	Stale Cheque	-	-
	Payable to Employees	449	314
	Claims Payable	145	880
TOTAL		1,924,213	968,884

SCHEDULE 14 - PROVISIONS

		₹ '000	
S. No	Particulars	As at 31.03.2019	As at 31.03.2018
1	Reserve for Unexpired Risk	1,639,695	941,790
2	For taxation (less advance tax paid and taxes deducted at source)	-	-
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others :-		
	Gratuity	22,042	13,587
	Leave Encashment	9,852	1,913
6	Reserve for Premium Deficiency	-	-
TOTAL		1,671,589	957,290

SCHEDULE 15 - MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

		₹ '000	
S. No	Particulars	As at 31.03.2019	As at 31.03.2018
1	Discount Allowed in issue of shares/ debentures	-	-
2	Others	-	-
TOTAL		-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

SCHEDULE 16: NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND

Kotak Mahindra General Insurance Company Limited ("The Company") was incorporated on December 20, 2014 under Companies Act, 2013 as a 100% subsidiary of Kotak Mahindra Bank Limited. The Company received certificate of registration from Insurance Regulatory and Development Authority (IRDAI) on November 18, 2015 with registration no. 152 and subsequently commenced operations on December 17, 2015. The Company is in the business of underwriting general insurance policies relating to Fire and Miscellaneous business lines.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India to comply with the accounting standards specified under section 133 and the relevant provision of the Companies Act, 2013, as applicable, and in accordance with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI /F&A/CIR/FA/059/03/2015 dated March 31, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 the ("IRDA Act"), and the regulations framed there under (also refer IRDAI) the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), circulars/notifications issued by IRDAI from time to time (including circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017)

B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. The estimates and assumptions used in the financial statements are based on Management's evaluation of the relevant facts and circumstances upto and as of the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is accounted for prospectively.

C. Revenue Recognition

Premium:

Premium net of goods and services tax (GST) (including reinsurance accepted & reinstatement premium) is recognised on commencement of the risk and for installment policies it is recognised on installment due dates. Premium earnings are recognised over the period of the policy or period of risk. Any revisions in premium amount are recognised in the year in which they occur & over the remaining period of the policy. Any Subsequent cancellations of policies are recognised in the same period in which it occur.

Commission on reinsurance ceded:

Commission on reinsurance ceded is recognized as income on ceding of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognized in the year of final determination of the profits and as intimated by the Reinsurer.

Income earned on investments:

Interest income is recognized on accrual basis. Dividend income is recognized when right to receive is established, Accretion of discount and amortization of premium relating to debt securities is recognized over the holding or maturity period of such securities on constant yield basis.

The Net gain/ loss on transfer/ sale of debt securities is the difference between the transfer/sale price and the net amortized cost/ book value which is computed on a Weighted average basis as on the date of transfer/sale. Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any and excludes the interest received on sale

The realized gain or loss on mutual funds is the difference between sale consideration and carrying cost as on the date of sale, determined on a weighted average cost basis and includes accumulated changes in fair value taken in fair value change account earlier.

Schedules forming part of Balance Sheet and Profit and Loss Account

Any unrealized gain or loss in respect of mutual funds are recognized in 'fair value change account' in balance sheet and not available for distribution for dividend.

D. Premium Received In Advance

Premium received in advance represents the premium received prior to the commencement of the risk assumed on any policy. On balance sheet date such premium received in advance reflects in current liabilities.

E. Reserve for Unexpired Risk

Reserve for unexpired risk is recognized net of reinsurance ceded and represents premium written that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations over a contract period or period of risk, whichever is applicable. As per circular vide IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 such reserves are calculated on a pro-rata basis under 1/365 basis subject to 100% for marine hull business, on all unexpired policies at Balance Sheet Date..

F. Reinsurance Premium Ceded and Reinsurance Accepted

Proportional Re-insurance premium ceded is accounted on due basis at the time when related premium income is accounted for. Non-proportional reinsurance cost is accounted as per terms of the reinsurance arrangements. Any revisions in reinsurance premium ceded are recognised in the period in which it occur. On cancellation of policies, related reinsurance premium ceded are recognised in the same period in which it occur.

Reinsurance inward acceptances are accounted for on the basis of returns, to the extent received, from the insurers.

G. Premium Deficiency Reserve

Premium deficiency is recognized when sum of expected claim cost, related expenses & maintenance cost (related to claims handling) exceed related reserve for unexpired risk. It is recognized on an annual basis and at segmental revenue account level viz., Fire, Marine & Miscellaneous. Premium Deficiency Reserve is estimated and certified by the Appointed Actuary.

H. Claims

Claims incurred includes claims paid net of reinsurance recovery and salvage value retained by the insured, change in loss reserve during the period, change in claims incurred but not reported (IBNR) & change in claims incurred but not enough reported (IBNER). Claims incurred also include survey fees/legal fees & other expenses directly attributable to claim cost. Claims will be recognized as and when intimation of it is received and provision will be determined (net of reinsurance recovery) by the management on the best estimate of claims likely to be paid based on survey reports, based on information received from various sources and from past experience.

Any subsequent information may result in revision of likely amount of final claim payment and accordingly there will be change in provision for outstanding claims.

IBNR is claim reserves provided for those claims which are incurred but not yet reported and IBNER is claim reserves provided for those claims which are incurred but not enough reported. Estimated liability for IBNR and IBNER has been estimated by the Appointed Actuary in compliance with the relevant regulations and guidelines issued by IRDAI and the same is duly certified by the Appointed Actuary of the Company.

I. Acquisition Cost

Acquisition costs are those costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts viz commission. These costs are expensed in the period in which they are incurred.

J. Segment Reporting

In case of General insurance business, based on the primary segments identified under Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 read with AS 17 on "Segment Reporting" as specified under sec 133 of the act, read with rule 7 of The Companies (Accounts) Rules 2014 the Company has classified and disclosed segment information for Fire, Marine and Miscellaneous lines of business.

There are no reportable geographical segments, since all business is written in India.

Schedules

forming part of Balance Sheet and Profit and Loss Account

K. Allocation of Investment income

In accordance with Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017 issued by IRDAI on Segregation of Policyholder's fund and Shareholder funds, investment income for the period has been allocated to Revenue Account and Profit and Loss Account on basis of the ratio of average balance of policyholder's funds to average balance of shareholder's funds as at the close of each reporting period. Within the Revenue Account, the investment income shall be further allocated among the lines of business in proportion to average policy holder funds.

L. Allocation of Expenses

The Company has Board approved policy on allocation and apportionment of expenses of management as per notification of IRDAI dated April 27, 2016. The policy covers basis of allocation, expenses which shall be allocated, basis of apportionment and expenses which shall be apportioned. Expenses of Management related to insurance business are allocated to various segments on the following basis:

- a) Expenses which are directly identifiable are allocated to respective business segments on actuals
- b) Expenses which are not directly identifiable, are apportioned to the business segments on the basis of net written premium (before XOL).

M. Property, Plant and Equipment

Property, plant and Equipment are stated at acquisition cost inclusive of incidental expenses, net of accumulated depreciation and accumulated impairment losses, if any.

Intangible Assets

Intangible assets comprising software are stated at cost less amortization. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and such expenditure can be measured and attributed to the assets reliably.

Depreciation / Amortisation:

Deprecation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of assets based on technical evaluation by management are as follows:

Asset Type	Useful life in years
Improvement to leasehold premises	Over the period of lease subject to a maximum of 6 years
Office equipment	5
Furniture and Fixtures	6
Motor Vehicles	4
Intangible (Computer Software -including development expenditure)	3
Information Technology Equipment(Including computers)	3

Used assets purchased are depreciated over the residual useful life from the date of purchase.

For assets purchased and sold during the year, depreciation is provided on pro rata basis by the Company.

Assets costing less than ₹ 5,000 are fully depreciated in the year of purchase.

Capital work in progress includes assets which are not yet ready for its intended use and are carried at cost.

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Schedules forming part of Balance Sheet and Profit and Loss Account

N. Employee Benefits

a. Short Term Benefits

All employee benefits payable within 12 months of rendering the services are classified as short term employee benefits. Benefits such as salary, bonuses, short term compensated absences and non-monetary benefits etc. are recognized in the period in which the employees renders the related service. All the short term benefit are accounted on undiscounted basis.

b. Long term Benefits

i. Provident Fund – Defined Contribution Plan:

Contribution as required by the Statute made to the Government Provident Fund is debited to the Profit and Loss Account when incurred. The company has no further obligations.

ii. New Pension Scheme - Defined Contribution Plan:

The Company contributes up to 10% of employees' salary per annum, for employees who have opted to the New Pension Fund administered by a PFRDA appointed pension fund manager. The Company recognises such contributions as an expense in the year they are incurred.

iii. Gratuity – Long Term Benefit Plan :

The Company provides for Gratuity, a defined benefit plan covering employees in accordance with the Payment of Gratuity Act, 1972. The Company's liability is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date.

Actuarial gains / losses are recognised immediately in the Profit and Loss Account in the year they are incurred.

iv. Compensated Absences - Other Long-Term Employee Benefits:

- O. The Company accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Company obligation is determined based on the Projected Unit Credit Method as at the Balance Sheet date. Actuarial Gains / Losses are recognised immediately in the Profit and Loss Account in the year in which they arise.

Investments

Investments are made and accounted for in accordance with the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015, The IRDA (Investment) Regulations, 2016 as amended and various other relevant circulars/ notification issued by IRDAI from time to time.

Investments are recorded at cost and include brokerage, transfer charges, stamps etc, and excludes pre acquisition interest, if any.

Investments maturing within twelve months from balance sheet date and investments made with specific intention to dispose off within twelve months from balance sheet date are classified as 'short term investments'

Investments other than 'short term investment' are classified as 'long term investment'.

Debt securities & non-convertible preference shares are considered as 'held to maturity' and stated at historical cost adjusted for amortization of premium or accretion of discount determined on constant yield to maturity basis over the holding/maturity period.

Mutual fund units are stated at their 'Net Asset Value' as at the balance sheet date. Any unrealized gain/loss will be accounted for under fair value change account.

In accordance with Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 and Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017, in respect of Preparation of Financial Statements and Auditors' Report of Insurance Companies, the company has segregated investments between Policyholder and Shareholder.

P. Foreign Currency Transactions

Transactions denominated in foreign currency are recorded at the rate prevailing on the date of transactions. Foreign currency assets and liabilities are stated at the rate prevailing on the balance sheet date. Any gain or loss on settlement or restatement are accounted for in revenue account and profit & loss account.

Schedules forming part of Balance Sheet and Profit and Loss Account

Q. Operating Leases

Where all the risks and benefits of ownership are retained by the lessor those are classified as operating lease. Payment on account of operating leases are accounted for under revenue account on straight line basis over the lease period.

R. Contribution to Terrorism Pool

In accordance with the requirements of IRDAI, the Company, together with other insurance companies, participated in the Terrorism Pool. This pool is managed by General Insurance Corporation of India (GIC). In accordance with the terms of the agreement, GIC retro cedes, to the Company, terrorism premium to the extent of shares agreed to be borne by the Company in the risk which is recorded as reinsurance accepted. Such Insurance accepted is recorded based on quarterly confirmation received from GIC. Accordingly, reinsurance accepted on account of Terrorism Pool has been recorded in accordance with the latest statement received from GIC as on December 31, 2018.

The entire amount of reinsurance accepted for the current year on this account, net of claims and expenses up to the above date, has been carried forward to the subsequent accounting period as Changes in unearned premium under Insurance Contract Liabilities for subsequent risks, if any, to be borne by the company.

S. Contribution to Solatium Fund

As per the requirements of IRDA, the company provides for contribution to Solatium Fund @ 0.10 % on the gross direct premium of motor third party policies.

T. Taxation

The company provides for current tax on taxable income for the current accounting period as per the provision of the Income Tax Act, 1961.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized for future tax consequences attributable to timing differences between accounting income and taxable income for the year.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future. However, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available against which deferred tax assets can be realized.

Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount virtually certain to be realized.

U. Goods and Services Tax (GST)

GST liability on premium are set-off against available GST credits. Unutilized credits, if any, are carried forward under "Advances and Other Assets" for set-off in subsequent periods.

V. Share Issue Expenses

Share Issue expenses in relation to increase in share capital are written off when incurred.

W. Earnings per share

Basic earnings per share is calculated by dividing net profit after tax by the weighted average number of equity shares outstanding during the reporting period.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

X. Provisions & Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Schedules forming part of Balance Sheet and Profit and Loss Account

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Y. Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Receipts and Payments Account include cash and cheques in hand, bank balances, other investments with original maturity of three months or less which are subject to insignificant risk of changes in value.

Z. Employee stock option scheme

Cash settled scheme:

The cost of cash-settled transactions (stock appreciation rights) is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. This intrinsic value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the settlement date with changes in intrinsic value recognised in the Revenue/Profit and loss account in 'Employees' remuneration & welfare benefits'.

AA. Receipts and Payments Account

Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with para 2.2 of the Master Circular on Preparation of Financial Statements -General Insurance Business dated October 5, 2012, issued by the IRDA.

Schedules forming the part of financial statements for the year ended March 31, 2019

(Currency: In thousands of Indian Rupees unless otherwise stated) Schedule 16: Notes to financial Statements

3. CONTINGENT LIABILITIES

Sr No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Partly paid up investments	Nil	Nil
2	Underwriting commitments outstanding	Nil	Nil
3	Claims, other than those under policies, not acknowledged as debts	Nil	Nil
4	Guarantees given by or on behalf of the Company	Nil	Nil
5	Statutory demands/liabilities in dispute, not provided for	Nil	Nil
6	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
7	Others	Nil	Nil

4. ENCUMBRANCES ON ASSETS

The assets of the Company are free from any encumbrances.

5. CAPITAL COMMITMENTS

Sr No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	Estimated amount of commitment pertaining to contracts remaining to be executed in respect of Fixed Asset (Net of Advances)	2,643	14,843

Schedules

 forming part of Balance Sheet and Profit and Loss Account

6. CLAIMS

Claims, less reinsurance paid to claimants in/outside India are as under:

Sr No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
1	In India	639,408	326,368
2	Outside India	Nil	Nil

There are no claims that have been settled and remaining outstanding for more than 6 months as at the end of year ₹ Nil (Previous Year Nil).

Ageing of gross claims outstanding is as under:

Sr No.	Particulars	As at 31.03.2019	As at 31.03.2018
1	More than 6 months	240,102	141,675
2	Other Claims	234,399	32,299

7. PREMIUM

(a) Premiums, less reinsurance, written from business in/outside India:

Sr No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
1	In India	2,671,452	1,629,406
2	Outside India	Nil	Nil

(b) Premium income recognised, based on Varying Risk Pattern is Rupees Nil (Previous Year Nil).

8. EXTENT OF RISKS RETAINED AND REINSURED

Extent of risk retained and reinsured based on Gross written premium (excluding excess of loss and catastrophe reinsurance):

Product	Gross Premium	Premium Ceded	Retention	Ceded %	Retention%
For the year ended 31.03.2019					
Motor	1,976,001	98,800	1,877,201	5%	95%
Health	607,617	38,354	569,263	6%	94%
Personal Accident	149,791	89,080	60,711	59%	41%
Fire	183,769	78,788	104,981	43%	57%
Engineering	8,667	2,989	5,678	34%	66%
Others	108,894	13,443	95,451	12%	88%
Workmen's Compensation	2,920	146	2,774	5%	95%
For the year ended 31.03.2018					
Motor	1,393,707	69,685	1,324,022	5%	95%
Health	252,789	12,723	240,266	5%	95%
Personal Accident	71,015	39,101	31,914	55%	45%
Fire	103,585	51,319	52,266	50%	50%
Engineering	4,668	-	4,668	0%	100%
Others	54,848	29,592	25,256	54%	46%

Schedules forming part of Balance Sheet and Profit and Loss Account

9. INVESTMENTS:

Value of contracts in relation to investments for:

Particulars	As at 31.03.2019	As at 31.03.2018
Purchases where deliveries are pending	Nil	50,000
Sales where payments are overdue	Nil	Nil

Historical cost of value of Investments which are valued on fair value basis ₹ 131,532 (Previous Year Nil).

Investments made are in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 and Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended and are performing investments.

The Company has no non-performing assets for the purpose of income recognition as per the directions of IRDAI (Previous year ` Nil).

10. MANAGERIAL REMUNERATION

Sr. No.	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
1	Salary & Perquisites	26,451	23,430
2	Contribution to Provident & Other Funds	1470	1,329

(a) The managerial remuneration is in accordance with the requirements of section 34A of the Insurance Act, 1938 and as approved by IRDAI.

(b) The managerial remuneration does not include provision for gratuity and leave encashment, as provision for gratuity & leave encashment liability is determined actuarially for the Company as a whole and accordingly have not been considered in the above information.

11. SECTOR WISE BUSINESS BASED ON GROSS DIRECT PREMIUM INCOME (GDPI):

Business Sector	For the year ended 31.03.2019		For the year ended 31.03.2018	
	GDPI	% of GDPI	GDPI	% of GDPI
Rural	156,991	5%	1,02,481	6%
Urban	2,854,108	95%	17,51,434	94%
Total	3,011,099	100%	18,53,915	100%

Social Sector	For the year ended 31.03.2019	For the year ended 31.03.2018
Number of Lives	58,496	1,941
GDPI	25,606	2.96

12. PREMIUM DEFICIENCY RESERVE:

In accordance with Master Circular and Corrigendum on Master Circular on preparation of financial statement issued by IRDA vide circular number IRDA/F&I/CIR/F&A/231/10/2012 dated October 5, 2012 and circular number IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013 respectively, in respect of calculation and recognition of Premium deficiency, the company does not require to make any provision for Premium Deficiency Reserve during the current year. (Previous Year Nil).

13. OPERATING LEASES:

In respect of commercial premises taken on operating leases, rental payments are recognized in statement of profit & loss account on straight line basis over the period of lease term.

The aggregate operating lease rent amounting to ₹9,816 (Previous Year 3,676) has been charged to the Revenue Accounts in the current year.

The Company has entered into only cancellable lease agreements with lessor and there are no transactions in the nature of sublease.

Schedules forming part of Balance Sheet and Profit and Loss Account

14. RELATED PARTY:

The disclosures related to related parties as required by Accounting Standard 18 on Related Parties Disclosures as specified under Section 133, and the relevant provisions of the companies Act 2013.

Particulars	Nature of Relationship	Name of the party
Parties where control exists	Holding Company	Kotak Mahindra Bank Limited (KMBL)
		Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 29.99% of the equity share capital and 19.68% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 st March, 2019 (P.Y 30.04%)
Other Related Parties	Fellow Subsidiaries	Kotak Mahindra Prime Limited
		Kotak Securities Limited
		Kotak Mahindra Investments Limited
		Kotak Mahindra Capital Company Limited
		Kotak Mahindra Asset Management Company Limited
		Kotak Mahindra Life Insurance Limited
		Kotak Mahindra Trustee Company Limited
		Kotak Investment Advisors Limited
		Kotak Mahindra Trusteeship Services Limited
		Kotak Infrastructure Debt Fund Limited (formerly known as Kotak Forex Brokerage Limited)
		IVY Product Intermediaries Limited (Formerly known as ING Vysya Financial Services Limited)
		BSS Microfinance Limited
		Kotak Mahindra (International) Limited
		Kotak Mahindra (UK) Limited
		Kotak Mahindra, Inc.
		Kotak Mahindra Asset Management (Singapore) Pte Limited
		Kotak Mahindra Financial Services Limited
		Kotak Mahindra Pension Fund Limited
Key Management Personnel (KMP) and its relatives	Managing Director & CEO	Mahesh Balasubramanian
Enterprises over which individual or their relatives have their significant influence.		Kotak Commodities Services Private Ltd
		Infina Finance Private Ltd
		Phoenix ARC Private Limited
		Harisiddha Trading and Finance Pvt Ltd
		Palko Properties Private Ltd
		Matrix Business Services India Private Limited
		ACE Derivatives and Commodity Exchange Limited

Schedules forming part of Balance Sheet and Profit and Loss Account

Particulars	Nature of Relationship	Name of the party
		Kotak Education Foundation
		Aero Agencies Limited
		Asian Machinery & Equipment Private Limited
		Allied Auto Accessories Private Limited
		Business Standard Private Limited
		Business Standard Online Limited
		Cumulus Trading Company Private Limited
		Insurekot Sports Private Limited
		Kotak Commodities International FZE
		Komaf Financial Services Private Limited
		Kotak and Company Private Limited
		Kotak Chemicals Limited
		Kotak Ginning & Pressing Industries Private Limited
		Kotak Trustee Company Private Limited
		Puma Properties Private Limited

Schedules

forming part of Balance Sheet and Profit and Loss Account

The following are transactions and closing balances of related parties in the ordinary course of business:

Sr No	Party Name	FY 18-19				FY 17-18					
		Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual having Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual having Significant influence	Individual having Significant influence
Assets	Kotak Mahindra Bank Ltd.	70,101	-	-	-	-	88,923	-	-	-	-
	Kotak Mahindra Bank Ltd.	283	-	-	-	-	407	-	-	-	-
	Kotak Mahindra Prime Limited	-	-	-	-	-	-	44	-	-	-
	Kotak Mahindra Life Insurance Co. Limited.	-	202	-	-	-	-	-	-	-	-
	Kotak Mahindra Life Insurance Co. Limited	-	11	-	-	-	-	11	-	-	-
Investment in Bonds	Kotak Mahindra Prime Limited	-	-	-	-	-	-	100,000	-	-	-
Int Accrued - Bonds/ Debentures	Kotak Mahindra Prime Limited	-	-	-	-	-	-	3,802	-	-	-
Liability											
Commission Payable	Kotak Mahindra Bank Ltd.	9,890	-	-	-	-	8,278	-	-	-	-
	Kotak Mahindra Prime Limited	-	892	-	-	-	-	961	-	-	-
Outstanding Payables	Kotak Mahindra Bank Ltd.	6,578	-	-	-	-	1,688	-	-	-	-
	Kotak Mahindra Life Insurance Co. Limited	-	203	-	-	-	-	84	-	-	-
	Kotak Mahindra Prime Limited	-	30	-	-	-	-	201	-	-	-
Premium Deposits	Kotak Investment Advisors Limited	-	0.007	-	-	-	-	120	-	-	-
	Kotak Mahindra Asset Management Company Limited	-	0.11	-	-	-	-	0.11	-	-	-
	Kotak Mahindra Bank Limited.	13,682	-	-	-	-	11,868	-	-	-	-
	Kotak Mahindra Investment Limited	-	0.003	-	-	-	-	0.003	-	-	-
	Kotak Mahindra Prime Limited	-	1,235	-	-	-	-	1,962	-	-	-
	BSS Microfinance Limited	-	695	-	-	-	-	-	-	-	-
	Kotak Mahindra Capital Company Limited	-	0.005	-	-	-	-	-	-	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

Sr No	Party Name	FY 18-19					FY 17-18				
		Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual Significant influence	Individual having Significant influence
	Kotak Securities Limited	-	34	-	-	-	-	34	-	-	-
	Phoneix ARC Private Limited	-	-	-	-	-	-	-	-	0.65	-
	Uday S Kotak Along with relatives	-	-	-	-	40	-	-	-	-	-
Premium Received in Advance	Kotak Mahindra Bank Limited	1,576	-	-	-	-	5	-	-	-	-
	Kotak Mahindra Investment Limited	-	68	-	-	-	-	-	-	-	-
	Kotak Mahindra Asset Management Company Limited	-	24	-	-	-	-	-	-	-	-
	Kotak Mahindra Life Insurance Co. Limited.	-	235	-	-	-	-	-	-	-	-
	Kotak Mahindra Capital Company Limited	-	24	-	-	-	-	-	-	-	-
	Kotak Mahindra Prime Limited	-	65	-	-	-	-	-	-	-	-
	Infina Finance Private Limited	-	-	-	17	-	-	-	-	-	-
	Kotak Securities Limited	-	364	-	-	-	-	187	-	-	-
	Kotak Commodities Services Private Limited	-	-	-	14	-	-	-	-	-	-
	Kotak Investment Advisors Limited	-	61	-	-	-	-	42	-	-	-
Transfer of Employee Liability from Group Companies	Kotak Mahindra Bank Limited	1,087	-	-	-	-	548	-	-	-	-
	Kotak Mahindra Prime Limited	-	15	-	-	-	-	-	-	-	-
Transactions during the year											
Claims Paid	Kotak Mahindra Asset Management Company Limited	-	499	-	-	-	-	38	-	-	-
	Kotak Mahindra Bank Limited.	9,546	-	-	-	-	2,435	-	-	-	-
	Kotak Mahindra Prime Limited	-	129	-	-	-	-	-	-	-	-
	Kotak Securities Limited	-	1,659	-	-	-	-	221	-	-	-

Schedules

forming part of Balance Sheet and Profit and Loss Account

Sr No	Party Name	FY 18-19						FY 17-18					
		Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual Significant influence	Individual having Significant influence		
	Kotak Mahindra Life Insurance Co Limited	-	334	-	-	-	-	-	-	-	-	-	-
	Kotak Mahindra Investment Limited	-	83	-	-	-	-	-	-	-	-	-	-
	Kotak Investment Advisors Limited	-	129	-	-	-	-	73	-	-	-	-	-
	BSS Microfinance Limited	-	207	-	-	-	-	-	-	-	-	-	-
	Mahesh Balasubramanian	-	-	12	-	-	-	-	-	-	-	-	-
	Infina Finance Private Limited	-	-	-	41	-	-	-	-	-	-	-	-
	Uday S Kotak Along with relatives	-	-	-	-	101	-	-	-	-	-	-	-
	Kotak Mahindra Capital Company Limited	-	511	-	-	-	-	108	-	-	-	-	-
Commission Paid	Kotak Mahindra Bank Limited	130,663	-	-	-	-	91,961	-	-	-	-	-	-
	Kotak Mahindra Prime Limited	-	11,059	-	-	-	-	10,708	-	-	-	-	-
Employee Insurance Premium	Kotak Mahindra Life Insurance Co Limited	-	484	-	-	-	-	305	-	-	-	-	-
Interest Income	Kotak Mahindra Prime Limited	-	1,685	-	-	-	-	3,440	-	-	-	-	-
Interest Paid	Kotak Mahindra Asset Management Company Limited	-	-	-	-	-	-	0.09	-	-	-	-	-
Equity Shares	Kotak Mahindra Bank Limited	450,000	-	-	-	-	4,00,000	-	-	-	-	-	-
Premium Income	Kotak Investment Advisors Limited	-	589	-	-	-	-	691	-	-	-	-	-
	Kotak Mahindra Asset Management Company Limited	-	902	-	-	-	-	769	-	-	-	-	-
	Kotak Mahindra Bank Limited	19,591	-	-	-	-	28,403	-	-	-	-	-	-
	Kotak Mahindra Capital Company Limited	-	849	-	-	-	-	328	-	-	-	-	-
	Kotak Mahindra Investment Limited	-	564	-	-	-	-	304	-	-	-	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

Sr No	Party Name	FY 18-19					FY 17-18				
		Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual Significant influence	Individual having Significant influence
	Kotak Mahindra Life Insurance Co Limited	-	1,645	-	-	-	-	50	-	-	-
	Kotak Mahindra Pension Fund Limited	-	12	-	-	-	-	14	-	-	-
	Kotak Mahindra Prime Limited	-	1,219	-	-	-	-	1,511	-	-	-
	Kotak Mahindra Trusteeship Services Limited	-	25	-	-	-	-	29	-	-	-
	Kotak Commodities Services Private Limited	-	-	-	192	-	-	-	-	220	-
	Infina Finance Private Limited	-	-	-	160	-	-	-	-	67	-
	Uday S Kotak Along with relatives	-	-	-	-	121	-	-	-	-	389
	Kotak Securities Limited	-	3,893	-	-	-	-	3,575	-	-	-
	Phoenix ARC Private Limited	-	-	-	166	-	-	-	-	235	-
	Harisiddha Trading and Finance Private Limited	-	-	-	-	-	-	-	-	5	-
	Palko Properties Private Limited	-	-	-	-	-	-	-	-	5	-
	Mahesh Balasubramanian	-	-	53	-	-	-	-	51	-	-
	Relative of Mahesh Balasubramanian	-	-	4	-	-	-	-	5	-	-
	Kotak Infrastructure Debt Fund Limited	-	19	-	-	-	-	-	-	-	-
	BSS Microfinance Limited	-	3,550	-	-	-	-	-	-	-	-
Reimbursement From Group Companies	Kotak Mahindra Life Insurance Co Limited	-	527	-	-	-	-	-	-	-	-
	Kotak Mahindra Life Insurance Co Limited	-	871	-	-	-	-	-	-	-	-
Bank Charges	Kotak Mahindra Bank Limited	402	-	-	-	-	216	-	-	-	-

Schedules

forming part of Balance Sheet and Profit and Loss Account

Sr No	Party Name	FY 18-19					FY 17-18				
		Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/ Significant Control	Enterprises over which Individual Significant influence	Individual having Significant influence
Reimbursement to Group Companies	Kotak Mahindra Prime Limited	-	330	-	-	-	-	186	-	-	-
	Kotak Securities Limited	-	150	-	-	-	-	-	-	-	-
	Kotak Mahindra Life Insurance Co Limited	-	1,475	-	-	-	-	974	-	-	-
	Kotak Mahindra Bank Limited	47,691	-	-	-	-	43,228	-	-	-	-
Rent Premises Expenses	Kotak Mahindra Prime Limited	-	184	-	-	-	-	153	-	-	-
	Kotak Mahindra Life Insurance Co Limited	-	1,226	-	-	-	-	1,487	-	-	-
Remuneration of Key Management Personnel	Maresh Balasubramanian	-	-	27,921	-	-	-	-	24,758	-	-
Transfer of Employee Liability from Group Companies	Kotak Mahindra Bank Limited	1,087	-	-	-	-	548	-	-	-	-
	Kotak Mahindra Prime Limited	-	15	-	-	-	-	-	-	-	-

Schedules forming part of Balance Sheet and Profit and Loss Account

15. EMPLOYEE BENEFIT PLANS:

Defined Contribution Plan:

SL No	Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
1	Provident Fund	19,414	14,427
2	National Pension Scheme	1,485	1269

Defined Benefit Plan:

Gratuity

The company has a defined gratuity plan payable to every employee on separation from the company. The gratuity plan provides a lumpsum payment to vested employees at retirement or on termination of employment based on respective employee's salary and years of employment with the Group subject to a maximum of ₹2,000 (Previous year: ₹ 2,000)

Disclosures as required under accounting standard AS-15 on Employee Benefits are given below:

Amount to be recognized in Balance Sheet:-

Particulars	As at 31.03.2019	As at 31.03.2018
Amount to be Recognized in Balance Sheet		
Present Value of Funded Obligations	Nil	Nil
Fair Value of Plan Assets	Nil	Nil
Present Value of Unfunded Obligations	22,042	13,587
Unrecognized Past Service Cost	Nil	Nil
Amount not Recognized as an Asset (limit in Para 59(b))	Nil	Nil
Net Liability	22,042	13,587
Amounts in Balance Sheet		
Liability	22,042	13,587
Assets	Nil	Nil
Net Liability is bifurcated as follows:		
Current	2,239	1,269
Non Current	19,803	12,318
Net Liability	22,042	13,587
Expense To Be Recognized in the Statement of P&L		
Current Service Cost	3,806	3,565
Interest on Defined Benefit Obligation	1,324	683
Expected Return on Plan Assets	Nil	Nil
Net Actuarial Losses / (Gains) Recognized in Year	3,774	624
Past Service Cost	Nil	2,317
Losses / (Gains) on "Curtailments & Settlements"	Nil	Nil
Losses / (Gains) on "Acquisition / Divestiture"	Nil	Nil
Effect of the limit in Para 59(b)	Nil	Nil
Total, Included in "Employee Benefit Expense"	8,904	7,189
Actual Return on Plan Assets	Nil	Nil

Schedules

forming part of Balance Sheet and Profit and Loss Account

Particulars	As at 31.03.2019	As at 31.03.2018
Reconciliation of Benefit Obligations & Plan Assets For the Period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	13,587	5,992
Current Service Cost	3,806	3,565
Interest Cost	1,324	683
Actuarial Losses / (Gain)	3,774	624
Past Service Cost	Nil	2,317
Actuarial Losses / (Gain) due to Curtailment	Nil	Nil
Liabilities Extinguished on Settlements	Nil	Nil
Liabilities Assumed on Acquisition / (Settled on Divestiture)	455	463
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	(906)	(57)
Closing Defined Benefit Obligation	22,042	13,587
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Actuarial Gain / (Losses)	Nil	Nil
Assets Distributed on Settlements	Nil	Nil
Contributions by Employer	906	57
Assets Acquired on Acquisition / (Distributed on Divestiture)	Nil	Nil
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	(906)	(57)
Closing Fair Value of Plan Assets	Nil	Nil
Expected Employer's Contribution Next Year	2,239	1,269

Experience Adjustments:-

Particulars	As at 31.03.2019	As at 31.03.2018
Defined Benefit Obligation	22,042	13,587
Plan Assets	Nil	Nil
Surplus / (Deficit)	(22042)	(13,587)
Exp. Adj. on Plan Liabilities	2,616	2,046
Exp. Adj. on Plan Assets	0	0

Summary of Principal Actuarial Assumptions:-

Particulars	As at 31.03.2019	As at 3 1.03.2018
Discount Rate (p.a.)	7.15%	7.90%
Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
Salary Escalation Rate (p.a.)	7.00%	7.00%

Schedules forming part of Balance Sheet and Profit and Loss Account

Leave Encashment:

The company has a scheme of compensated absences where leaves are accruing for employees and liability of which are determined actuarially as at the year end.

The break-up of the Defined Benefit Obligation (which equals to net liability assuming this liability is not externally funded) between current & non-current is as follows:-

Particulars	As at 31.03.2019	As at 31.03.2018
Net Liability	9,852	1,913

Financial Assumptions at the Valuation Date:-

Particulars	As at 31.03.2019	As at 31.03.2018
Discount Rate (p.a.)	7.15%	7.90%
Salary Escalation Rate (p.a.)	7.00%	7.00%

16. SEGMENTAL REPORTING:

The company's primary reportable segments are business segments which have been identified in accordance with the regulations and AS – 17 Segment Reporting. Operating Expenses & Income from Investments are allocated to business segments as mentioned in para 1K & 1L of schedule Segments revenue and segment results are shown in financial statements. Segmental assets and liabilities are disclosed to the extent identifiable:

Period	Products	Claims Outstanding	Reserve for Unexpired Risk
As at 31.03.2019	Motor	1,296,747	1,028,990
	Health	45,375	390,359
	PA	9,777	42,065
	Fire	26,672	71,575
	Engg	140	2,200
	Others	3,009	103,257
	Workmen Compensation	930	1,248
	Total	1,382,650	1,639,695
As at 31.03.2018	Motor	641,089	709,975
	Health	24,866	164,443
	PA	9,312	15,176
	Fire	6,197	27,951
	Engg	-	1498
	Others	1,328	22,747
	Total	682,792	941,790

Schedules

 forming part of Balance Sheet and Profit and Loss Account

17 EARNINGS PER SHARE:

SL No	Particulars	As at 31.03.2019	As at 31.03.2018
1	Net Profit/(Loss) available to Equity Shareholders	(348,994)	(325,495)
2	Weighted Average Number of Equity Shares:-		
	Number of Shares at the beginning of the year	17,50,00,000	13,50,00,000
	Shares issued during the year	4,50,00,000	4,00,00,000
	Number of Shares at the end of the year	22,00,00,000	17,50,00,000
	Weighted Average Number of Equity Shares outstanding during the year	21,55,61,644	17,14,93,151
3	Nominal Value of Equity Shares	₹ 10	₹ 10
4	Basic Earnings Per Share	(1.62)	(1.90)
5	Diluted Earnings Per Share	(1.62)	(1.90)

There were no dilutive equity shares or potential equity shares issued and so weighted average number of equity shares is similar to calculate both basic earnings per share and diluted earnings per share.

18 PENALTIES LEVIED BY VARIOUS GOVERNMENT AUTHORITIES DURING FINANCIAL YEAR 2018-19:

Sr No.	Particulars	Non Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
2	GST/Service Tax Authorities -	Nil	Nil	Nil	Nil
3	Income Tax Authorities -	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/Adjudicating Authority/ Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013/1956	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	NA	NA	NA	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Govt/Statutory Authority (Tariff Advisory Committee)	Nil	Nil	Nil	Nil

19 CONTRIBUTION TO SOLATIUM FUND

The IRDA had asked the General Insurance Council ("the Council") to recommend the percentage of contribution to be made to a Solatium Fund and matters relating to the administration of the Fund. The Council recommended contribution of 0.10% of the all third party motor gross written premium as solatium fund to the administrator. Accordingly the company has provided ₹963 (Previous Year ₹ 594) towards solatium fund during the year which is charged to revenue account and also disclosed under current liabilities.

20 MICRO AND SMALL SCALE BUSINESS ENTITIES:

According to the information available with the Company there are dues of ₹ 800 (Previous Year Nil) payable to Micro, Small and Medium enterprises as defined under Micro, Small and Medium Enterprises Development, 2006 as at March 31, 2019.

Schedules forming part of Balance Sheet and Profit and Loss Account

21 EMPLOYEE SHARE OPTION PLANS (ESOP) & STOCK APPRECIATION RIGHTS (SARs): Employee share option plans (ESOP)

Equity Settled Options

At the General Meetings of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had unanimously passed Special Resolutions on 5th July 2007, 21st August 2007 and 29th June 2015, to grant options to the eligible employees of the Bank and its subsidiaries and associate companies. Pursuant to these resolutions, the following Employees Stock Option Schemes had been formulated and adopted:

- (a) Kotak Mahindra Equity Option Scheme 2007; and
- (b) Kotak Mahindra Equity Option Scheme 2015

Further, pursuant to the Scheme of Amalgamation of ING Vysya Bank (IVBL) with the Bank, the Bank has renamed and adopted the ESOP Schemes of the erstwhile IVBL, as given below:

- (a) Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2007
- (b) Kotak Mahindra Bank Ltd. (IVBL) Employee Stock Option Scheme 2010; and
- (c) Kotak Mahindra Bank Ltd. (IVBL) Employees Stock Option Scheme 2013

Consequent to the above, the Bank has granted stock options to employees of the Company. In accordance with the SEBI Guidelines and the guidance note on "Accounting for Employee Share based payments", the excess, if any, of the market price of the share, preceding the date of grant of the option under ESOSs over the exercise price of the option is amortised on a straight-line basis over the vesting period. The Company has reimbursed the Bank 'NIL' (Previous Year 'NIL' during the year on account of such costs and the same is forming part of Employee costs and included under the head "Reimbursement of expense on ESOP Scheme" under Schedule 4 Employees Remuneration and Welfare Benefit Expenses

Stock Appreciation rights (SARs)

At the General Meeting of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had unanimously passed Special Resolution on 29th June, 2015 to grant stock appreciation rights (SARs) to the eligible employees of the Bank, its subsidiaries and associate companies. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 has been formulated and adopted. Subsequently, the SARs have been granted under this scheme and the existing SARs will continue. The contractual life (which is equivalent to the vesting period) of the SARs outstanding ranges from 1.20 to 3.67 years.

Detail of activity under SARs plan is summarized below:

Particulars	No. of SARs	
	As at 31.03.2019	As at 31.03.2018
Outstanding at the beginning of the year	15,643	15,250
Granted during the year	6,580	7,770
Additions/Reduction due to transfer of employees		
Exercised during the year	(7,104)	(7,377)
Expired during the year		
Outstanding at the end of the year	15,119	15,643

Effect of grant of SARs to employees on the statement of profit and loss and on its financial position

Particulars		
	As at 31.03.2019	As at 31.03.2018
Employee Compensation	11,526	8,150
Closing balance of liability for cash-settled options	11,923	9,443

Had the Company recorded the compensation cost computed on the basis of fair valuation method instead of intrinsic value method, employee compensation cost would have been higher by ₹16,393 (Previous Year 13,174) and the Loss after tax would have been higher by ₹16,393 (Previous year 13,174). Consequently the basic and diluted EPS would have been lower by ₹ 0.08 (Previous year 0.07).

Schedules forming part of Balance Sheet and Profit and Loss Account

22 PROVISION FOR FREE LOOK PERIOD:

The provision for free look period is NIL and it is duly certified by the Appointed Actuary.

23 ACCOUNTING RATIOS ARE GIVEN IN ANNEXURE 1.

24 SUMMARY OF FINANCIAL STATEMENT IS PROVIDE IN ANNEXURE 2.

25 STATEMENT SHOWING AGE-WISE ANALYSIS OF THE UNCLAIMED AMOUNT:

Schedule-I (FORM A)

Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders as on

₹ In "000"

Particulars	Total Amount	AGE-WISE ANALYSIS						
		0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	36-120 months
Claims settled but not paid to the policyholders/beneficiaries due to any reasons except under litigation from the policyholders/ beneficiaries	97.66	97.66						
Sum due to the policyholders/ beneficiaries on maturity or otherwise	-	-	-	-	-	-	-	-
Any excess collection of the premium/tax or any other charges which is refundable to the policyholders/ beneficiaries either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	637.46	411.66	122.40	48.96	34.42	12.03	7.99	-
Cheques issued but not encashed by the policyholder/beneficiaries								
Total	735.12	509.31	122.40	48.96	34.42	12.03	7.99	-

FORM C

Details of Unclaimed Amount and Investment Income

₹ In "000"

Particulars	FY 2018-19	FY 2017-18
Opening Balance	627.22	248.29
Add: Amount transferred to Unclaimed Fund	3,277.27	4,830.96
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	-	-
Add: Investment Income on Unclaimed Fund	52.00	56.57
Less: Amount of claims paid during the year	3,222.00	4,508.60
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	-	-
Closing Balance of Unclaimed Amount Fund	735.00	627.22

26 TAXATION

The company has unabsorbed depreciation and carry forward of losses under tax laws. However deferred tax assets has not been recognized in financial statement as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

27 FOREIGN EXCHANGE

Expenditure in Foreign Currency (on cash basis) in current year: ₹148 (Previous Year: ₹ 129)

28 DISCLOSURE OF CERTAIN EXPENSES

As required under Circular no 067/IRDA/F&A/CIR/MAR -08 dated March 28, 2008, outsourced services include payments made for various outsourced services amounting to ₹79,816 (Previous Year: 74,764)

29 DISCLOSURE OF OTHER WORKS GIVEN TO AUDITORS

Pursuant to clause 7.1 (g) of Corporate Governance Guidelines issued by IRDA on August 5, 2009 the remuneration paid to Auditors for services other than statutory / concurrent / internal audit are disclosed below:

Name	Particulars	Nature	2019	2018
V.C Shah & Co	Statutory Auditors	Certification work	40	42
V.C Shah & Co	Statutory Auditors	Tax Audit	275	25

- 30.** The premium received on the third party insurance cover for new motor and two wheeler policies under Long Terms product is recognized as per the IRDA Circular.
- 31.** With regard to a recent Supreme Court (SC) judgment on PF there are various interpretative issues including applicability. The company has based on a legal opinion taken the view that the judgment will be applicable from March 2019.
- 32.** Prior year figures have been regrouped, reclassified in the respective schedule and notes wherever considered necessary.

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
Firm Registration No.: 100186W

For V.C.Shah & Co.
Chartered Accountants
Firm Registration No.: 109818W

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Rajesh S Joshi
Partner
M. No :38526

V.C.Shah
Partner
M. No :10360

Gaurang Shah
Director
DIN : 00016660

Virat Diwanji
Director
DIN : 07021146

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Dated: April 24, 2019

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

ANALYTICAL RATIOS FOR THE YEAR ENDED 31ST MARCH 2019 ANNEXURE - 1

Particular	Total	Fire	Marine	Miscellaneous										Trade Credit	Others	Miscellaneous Total
				Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance				
Gross Direct Premium Growth Rate	0.62	0.99	NA	0.27	0.62	0.42	NA	NA	NA	NA	1.11	1.40	NA	0.99	-	0.61
Gross Direct Premium to Net Worth ratio	2.79	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth rate of Net Worth	10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Retention Ratio	88%	51%	NA	94%	94%	94%	94%	NA	58%	NA	40%	94%	NA	79%	90%	90%
Net Commission Ratio	7%	5%	NA	17%	0%	9%	15%	NA	-3%	NA	-63%	10%	NA	17%	8%	8%
Expense of Management to Gross Direct Premium Ratio	44%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expense of Management to Net Premium Ratio	49%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Incurred Claims to Net Earned Premium	68%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combined Ratio	115%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Reserves to net premium ratio	1.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underwriting balance ratio	(0.31)	(0.43)	NA	(0.19)	(0.48)	(0.32)	(0.48)	NA	0.76	NA	1.13	(0.27)	NA	(9.78)	(0.31)	(0.31)
Operating Profit Ratio	-21%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid Assets to liabilities ratio	0.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net earning ratio	-13%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Return on Net Worth Ratio	-32%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Solvency Margin Ratio to Required Solvency Margin Ratio	1.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NPA Ratio																
Gross NPA Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net NPA Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ANALYTICAL RATIOS FOR THE YEAR ENDED 31ST MARCH 2018 ANNEXURE - 1

Particular	Miscellaneous														
	Total	Fire	Marine	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Miscellaneous Others	Miscellaneous Total
Gross Direct Premium Growth Rate	1.26	7.79	NA	0.81	1.41	1.02	NA	NA	NA	NA	1.59	1.68	NA	1034	1.18
Gross Direct Premium to Net Worth ratio	1.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth rate of Net Worth	8%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Retention Ratio	87%	42%	NA	93%	93%	93%	NA	NA	88%	NA	36%	95%	NA	37%	89%
Net Commission Ratio	8% (0.19%)	NA	NA	16%	-0.3%	9%	NA	NA	1%	NA	-91%	14%	NA	12%	8%
Expense of Management to Gross Direct Premium Ratio	47%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expense of Management to Net Premium Ratio	53%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Incurred Claims to Net Earned Premium	72%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combined Ratio	122%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Reserves to net premium ratio	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underwriting balance ratio	-0.43	0.05	NA	-0.30	-0.67	-0.44	NA	NA	0.95	NA	0.75	-0.50	NA	6.16	-0.44
Operating Profit Ratio	-34%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid Assets to liabilities ratio	0.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net earning ratio	-20%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Return on Net Worth Ratio	-33%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Solvency Margin Ratio to Required Solvency Margin Ratio	1.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NPA Ratio															
Gross NPA Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net NPA Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ANNEXURE – 2

No	Particulars	FY 18-19	FY 17-18	FY 16-17	FY 15-16
OPERATING RESULTS					
1	Gross Direct Premiums	30,110.99	18,539.15	8,205.29	370.89
2	Net Earned Premium #	19,735.47	11,587.48	3,285.72	6.05
3	Income from investments (net) @	1,967.24	1,017.62	355.29	16.62
4	Other income (Pl. specify)	(8.57)	(5.25)	(2.32)	0.57
5	Total income	21,694.14	12,599.85	3,638.69	23.24
6	Commissions (Net) (Including Brokerage	1,992.46	1,340.93	368.55	21.00
7	Operating Expenses	10,453.39	6,882.96	5,271.82	1,586.64
8	Net Incurred Claims	13,432.00	8,303.05	2,401.45	21.03
9	Change in Unexpired Risk Reserve	6,979.05	4,706.57	4,387.10	324.26
10	Operating Profit/loss	(4,183.71)	(3,927.09)	(4,403.12)	(1,605.44)
NON-OPERATING RESULT					
11	Total income under shareholders' account	693.77	672.14	930.75	632.53
12	Profit/ (loss) before tax	(3,489.94)	(3,254.95)	(3,472.36)	(972.91)
13	Provision for tax	-	-	-	-
14	Profit / (loss) after tax	(3,489.94)	(3,254.95)	(3,472.36)	(972.91)
MISCELLANEOUS					
15	Policy holders' Account:				
	Total funds	Not applicable for General insurance Co	Not applicable for General insurance Co	Not applicable for General Insurance Co	Not applicable for General Insurance Co
	Total Investments				
	Yield on investments				
16	Shareholders' Account:				
	Total funds	Not applicable for General insurance Co	Not applicable for General Insurance Co	Not applicable for General Insurance Co	Not applicable for General Insurance Co
	Total Investments				
	Yield on investments				
17	Paid up equity capital	22,000	17,500	13,500	13,500
18	Net worth	10,783	9,773	9,028	12,500
19	Total assets	46,794	29,035	17,375	13,857
20	Yield on total investments	7.99%	8.19%	10.47%	8.20%
21	Earnings per share (₹)	(1.62)	(1.90)	(2.57)	(1.18)
22	Book Value per share (₹)	5.00	5.70	6.69	15.21
23	Total Dividend	-	-	-	-
24	Dividend per share (₹)	-	-	-	-

Net of reinsurance

@ Net of losses

Points 15&16 may be given separately, if it is feasible.

*1st year means the most recent concluded financial year.

Management Report

As per provisions of Part IV of Schedule B of The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002 the following Management Report for the year ended March 31, 2019 is submitted:

1. The company obtained and hold certificate of registration from Insurance Regulatory and Development Authority of India on November 18, 2015 to start general insurance business.
2. We hereby certify that all the dues payable to the statutory authorities have been duly paid by the company except those under dispute or disclosed under contingent liability in the notes to account forming part of financials.
3. We hereby confirm that the shareholding pattern and transfer of shares during the year ended 31st March 2019 are in accordance with the statutory or regulatory requirements.
4. We declare that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. We hereby confirm that the required solvency margins have been maintained throughout the year.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and to the best of our belief the assets set forth in the Balance-sheets are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings – “Loans”, “Investments”, “Agents balances”, “Outstanding Premiums”, “Interest, Dividends and Rents outstanding”, “Interest, Dividends and Rents accruing but not due”, “Amounts due from other persons or Bodies carrying on insurance business”, “Sundry Debtors”, “Cash” and the several items specified under “Other Accounts” except debt securities which are valued at cost/ amortized cost.
7. The Company is exposed to a variety of risks associated with general insurance business such underwriting risk (quality and price at which risk are underwritten), reserve risk (risk of adverse development), assets risk (credit risk, market risk, liquidity risk, etc.) and expense risk (higher than planned expenses). Some of the risk beyond Company's risk appetite are transferred and managed through an appropriate reinsurance program, thereby ensuring that the risk exposure is kept at a level commensurate with its capacity. The key business risk, as mentioned above, are closely monitored and effective remedial actions are taken whenever deemed necessary.
8. We confirm that the company does not have any operations outside India.
9.
 - a) Please refer annexure 1 for age wise analysis of claims outstanding
 - b) Please refer annexure 2 for average claims settlement time
 - c) Please refer annexure 3 for details of claims intimated
10. We certify that Investments are recorded at cost and include brokerage, transfer charges, stamps etc, and excludes pre acquisition interest, if any.

Debt securities & non-convertible preference shares are considered as 'held to maturity' and stated at historical cost adjusted for amortization of premium or accretion of discount determined on constant yield to maturity basis over the holding/maturity period.

Mutual fund units are stated at their 'Net Asset Value' as at the balance sheet date. Any unrealized gain/loss will be accounted for under fair value change account.
11. The Company has adopted a prudent investment policy aiming optimum return with minimum risk. The company has invested predominantly in Government Securities and Corporate Securities having highest credit quality rating. The company has a well-diversified portfolio across issuers and Industry segments in Corporate Securities. The investments are managed within the investment policy laid down by the board from time to time and are within the investment regulations and guidelines of IRDAI. There are no non-performing assets as at the end of the financial year.
12. We confirm that:
 - a) In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
 - b) The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit or loss and of the profit or loss of the company for the year;
 - c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) / Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) The management has prepared the financial statements on a going concern basis;
- e) The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
13. Details of payments made to individuals, firms, companies and organisations in which Directors of the insurers are interested are given below:

Sr. No	Name of the Directors	Entity in which Director are interested	Interested As	Expense during the financial year (Rs. In lakhs)
1	Gaurang Shah G Murlidhar	Kotak Mahindra Life Insurance Co. Ltd.	Director	35.19

**For and on behalf of the Board of Directors
of Kotak Mahindra General Insurance Company Limited**

Gaurang Shah

Director
DIN : 00016660

Mahesh Balasubramanian
Managing Director and CEO
DIN: 02089182

Virat Diwanji

Director
DIN : 07021146

Yash Kotak
Chief Financial Officer

Krishnan Gopalakrishnan

Chief Compliance Officer and Company Secretary

Mumbai: Mumbai
Dated: April 24, 2019

Annexure – 1
Age wise analysis of claims outstanding:
a. Year 2018-19

Particulars	0-30 days		30 days - 6 months		6 months - 1 year		1 year - 5 years		> 5 years		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Motor TP	34	16,210,000	131	57,300,000	75	34,760,250	100	62,772,673	-	-	340	171,042,923
Motor OD	360	31,706,438	196	49,318,832	67	12,196,979	27	7,257,770	-	-	650	100,480,019
Fire	4	985,500	15	42,838,000	51	118,025,934	13	3,890,500	-	-	83	165,739,934
Others	5	2,711,500	1	608,715	1	71,139	0	-	-	-	7	3,391,354
Health	197	15,006,887	75	10,061,870	11	720,966	1	404,842	-	-	284	26,194,565
Personal Accident	15	3,893,500	4	3,758,499	-	-	0	-	-	-	19	7,651,999
Total	615	70,513,825	422	163,885,916	205	165,775,268	141	74,325,785	-	-	1,383	474,500,794

b. Year 2017-18

Particulars	0-30 days		30 days - 6 months		6 months - 1 year		1 year - 5 years		> 5 years		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Fire	10	9,873,945	14	2,362,001	8	3,560,000	-	-	-	-	32	15,795,946
Motor OD	343	19,056,339	201	46,829,613	28	8,918,107	5	2,639,850	-	-	577	77,443,909
Motor TP	18	7,221,000	40	15,650,500	50	25,475,000	23	11,995,600	-	-	131	60,342,100
PA	7	160,000	16	4,036,000	-	-	-	-	-	-	23	4,196,000
Health	111	5,497,660	32	2,241,601	-	-	-	-	-	-	143	7,739,261
Miscellaneous	-	-	1	386,000	-	-	-	-	-	-	1	386,000
Grand Total	489	41,808,944	304	71,505,715	86	37,953,107	28	14,635,450	-	-	907	165,903,216

c. Year 2016-17

Particulars	0-30 days		30 days - 6 months		6 months - 1 year		1 year - 5 years		> 5 years		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Fire	-	-	-	-	-	-	-	-	-	-	-	-
Motor OD	248	10,126,650	83	15,087,771	3	1,335,445	-	-	-	-	334	26,549,865
Motor TP	8	2,920,000	17	7,165,000	5	1,900,000	-	-	-	-	30	11,985,000
PA	8	160,000	2	79,000	-	-	-	-	-	-	10	239,000
Health	44	2,062,450	11	926,393	-	-	-	-	-	-	56	2,988,843
Others	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	308	15,269,100	113	23,258,164	8	3,235,445	-	-	-	-	430	41,762,708

d. Year 2015-16

Particulars	0-30 days		30 days - 6 months		6 months - 1 year		1 year - 5 years		> 5 years		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Pvt Car	11	224,039	1	21,850	0	0	0	0	0	0	12	245,889
GCV	0	0	0	0	0	0	0	0	0	0	0	0
MISD	1	38,000	0	0	0	0	0	0	0	0	1	38,000
Grand Total	12	262,039	1	21,850	0	0	0	0	0	0	13	283,889

Annexure – 2

Average Claims Settlement Time:

Particulars	2018-19		2017-18		2016-17		2015-16		2014-15	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Fire	55	187	13	122	-	-	-	-	-	-
Motor OD	16,538	19	10909	24	2,763	20	8	17	-	-
Motor TP	66	310	15	182	1	183	-	-	-	-
PA	195	10	40	10	9	7	-	-	-	-
Health	7032	9	1064	10	394	27	-	-	-	-
Others	14	91	1	37	-	-	-	-	-	-
Engineering	1	107	-	-	-	-	-	-	-	-

Annexure – 3

Details of Claims Intimated:

Particulars	Eastern		Northern		Southern		Western	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Fire	6	14,405	66	70,340	19	2,957	15	101,964
Engineering	-	-	1	520	-	-	-	-
Motor OD	2,148	47,739	7,374	189,198	4,282	94,022	6,079	137,048
Motor TP	18	20,869	116	435,049	67	106,710	56	119,709
Personal Accident	7	600	72	8,137	38	4,232	74	4,517
Health Insurance	269	14,121	1,809	83,321	2,383	88,362	2,713	61,222
Others	1	65	8	3,865	6	473	4	1,417
Total	2,449	97,799	9,446	790,430	6,795	296,756	8,941	425,877



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