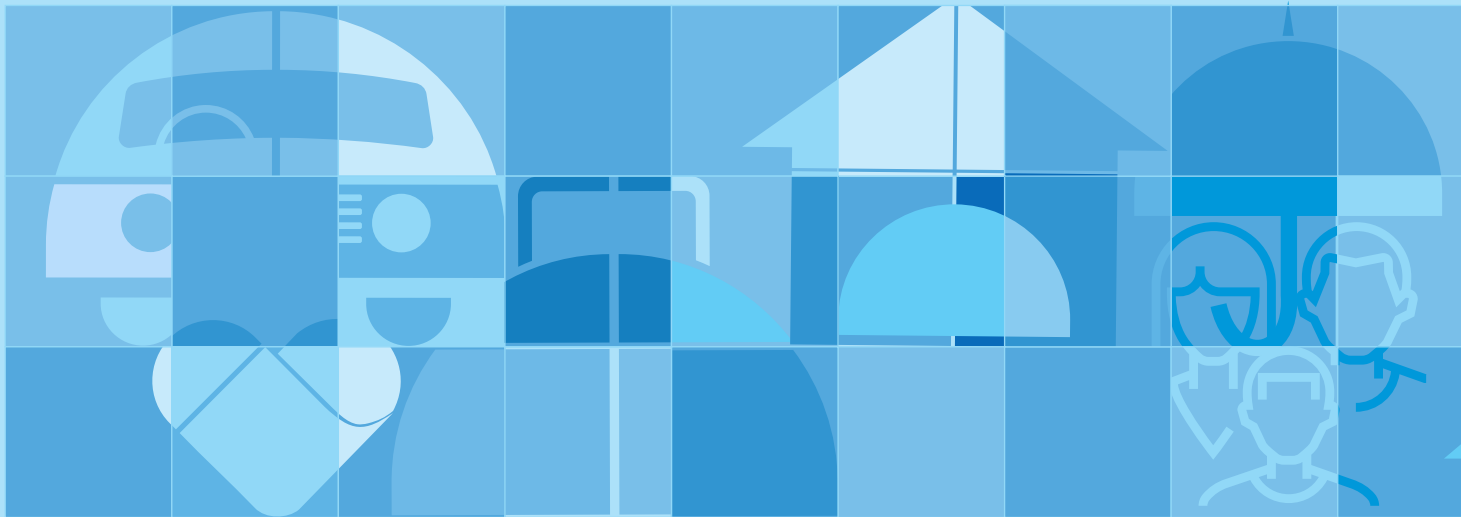


# ANNUAL REPORT 2018-19

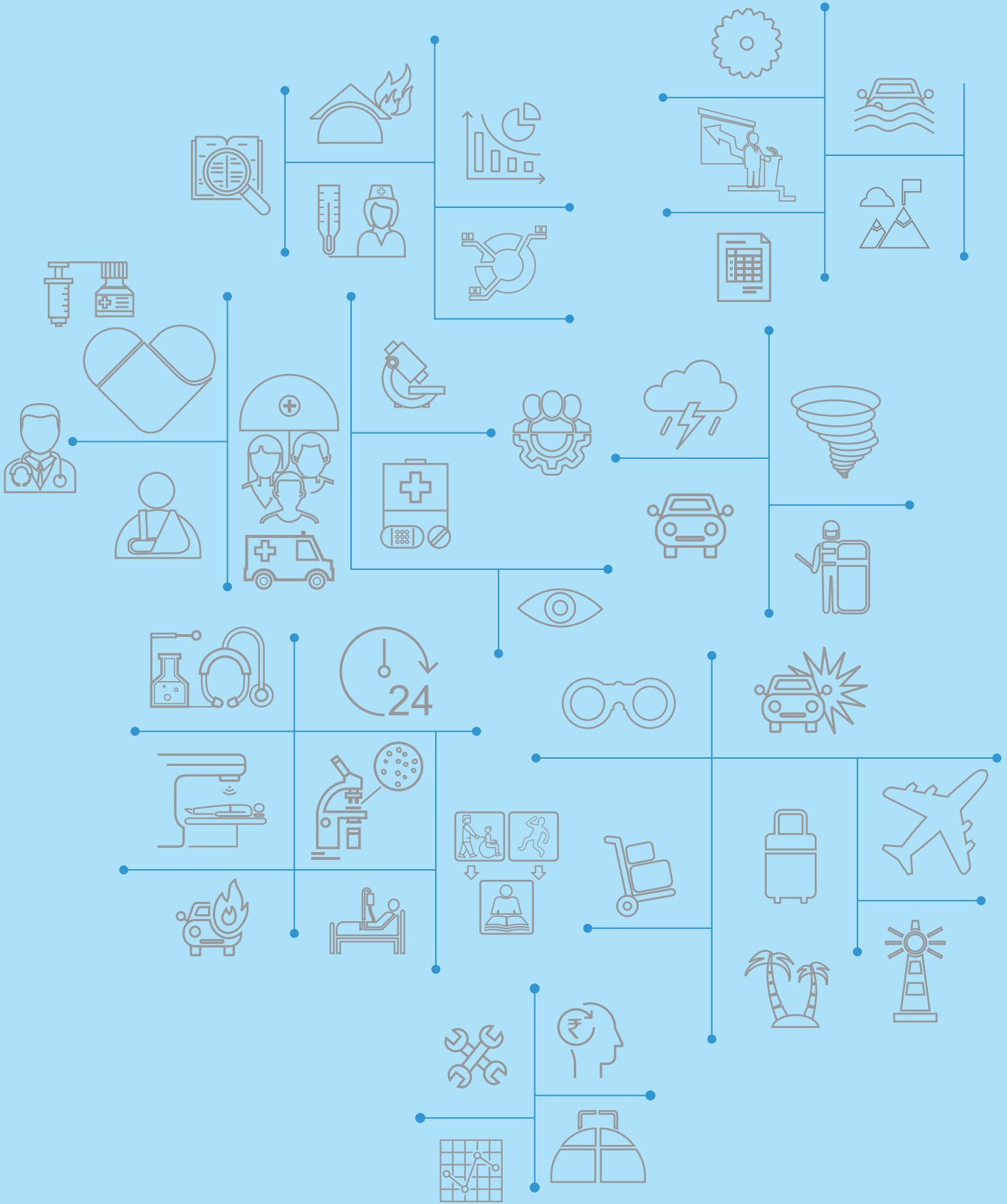






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ABOUT  
US

# ABOUT US

## About DHFL General Insurance Ltd

DHFL General Insurance is a venture promoted by Wadhawan Global Capital Limited (WGC), which is a core investment company. Its flagship brand is Dewan Housing Finance Corporation Limited (DHFL), a listed housing finance entity.

DHFL General Insurance Ltd is a 100% wholly owned subsidiary of WGC.

## Helping Customers Care for Themselves

DHFL GI, which started its operations in November 2017, is an Indian insurtech that was born out of the need to make the process of buying general insurance easy and accessible to all. Moreover, with customers demanding customisation, we realise the importance of using technology to offer personalised products at competitive prices. COCO, which stands for Connected Covers, aims to use smart technology to reach out to consumers across the length and breadth of the country.

## Enabling Customers to Choose What's Right for Them

COCO helps customers invest in products that will protect what they value such as health, assets. Our tagline of 'Care More. Have More' helps us stay focused towards catering to the modern needs of our consumers.

## Why COCO?

Buying insurance is considered a cumbersome task. At DHFL GI, we not only intend to demystify general insurance but also offer a superior buying experience to our customers.

What makes COCO a trustworthy choice of customers is that our products are easy to understand and customised to the needs of customers.



# REWARDS AND RECOGNITIONS

## The Rising Star of The Year



Achieving of highest gross written premium (GWP) in the first five months of operations

## Brand Excellence in BFSI



COCO's digital brand launch campaign

## Insure Tech Company of the Year



Best performance of various insurance services

## Mobbys Award



Best use of video for #YeCOCOKyaHai campaign

## Drivers of Digital Award



Best use of digital media in insurance category

## Mobexx Award



Best use of video for #YeCOCOKyaHai campaign

## Top-10 Promising Insurance Startups



Silicon India Startup City

## Global Digital Marketing Awards



Excellence in digital marketing and advertising

## ET NOW – BFSI Award



Excellence in strategy, business practices, efficiency and marketing in BFSI space

## DIGIXX Awards



Excellence in digital marketing and video marketing in BFSI

# MESSAGE FROM THE CHAIRMAN



**Kapil Wadhawan**  
Chairman, Wadhawan Global Capital

Dear Shareholders,

I would like to start by thanking you for putting your trust in this young enterprise. It is because of you that we have the motivation to do better every day – not only in terms of achieving financial milestones, but also creating products that are accessible to all and offering exceptional services.

Fiscal 2018–19 was our second year of operations, but the first full Financial Year of operations. It was as exciting as it was challenging. Like any youngster, we took risks, learnt from our mistakes, and made sure we performed every task from underwriting to claims adjudication, keeping our customer at the core. Our actions are bearing fruit too. The Company garnered 0.3% market share among private general insurance players in FY 2018–19, a number that looks small but is encouraging for a new player.

Let's look at the ideas that shape our organisation.

## **A Supportive Landscape**

According to the Insurance Regulatory Development Authority of India (IRDAI), insurance penetration in India reached 3.69% in 2017 from 2.17% in 2001. It is still one of the lowest in the world. So, what do these figures mean for a general insurance player like us? There's a huge market waiting to be tapped. Health, Motor and Crop insurance are expected to be the drivers of this growth. The penetration of health insurance is bound to increase due to the steady rise in healthcare costs. Growth of the automotive sector is expected to aid the rise of motor insurance segment.

Initiatives by the government are also fuelling the growth of general insurance sector in India. Starting September 2018, it is mandatory for all new cars and two wheelers to have a minimum of third-party insurance for three years and five years respectively. This regulation aims to address the problem of non-renewal of motor insurance.

Introduction of health insurance schemes such as the Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (PMJAY) is increasing awareness about health insurance among the general public.



### **Our Role in this Growth**

What do customers really want? Customised and simple to understand products to address their needs along with exceptional service. At DHFL General Insurance, we create products that we believe will benefit the end consumer. Our aim is to uncomplicate general insurance and ensure that every person in every nook of the country benefits from our products.

We are, therefore, combining traditional distribution channels with latest technology to bring insurance coverage to everyone.

COCO, our Digital Brand stands for 'Connected Covers', which signifies 'connectivity' in the digital world and 'coverage' of things that you care about. We stand by the philosophy of 'Care More. Have More.'

I would like to thank our stakeholders, customers, regulators and leadership teams that help our brand grow with each passing day. A future where every person in this country is insured is an aim we should strive for.

## MESSAGE FROM THE MANAGING DIRECTOR & CEO



**Vijay Sinha**  
Managing Director & CEO

The Indian general insurance sector has been witnessing a great deal of transformation. The sector has grown leaps and bounds, and this can be attributed to the directly proportional growth of India's economy over the years. With listing, consolidation and entry of new-age insurers in this space, this transformation is bound to continue and accelerate in the future. In this phase of rapid evolution, we are committed to strengthen our position in this new era of insurance and capitalise on the opportunities coming our way.

We started our business operations in November 2017. Since then, we have scaled new heights by surpassing most expectations from a new entrant. In just five months of operation in our first financial year, we stood at a record breaking ₹141.07 crore of GWP, which made us the first general insurance company among new entrants to achieve this milestone in the post de-tariff era.

The Financial Year 2018-19 was our first full financial year of operations, and as a young player in the general insurance space, we have been striving to grow our presence and impact in the sector by:

- Collaborating with new strategic partners
- Filing/Launching a wide range of products
- Building sustainable IT and digital infrastructure
- Offering superior omni-channel customer service

The year started off quite well, but the second half of the year was a bit challenging, especially due to the liquidity crisis faced by the housing finance companies and NBFCs in particular. This momentarily impeded our growth in the third quarter. However, we were able to bounce back and open alternative avenues of distribution. We succeeded in establishing several strategic partnerships including collaboration with two corporate agencies, two speciality assistance platforms and over 60 brokers. Despite the challenges, we achieved a Gross Written Premium (GWP) of over ₹244 crore. This GWP of ₹244 crore in the first full financial year of a non-life insurer, was an achievement that was higher than nine of the 13 general insurance and stand-alone health insurance companies that entered the market in the de-tariffed regime. This is a commendable achievement for a new entrant.

We launched various group and retail products during the year, amongst which the two motor insurance products were our flagship launches. These were the two-wheeler comprehensive insurance (COCORide)

and four-wheeler comprehensive insurance (COCODrive). These products were launched with a wide range of add-on coverages and were offered to the customers on an a-la-carte basis. Bringing a new-age technological edge to insurance, these products were designed for a generation of digitally savvy customers where they can customise their insurance based on the add-ons that are truly relevant for them. The product flexibility, coupled with an easy and intuitive online purchase journey, made these products stand out among the established traditional insurance products.

We believe that customers, for many years, have been compelled to purchase pre-packaged and non-flexible comprehensive insurance products that offer a small selection of relevant add-ons, which are inadvertently bundled with other add-ons that may not be of utility to each customer. Our two motor products (COCORide and COCODrive) addressed this gap by actively understanding customer profiles and suggesting add-ons that made sense to them and even educating customers on why they needed those add-ons.

Along with the launch of these two new motor products, we also launched the motor vertical channel to focus on building partners for motor line of business. This vertical has emerged as a dominant distribution arm for our Company in a short span. This truly is a testimony to the acceptance we have received from the market for our innovative motor products.

We rolled out two award-winning digital-first campaigns to launch our motor products. These 360-degree integrated campaigns served as remarkable launchpads for our splendid products. Both campaigns received acclaim from audience and media fraternity alike and went on to win several coveted marketing awards including Digixx, Drivers of Digital, Mobexx, Mobbys, mCube Award.

We strongly believe that these retail products are a step towards creating an ecosystem where insurance isn't sold, but actively sought out and engaged with in interesting ways. This will eventually reflect on the way customers perceive insurance.

As a part of our digital strategy, millennials have always been vital for us as an InsurTech because they constitute a sizeable part of our country's population and have the buying capacity. We reckoned early in our journey that this tech-savvy generation wears individuality on its sleeve, has unique needs, and demands custom services and products. They also have a higher affinity towards communication that is in the language they understand. This was the insight behind the development of our simple and easy brand communication on the web portal. The same communication was further extended to our social media which allows us to expand and nurture an online community of engaged customers and 'fans'. Our in-the-moment and witty social media communication has been applauded by various notable advertising publications. We also won the Best Social Media Brand in Insurance award (Sammie) organised by the popular publication, Social Samosa.

As an InsurTech, our vision is to make relevant general insurance coverages accessible using technology. Our avant-garde digital portal is hailed for its uncomplicated user interface that results in building an intuitive user experience. Through this, we intend to bring the power of choice to the palms of the customers by offering customisable products. We want to make insurance purchase a hassle-free experience for our customers.

The customer-facing technology infrastructure is aided by our state-of-the-art core system called IDIT. This flexible suite allows efficient digitalisation of operations and support for our multi-channel distribution. It

supports all end-to-end core operations and processes for our business from inception of policies, to renewal and claims. This has helped us bring increased efficiency to the entire service flow with real-time access to data.

Customer-centricity being our focus, we intend to be always prepared in case of unforeseen circumstances. We have set up a robust Disaster Recovery Centre which is tested periodically to provide assurance to all stakeholders (Board Members, Shareholders, Employees, Customers) for an uninterrupted service.

With technology bringing everything on the fingertips of users, customers now demand real-time support and grievance resolution. Staying abreast of the evolving customer expectations, we have also developed a robust omni-channel customer support process which is available at the customers' disposal from phone call, web chat, email and social media. We strongly believe that this has reduced the turn-around time greatly when it comes to customer support and online reputation management.

We are cognizant of the fact that traditional distribution channels and platforms are equally important to widen the reach of our products, and therefore, our emphasis remains on combining both offline and online media to enhance our presence and product off take.

At COCO by DHFL General Insurance, we strongly believe that our employees are a key factor in our success and will continue to power our growth in times to come. With a large section of our employees being under 35 years of age, we have rolled out numerous HR initiatives including unconventional training programmes, health sessions and fun events that keep them engaged and allow them to grow – both personally and professionally.

The year ahead will bring its own share of exciting opportunities and challenges. We must take that in our stride and keep moving forward. As we go forward in our journey, we will stay focused on our customers and continue to simplify insurance for them and keep offering them general insurance products that will provide them adequate coverage as per their individual requirement. We will continue to add value to our customers and partners through:

- Innovative products covering specific risks or moments (COCO Moments)
- Data-led customisation
- Existing ecosystems to reach customers faster.

As we step into the new financial year, I would like to conclude by thanking our Customers, our Partners, our Employees and our Board. It is the support of you that makes us who we are and keeps powering our dreams.

Here's to another enthralling year ahead.

Regards

**Vijay Sinha**



# BOARD'S REPORT



BOARD'S  
REPORT

# BOARD'S REPORT

## Dear Shareholders,

Your Directors have pleasure in presenting the second Annual Report of DHFL General Insurance Limited along with the audited statement of accounts for the year ended March 31, 2019.

## 1. Industry Update

During the Financial Year 2018-19, the general insurance industry crossed INR 1.7 lakh crore mark, growing to INR 1,70,109 crore in Financial Year 2018-19 compared to INR 1,50,593 crore in Financial Year 2017-18 registering a growth of 13%. Private insurers registered a growth of 24.7% with a market share of 48% in Financial Year 2018-19 from 43.4% in Financial Year 2017-18. Public sector insurers registered a growth of only 1.4% with continuous reduction in market share to 40.4% in Financial Year 2018-19 from 45% in Financial Year 2017-18. Standalone health insurance (SAHI) continues to have highest growth of 36.7% with a market share of 6.7% in Financial Year 2018-19 from 5.5% in Financial Year 2017-18. Crop insurance became the third largest non-life insurance segment in Financial Year 2018-19 for the industry after motor and health Insurance.

## 2. Financial Highlights

The highlights of financial results of the Company for the period ended March 31, 2019 are as under:

(₹ crore)

Particulars	Financial Year Ended March 31, 2019	Financial Year Ended March 31, 2018
Gross Written Premium	243.67	141.07
Earned Premium	108.31	44.58
Investment Income	18.47	12.25
Profit/(Loss) before Tax	(28.83)	(14.15)
Profit/(Loss) after Tax	(28.83)	(14.15)

## 3. Business Performance Update

Your Company started operations from November 1, 2017 with the flagship companies of the promotor group company viz Dewan Housing Finance Corporation Ltd and Aadhar Housing Finance Ltd.

In FY2018-19, your Company started offering motor products (two wheeler and four wheeler) through its digital direct platform and web aggregators and entered into various partnerships to offer retail products like fire, health, personal accident and mobile insurance.

Your Company empanelled 4900+ hospitals for cashless settlement of health claims, 1100+ garages for cashless settlement of motor claims and in-house customer service call centre for faster claims settlement and customer service.

## 4. Obligation under Rural & Social Sector & Motor Third Party Insurance Business

### Rural & Social Sector Obligation

The Insurance Regulatory and Development Authority of India ('IRDAI' or 'the Authority') had notified the Obligations of Insurers to Rural and Social Sectors Regulations, 2015 on August 24, 2015, which was first time applicable to your Company from the financial year under review.

The said regulation specifies the minimum business commitment to be achieved by a general insurance Company in the rural and social sector depending upon the period of operation of the insurance companies.

Your Company has overachieved the rural and social obligation during the financial year. In rural sector, the Company achieved a total premium of INR 21.7 crore against minimum obligation of INR 4.86 crore. In the social sector, your Company has provided coverage to 2007 lives against minimum obligation of 474 lives.

### Obligation under Motor Third Party

As per the provision of the Insurance Regulatory and Development Authority of India (Obligation of Insurer in respect of Motor Third Party Insurance Business) Regulations, 2015, the new insurer licensed to underwrite motor insurance shall be exempted from the application of the obligatory requirement during first two financial years of its operations including the financial year in which its operations are started.

Your Company started its operations from November 1, 2017 hence the obligation under these guidelines are not applicable to the Company for the period under review.

## 5. Underwriting & Product Development

Your Company is focused on underwriting the risks appropriately and accepts insurance risks as per the underwriting policy approved by the Board which is reviewed from time to time. Underwriting policy of the company emphasises generation of underwriting profit and Company's practices are geared towards achieving the same. Market and product segmentation is key to our underwriting approach. India is a huge market, and there is a plethora of products to be sold in the Indian market. The Company writes business after carefully selecting the market and products which have potential to generate profit for the company. Each risk is evaluated on all applicable parameters and priced on a risk-based pricing approach. Different products have different levels of risk. In this approach, risk is underwritten and priced to reflect its expected claim cost. The Company underwrites business keeping in mind all prevailing regulations to ensure compliance.

The Company has launched nineteen products in the Financial Year 2018-2019. These products are in various line of businesses. Out of these 19, three are group health products, two are retail health products, three are commercial products and 11 are retail motor products. Our product offerings are aligned with our underwriting philosophy and vision of being retail digital insurer. Eleven of the 19 products launched are targeted to serve motor insurance segment. This segment is known to have the highest share in the general insurance sector. The cumulative effect of increase in road surface and the growth in automobile industry directly impacts the growth of motor portfolio of the general insurance industry. Hence, focus on this segment is essential for our growth which has maximum share in the industry premium. The Company is equally focused on health segment which is the second largest segment in general insurance, and, accordingly, apart from launching five products, three health products have been filed with the regulator for approval. The Company's retail product strategy will continue to be focused towards personal and niche health insurance products in the next year. Our products are designed and offered in a way where customers can truly understand and

customise the insurance they buy in line with company's philosophy of 'Care More Have More'. The focus of the company is to make insurance simple for end consumers by simplifying the product wording, buying process.

## Reinsurance

Your Company's business portfolio is protected by way of adequate reinsurance arrangements such that the Company's exposure to a large loss, affecting a single risk or a series of losses affecting a number of risks arising out of a single catastrophic event does not materially impact the Company. We have been prudent in keeping our net retention of any risk commensurate with our net worth so that any unforeseen event does not impact the Company adversely. We have arranged reinsurance for each line of business in such a manner that it provides adequate capacity to the company for underwriting business as well as provides stability and certainty to the underwriting results of the business portfolio.

## 6. Claims

### 6.1 Health Claims

Your Company has tied up with six third party claims administrators (TPAs) for processing of health claims and 4914 hospitals across India for settlement of cashless claims. As a benchmark for the excellence in service standards the turnaround time (TAT) of your Company for approval of cashless claims for health indemnity product is two hours against the prescribed TAT of 24 hours and the TAT for claim settlement is seven days against the prescribed TAT for claim processing of 30 days. The turnaround time of your Company for claim payment with regard to personal accident and critical illness is two day against the prescribed TAT of 30 days.

### 6.2 Property and Casualty Claims

Your Company not only effectively serviced clients who reported claims during the year but also received accolades from them. Your Company extends cashless facility to all authorised service centres with good repute. In this regard, your Company has tied up with more than 1200 garages across India, and helps provide cashless and prompt services to its customers. Reputed corporate surveyors and individual licensed surveyors across India, empanelled by your Company, enabled faster TAT to reach customers and have better control over claims. In the event of the catastrophic situation of Kerala floods, these surveyors assisted in prompt

settlement of claims. Tie-ups with investigators and advocates across major cities are also in place to handle theft and litigation cases. While the property claims were handled in the traditional way of physical inspection and assessment, your Company offered desk assessment in 80% of the motor claims, providing approval within one hour of receipt of photographs and documents by customer. Your Company provides pick-up and drop facility to customers in 11 cities, and has started unique facility of spot repair in the insurance industry for two wheelers in case of claims in Mumbai and Pune. Your Company is in the process of providing technology-driven mobile app to customers with in-built self inspection module for motor claim assessments.

## 7. Investment

Investments are made in accordance with the regulations laid down by IRDAI (Investment) Regulations, 2016, Insurance Act and the Board Approved Investment Policy. Efforts are made to optimise the returns on the portfolio while matching the duration of assets and liabilities prudently and maintaining adequate liquidity in the Company. The Investment Committee of the Board reviews the investment performance on a quarterly basis. As on March 31, 2019, the Investment portfolio stood at INR 204.85 crore. Your Company's investment corpus comprises debt securities, of which 68.7% are in sovereign and AAA & A1+ rated securities, 9.7% in AA+ rated securities, 4.9% in 'A' rated securities, 7.3% in 'D' rated securities, 7% in liquid schemes of mutual funds and 2.44% of fixed deposits. The investments are usually held to maturity. However, portfolio re-balancing is considered based on opportunities to enhance yield and rationalise duration in line with Asset Liability Management Policy of the Company. The yield on investments stands at 8.16% for the year ended 31st March 2019.

## 8. Human Resources

Your Company prescribes to the philosophy that sound business is led by strong people which is why COCO has seen a robust focus on all people elements. Performance management system of 2018-19 added 10% weightage on people management for managers and leaders because your Company truly believes in the importance of leveraging talent adequately to harness outcomes. Still in the second year of business, your Company has focused on building teams with capabilities as well as subject matter expertise, which is why most people have been hired from either general insurance or allied spaces. New lines of business/

functions were established in the year from digital call centre, motor vertical, audit department, strategy and risk which includes the hiring of a Chief Information Security Officer (CISO). As on March 31, 2019, your Company had 207 employees on its rolls.

Your Company has designed a target performance pay which is grade relevant with weightage attached to individual performance and company performance, thus driving the entire organisation towards the success of meeting Company goals. Goals setting was a clear directive spread across products to be filed, IT systems required to support product sales, sales channels and their sales goals, business targets outside of group business and establishment of an innovative digital sales platform.

Despite changes in market conditions and certain situations beyond control, your Company has built positive culture and high morale of the employees, thereby controlling potential attrition. Your Company boasts of retention of 92% corporate staff and 84% overall including call centre, which is considered to have a high attrition rate.

Your Company has boosted gender diversity — female employees are 27% of the total employees.

Your Company has delivered several employee engagement initiatives and programmes through the year including Cultural Day, All Hands Meets (AHM), wellness programmes focusing on health and fitness.

The information required pursuant to the provisions of Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) in respect of employees of the Company shall be made available on request of the Shareholders.

## 9. Customer Service

Your Company has constituted Policyholders' Protection Committee, which has the responsibility to establish, monitor and guide on appropriate procedures and effective mechanism in place for addressing complaints and grievances of policyholders and ensure compliance with the statutory and regulatory requirements. It reviews the grievance redressal mechanism and the status of complaints at periodic intervals.

Your Company is determined to work towards enhancing policyholder protection and information. It has put in place a process to issue acknowledgment



on collection of premiums to the concerned policyholder through automated SMS.

Your Company has appointed a Grievance Redressal officer at a senior cadre for reviewing grievances received from customers, and ensuring they are resolved within the stipulated TAT. Your Company has set up an inhouse inbound contact centre, where customers can reach out to get their queries addressed 365 days a year between 8am and 8pm. Your Company also has an email id for all customers and a dedicated email id for senior citizens, along with proper escalation levels for ensuring that customers concerns are resolved in minimal time.

Your Company so far has been successfully able to resolve all customer queries and requests within stipulated timelines as mandated by the regulatory authority, and ensured communication of resolution to customers. Your Company is using a robust omnichannel response management process for customer queries received on digital media.

Your Company is working towards enhancing customer experience by leveraging various digital and technological solutions and innovations towards automation of processes. This will benefit employees, intermediaries, business partners and vendors to ensure ease of business and faster services throughout the customer lifecycle journey. Your Company is creating awareness towards insurance through various digital platforms.

## 10. Share Capital

During the year under review, the issued, subscribed and paid up equity share capital of the Company was INR 1,90,05,00,000 (one hundred ninety crore and five lakh). There were no capital infusions during the year.

## 11. Extract of Annual Return

The extract of the Annual Return in prescribed form MGT — 9 is enclosed as **Annexure I**.

## 12. Nomination and Remuneration Policy

The Board of Directors upon recommendation of the Nomination and Remuneration Committee of Directors of the Company has adopted a policy on nomination, appointment and remuneration for the directors, key managerial personnel and other Senior Management employees in terms of Section 178(3) and (4) of the Companies Act, 2013 read with

Insurance Regulatory and Development Authority of India ('IRDAI') Corporate Governance Guidelines dated May 18, 2016 and IRDAI Guidelines on Remuneration of Non-executive Directors and Managing Directors/Chief Executive Officer/Whole-time Directors of Insurers dated August 5, 2016.

The policy inter alia provides appointment criteria and remuneration structure for Whole-time/Non-Executive Directors/Independent Directors and KMPs.

The candidate for the appointment as Director will be assessed by the Nomination & Remuneration Committee on various attributes such as qualification, experience, skills, expertise, background. Additionally, for the post of independent director, the candidate will be assessed on the regulatory prescribed criteria of independence.

The remuneration policy of the Company is within the Guidelines of IRDAI on Remuneration of Non-executive Directors and Managing Directors/Chief Executive Officer/Whole-time Directors of Insurers dated August 5, 2016.

The said policy is available on the website of the Company ([www.dhflinsurance.com](http://www.dhflinsurance.com)).

### **Disclosures under IRDAI Guidelines on Remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Whole-time Directors of Insurers, Dated 5th August 2016**

#### **i) Qualitative Disclosures**

a) *Information relating to the design and structure of remuneration processes and key features and objectives of the remuneration policy:*

The nomination and remuneration policy of the company outlines the overall remuneration framework based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry, sufficient to attract and retain talent at all levels. The composition of remuneration structure is designed to maintain a reasonable balance between fixed and variable performance linked incentive pay. At leadership levels, strategic goals and deliverable are linked to Company performance, therefore the ratio of performance linked pay is comparatively higher at senior leadership levels and increments are lower,

whereas in case of middle level and lower level, the ratio of incremental fixed pay is higher and variable performance linked pay is lower. The 'measures of success' along with the parameter and their weightages are approved by the Board of Directors. At the end of the year the performance of the Company against each parameter along with their weightages and achievements are considered to assess the performance of the Managing Director, Key Management Personnel and other employees.

The Nomination and Remuneration Committee while recommending the remuneration of the Managing Director and Key Management Personnel to the Board of Directors for approval consider the above parameters, which are subject to approval of IRDAI.

c) *Description of the ways in which the Company seeks to link performance during a performance measurement period with levels of remuneration:*

The Nomination and Remuneration Committee takes into consideration the 'measures of success' along with the parameter and their weightages approved by the Board of Directors. The performance parameters include the business growth, minimum solvency margin, expenses of management, key strategic and operational deliverables including effectiveness of grievance redressal and overall compliance to applicable laws.

## ii) Quantitative Disclosures

Particulars	Year ended March 31, 2019
Number of MD/CEO/ WTDs having received a variable remuneration award during the financial year	1
Number and total amount of sign on awards made during the financial year	NIL
Details of guaranteed bonus, if any, paid as joining/signing bonus	NIL
<b>Breakup of amount of remuneration awarded for the financial year (In Rs.)</b>	
Fixed	Rs. 2,62,62,899/-*
Variable	Up to Rs. 70,00,000/-**
Deferred	NIL
<b>Total amount of outstanding deferred remuneration paid out in the financial year</b>	NIL
Cash	NIL
Shares	NIL
Shares linked instruments	NIL
Others	NIL

\*This includes retention benefit 3rd instalment paid on March 21, 2019 as per the terms of appointment.

\*\* Payable post approval of the IRDAI under Section 34A of Insurance Act, 1938.

b) *Description of the ways in which current and future risks are taken into account in the remuneration processes:*

The Company recognises that risk management is an integral part of governance process. The Board of Directors adopted the Risk Management Policy that defines the main principles adopted to ensure a sound defense against all the risks that could arise from its business activities. The remuneration process of Managing Director and Chief Executive Officer takes into account the risk management-related aspects. The Nomination and Remuneration Committee takes into consideration all the aspects of enterprise risk management while assessing the organisation and individual performance and making compensation-related recommendations to the Board.

## 13. Risk Management Framework

The Company has formulated a comprehensive Risk Management Framework (RMF) at the enterprise level which encompass all business functions. The RMF process enables the business functions to identify and assess risks and ensure proper controls are put in place to manage risks. Further, RMF ensures there is a systematic monitoring on a regular basis for all the components of the framework. During the year, Risk Management Committee of the Board monitored, assessed the risk management process and discussed the key identified risks along with the steps taken by the Company to manage them. The Company believes a risk management culture is of prime importance for managing risk. During the year, the Company disseminated the objective and benefits of risk management among employees through various awareness programmes.

## 14. Corporate Governance Report

A detailed Report on Corporate Governance is annexed and forms part of this Report at 'Annexure II'.

## 15. Auditors

### I. Statutory Auditors and their Report

M/s J. C. Bhalla & Co (ICAI Firm Registration Number – 001111N), Chartered Accountants, and M/s. N. M Rajji & Co (ICAI Firm Registration Number - 108296W) Chartered Accountants, the Joint Statutory Auditors of the Company hold office up to the conclusion of sixth (6th) Annual General Meeting and seventh (7th) Annual General Meeting respectively.

The Company has received confirmation from the Joint Statutory Auditors to the effect that their appointment is in terms of Section 139 & Section 141 of the Companies Act, 2013, and that they are not disqualified under the Act and Guidelines issued by the IRDAI.

### Auditors' Observations

The Auditors' Report on the Financial Statements of the Company for the period ended March 31, 2019 is unqualified and the observations made in such a report are self-explanatory and, therefore, do not call for any further comments.

### II. Secretarial Auditors

M/s Anish Gupta & Associates, Company Secretaries in Whole Time Practices carried out the secretarial audit under the provisions of Section 204 of the Companies Act, 2013 for the Financial Year 2018-19.

The Report of the Secretarial Auditor is annexed herewith as 'Annexure III' to this report.

## 16. Compliance with Secretarial Standards

Your Company has observed the secretarial standards with respect to general and Board meeting as specified by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government, as prescribed by Section 118 (10) of Companies Act, 2013.

## 17. Particulars of Loans, Guarantees or Investments

The provision of Section 186(4) of the Companies Act, 2013 requiring the disclosure in the financial statements of the full particulars of the loans given,

investments made or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable to the Company.

## 18. Related Party Transactions

As per Section 177 of the Act, the Audit Committee of the Board of Directors approves the related party transactions of the Company. Related party transactions entered during the year under review were in the ordinary course of business and on an arm's length basis, thus not requiring prior Board's/Shareholders' approval.

During the year, there were no material contracts or arrangements or transactions at arm's length basis that need to be disclosed in Form AOC-2 as required under the Act. As per Accounting Standard (AS) 18 on 'Related Party Disclosures', the details of related party transactions entered into by the Company are also included in the notes to accounts.

## 19. Implementation of Indian AS

The IRDAI vide their circular Ref No: IRDA/F&A/CIR/ACTS/146/06/2017 dated June 28, 2017 Implementation of Ind AS in the insurance sector informed that the implementation of Ind AS in the insurance sector in India has been deferred for a period of two years and the same shall now be implemented effective Financial Year 2020-21.

In compliance with the regulatory requirements, the Company has constituted a Steering Committee to oversee the implementation of Ind AS. The scope of the Steering Committee includes evaluating the impact on the following areas:

- a) Ind AS technical requirements
- b) Systems and processes
- c) Business impact
- d) People
- e) Project management

The Steering Committee oversees the implementation of Ind AS; the Audit Committee is updated on a quarterly basis.

However, the requirement of submitting proforma Ind AS financial statements on a quarterly basis shall continue to be governed as directed under IRDAI

circular reference IRDA/F&A/CIR/ACTS/262/12/2016 dated December 30, 2016.

Your Company submits the proforma as required above to IRDAI on quarterly basis.

## 20. Policy for Allocation and Apportionment of Expenses of Management

The Board of Directors approved the policy for allocation and apportionment of expenses of management as per the provisions of Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers Transacting General or Health Insurance Business) Regulations, 2016. The Board of Directors at its meeting held on 30th October, 2018 reviewed the policy without any revision.

## 21. Establishment of Vigil Mechanism

The Company has established vigil mechanism by formulating the Whistle Blower Policy for the employees and any third party to raise concerns internally about possible irregularities, governance weaknesses, financial reporting issues or other such matters of irregularities. The said vigil mechanism provides adequate measures to safeguard the persons who take recourse to such vigil mechanism. In appropriate cases, the concerned person may approach the Chairperson of the Audit Committee. The Audit Committee oversees the vigil mechanism of the Company. During the year under review there were nil complaints received under this mechanism.

## 22. Transfer to Reserves

Loss for the year ended March 31, 2019 has been carried to 'debit balance in profit and loss account' appearing in balance sheet, part of the financial statements of the Company under review.

## 23. Dividend

Your Directors do not recommend any dividend for the period ended March 31, 2019.

## 24. Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the End of the Financial Year of the Company to which

## the Financial Statements Relate and the Date of the Report

Your Directors further state that there is no material change that has taken place affecting the financial position of the Company which has occurred subsequent to the close of the financial year of the Company to which the financial statements relate and the date of this report.

## 25. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company does not carry out any manufacturing activity, therefore the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 are not applicable to the Company.

During the year under review, the net expenditure in foreign currencies amounted to INR 5.02 crore.

## 26. Details of the Directors & Key Managerial Personnel Appointed/ Resigned during the Period under Review

### A. Directors

Your Company has three Non-executive Directors including Chairman, four Independent Directors and one Whole-time Director designated as Managing Director & Chief Executive Officer. During the year under review, there was no appointment/resignation of the Directors.

### B. Key Managerial Personnel

During the period under review, the following Key Managerial Personnel were appointed/re-designated in compliance with the provisions of the Corporate Governance Guidelines dated May 18, 2016 issued by Insurance Regulatory Development Authority of India for insurers in India.

Name of Key Managerial Personnel	Designation
Mr Ketul Patel *	Vice President & Head Internal Audit
Mr Sunil Chawla **	Vice President, Head Property & Casualty Claims and Head Motor Vertical
Mr Jatin Arora **	Senior Vice President & Chief Risk Officer & Head Strategy
Mr Prasun Sarkar *	Senior Vice President & Appointed Actuary

\* Appointed \*\* Re-designated

## 27. Declaration by Independent Directors under Section 149(6) of the Companies Act, 2013

Independent Directors appointed by the Company during the period under review had provided the declarations pursuant to Section 149(7) of the Companies Act, 2013 at the first meeting of the Board in which they participated as Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

## 28. Annual Performance Evaluation

For the year ended March 31, 2019, in accordance with Section 134(3)(p) of the Companies Act 2013, annual performance evaluation of the Board, its Committees and the Directors individually has been carried out by the Nomination and Remuneration Committee as per the Nomination and Remuneration Policy of the Company.

The Nomination and Remuneration Committee determined the parameters and rating scale to evaluate the performance of Board, its Committees and the Directors individually.

## 29. Corporate Social Responsibility Initiatives

Provisions of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to your Company, with reference to the year under review.

## 30. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures (if any);
- b) Such accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on March 31, 2019 and of the profit and loss of the Company for the period ended on that date;

- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for prevention and early detection of fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) The Internal Financial Controls to be followed by the Company have been laid down and such controls are adequate and operating effectively;
- f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 31. Subsidiary Companies, Joint Venture or Associate Companies

During the period under review, there are no companies which have become/ceased to become a Subsidiary/Joint Venture/Associate.

## 32. Deposits

The Company has not accepted any deposits from the public within the ambit of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time.

## 33. Significant and Material Orders Passed by the Regulators or Courts

There are no significant and material orders passed by the regulators or courts or tribunals against the Company impacting its status as going concern and on its operations.

## 34. Internal Controls over Financial Reporting with Reference to the Financial Statements

The Company's internal control over financial reporting framework are commensurate with the nature of its business and the size and complexity of its operations. These are regularly tested and certified by statutory as well as internal auditors. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The Company's internal

financial controls over financial reporting with reference to the financial statements were adequate and operating effectively. During the Financial Year 2018-2019, M/s Ernst & Young LLP conducted an assessment of adequacy and operational efficacy of internal controls over financial reporting in the Company and report of which was submitted to the Audit Committee of the Board.

### **35. Prevention of Sexual Harassment of Woman Employees at Workplace**

Your Company is committed to creating a healthy working environment in which all employees can work together free from any workplace harassment. The Company believes that all employees and other persons dealing with the Company have a right to be treated with dignity. Sexual harassment is an offence and is punishable. Your Company has put in place the Policy on Prevention of Sexual Harassment and provided the necessary training to all employees during the year under review.

Details of sexual harassment complaints/cases during the period under review:

No of complaints/cases received : Nil

No of complaints/cases disposed of : Nil

### **36. Appreciation and Acknowledgment**

Your Directors express their sincere appreciation for the co-operation and assistance received from the

Promoter and Group Company for their support and advice.

Your Directors also express their sincere thanks to the Insurance Regulatory and Development Authority of India for its support.

Your Directors also express their sincere appreciation for the commitment, co-operation, active involvement and dedication displayed by all the employees of the Company.

Your Directors thank you for your continued support, trust and confidence reposed in them.

**On behalf of the Board of Directors**  
**DHFL General Insurance Limited**

**Kapil Wadhawan**

*Chairman*

DIN: '00028528

**Vijay Sinha**

*Managing Director & Chief Executive Officer*

DIN: '07711564

**Date:** April 25, 2019

**Place:** Mumbai

# ANNEXURE II

## Report on Corporate Governance

The Corporate Governance depicts commitment to values and ethical business conduct. It is about how an organisation is managed vis-à-vis the corporate and business structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information regarding the financial position of the Company, its performance and ownership form part of effective corporate governance.

### 1. Company's Philosophy on Corporate Governance

Good governance practices stem from the culture and mindset of the organisation. It is, therefore, about enacting regulations and procedures and establishing an environment of trust and confidence among various stakeholders. It is about demonstrating a high level of integrity, transparency, accountability and disclosures across the Company's operations and in its interaction with its stakeholders, including shareholders, customers, employees, the regulatory authorities and the society.

### 2. Board of Directors

#### a. Composition and Category of the Board

The Board of Directors along with its Committees provide strategic leadership and guidance to the Company's Management and oversees and wheels the performance of the Company. The Board's action and decisions are aligned with the philosophy of bringing value and wealth to the stakeholders of the Company.

No Director is related to any other Director on the Board under the relationship defined under the Companies Act 2013.

The Composition of the Board of Directors is governed by the Companies Act, 2013, Corporate Governance Guidelines issued by the IRDAI and the Articles of Association of the Company.

The Board of Directors of your Company has an optimum combination of Executive, Non-Executive and Independent Directors.

As on March 31, 2019, the total strength of Board is 8 (eight) Directors out of which 3 (three) are Non-executive Director, 4 (four) are Independent Directors and one Managing Director & Chief Executive Officer. The Chairman of the Company is a Non-executive Director.

The Composition of the Board of Directors of the Company as at March 31 2019 along with their brief profile is as follows:

#### 1. Mr Kapil Wadhawan – Chairman & Non-executive Director

Mr Kapil Wadhawan is the Chairman & Managing Director of Wadhawan Global Capital Limited (WGC) and Dewan Housing Finance Corporation Limited (DHFL). He assumed charge of DHFL in October 2000. He also became the Chairman of the Board, DHFL Pramerica Life Insurance Co. Ltd. in December 2013.

Established in 1984, DHFL, under the leadership of Mr Kapil Wadhawan moved up the value chain in retail financial services covering loans, saving and protection products, while retaining its core focus on ensuring affordable home finance for the low and middle-income customer segment.

WGC is active in providing education loans to students aspiring of pursuing professional and management courses in leading institutions in India and overseas. Avanse Financial Services Limited is a dedicated education loan company of the Group.

Building on these strong foundations, WGC entered into an alliance with IFC which saw the setting up of a low-cost housing finance company – Aadhar Housing Finance – in 2010 to cater to the underdeveloped pockets of the country.

With such visionary business moves, Mr Kapil Wadhawan has led DHFL to become the second largest private sector player in the mortgage finance space in India with USD10 billion of assets under management, and the Group serving over 10 million people.

Mr Kapil Wadhawan is the Chairman of Wadhawan Global Capital Ltd set up in 2014 as the Holding Company of the Financial Services Companies of the Group.

Mr Wadhawan completed his MBA (Finance) from Edith Cowen University at Perth, Australia.

## **2. Mr Suresh Mahalingam – Non-executive Director**

Mr Suresh Mahalingam is a member of the Group Management Council of Wadhawan Global Capital Limited – the core group that steers the course of DHFL Financial Service Group. He has over three decades of corporate experience spanning functions ranging from strategy, marketing, sales & distribution in challenging leadership roles.

Mr Mahalingam joined ITC, one of India's largest FMCG companies, where he spent 17 years managing sales & distribution across India's most remote geographies. Then Mr Mahalingam moved as a Head of Sales and Marketing at HDFC Life. His incisive understanding of consumers and insurance purchasing motivators, led to the creation of the iconic brand positioning theme – 'Sar Uthake Jiyo' (Live with Pride). The campaign propelled HDFC life to the list of top five life insurance companies in India. Thereafter, Mr Mahalingam moved to Tata AIA Life as MD and CEO. Financial transformation – with a focus on change management across product, distribution and customer service, saw Tata AIA Life move to consistent profitability.

Mr Mahalingam is a Director in DHFL Pramerica Life Insurance, DHFL Pramerica AMC, Avanse Financial Services and DHFL General Insurance Ltd. He has also

been a faculty member at IMI, New Delhi and a key speaker at various industry forums.

## **3. Mr Srinath Sridharan – Non-executive Director**

Mr Sridharan is a member of the Group Management Council of Wadhawan Global Capital Ltd. He is a strategic counsel for nearly two decades with leading corporates across diverse sectors including automobile, e-commerce, advertising, realty and financial services. Key expertise as a custodian of business relationships, with a keen understanding of market dynamics and consumer trends required for business expansion and new forays.

## **4. Mr Sunjoy Joshi – Independent Director**

Mr Sunjoy Joshi joined the Madhya Pradesh Cadre of the prestigious Indian Administrative Services in 1983, but took premature retirement from the service in 2009 in order to pursue his primary interests in energy and environment.

During his career spanning over 25 years in the Indian Administrative Service, Mr Joshi gained experience across conventional as well as non-conventional energy sectors. He has handled oil and gas exploration as Joint Secretary in the Ministry of Petroleum and Natural Gas and was the government-nominated Director on the Boards of ONGC, OVL, OIL and MRPL. Mr Joshi headed the Madhya Pradesh Energy Development Agency as its Managing Director and served as Chairman of M P Windfarms.

He has been a visiting associate at the International Institute of Strategic Studies, London as well as Distinguished visitor to the Programme on Energy and Sustainable Development, University of Stanford, US.

He joined Observer Research Foundation in January 2007. He is the Chairman of the Foundation. His expertise areas are energy, climate change, development studies.

He has a Master's Degree in English Literature from Allahabad University, India, and in Development Studies from University of East Anglia, Norwich. He has studied Upstream Economics and Risk Analysis at the Petroleum Economist, Woking, UK.



### **5. Mr G. P. Kohli – Independent Director**

Mr G. P. Kohli is the former Managing Director of Life Insurance Corporation of India (LIC), and has vast experience in the fields of insurance, housing, human resource development, information technology and marketing, having worked in different positions at LIC. He holds a Master's Degree in English Literature and a Diploma in Labour Laws, Labour Welfare and Personnel Management – LLD.

### **6. Mr Kaushal Kishore Mishra – Independent Director**

Mr Kaushal Kishore Mishra is the former CEO & MD of Tata-AIG General Insurance Ltd. He is Fellow Life Member of Institute of Directors since 2014. He worked in various capacities at TATA AIA General Insurance such as Executive Vice President – Operations and Systems & Zones before taking up the role as CEO & MD. He also handled claims management, and was a member of core team that set up TATA AIG.

Mr Mishra also worked in various capacities at General Insurance Corporation (GIC)/United India Insurance Co Ltd from 1979 to 2000.

Mr Mishra conceptualised and developed India's first specialised professional claims vertical that brought in the concept of 'in-house assessment' in the Indian market. This, coupled with close interaction and prudent underwriting, resulted in overall several points lower loss ratio compared to that of the nearest competitor company for last 10 years.

Mr Mishra was instrumental in building an aggressive business culture of the organisation as CEO at Tata AIG.

### **7. Dr (Mrs) Jaya Balachandran – Independent Director**

Dr (Mrs) Jaya Balachandran is a former member of the Central Civil Services. She has retired as Additional Secretary, Central Vigilance Commission, New Delhi. She was the Regional Provident Fund Commissioner, Andhra Pradesh, and held a post of Deputy Secretary & Director, Department of Economic Affairs, Ministry of Finance, Govt of India.

She holds a Bachelor of Arts (Hons) and Master of

Arts (Gold Medallist). She also holds Master of Philosophy from Osmania University and Doctor of Philosophy (PhD) from Osmania University.

### **8. Mr Vijay Sinha – Managing Director & Chief Executive Officer**

Mr Vijay Sinha is the Managing Director & Chief Executive Officer of DHFL General Insurance Ltd. He has over 30 years of experience in the Indian financial sector, primarily in the life insurance space. A career that started with LIC in 1985 before moving into the private insurance space in 2001 as a founding member of Bajaj Allianz Life Insurance Company, where he was the Head of Marketing & Product Development before taking over as National Sales Manager (Agency) heading half the country.

Joined Tata AIA Life in 2004 as VP & Head of Distribution Training & Development, building one of the most admired training teams with an ISO-9001:2008 Trainer Certification Process. In his 10-year stint with Tata AIA Life, he headed the Entrepreneurial Retail Agency Model as its Asst Director of Agency. He also headed the successful set-up and launch of the Unit Manger Agency vertical at Tata AIA Life. Apart from heading Agency – Sales & Training, he also headed Agency Channel Development, Agency Best Practices, Direct Sales Force Channel, Marketing, Corporate Communication and Product Development departments. Mr Sinha also spearheaded the Sales Force Automation project at Tata AIA Life.

Post a short stint as CMO of Bajaj Allianz Life Insurance in 2014, he moved from the life insurance to the housing finance industry in November 2014 as President & Business Head for Home Loans, Retail Liability at the second largest housing finance company in the private sector – DHFL. In December 2014, he took over as President (New Initiatives) with the responsibility of spearheading projects to transform DHFL into a full-fledged financial conglomerate.

### **b. Number of Board Meetings Held and Attended during 2018-19**

During the period under review, 5 (five) Board Meetings were held – on April 27, 2018, May 16, 2018, July 19, 2018, October 30, 2018 and January 17, 2019. The provisions of the Companies Act, 2013 and Rules

framed thereunder read with Secretarial Standard to while considering the time gap between any two on meetings of the Board of Directors were adhered consecutive meetings.

#### Attendance of Directors in the Board Meetings held during the Period under Review:

Name of the Director	Category	No of Board Meetings	
		Held during tenure	Attended
Mr Kapil Wadhawan	Chairman & Non-executive Director	5	2
Mr Suresh Mahalingam	Non-executive Director	5	5
Mr Srinath Sridharan	Non-executive Director	5	3
Mr K.K. Mishra	Non-executive Independent Director	5	5
Mr Sunjoy Joshi	Non-executive Independent Director	5	5
Mr G.P. Kohli	Non-executive Independent Director	5	5
Dr (Mrs) Jaya Balachandran	Non-executive Independent Director	5	3
Mr Vijay Sinha	Managing Director & Chief Executive Officer	5	5

### 3. Committees of the Board

#### a) Composition and Attendance

The Board has constituted 5 (five) mandatory Committees namely the Audit Committee, Nomination and Remuneration Committee, Investment Committee, Risk Management Committee and Policyholders Protection Committee as per the Companies Act, 2013 read with Corporate Governance Guidelines issued by IRDAI.

The composition and attendance of the above-mentioned committees are as under:

#### Audit Committee

Mr K.K. Mishra, Chairman of the Audit Committee, is an Independent Director of the Company and is an

eminent personality in the insurance industry with a strong financial and management analysis background. The association of the CEO in the Audit Committee is limited to occasions where the Audit Committee requires eliciting any specific information concerning audit findings.

The constitution and Terms of Reference of the Committee are in compliance with the requirements of Section 177 of the Companies Act, 2013 and Corporate Governance Guidelines issued by IRDAI. The Head of Finance Function i.e. Chief Financial Officer, Appointed Actuary, Statutory Auditors and Internal Audits & CRO are invited to attend the meetings of the Audit Committee. The composition of the committee is as under:

Sr No	Name of Members	Category	Meetings Held during the Year	Meetings Attended during the Year
1	Mr K.K. Mishra – <b>Chairman</b>	Non-executive Independent Director	4	4
2	Mr Sunjoy Joshi	Non-executive Independent Director	4	4
3	Mr Suresh Mahalingam	Non-executive Director	4	4

#### Nomination and Remuneration Committee

Mr Sunjoy Joshi is an Independent Director and Chairman of the Nomination and Remuneration Committee of the Company. As per Corporate Governance Guidelines of the IRDAI, half of the Committee comprises Independent Directors. The

constitution and Terms of Reference of the Committee are in compliance with the requirements of Section 178 of the Companies Act, 2013 and Corporate Governance Guidelines issued by IRDAI. The Composition of the Committee is as under:

Sr No	Name of Members	Category	Meetings Held during the Year	Meetings Attended during the Year
1	Mr Sunjoy Joshi – <b>Chairman</b>	Non-executive Independent Director	3	3
2	Mr Kapil Wadhawan	Chairman of the Board & Non-executive Director	3	1
3	Mr G.P. Kohli	Non-executive Independent Director	3	3
4	Mr Suresh Mahalingam	Non-executive Director	3	3

### Investment Committee

The Investment Committee is comprised of two Non-executive Directors, the Chief Executive Officer, Chief of Finance, Chief of Investment, Chief Risk Officer and, the Appointed Actuary as per the Corporate Governance Guidelines of IRDAI. The

constitution and Terms of Reference of the Committee are in compliance with the requirements of Corporate Governance Guidelines of IRDAI and IRDAI (Investment) Regulations, 2016 issued by IRDAI. The composition of the committee is as under:

Sr No	Name of Members	Category	Meetings Held during the Year	Meetings Attended during the Year
1	Mr Kapil Wadhawan — <b>Chairman</b>	Chairman of the Board & Non-executive Director	4	2
2	Mr K.K. Mishra	Non-executive Independent Director	4	4
3	Mr Suresh Mahalingam	Non-executive Director	4	4
4	Mr Vijay Sinha	Managing Director & Chief Executive Officer	4	4
5	Mr Vishal Garg	Chief Financial Officer	4	4
6	Mr Jatin Arora*	Senior Vice President, Chief Risk Officer & Head Strategy	4	4
7	Mr Kaushik Moitra**	Head Risk	3	3
8	Mr Alok Sharma	Head Investment	4	4
9	Prasun Sarkar***	Senior Vice President & Appointed Actuary	1	1

\*Mr Jatin Arora was redesignated as Senior Vice President, Chief Risk Officer & Head Strategy w.e.f. 30th October, 2018

\*\*Mr Kaushik Moitra was redesignated as Deputy Vice President, Risk Management w.e.f. 30th October, 2018

\*\*\*Mr Prasun Sarkar was appointed as Senior Vice President & Appointed Actuary w.e.f. 30th October, 2018

### Policyholders' Protection Committee

The Policyholders' Protection Committee is headed by a Non-executive Director and includes an expert/representative of customers as an invitee to enable insurers to formulate policies and assess

compliance thereof. The constitution and Terms of Reference of the Committee follow the requirements of Corporate Governance Guidelines issued by IRDA. The Composition of the Committee is as under:

Sr No	Name of Members	Category	Meetings held during the year	Meetings attended during the year
1	Mr Suresh Mahalingam — <b>Chairman</b>	Non-executive Director	4	4
2	Mr Srinath Sridharan	Non-executive Director	4	3
3	Mr G.P. Kohli	Non-executive Independent Director	4	4
4	Mr Sunjoy Joshi	Non-executive Independent Director	4	4
5	Mr Madan Bezbaruah	Permanent Invitee as Customer Representative	4	3

Mr Madan Bezbaruah was appointed as a permanent invitee w.e.f. 19th January 2018 representing the interest of the Policyholders. Mr Madan Prasad Bezbaruah, a retired IAS officer was Secretary, Ministry of Tourism, Government of India for five years from January 1997 to December 2001. After retirement he was Banking Ombudsman of Reserve Bank of India from 2003 to 2006 and recently was Member, North Eastern Council (in the rank of Minister of State). He is also honorary Permanent Representative of UN-WTO and Hon Adviser of Administrative Staff College of India.

### Risk Management Committee

The constitution and terms of reference of the Risk Management Committee is according to the

requirements of Corporate Governance Guidelines issued by IRDAI. The composition of the committee is as under:

Sr No	Name of Members	Category	Meetings held during the year	Meetings attended during the year
1	Mr Kapil Wadhawan — <b>Chairman</b>	Chairman of the Board & Non-executive Director	4	2
2	Mr K.K. Mishra	Non-executive Independent Director	4	4
3	Mr Suresh Mahalingam	Non-executive Director	4	4

## 4. Independent Director's Meeting

The code of conduct for Independent Directors prescribed vide Schedule IV of the Companies Act, 2013, provides for an evaluation mechanism for the Board/Chairperson/Non-executive Directors/Whole-time Directors which would need to be done at a separate meeting of Independent Directors,

without the attendance of Non-Independent Directors and members of management.

Independent Directors of the Company met on October 30, 2018 for Financial Year 2018-19 to inter-alia discuss the performance evaluation of the Board, the Chairman & the Non-independent Directors.

## 5. Details of Directors' Remuneration (2018-19)

Remuneration of Independent Directors: The details of the sitting fees paid to the Independent Directors of the Company during the Financial Year 2018-19 is as follows:

(INR)

Name of Director	Fees for Board Meeting	Fees for Committee Meeting	Total
Mr G.P. Kohli	2,00,000	1,75,000	3,75,000
Mr K.K. Mishra	2,00,000	3,00,000	5,00,000
Mr Sunjoy Joshi	2,00,000	2,75,000	4,75,000
Dr (Mrs) Jaya Balachandran	1,20,000	-	1,20,000

## 6. General Body Meetings (During the Financial Years)

The details of the Annual General Meeting and the Extra Ordinary General Meetings held during last three financial years are as under:

Year	AGM/ EGM	Date	Venue	Business transacted by Special Resolution
2017-18	AGM	June 27, 2017	10th Floor, TCG Financial Centre, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai 400098	Appointment of Mr Vijay Sinha (DIN: 07711564) as Managing Director & Chief Executive Officer of the Company.
2018-19	AGM	June 27, 2018	10th Floor, TCG Financial Centre, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai 400098	<ul style="list-style-type: none"> <li>Appointment of Dr (Mrs) Jaya Balachandran (DIN: 07019087) as Non-executive Independent Director</li> <li>Revision in the remuneration of Mr Vijay Sinha, Managing Director &amp; Chief Executive Officer of the Company (DIN: 07711564)</li> </ul>

## 7. Recording of the Minutes and Proceedings of Various Meetings

The Company Secretary of the Company is responsible for recording the Minutes and proceedings of various meetings of the Board, General Meetings of the Members and the Meetings of the Committees of the Board.

The finalised minutes and proceedings of the meetings are entered into the Minutes Book within 30 days from the conclusion of the meeting.

## 8. Disclosure Regarding Director Seeking Re - appointment

Mr Srinath Sridharan, Non-executive Director is liable to retire by rotation at the ensuing Annual General Meeting of the Company, and is eligible for re-appointment.

## 9. Subsidiary Company

The Company does not have any subsidiary companies.

## 10. Disclosures

There were no materially significant related party transactions with the promoters, directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the Notes to the Accounts forming part of the Annual Report. There were no cases of any penalties or strictures imposed by any statutory authority for any violation related to the non-compliance of breach of any regulations during the period under review. The Company has a Whistle Blower Policy duly approved by the Board of Directors and any employee, if he/she desires, has free access to meet or communicate with the senior management and report any matter of concern.

All the mandatory requirements of Corporate Governance Guidelines issued by IRDAI as amended from time to time are complied with.

### "CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES"

I, **Manish Pahwa**, hereby certify that the Company has complied with the Corporate Governance Guidelines issued by Insurance Regulatory & Development Authority for Insurance Companies, as amended from time to time, and nothing has been concealed or suppressed to the best of my knowledge.

Sd/-

**Manish Pahwa**

Company Secretary, Head Legal & Compliance  
DHFL General Insurance Limited  
Mumbai

# ANNEXURE III

## **FORM NO MR.3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**DHFL GENERAL INSURANCE LIMITED**  
Mumbai

We have conducted the secretarial audit of DHFL General Insurance Limited (hereinafter called the "Company") to review the compliance of applicable statutory provisions and the adherence to good corporate practices. Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances/board process and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2019, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in "Annexure A", 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, as may be applicable;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; and
- (iii) Based on the representation made by the Company and its officers, the Company has adequate system and process in place for compliance under the other applicable Laws, Acts, Rules, Regulations, Guidelines and Standards including the following:
  - (i) Insurance Act, 1938 and The Insurance Law (Amendments) Act, 2015;
  - (ii) Insurance Regulatory and Development Authority Act, 1999 ("IRDA") and the rules, regulations, circulars, guidelines, instructions etc issued by IRDAI.

Other major statutes, acts, laws, rules, regulations, guidelines, standards and so on applicable to the Company, as per the details provided by the management of the Company, are given below:

- (i) Maharashtra Shops and Establishments Act, 1948; and Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017;
- (ii) Maharashtra Labour Welfare Fund Act, 1953;
- (iii) The Minimum Wages Act, 1948;
- (iv) Payment of Wages Act 1936 and Payment of Wages (Amendment) Act, 2017;
- (v) The Equal Remuneration Act, 1976;
- (vi) The Maternity Benefits Act, 1961 and The Maternity Benefit (Amendment) Act 2017;
- (vii) Contract Labour (Regulation and Abolition) Act, (for branches where ever applicable), 1970;
- (viii) Payment of Bonus Act, 1965;
- (ix) Professional Tax Act, 1975;
- (x) Maharashtra State Tax on Profession, Trade, Callings and Employments Act 1975
- (xi) Payment of Gratuity Act, 1972; The Payment of Gratuity (Amendment) Act, 2018;
- (xii) The Sexual Harassment of Women at

- Workplace (Prevention, Prohibition and Redressal), Act, 2013;
- (xiii) The Provident Fund Act, 1952;
- (xiv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

Provisions of the following regulations and guidelines prescribed are not applicable to the Company, since the Company is not listed on any of the Stock Exchange(s) in India, for the financial year ended March 31, 2019 under report:

- (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

The Company is an unlisted Company and therefore compliance with listing regulations is not applicable.

The Institute of Company Secretaries of India has prescribed Secretarial Standards on Meeting of Board and Committees (SS-1) and on General Meetings (SS-2) which are mandatory for the Financial Year 2018-19.

During the period under review, the Company has complied with the provisions of the act, rules, regulations, guidelines, standards and so on mentioned above.

**We further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Independent Directors and Female Director. 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 notices were given to all the directors to schedule the Board Meetings and Committee Meetings. The 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 decisions are carried through and recorded in the minutes and there were no dissenting members for any decisions in the Board or committee meetings during the period under review.

**We 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.

**We further report** that during the audit period there are no specific or material corporate events/actions undertaken by the Company which have a major bearing on the Company's affairs in respect of the above referred laws, rules, regulations, guidelines, standards and so on.

Place: Mumbai,  
Date: 22nd April 2019

For **Anish Gupta & Associates**  
Company Secretaries

**Anish Gupta**  
Proprietor  
FCS: 5733, CP No. 4092

Note: This report is to be read with our letter of even date which is annexed as '**Annexure B**' herewith and forms an integral part of this report.

## Annexure “A”

### List of documents verified:

#### Under Companies Act, 2013:

1. Memorandum and articles of association of the Company.
2. Financial statements for the financial year ended 31st March, 2019.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Share Allotment Committee, along with attendance register held during the financial year under report.
4. Minutes of General Body meetings held during the financial year ended March 31, 2019 under report.
5. Statutory registers as per Companies Act 2013.
6. Agenda papers circulated to all the Directors/Members for the Board meetings and Committee meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 149(6) & (7), Section 164 and Section 184 of the Companies Act, 2013.
8. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Various policies framed by the Company required under the Companies Act, 2013 viz Nomination Remuneration and Board Evaluation Policy.
10. Other relevant documents as required to be maintained and published on website by the Company.

#### Under Insurance Act, 1938 and Insurance Regulatory and Development Authority of India Act (IRDAI) 1999:

1. Minutes of Investment Committee, Policyholders Protection Committee, Risk Management Committee required as per IRDAI Corporate Governance Guidelines along with attendance register, held during the financial year under report.
2. Deed of Covenants at the time of appointment.
3. Declaration and undertakings from Directors.
4. Compliance/Correspondence with IRDAI i.e. monthly, quarterly, half yearly, annually and so on.
5. Documents pertaining to appointment of Directors and KMP and approvals received from IRDAI.

## Annexure “B”

To,  
The Members,  
**DHFL GENERAL INSURANCE LIMITED**  
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management’s representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures and systems 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: 22nd April 2019

For **Anish Gupta & Associates**  
Company Secretaries

**Anish Gupta**  
Proprietor  
FCS: 5733, CP No. 4092

MANAGEMENT





# MANAGEMENT REPORT



MENT REPORT

# MANAGEMENT REPORT

In accordance with the provisions of the Insurance Regulatory & Development Authority of India ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('Regulation'), the following Management Report for the year ended March 31, 2019 is submitted

With respect to the operations of DHFL General Insurance Limited for the year ended 31st March 2019 and results thereof, the Management of the Company confirms and declares that:

1. The Company has received the license to carry on insurance operations from Insurance Regulatory and Development Authority of India (IRDAI) on 22 May 2017 and the same is valid and holds a valid certificate of registration.
2. We certify that all dues payable to the statutory authorities have been paid to the extent they have fallen due.
3. The shareholding pattern is in accordance with the statutory and regulatory requirements as required under the Insurance Act, 1938 and the IRDAI (Registration of Indian Insurance Companies) Regulations, and there was no transfer of shares during the year.
4. The Management has not invested directly or indirectly outside India any funds of its policyholders in India.
5. The required solvency margin under the Insurance Act, 1938 has been maintained.
6. We certify that the values of all the assets have been reviewed on the date of balance sheet and in Management's belief, the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the 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', 'Bills Receivable', 'Cash' and the several items specified under 'Other Accounts'. Provisions for diminution in the value of investments are disclosed separately.

7. The Company is exposed to a variety of risks associated with its insurance business and the investment portfolio. The Company strives to maintain a diversified portfolio of insurance products across various lines of business. The Company is also adequately covered by reinsurance including a 'Catastrophe and Risk Excess of Loss Insurance'. The limits of the reinsurance treaty are set based on estimated accumulations of risk. The reinsurance treaties have been filed with IRDAI. The investment portfolio is diversified and has been made as per the exposure norms set under the IRDAI regulations.

The Company has adopted an integrated approach to risks management and has constituted Risk Management Committee with the members of the Board of Directors with an objective to outline the risk profile of the Company and develop a strong risk management system and sound mitigation strategies. The Risk Management Committee assists the Board of Directors to formulate, monitor and revise strategies related to assets and liabilities management to achieve the financial objectives of the Company, given its risk appetite, risk tolerances and business profile.

8. The Company does not have insurance operations outside India.

9. In the Financial Year 2018-19, a total of 2411 claims were reported and 2132 claims were settled with an overall settlement ratio of 88%. Ageing analysis of claims outstanding during the preceding five years are given in Annexure I. The trend in average claim settlement time during the preceding five years are given in Annexure II. No of claims intimated are given in Annexure III.
10. We certify that the values, as shown in the balance sheet, of the investments which consists of fixed income securities and mutual fund units have been valued as per applicable provisions of IRDAI. Fixed income securities are valued at historical cost adjusted for amortisation of premium/discount. The investments in the Mutual Funds are valued at the Net Asset Values (NAV) of the mutual funds as on the Balance Sheet date. All government securities and corporate bonds are valued at historical cost subject to amortisation of premium/discount. For the purpose of disclosure, fair market value has been arrived at by using prices/yields obtained from FIMMDA.
11. The Company follows the investment philosophy of 'Safety, Liquidity and Sustainable Returns'. Accordingly, the portfolio is composed of high quality assets – Government Securities, high quality Corporate Bonds with a minimum rating of AA, Bank Deposits and liquid Mutual Funds. Further investments are managed in consonance with the investment policy framed from time to time by the board and are within investment regulations and guidelines of IRDAI.
12. The portfolio is monitored on a dynamic basis to optimise returns while keeping the risk at the minimum. Based on the past track record, the Management is confident of the quality and performance of the investments, in line with the Investment Philosophy. The Company has carried out periodic review of the investment portfolio and provision has been made in the books with regard to investment pertaining to IL&FS group on prudence basis.
13. The Management of DHFL General Insurance Limited certifies that:
- The financial statements of DHFL General Insurance Limited have been prepared in accordance with the applicable accounting standards and principles and policies along with proper explanation with no material departures;
  - 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 the affairs of the Company at the end of the financial year and of the operating loss of the Company for the year;
  - 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) and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - The financial statements have been prepared on a going concern basis;
  - The management has set up an internal audit system commensurate with the size and nature of the business and the same is operating effectively;
14. The schedule of payments, which have been made to individuals, firms, companies and organisations in which the Directors of the Company are interested are given in Annexure IV.

For and on behalf of the Board of Directors

<b>Kapil Wadhawan</b> Chairman DIN:00028528	<b>Srinath Sridharan</b> Director DIN:03359570
<b>Suresh Mahalingam</b> Director DIN:01781730	<b>Vijay Sinha</b> Managing Director & CEO DIN:07711564
<b>Vishal Garg</b> Chief Financial Officer M No:097735	<b>Manish Pahwa</b> Company Secretary M No:A18876

Place: Mumbai  
Date: April 25, 2019

## Annexure I

### Ageing Analysis of Claims Outstanding during the Five Preceding Year Ended March 31, 2019.

#### FY 2018-19

(₹ in '000)

Ageing in Days	Fire		Motor Own Damage		Motor Third Party		Personal Accident		Health Insurance		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
0 to 30 days	4	270	65	2,220	0	-	4	4,700	170	13,384	243	20,574
31 days to 6 months	1	220	14	1,763	1	576	2	1,545	26	1,067	44	5,171
6 months to 1 year	0	-	0	-	0	-	0	-	0	-	0	-
1 year to 5 years	0	-	0	-	0	-	0	-	0	-	0	-
5 years and above	0	-	0	-	0	-	0	-	0	-	0	-
<b>Total</b>	<b>5</b>	<b>490</b>	<b>79</b>	<b>3,984</b>	<b>1</b>	<b>576</b>	<b>6</b>	<b>6,245</b>	<b>196</b>	<b>14,451</b>	<b>287</b>	<b>25,745</b>

#### FY 2017-18

(₹ in '000)

Ageing in Days	Fire		Health Insurance		Total	
	No	Amt	No	Amt	No	Amt
0 to 30 days	4	245	4	228	8	473
31 days to 6 months	-	-	-	-	-	-
6 months to 1 year	-	-	-	-	-	-
1 year to 5 years	-	-	-	-	-	-
5 years and above	-	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>245</b>	<b>4</b>	<b>228</b>	<b>8</b>	<b>473</b>

## Annexure II

### The Trend in Average Claim Settlement Time during the Year Ended March 31, 2019.

Line of Business	No of Claims	Avg Settlement Time in Days
Fire	64	2
Motor	184	1
Personal accident	15	2
Health insurance	1869	5
<b>Total</b>	<b>2132</b>	

### The Trend in Average Claim Settlement Time during the Year Ended March 31, 2018.

Line of Business	No of Claims	Avg Settlement Time in Days
Fire	-	-
Personal accident	1	1
Health insurance	7	5
<b>Total</b>	<b>8</b>	

## Annexure III

### No of Claims Intimated for FY 2018-19

(₹ in '000)

Line of Business	No of Claims intimated	Amount
Fire	65	3,321
Motor own damage	258	6,097
Motor third party	6	881
Personal accident	21	27,992
Health insurance	2,061	1,12,303
<b>Total</b>	<b>2,411</b>	<b>1,50,594</b>

### No of Claims Intimated for FY 2017-18

(₹ in '000)

Line of Business	No. of Claims intimated	Amount
Fire	4	245
Personal accident	1	500
Health insurance	11	555
<b>Total</b>	<b>16</b>	<b>1,300</b>

**Note: Above amount include claims paid and change in outstanding reserve**

Since the Company has commenced its operations in November 2017, the data provided in Annexure I, II & III are of the preceding two years.

## Annexure IV

### Schedule of Payments (Including Accrual Amounts), Made to Individuals, Firms, Companies and Organisations in which the Directors of the Company are Interested

(₹ in '000)

Sr No	Entity in which Director is interested	Name of the Director	Interested As	Payment during the Year
1	Wadhawan Global Capital Limited	Kapil Wadhawan	Director	Nil
2	DHFL Pramerica Life Insurance Co Limited	Kapil Wadhawan	Director	1,107
		Srinath Sridharan	Director	
		Suresh Mahalingam	Director	
		Sunjoy Joshi	Director	
3	Dewan Housing Finance Corporation Limited	Kapil Wadhawan	Managing Director	2,85,025
		G.P. Kohli*	Director	
4	Aadhar Housing Finance Limited	Kapil Wadhawan	Director	96,543
		Suresh Mahalingam	Director	
		G.P. Kohli	Director	
5	Avanse Financial Services Limited	Kapil Wadhawan	Director	305
		Suresh Mahalingam	Director	

\* G.P. Kohli ceased to be director w.e.f. 29.03.2019

#### Note

a) Refer Note 4.12 of Schedule 16 (Notes to Accounts) for detailed breakup of above payments.

INDEPENDENT AU



# INDEPENDENT AUDITOR'S REPORT

AUDITOR'S REPORT

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**DHFL General Insurance Limited**

## Report on the Audit of Financial Statements

### Opinion

We have audited the accompanying financial statements of DHFL General Insurance Limited (the "Company") which comprise the balance sheet as at March 31, 2019, the Revenue accounts, the Profit and Loss Account and the Receipts and Payments Account for the year then ended 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 Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 ("the Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 ("the IRDAI Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDAI Financial Statements Regulations'), the orders/directions issued by the Insurance Regulatory and Development Authority of India ('the IRDAI') and the Companies Act, 2013 ('the Act'), to the extent applicable, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- (b) in the case of the Revenue Accounts, of the net loss for the year ended March 31, 2019;
- (c) in the case of the Profit and Loss Account, of the loss for the year ended March 31, 2019; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended March 31, 2019.

### Basis for Opinion

We have taken into account the provisions of the Act, the Insurance Act, the IRDAI Act, the IRDAI Financial Statements Regulations, orders/directions issued by the IRDAI, 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 (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.

## **Responsibilities of Management and those Charged with Governance for the Financial Statements**

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 Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments account of the Company in accordance with the accounting principles generally accepted in India, including the provisions the Insurance Act, the IRDAI Act, the IRDAI Financial Statements Regulations, orders/directions issued by the IRDAI in this regard and the Accounting Standards specified under Section 133 of the Act, to the extent applicable. This responsibility also includes maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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 a 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 the 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 ability of the Company 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 also 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.

### Other Matter

The actuarial valuation of liabilities in respect of Claims Incurred But Not Reported (IBNR), Claims Incurred But Not Enough Reported (IBNER) and Premium Deficiency Reserve (PDR) is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities, as at March 31, 2019, has been duly certified by the 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 valuation of liabilities for outstanding claims reserves (IBNR and IBNER) and PDR as reflected in the financial statements of the Company.

### Report on Other Legal and Regulatory Requirements

1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated April 25, 2019, certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statements Regulations.
2. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditors' Report) Order 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the Order is not applicable to the Company.
3. As required by the IRDAI Financial Statements Regulations, read with Section 143 (3) of the Act, we report that:
  - (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 the audit and have found them to be satisfactory.

- (b) In our opinion, proper books of account, as required by law, have been maintained by the Company, so far as it appears from our examination of those books.
- (c) As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company.
- (d) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account, referred to by this report, are in agreement with the books of account.
- (e) The accounting policies selected by the Company are appropriate which, along with the financial statements, comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, to the extent not inconsistent with the accounting principles prescribed in the IRDAI Regulations and orders/directions issued by the Insurance Regulatory and Development Authority of India 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 IRDAI Financial Statements Regulations and/or orders/ directions issued by the IRDAI in this regard.
- (g) On the basis of the written representations received from the Directors of the Company, as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
- (h) 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 the Annexure below. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (i) 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 disclosed the impact of pending litigations on its financial position in its financial statements – refer Schedule 16, Note 4.1 to the financial statements
  - (ii) The Company did not have long-term contracts, including derivative contracts, as at March 31, 2019, for which there were any material foreseeable losses
  - (iii) The Company was not required to deposit or pay any dues in respect of the Investor Education and Protection Fund during the year.

For **J.C. Bhalla & Co.**  
Chartered Accountants  
Firm Registration No. 001111N

**Rajesh Sethi**  
PARTNER  
M. No.: 085669

Place: Mumbai  
Dated: April 25, 2019

For **N. M. Raiji & Co.**  
Chartered Accountants  
Firm Registration No.108296W

**Vinay D. Balse**  
PARTNER  
M. No.: 039434

Place: Mumbai  
Dated: April 25, 2019

## **Annexure to The Independent Auditor's Report Of Even Date On The Financial Statements Of DHFL General Insurance Limited**

***(Referred to in Paragraph 3 (h) under 'Report on Other Legal and Regulatory Requirements' of our report 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 DHFL General Insurance 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. The actuarial valuation of liabilities for Premium Deficiency Reserve and reserve for IBNR is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statements Regulations"), and the assumptions used by the actuary for ascertaining the reserves have been relied upon by us, as mentioned in the "Other Matter" para of our audit report on the financial statements of the Company as at and for the year ended March 31, 2019. Accordingly, we have not audited the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation.

### **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 ("the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls 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 read with Insurance Regulatory and Development Authority of India circular IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDAI Act"), the IRDAI Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard.

## Auditor's 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 and the Standards on Auditing, issued by the ICAI and deemed to be 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;
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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting 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 issued by the ICAI.

For **J.C. Bhalla & Co.**

Chartered Accountants

Firm Registration No. 001111N

For **N. M. Raiji & Co.**

Chartered Accountants

Firm Registration No.108296W

**Rajesh Sethi**

PARTNER

M. No.: 085669

**Vinay D. Balse**

PARTNER

M. No.: 039434

Place: Mumbai

Dated: April 25, 2019

Place: Mumbai

Dated: April 25, 2019

# INDEPENDENT AUDITOR'S CERTIFICATE

(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditor's Report dated April 25, 2019)

This certificate is issued to DHFL General Insurance Limited (the 'Company') to comply with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statements Regulations") read with Regulation 3 of the IRDAI Financial Statements Regulations and is not intended to be used or distributed for any other purpose.

The Company's Management is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the 'Insurance Act') read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/CPM/056/03/2016 dated April 4, 2016, the Insurance Regulatory and Development Authority Act, 1999 (the 'IRDAI Act'), the IRDAI Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the 'IRDAI') which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Our responsibility, for the purpose of this certificate, is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the IRDAI Financial Statements Regulations. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the 'ICAI'), which include the concepts of test checks and materiality.

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 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 as adopted by the Board of Directors and our report thereon;
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 the IRDAI;

3. We have verified the cash balances by actual inspection, to the extent considered necessary, or on the basis of certificates/confirmations received from the branches and on the basis of subsequent deposits thereof in the banks; and securities relating to the Company's investments as at March 31, 2019, on the basis of certificates/confirmations received from the Custodian and/or Depository Participants appointed by the Company as at March 31, 2019.
4. The Company is not a trustee of any trust;
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, as amended by the Insurance Laws (Amendment) Act 2015, relating to the application and investments of the Policyholders' Funds.

For **J.C. Bhalla & Co.**

Chartered Accountants

Firm Registration No. 001111N

**Rajesh Sethi**

PARTNER

M. No.: 085669

Place: Mumbai

Dated: April 25, 2019

For **N. M. Raiji & Co.**

Chartered Accountants

Firm Registration No.108296W

**Vinay D. Balse**


PARTNER

M. No.: 039434


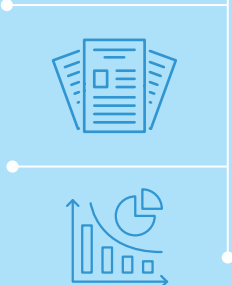
Place: Mumbai

Dated: April 25, 2019





# FINANCIAL STATEMENTS



FINANCIAL  
STATEMENTS

# FINANCIAL STATEMENTS

## FORM B-BS

### DHFL GENERAL INSURANCE LIMITED

IRDAI Registration No. 155, dated May 22, 2017

### Balance Sheet as at March 31, 2019

(₹ '000)

Particulars	Schedule	As at March 31, 2019	As at March 31, 2018
<b>Sources of Funds</b>			
Share Capital	5	19,00,500	19,00,500
Reserves and Surplus	6	-	-
Fair Value Change Account			
Shareholders' Funds		8	32
Policyholders' Funds		137	66
Borrowings	7	-	-
<b>Total</b>		<b>19,00,645</b>	<b>19,00,598</b>
<b>Application of Funds</b>			
Investments – Shareholders	8	4,62,497	13,14,035
Investments – Policyholders	8A	15,86,188	9,36,532
Deferred Tax Asset (Refer Note 4.15 of Schedule 16)		-	-
Loans	9	-	-
Fixed Assets	10	5,38,003	8,37,729
Current Assets			
Cash and Bank Balances	11	85,196	34,681
Advances and Other Assets	12	5,89,407	1,30,887
<b>Sub-Total (A)</b>		<b>6,74,603</b>	<b>1,65,568</b>
Current Liabilities	13	7,57,961	10,05,472
Provisions	14	11,22,660	5,79,472
<b>Sub-Total (B)</b>		<b>18,80,621</b>	<b>15,84,944</b>
<b>Net Current Assets (C) = (A - B)</b>		<b>(12,06,018)</b>	<b>(14,19,376)</b>
Miscellaneous Expenditure (to the Extent not Written Off or Adjusted)	15	-	-
Debit Balance in Profit and Loss Account		5,19,975	2,31,678
<b>Total</b>		<b>19,00,645</b>	<b>19,00,598</b>
<b>Significant Accounting Policies and Notes to Accounts</b>	<b>16</b>		
Schedules Nos 1 to 16 form an Integral Part of Financial Statements			

#### In terms of our report attached

For **J.C. Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No.: 001111N

For **N.M. Rajji & Co.**  
Chartered Accountants  
Firm Regn. No.: 108296W

**Rajesh Sethi**  
Partner  
Membership No.: 085669

**Vinay D. Balse**  
Partner  
Membership No.: 039434

**Place: Mumbai**  
**Dated: April 25, 2019**

#### For and on behalf of the Board of Directors

**Kapil Wadhawan**  
Chairman  
DIN: 00028528

**Srinath Sridharan**  
Director  
DIN: 03359570

**Suresh Mahalingam**  
Director  
DIN: 01781730

**Vijay Sinha**  
Managing Director  
& Chief Executive Officer  
DIN: 07711564

**Vishal Garg**  
Chief Financial Officer  
M. No: 097735

**Manish Pahwa**  
Company Secretary  
M. No: A18876

**DHFL GENERAL INSURANCE LIMITED**  
IRDAI Registration No. 155, dated May 22, 2017

**Receipts and Payments Account for the Year Ended March 31, 2019**  
(Direct Basis)

(₹ '000)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	- Premium Received from Policyholders, including Advance Receipt	26,59,341	19,39,648
	- Other receipts (including-environment Relief Fund & Motor TP Pool and Terrorism Pool)	47	-
	- Receipt/(payment) from/to re-insurer net of commissions & claims recovery	(4,64,096)	(73,504)
	- Receipt/(payment) from/to co-insurer net of claims recovery	36,480	-
	- Payments of claims	(1,00,740)	(728)
	- Payments of commission and brokerage	(3,67,349)	(1,81,286)
	- Payments of other operating expenses	(13,70,618)	(5,31,908)
	- Deposits, advances & staff loans (net)	27,229	(27,468)
	- Income tax paid (net)	(18)	-
	- GST/ST paid	(1,51,445)	(94,171)
	- <b>Cash flows before extraordinary items</b>	<b>2,68,831</b>	<b>10,30,583</b>
	- Cash flows from extraordinary operations	-	-
<b>A</b>	<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2,68,831</b>	<b>10,30,583</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	- Purchase of Investments	(91,95,644)	(1,35,55,338)
	- Sale of Investments	94,36,060	1,13,20,753
	- Investment Income	1,47,048	98,055
	- Purchase of intangible assets and property, plant and equipment	(6,05,780)	(6,28,403)
<b>B</b>	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(2,18,316)</b>	<b>(27,64,933)</b>
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	- Issue of Share Capital	-	19,00,000
	- Advance from Holding Company	-	(1,34,300)
<b>C</b>	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	-	<b>17,65,700</b>
<b>A+B+C</b>	<b>EQUIVALENTS</b>	<b>50,515</b>	<b>31,350</b>
	<b>CASH AND CASH EQUIVALENTS (OPENING)</b>		
	Cash and Bank Balances	<b>34,681</b>	<b>3,331</b>
	<b>CASH AND CASH EQUIVALENTS (CLOSING)</b>		
	Cash and Bank Balances	<b>85,196</b>	<b>34,681</b>

**NOTES:** a) Receipts and Payments Account has been prepared under the 'Direct method' as set out in Accounting Standard – 3 on Cash Flow Statements

b) Figures in bracket indicates cash out flow.

The accompanying notes form an integral part of these financial statements.

**This is the Receipts and Payments Account referred to in our report of even date.**

For **J.C. Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No.: 001111N

For **N.M. Raiji & Co.**  
Chartered Accountants  
Firm Regn. No.: 108296W

**Rajesh Sethi**  
Partner  
Membership No.: 085669

**Vinay D. Balse**  
Partner  
Membership No.: 039434

**Place: Mumbai**  
**Dated: April 25, 2019**

**For and on behalf of the Board of Directors**

**Kapil Wadhawan**  
Chairman  
DIN: 00028528

**Srinath Sridharan**  
Director  
DIN: 03359570

**Suresh Mahalingam**  
Director  
DIN: 01781730

**Vijay Sinha**  
Managing Director  
& Chief Executive Officer  
DIN: 07711564

**Vishal Garg**  
Chief Financial Officer  
M. No: 097735

**Manish Pahwa**  
Company Secretary  
M. No: A18876

FORM B-PL

DHFL GENERAL INSURANCE LIMITED

IRDAI Registration No. 155, dated May 22, 2017

Profit and Loss Account for Year Ended March 31, 2019

(₹ '000)

Particulars	Schedule	Year ended March 31, 2019	Period ended March 31, 2018
<b>Operating Profit/(Loss)</b>			
(a) Fire Insurance		99,273	(1,48,368)
(b) Marine Insurance		-	-
(c) Miscellaneous Insurance		(4,16,893)	(65,880)
		<b>(3,17,620)</b>	<b>(2,14,248)</b>
<b>Income from Investments</b>			
(a) Interest, Dividend and Rent – Gross		77,583	91,306
(b) Profit on sale/redemption of investments		4,908	16,517
Less: Loss on sale of investments		-	-
		<b>82,491</b>	<b>1,07,823</b>
Other Income		521	-
<b>Total (A)</b>		<b>(2,34,608)</b>	<b>(1,06,425)</b>
<b>Provisions (Other than taxation)</b>			
(a) For diminution in the value of investments (Refer Note 4.8 of Schedule 16)		37,295	-
(b) For doubtful debts		-	-
(c) Others		-	-
		37,295	-
<b>Other Expenses</b>			
(a) Expenses other than those related to Insurance Business		-	-
(b) Bad debts written off		-	-
(c) Others (Refer Note 4.11 of Schedule 16)		16,394	35,093
		<b>16,394</b>	<b>35,093</b>
<b>Total (B)</b>		<b>53,689</b>	<b>35,093</b>
<b>Profit/(Loss) Before Tax (C) = (A - B)</b>		<b>(2,88,297)</b>	<b>(1,41,518)</b>
<b>Provision for taxation</b>			
(a) Current tax		-	-
(b) Deferred tax (Refer Note 4.15 of Schedule 16)		-	-
<b>Profit/(Loss) After Tax</b>		<b>(2,88,297)</b>	<b>(1,41,518)</b>
<b>Appropriations</b>			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any Reserves or Other Accounts		-	-
<b>Balance of Loss brought forward from last year</b>		<b>(2,31,678)</b>	<b>(90,160)</b>
<b>Balance carried forward to Balance Sheet</b>		<b>(5,19,975)</b>	<b>(2,31,678)</b>
<b>EARNINGS PER SHARE</b>			
<b>Basic (in Rupees)</b>		<b>(1.52)</b>	<b>(0.79)</b>
<b>Diluted (in Rupees)</b>		<b>(1.52)</b>	<b>(0.79)</b>
<b>Face Value per Equity Share (in Rupees)</b>		<b>10.00</b>	<b>10.00</b>
(Refer Note 4.14 of Schedule 16)			
<b>Significant accounting policies and notes to accounts</b>	<b>16</b>		
Schedule Nos 1 to 16 form an integral part of these Financial Statements			

In terms of our report attached

For **J.C. Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No.: 001111N

**Rajesh Sethi**  
Partner  
Membership No.: 085669

**Place: Mumbai**  
**Dated: April 25, 2019**

For **N. M. Raiji & Co.**  
Chartered Accountants  
Firm Regn. No.: 108296W

**Vinay D. Balse**  
Partner  
Membership No.: 039434

For and on behalf of the Board of Directors

**Kapil Wadhawan**  
Chairman  
DIN: 00028528

**Suresh Mahalingam**  
Director  
DIN: 01781730

**Vishal Garg**  
Chief Financial Officer  
M. No: 097735

**Srinath Sridharan**  
Director  
DIN: 03359570

**Vijay Sinha**  
Managing Director  
& Chief Executive Officer  
DIN: 07711564

**Manish Pahwa**  
Company Secretary  
M. No: A18876

FORM B-RA

DHFL GENERAL INSURANCE LIMITED

IRDAI Registration No. 155, dated May 22, 2017

Revenue Account for the Year Ended March 31, 2019

FIRE BUSINESS

(₹ '000)

Particulars	Schedule	Year ended March 31, 2019	Period ended March 31, 2018
<b>Income</b>			
Premium earned (Net)	1	5,22,358	2,77,077
Profit on sale/redemption of Investments		5,604	1,368
Others		-	-
Interest, Dividend and Rent – Gross		37,383	7,313
<b>Total (A)</b>		<b>5,65,345</b>	<b>2,85,758</b>
<b>Expenditure</b>			
Claims Incurred (Net)	2	64,694	4,930
Commission (Net)	3	(1,29,568)	94,420
Operating Expenses related to Insurance Business	4	4,63,534	2,79,736
Premium Deficiency (Refer Note 4.23 of Schedule 16)		67,377	55,040
Terrorism Pool Management Expenses		35	-
<b>Total (B)</b>		<b>4,66,072</b>	<b>4,34,126</b>
<b>Operating Profit/(Loss) from Fire Business (C) = (A) - (B)</b>		<b>99,273</b>	<b>(1,48,368)</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		99,273	(1,48,368)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (D)</b>		<b>99,273</b>	<b>(1,48,368)</b>
<b>Significant accounting policies and notes to accounts</b>	<b>16</b>		
Schedules Nos 1 to 16 form an integral part of Financial Statements			

In terms of our report attached

For **J.C. Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No.: 001111N

For **N.M. Rajji & Co.**  
Chartered Accountants  
Firm Regn. No.: 108296W

**Rajesh Sethi**  
Partner  
Membership No.: 085669

**Vinay D. Balse**  
Partner  
Membership No.: 039434

Place: Mumbai  
Dated: April 25, 2019

For and on behalf of the Board of Directors

**Kapil Wadhawan**  
Chairman  
DIN: 00028528

**Srinath Sridharan**  
Director  
DIN: 03359570

**Suresh Mahalingam**  
Director  
DIN: 01781730

**Vijay Sinha**  
Managing Director  
& Chief Executive Officer  
DIN: 07711564

**Vishal Garg**  
Chief Financial Officer  
M. No: 097735

**Manish Pahwa**  
Company Secretary  
M. No: A18876

**FORM B-RA**

**DHFL GENERAL INSURANCE LIMITED**

IRDAI Registration No. 155, dated May 22, 2017

**Revenue Account for the Year Ended March 31, 2019**

**MARINE BUSINESS**

(₹ '000)

Particulars	Schedule	Year ended March 31, 2019	Period ended March 31, 2018
<b>Income</b>			
Premium earned (Net)	1	-	-
Profit on sale/redemption of Investments		-	-
Others	-	-	
Interest, Dividend and Rent – Gross		-	-
<b>Total (A)</b>		-	-
<b>Expenditure</b>			
Claims Incurred (Net)	2	-	-
Commission (Net)	3	-	-
Operating Expenses related to Insurance Business	4	-	-
Premium Deficiency (Refer Note 4.23 of Schedule 16)		-	-
<b>Total (B)</b>		-	-
<b>Operating Profit/(Loss) from Marine Business (C) = (A) - (B)</b>		-	-
<b>Appropriations</b>			
Transfer to Shareholders' Account		-	-
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		--	
<b>Total (D)</b>		-	-
<b>Significant accounting policies and notes to accounts</b>	<b>16</b>		
Schedules Nos. 1 to 16 form an integral part of Financial Statements			

**In terms of our report attached**

For **J.C. Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No.: 001111N

**Rajesh Sethi**  
Partner  
Membership No.: 085669

**Place: Mumbai**  
**Dated: April 25, 2019**

For **N.M. Raiji & Co.**  
Chartered Accountants  
Firm Regn. No.: 108296W

**Vinay D. Balse**  
Partner  
Membership No.: 039434

**For and on behalf of the Board of Directors**

**Kapil Wadhawan**  
Chairman  
DIN: 00028528

**Suresh Mahalingam**  
Director  
DIN: 01781730

**Vishal Garg**  
Chief Financial Officer  
M. No: 097735

**Srinath Sridharan**  
Director  
DIN: 03359570

**Vijay Sinha**  
Managing Director  
& Chief Executive Officer  
DIN: 07711564

**Manish Pahwa**  
Company Secretary  
M. No: A18876

FORM B-RA

DHFL GENERAL INSURANCE LIMITED

IRDAI Registration No. 155, dated May 22, 2017

Revenue Account for the Year Ended March 31, 2019

MISCELLANEOUS BUSINESS

(₹ '000)

Particulars	Schedule	Year ended March 31, 2019	Period ended March 31, 2018
<b>Income</b>			
Premium earned (Net)	1	5,60,767	1,68,724
Profit on sale/redemption of Investments		7,717	948
Others	1	-	
Interest, Dividend and Rent – Gross		51,483	5,068
<b>Total (A)</b>		<b>6,19,968</b>	<b>1,74,740</b>
<b>Expenditure</b>			
Claims Incurred (Net)	2	2,42,982	13,313
Commission (Net)	3	(2,70,966)	(1,97,395)
Operating Expenses related to Insurance Business	4	8,35,999	3,65,272
Premium Deficiency (Refer Note 4.23 of Schedule 16)		2,28,182	59,430
Co-Insurance Administration Fee		487	-
Terrorism Pool Management Expenses		7	-
Contribution to Solatium Fund		170	-
<b>Total (B)</b>		<b>10,36,861</b>	<b>2,40,620</b>
<b>Operating Profit/(Loss) from Miscellaneous Business (C) = (A) - (B)</b>	<b>(4,16,893)</b>	<b>(65,880)</b>	
<b>Appropriations</b>			
Transfer to Shareholders' Account		(4,16,893)	(65,880)
Transfer to Catastrophe Reserve			-
Transfer to Other Reserves			--
<b>Total (D)</b>		<b>(4,16,893)</b>	<b>(65,880)</b>
<b>Significant accounting policies and notes to accounts</b>	<b>16</b>		
Schedules Nos. 1 to 16 form an integral part of Financial Statements			

In terms of our report attached

For **J.C. Bhalla & Co.**  
Chartered Accountants  
Firm Regn. No.: 001111N

For **N.M. Raiji & Co.**  
Chartered Accountants  
Firm Regn. No.: 108296W

**Rajesh Sethi**  
Partner  
Membership No.: 085669

**Vinay D. Balse**  
Partner  
Membership No.: 039434

**Place: Mumbai**  
**Dated: April 25, 2019**

For and on behalf of the Board of Directors

**Kapil Wadhawan**  
Chairman  
DIN: 00028528

**Srinath Sridharan**  
Director  
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Chief Financial Officer  
M. No: 097735

**Manish Pahwa**  
Company Secretary  
M. No: A18876

**DHFL GENERAL INSURANCE LIMITED**

**Schedule forming part of Revenue Account for the Year Ended March 31, 2019**

**SCHEDULE — 1**

**PREMIUM EARNED (NET)**  
(Refer Note 4.5 of Schedule 16)

Particulars	CURRENT YEAR										GRAND TOTAL
	FIRE	MARINE	MISCELLANEOUS					Others	MISCELLANEOUS	GRAND TOTAL	
			Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability				
Premium from direct business written (Net of GST)	9,46,347	-	40,976	1,70,118	2,17,560	10,42,577	-	8,856	4,244	14,84,331	24,30,678
Add: Premium on reinsurance accepted	4,950	-	-	-	-	-	-	1,062	-	1,062	6,012
Less: Premium on reinsurance ceded	(4,58,415)	-	(4,289)	(17,774)	(1,24,068)	(5,32,360)	-	(8,464)	(444)	(6,87,399)	(11,45,814)
<b>Net Premium</b>	<b>4,92,882</b>	<b>-</b>	<b>36,687</b>	<b>1,52,344</b>	<b>93,492</b>	<b>5,10,217</b>	<b>-</b>	<b>1,454</b>	<b>3,800</b>	<b>7,97,994</b>	<b>12,90,876</b>
Less: Adjustment for change in Reserve for Unexpired Risks	29,476	-	(19,464)	(80,806)	(20,028)	(114,129)	-	(784)	(2,016)	(2,37,227)	(2,07,751)
<b>Total Premium Earned (Net)</b>	<b>5,22,358</b>	<b>-</b>	<b>17,223</b>	<b>71,538</b>	<b>73,464</b>	<b>3,96,088</b>	<b>-</b>	<b>670</b>	<b>1,784</b>	<b>5,60,767</b>	<b>10,83,125</b>

(₹ '000)

Particulars	PREVIOUS PERIOD										GRAND TOTAL
	FIRE	MARINE	MISCELLANEOUS					Others	MISCELLANEOUS	GRAND TOTAL	
			Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability				
Premium from direct business written (Net of GST)	6,08,456	-	-	-	1,28,543	6,73,745	-	-	-	8,02,288	14,10,744
Add: Premium on reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-
Less: Premium on reinsurance ceded	(42,365)	-	-	-	(71,874)	(3,91,788)	-	-	-	(4,63,662)	(5,06,027)
<b>Net Premium</b>	<b>5,66,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,669</b>	<b>2,81,957</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,38,626</b>	<b>9,04,717</b>
Less: Adjustment for change in Reserve for Unexpired Risks	(2,89,014)	-	-	-	(28,923)	(1,40,979)	-	-	-	(1,69,902)	(4,58,916)
<b>Total Premium Earned (Net)</b>	<b>2,77,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,746</b>	<b>1,40,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,68,724</b>	<b>4,45,801</b>

(₹ '000)



**DHFL GENERAL INSURANCE LIMITED**

**Schedule forming part of Revenue Account for the Year Ended March 31, 2019**

**SCHEDULE – 2**

**CLAIMS INCURRED (NET)**

(Refer Note 4.4 of Schedule 16)

Particulars	CURRENT YEAR										GRAND TOTAL	
	MARINE			MISCELLANEOUS				MISCELLANEOUS				GRAND TOTAL
	FIRE	MOTOR-OD	MOTOR-TP	Personal Accident	Health Insurance	Liability	Engineering	Others	MISCELLANEOUS			
Claims Paid - Direct	2,001	1,476	-	12,747	91,779	-	-	-	-	1,06,002	1,08,003	
Add: Reinsurance accepted	63	-	-	-	-	-	18	-	-	18	81	
Less: Reinsurance ceded	(100)	(74)	-	(7,011)	(6,674)	-	-	-	-	(13,759)	(13,859)	
<b>Net Claims Paid</b>	<b>1,964</b>	<b>1,402</b>	<b>-</b>	<b>5,736</b>	<b>85,105</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>92,261</b>	<b>94,225</b>	
Add: Claims Outstanding at the end of the year	67,660	4,240	-	12,677	1,25,342	-	154	601	-	1,63,249	2,30,909	
Less: Claims Outstanding at the beginning of the year	(4,930)	-	20,235	(4,003)	(8,525)	-	-	-	-	(12,528)	(17,458)	
<b>Total Claims Incurred (Net)</b>	<b>64,694</b>	<b>5,642</b>	<b>20,235</b>	<b>14,410</b>	<b>2,01,922</b>	<b>-</b>	<b>172</b>	<b>601</b>	<b>-</b>	<b>2,42,982</b>	<b>3,07,676</b>	

(₹ '000)

Particulars	PREVIOUS PERIOD										GRAND TOTAL	
	MARINE			MISCELLANEOUS				MISCELLANEOUS				GRAND TOTAL
	FIRE	MOTOR-OD	MOTOR-TP	Personal Accident	Health Insurance	Liability	Engineering	Others	MISCELLANEOUS			
Claims Paid - Direct	-	-	-	500	590	-	-	-	-	1,090	1,090	
Add: Reinsurance accepted	-	-	-	-	-	-	-	-	-	-	-	
Less: Reinsurance ceded	-	-	-	(275)	(30)	-	-	-	-	(305)	(305)	
<b>Net Claims Paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225</b>	<b>560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>785</b>	<b>785</b>	
Add: Claims Outstanding at the end of the year	4,930	-	-	4,003	8,525	-	-	-	-	12,528	17,458	
Less: Claims Outstanding at the beginning of the year -	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Claims Incurred (Net)</b>	<b>4,930</b>	<b>-</b>	<b>-</b>	<b>4,228</b>	<b>9,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,313</b>	<b>18,243</b>	

(₹ '000)

**DHFL GENERAL INSURANCE LIMITED**

**Schedule forming part of Revenue Account for the Year Ended March 31, 2019**

**SCHEDULE – 3  
COMMISSION (NET)**

(₹ '000)

Particulars	CURRENT YEAR										GRAND TOTAL	
	MARINE			MISCELLANEOUS				Others				MISCELLANEOUS
	FIRE	Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability	Engineering	Others				
Commission Paid – Direct	1,56,187	5,270	2,449	32,618	1,31,552	-	-	247	-	1,72,136	3,28,323	
Add: Commission on Re-insurance Accepted	399	-	-	-	-	-	83	-	-	83	482	
Less: Commission on Re-insurance Ceded	(2,86,154)	(307)	(425)	(60,539)	(3,80,353)	-	(1,529)	(32)	-	(4,43,185)	(7,29,339)	
<b>Net Commission Paid/(Received)</b>	<b>(1,29,568)</b>	<b>4,963</b>	<b>2,024</b>	<b>(27,921)</b>	<b>(2,48,801)</b>	<b>-</b>	<b>(1,446)</b>	<b>215</b>	<b>-</b>	<b>(2,70,966)</b>	<b>(4,00,534)</b>	
<b>Break up of Gross Commission</b>												
Agents	-	-	-	-	-	-	-	-	-	-	-	
Brokers	-	209	2,057	4	6,437	-	-	247	-	8,954	8,954	
Corporate Agency	1,56,187	11	-	32,614	1,25,115	-	-	-	-	1,57,740	3,13,927	
Referral	-	-	-	-	-	-	-	-	-	-	-	
Others (POS, Web Aggregator and MISP)	-	5,050	392	-	-	-	-	-	-	5,442	5,442	
	<b>1,56,187</b>	<b>5,270</b>	<b>2,449</b>	<b>32,618</b>	<b>1,31,552</b>	<b>-</b>	<b>-</b>	<b>247</b>	<b>-</b>	<b>1,72,136</b>	<b>3,28,323</b>	

(₹ '000)

Particulars	PREVIOUS PERIOD										GRAND TOTAL	
	MARINE			MISCELLANEOUS				Others				MISCELLANEOUS
	FIRE	Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability	Engineering	Others				
Commission Paid – Direct	98,983	-	-	19,282	1,01,061	-	-	-	-	1,20,343	2,19,326	
Add: Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-	-	-	
Less: Commission on Re-insurance Ceded	(4,563)	-	-	(35,740)	(2,81,998)	-	-	-	-	(3,17,738)	(3,22,301)	
<b>Net Commission Paid/(Received)</b>	<b>94,420</b>	<b>-</b>	<b>-</b>	<b>(16,458)</b>	<b>(1,80,937)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,97,395)</b>	<b>(1,02,975)</b>	
<b>Break up of Gross Commission</b>												
Agents	-	-	-	-	-	-	-	-	-	-	-	
Brokers	-	-	-	-	-	-	-	-	-	-	-	
Corporate Agency	98,983	-	-	19,282	1,01,061	-	-	-	-	1,20,343	2,19,326	
Referral	-	-	-	-	-	-	-	-	-	-	-	
Others (POS, Web Aggregator and MISP)	-	-	-	-	-	-	-	-	-	-	-	
	<b>98,983</b>	<b>-</b>	<b>-</b>	<b>19,282</b>	<b>1,01,061</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,20,343</b>	<b>2,19,326</b>	

**DHFL GENERAL INSURANCE LIMITED**

**Schedule forming part of Revenue Account for the Year Ended March 31, 2019**

Particulars	CURRENT YEAR											GRAND TOTAL
	FIRE	MARINE	MISCELLANEOUS					Others	MISCELLANEOUS	GRAND TOTAL		
			Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability				Engineering	
Employees' Remuneration and Welfare Benefits (Refer Note 4.9 and 4.11 of Schedule 16)	1,45,873	-	6,521	35,228	34,711	1,53,119	-	1,314	630	2,31,523	3,77,396	
Travel, Conveyance and Vehicle running expenses	3,948	-	114	746	912	4,305	-	37	18	6,132	10,080	
Training, Seminar and Conference Expenses	26,066	-	58	950	5,991	28,673	-	244	117	36,033	62,099	
Rents, Rates and Taxes (Refer Note 4.13 of Schedule 16)	38,111	-	1,749	7,786	14,499	41,105	-	338	162	65,639	1,03,750	
Repairs	2,795	-	137	917	731	3,046	-	24	12	4,867	7,662	
Printing and Stationery	1,568	-	18	88	363	1,713	-	15	7	2,204	3,772	
Communication	3,934	-	144	858	967	4,191	-	35	17	6,212	10,146	
Legal and Professional charges	1,33,041	-	785	3,833	30,935	1,46,725	-	1,240	594	1,84,112	3,17,153	
Auditors' fees, expenses etc. (Refer Note 4.22 of Schedule 16)	779	-	34	140	179	857	-	7	4	1,221	2,000	
a) as auditors												
b) as advisors or in any other capacity, in respect of:												
(i) Taxation matters	78	-	3	14	18	86	-	1	-	122	200	
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	
c) in any other capacity and	-	-	-	-	-	-	-	-	-	-	-	
d) out of pocket expenses	29	-	1	5	7	32	-	-	-	45	74	
Advertisement and Publicity	67,567	-	6,414	1,33,217	15,549	74,862	-	632	303	2,30,977	2,98,544	
Interest and Bank Charges	513	-	22	96	118	565	-	5	2	808	1,321	
Others:												
- Information Technology Expenses	15,963	-	691	2,870	3,669	17,586	-	149	72	25,037	41,000	
- Membership & Subscription	622	-	25	124	142	657	-	6	3	957	1,579	
- Others	839	-	34	167	192	887	-	7	3	1,290	2,129	
Depreciation/Amortisation	20,921	-	1,077	7,737	5,731	22,674	-	177	85	37,481	58,402	
GST/Service Tax Expenditure	887	-	30	128	202	967	-	8	4	1,339	2,226	
<b>Total</b>	<b>4,63,534</b>	<b>-</b>	<b>17,857</b>	<b>1,94,904</b>	<b>1,14,916</b>	<b>5,02,050</b>	<b>-</b>	<b>4,239</b>	<b>2,033</b>	<b>8,35,999</b>	<b>12,99,533</b>	

(₹'000)

**DHFL GENERAL INSURANCE LIMITED**

**Schedule annexed to and forming part of Financial Statements for the Year Ended March 31, 2018**

**SCHEDULE – 4**

**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

(₹ '000)

Particulars	MARINE			MISCELLANEOUS					GRAND TOTAL	
	FIRE	Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability	Engineering	Others		MISCELLANEOUS
Employees' Remuneration and Welfare Benefits (Refer Note 4.9 and 4.11 of Schedule 16)	84,026	-	-	18,447	86,283	-	-	-	1,04,730	1,88,756
Travel, Conveyance and Vehicle running expenses	1,993	-	-	427	2,193	-	-	-	2,620	4,613
Training Expenses	29,356	-	-	6,203	32,506	-	-	-	38,709	68,065
Rents, Rates and Taxes	16,380	-	-	6,553	17,640	-	-	-	24,193	40,573
(Refer Note 4.13 of Schedule 16)										
Repairs	3,041	-	-	727	3,413	-	-	-	4,140	7,181
Printing and Stationery	754	-	-	163	838	-	-	-	1,001	1,755
Communication	2,011	-	-	462	2,226	-	-	-	2,688	4,699
Legal and Professional charges	88,130	-	-	18,814	98,212	-	-	-	1,17,026	2,05,156
Auditors' fees, expenses etc.										
(Refer Note 4.22 of Schedule 16)										
a) as auditors	315	-	-	67	348	-	-	-	415	730
b) as advisors or in any other capacity, in respect of:										
(i) Taxation matters	86	-	-	18	96	-	-	-	114	200
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-
c) in any other capacity and										
d) out of pocket expenses	13	-	-	3	15	-	-	-	17	31
Advertisement and Publicity	22,318	-	-	4,479	23,475	-	-	-	27,954	50,272
Interest and Bank Charges	34	-	-	7	38	-	-	-	45	79
Others:										
- Information Technology Expenses	1,780	-	-	376	1,971	-	-	-	2,347	4,127
- Agents Training	-	-	-	-	-	-	-	-	-	-
- Membership & Subscription	1,550	-	-	321	1,672	-	-	-	1,993	3,543
- Others	350	-	-	72	379	-	-	-	451	801
Depreciation/Amortisation	27,423	-	-	6,084	30,511	-	-	-	36,595	64,018
GST/Service Tax Expenditure	176	-	-	38	196	-	-	-	234	410
<b>Total</b>	<b>2,79,736</b>	<b>-</b>	<b>-</b>	<b>63,261</b>	<b>3,02,011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,65,272</b>	<b>6,45,008</b>

**DHFL GENERAL INSURANCE LIMITED**  
**Schedule Forming Part of Balance Sheet as at March 31, 2019**

**SCHEDULE – 5**  
**SHARE CAPITAL**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorised Capital</b>		
50,00,00,000 (Previous Year : 50,00,00,000) Equity Shares of ₹ 10 each	50,00,000	50,00,000
<b>Issued Capital</b>		
19,00,50,000 (Previous Year : 19,00,50,000) Equity Shares of ₹ 10 each	19,00,500	19,00,500
<b>Subscribed Capital</b>		
19,00,50,000 (Previous Year : 19,00,50,000) Equity Shares of ₹ 10 each	19,00,500	19,00,500
<b>Called-up Capital</b>		
19,00,50,000 (Previous Year : 19,00,50,000) Equity Shares of ₹ 10 each	19,00,500	19,00,500
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid up)	-	-
Less: Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses	-	-
<b>TOTAL</b>	<b>19,00,500</b>	<b>19,00,500</b>

**SCHEDULE – 5A**  
**SHARE CAPITAL**  
**PATTERN OF SHAREHOLDING**  
**[As Certified by the Management]**

Shareholders	As at March 31, 2019		As at March 31, 2018	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters:				
- Indian				
M/s Wadhawan Global Capital Limited	1,90,050,000	100%	1,90,050,000	100%
- Foreign	-	-	-	-
<b>TOTAL</b>	<b>1,90,050,000</b>	<b>100%</b>	<b>1,90,050,000</b>	<b>100%</b>

**DHFL GENERAL INSURANCE LIMITED**

**Schedule Forming Part of Balance Sheet as at March 31, 2019**

**SCHEDULE – 6  
RESERVES AND SURPLUS**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	-	-
General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance of Profit in Profit and Loss Account	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**SCHEDULE – 7  
BORROWINGS**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**DHFL GENERAL INSURANCE LIMITED**  
**Schedule Forming Part of Balance Sheet as at March 31, 2019**

**SCHEDULE – 8**  
**INVESTMENTS – SHAREHOLDERS**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	1,53,064	1,52,481
Other Approved Securities	1,00,163	1,00,178
Other Investments:		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/Bonds	-	50,647
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties – Real Estate	-	-
Investments in Infrastructure and Social Sector	49,962	2,00,481
Other than Approved Investments		
(a) Infrastructure Other Investments – Debenture/Bonds	49,974	-
<b>Sub Total (A)</b>	<b>3,53,163</b>	<b>5,03,787</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	-	1,49,585
Other Approved Securities	-	-
Other Investments:		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	9,708	21,232
(c) Derivative Instruments	-	-
(d) Debentures/Bonds	-	1,49,827
(e) Other Securities		
(i) Fixed Deposit	-	58,400
(ii) Reverse Repo	-	-
(iii) Commercial Paper	-	2,37,943
(iv) Certificate of Deposit	-	-
(f) Subsidiaries	-	-
(g) Investment Properties – Real Estate	-	-
Investments in Infrastructure and Social Sector	-	1,93,261
Other than Approved Investments		
(a) Infrastructure Other Investments – Commercial Paper	99,626	-
<b>Sub Total (B)</b>	<b>1,09,334</b>	<b>8,10,248</b>
<b>Total (A+B)</b>	<b>4,62,497</b>	<b>13,14,035</b>

**Notes:**

- (a) (i) Aggregate book value of investments (other than listed equities & derivative instruments) is ₹ 4,62,489 thousand (previous year ₹ 13,14,004 thousand)  
(ii) Aggregate market value of investments (other than listed equities & derivative instruments) is ₹ 4,25,085 thousand (previous year ₹ 13,10,179 thousand)
- (b) Mutual Fund Investments are marked to market and are inclusive of unrealized gain of ₹ 8 thousand (previous year ₹ 32 thousand) arising due to change in Fair Value and has been recognized under the head 'Fair value change account' in the balance sheet
- (c) The Company has accounted for provision for diminution in value of investments in respect of securities related to IL&FS amounting to ₹ 37,295 thousand [includes interest provision of ₹ 4,893 thousand] (previous year nil) during the year (Refer Note 4.8 of Schedule 16)

**DHFL GENERAL INSURANCE LIMITED**  
**Schedule Forming Part of Balance Sheet as at March 31, 2019**

**SCHEDULE – 8A**  
**INVESTMENTS – POLICYHOLDERS**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including		
Treasury Bills	3,53,906	2,53,685
Other Approved Securities	1,50,011	99,696
Other Investments:		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/Bonds	3,97,125	1,49,304
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties – Real Estate	-	-
Investments in Infrastructure and Social Sector	2,52,050	-
Other than Approved Investments		
(a) Infrastructure Other Investments	-	-
(b) Other Investments	1,00,072	-
<b>Sub Total (A)</b>	<b>12,53,164</b>	<b>5,02,685</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including		
Treasury Bills	-	-
Other Approved Securities	-	-
Other Investments:		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	1,33,236	51,966
(c) Derivative Instruments	-	-
(d) Debentures/Bonds	99,874	99,856
(e) Other Securities		
(i) Fixed Deposit	50,000	80,000
(ii) Reverse Repo	-	1,01,812
(iii) Commercial Paper	-	-
(iv) Certificate of Deposit	49,914	49,971
(f) Subsidiaries	-	-
(g) Investment Properties – Real Estate	-	-
Investments in Infrastructure and Social Sector	-	50,242
Other than Approved Investments		
(a) Infrastructure Other Investments	-	-
<b>Sub Total (B)</b>	<b>3,33,024</b>	<b>4,33,847</b>
<b>Total (A+B)</b>	<b>15,86,188</b>	<b>9,36,532</b>

Notes:

- (a) (i) Aggregate book value of investments (other than listed equities & derivative instruments) is ₹ 15,86,051 thousand (previous year ₹ 9,36,466 thousand)
- (ii) Aggregate market value of investments (other than listed equities & derivative instruments) is ₹ 15,82,544 thousand (previous year ₹ 9,37,522 thousand)

- (b) Mutual Fund Investments are marked to market and are inclusive of unrealized gain of ₹ 137 thousand (previous year ₹ 66 thousand) arising due to change in Fair Value and has been recognized under the head 'Fair value change account' in the balance sheet



**DHFL GENERAL INSURANCE LIMITED**  
**Schedule Forming Part of Balance Sheet as at March 31, 2019**

**SCHEDULE — 9**  
**LOANS**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>SECURITY-WISE CLASSIFICATION</b>		
Secured		
(a) On mortgage of property		
(i) In India	-	-
(ii) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>BORROWER-WISE CLASSIFICATION</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
<b>PERFORMANCE-WISE CLASSIFICATION</b>		
(a) Loans classified as standard		
(i) In India	-	-
(ii) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(i) In India	-	-
(ii) Outside India	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>MATURITY-WISE CLASSIFICATION</b>		
(a) Short Term	-	-
(b) Long Term	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**DHFL GENERAL INSURANCE LIMITED**

**Schedule Forming Part of Balance Sheet as at March 31, 2019**

**SCHEDULE — 10  
FIXED ASSETS**

Particulars	Cost/Gross Block			Depreciation/Amortisation				Net Block		
	Opening	Additions/ Adjustments	Deductions/ Adjustments	Closing	Upto Last Year	For the Year <sup>1</sup>	On Sales/ Adjustments	To Date	As at March 31, 2019	As at March 31, 2018
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Software	2,11,997	1,58,736	67	3,70,666	14,566	55,597	5	70,158	3,00,508	1,97,429
Intangibles - Trademark License <sup>1</sup>	4,38,400	-	4,38,400	-	39,276	(39,276)	-	-	-	3,99,124
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	43,808	-	43,808	-	3,995	-	3,995	39,813	-
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture and Fittings	-	11,449	-	11,449	-	2,161	-	2,161	9,288	-
Information Technology Equipment	1,80,952	23,447	(67)	2,04,466	12,181	34,419	(5)	46,605	1,57,861	1,68,771
Vehicles	-	1,870	-	1,870	-	25	-	25	1,845	-
Office Equipment	52	11,587	-	11,639	4	1,481	-	1,485	10,154	48
Others	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8,31,401</b>	<b>2,50,897</b>	<b>4,38,400</b>	<b>6,43,898</b>	<b>66,027</b>	<b>58,402</b>	<b>-</b>	<b>124,429</b>	<b>5,19,469</b>	<b>7,65,372</b>
Work - in - progress <sup>2</sup>									18,534	72,357
<b>Grand Total</b>	<b>8,31,401</b>	<b>2,50,897</b>	<b>4,38,400</b>	<b>6,43,898</b>	<b>66,027</b>	<b>58,402</b>	<b>-</b>	<b>124,429</b>	<b>5,38,003</b>	<b>8,37,729</b>
<b>As at March 31, 2018</b>	<b>2,792</b>	<b>8,28,609</b>	<b>-</b>	<b>8,31,401</b>	<b>201</b>	<b>65,828</b>	<b>-</b>	<b>66,029</b>	<b>8,37,729</b>	

**Note:**

1. The Accumulated Depreciation upto March 31, 2018 has been reversed on decapitalisation (Refer Note 4.26 of Schedule 16)
2. Includes Capital Advances of ₹ 9,518 thousand (Previous year ₹ 40,314 thousand)

**DHFL GENERAL INSURANCE LIMITED**

**Schedule Forming Part of Balance Sheet as at March 31, 2019**

**SCHEDULE – 11  
CASH AND BANK BALANCES**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash (including cheques, drafts, stamps) <sup>1</sup>	18,275	6,324
Bank Balances (with scheduled banks):		
(a) Deposit Accounts		
(i) Short-term (due within 12 months)	1,533	-
(ii) Others	-	-
(b) Current Accounts	65,388	28,357
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
<b>Total</b>	<b>85,196</b>	<b>34,681</b>

**Note:**

1. Includes cheques on hand of ₹ 12,538 thousand (previous year Nil)

**SCHEDULE – 12  
ADVANCES AND OTHER ASSETS**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>ADVANCES</b>		
Reserve Deposits with Ceding Companies	-	-
Application Money for Investments	-	-
Investment sold pending settlement	-	-
Prepayments	31,562	8,044
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	19	-
Others		
Advance to Suppliers	59	28,530
Advances to Employees	55	-
<b>Total (A)</b>	<b>31,695</b>	<b>36,574</b>
<b>OTHER ASSETS</b>		
Income Accrued on Investments	49,185	50,108
Outstanding Premiums	-	-
Agents' Balances	-	-
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	6,759	-
Due from subsidiaries/holding company	-	-
Others		
- Deposits for Office Premises	26,082	25,599
- Other Deposit	1,134	431
- Inter company receivable	4,01,667	-
- GST unutilised credit	72,885	18,175
<b>Total (B)</b>	<b>557,712</b>	<b>94,313</b>
<b>Total (A)+(B)</b>	<b>5,89,407</b>	<b>1,30,887</b>

**DHFL GENERAL INSURANCE LIMITED**

**Schedules Forming Part of Balance Sheet as at March 31, 2019**

**SCHEDULE – 13  
CURRENT LIABILITIES**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Agents' Balances	84,735	50,210
Balances due to other insurance companies (including reinsurers)	1,26,610	1,19,685
Deposits held on re-insurance ceded	-	-
Premiums received in advance	25,343	-
Unallocated Premium	26,623	2,74,934
Sundry Creditors (Refer Note 4.27 of Schedule 16)	2,42,730	4,74,880
Due to subsidiaries/holding company	-	-
Claims Outstanding	2,30,909	17,458
Due to Officers/Directors	-	-
Others		
Statutory Liabilities	21,011	68,305
GST Payable	-	-
Unclaimed Amount of Policyholders (Refer Note 4.21 of Schedule 16)	-	-
<b>Total</b>	<b>7,57,961</b>	<b>10,05,472</b>

**SCHEDULE – 14  
PROVISIONS**

(₹ '000)

Particulars		As at March 31, 2019	As at March 31, 2018
Reserve for Unexpired Risk		6,66,667	4,58,916
For taxation (less advance tax paid and taxes deducted at source)		-	-
For proposed dividends		-	-
For dividend distribution tax		-	-
For diminution in the value of investments (Refer Note 4.8 of Schedule 16)		37,295	-
Others:			
Gratuity (Refer Note 4.9 of Schedule 16)	702		952
Compensated Absences (Refer Note 4.9 of Schedule 16)	7,967		5,134
Premium Deficiency (Refer Note 4.23 of Schedule 16)	4,10,029	4,18,698	1,14,470
<b>Total</b>		<b>11,22,660</b>	<b>5,79,472</b>

**SCHEDULE – 15  
MISCELLANEOUS EXPENDITURE**


**(To the Extent not Written Off or Adjusted)**

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Allowed on issue of shares/debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



# SCHEDULE 16



SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES ANNEXED  
TO AND FORMING PART OF  
THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019

SCHEDULE 16

# SCHEDULE 16

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019.

### 1. Background

DHFL General Insurance Limited ('the Company') was incorporated on July 5, 2016 and is a wholly owned subsidiary of Wadhawan Global Capital Limited (WGC). The Company obtained Regulatory approval to undertake general insurance business on May 22, 2017 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration.

### 2. Basis of Preparation of Financial Statements

The financial statements have been prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards as per Indian GAAP referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders/directions prescribed by the IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India. The financial statements are presented in Indian Rupees rounded off to the nearest thousand.

Accounting policies applied are consistent with the previous year except where different treatment is required as per the new pronouncements made by the regulatory authorities.

### 3. Significant Accounting Policies

#### 3.1 Use of Estimates

The preparation of financial statements in

conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. These estimates are based upon management's best knowledge of current events and actions as at the date of financial statements. Any revision to the accounting estimates is recognised prospectively in the period in which the results are known/materialised.

#### 3.2 Revenue Recognition

##### Premium Income

Premium including reinsurance accepted is recorded over the contract period or the period of risk, as appropriate, after adjusting for unearned premium (unexpired risk). Installment cases are recorded on installment due dates. Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to premium are recognised over the remaining period of risk or contract period, as applicable.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

##### Income from Reinsurance Ceded

Commission on reinsurance ceded is recognised as income in the period of ceding the risk. Profit commission income/expense under re-insurance treaties, wherever applicable, is recognized in accordance with treaty arrangements with the re-insurers and combined with commission on re-insurance ceded.

##### Income Earned on Investments

##### Interest income

Interest income on investments is recognised on an accrual basis.

### **Premium/Discount on purchase of Investments**

Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a constant yield to maturity basis.

### **Dividend Income earned on Investments**

Dividend income is recognised when the right to receive dividend is established. Dividend income in respect of listed equity shares is recognised on ex-dividend date. Mutual Fund scheme dividend is accounted on T+1 day where T is dividend declaration date.

### **Profit/Loss on sale of Investment**

The net realised gains or losses on the securities are the difference between the net sale consideration and the amortised cost, which is computed on a weighted average basis, as on the date of sale. Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

In case of listed equity shares/mutual fund units, the profit or loss on sale of investment includes the accumulated changes in the fair value previously recognised under 'Fair Value Change Account'.

In case of Treasury Bills, the difference between the acquisition price and the maturity value of treasury bills is recognised as income in the revenue accounts or the profit and loss account, as the case may be, over the remaining term of these instruments on constant yield method.

### **3.3 Premium received in advance**

This represents premium received during the period, where the risk commences subsequent to the balance sheet date.

### **3.4 Reinsurance premium**

Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.

Premium on excess of loss reinsurance cover is accounted as per the terms of the reinsurance arrangements.

### **3.5 Reserve for Unexpired Risk**

Reserve for unexpired risk represents that part of the net premium written which is attributable to and allocable to the succeeding accounting period(s), is calculated net of re-insurance cession, on the basis of following method:

- 50% for Fire/Marine cargo/Miscellaneous business
- 100% for Marine Hull business

Of the net premium written over the preceding twelve months.

### **3.6 Premium Deficiency**

Premium deficiency is recognised if the sum of the expected claim costs, related expenses and maintenance cost (related to claims handling) exceeds related reserve for unexpired risk. The expected claim costs are calculated and duly certified by the Appointed Actuary.

### **3.7 Claims**

Claims incurred comprise claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER'). Further, claims incurred also include specific claim settlement costs such as survey/legal fees and other directly attributable costs. Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on internal management estimates or on estimates from surveyors/insured in the respective revenue account(s).

Estimated liability for outstanding claims at balance sheet date is recorded net of claims recoverable from/payable to co-insurers/reinsurers and salvage to the extent there is certainty of realisation. Salvaged stock is recognised at estimated net realisable value based on independent valuer's report.

Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively revalidated on availability of further information. IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported

(IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by an Appointed Actuary of the Company. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note GN 21 issued by the Institute of Actuaries of India.

### 3.8 Acquisition Costs

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

### 3.9 Fixed Assets

Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes acquisition price, installation and other incidental expenses, including freight and taxes incurred to bring the asset to its present location and working condition for its intended use. Any additions to the original fixed assets are depreciated over the remaining useful life of asset.

Gains and losses arising from retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the Carrying Amount of the asset and are recognised in Revenue Account(s) on the date of retirement or disposal.

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

Depreciation on tangible fixed assets is provided pro rata for the period of use on a straight-line basis over the useful lives of assets as stipulated in Part C of Schedule II to the Companies Act 2013, except in case of Furniture and Fixtures and Motor Vehicles, where based on technical evaluation carried out by Management internally, the useful life has been considered as 5 years each instead of 10 years and 8 years respectively.

All assets including intangibles individually costing up to INR5,000/- are fully depreciated/amortised in the month of capitalisation.

### 3.10 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangible assets comprise of software which is amortized over its useful life of six years on straight line method, being the management's estimate of the useful life of such intangible software.

### 3.11 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for indications of any impairment based on internal/external factors. If any indication of impairment exists, an impairment loss is recognized where the carrying value of those assets exceeds their recoverable amount. Any such impairment loss is recognised by charging it to the Profit and Loss account. If at the balance sheet date there is any indication that a previously recognised impairment loss no longer exists then such loss is reversed and the asset is restated to that effect.

### 3.12 Retirement and Other Employee Benefits

#### a) Short-Term Employee Benefits

Short-term employee benefits are recognised in the period during which the services have been rendered.

#### b) Long-Term Employee Benefits

##### i) Defined Contribution Plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

##### ii) Defined Benefit Plan

###### a. Gratuity

The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each quarter end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for this defined benefit plan is recognised in full in the period in which they occur in the Revenue Account.

###### b. Compensated Absences

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purpose. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the quarter end. Actuarial gains/losses are immediately taken to the Revenue Account and are not deferred.

### 3.13 Investments

Investments are made and accounted for in accordance with the Insurance Act 1938, as



amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, IRDAI (Investment) Regulations, 2016 as amended and various other circulars/notifications issued by IRDAI in this context from time to time.

Investments are recorded on the trade date at cost and include brokerage, transfer charges, stamps, if any, and exclude interest accrued up to the date of purchase.

#### **A. Classifications**

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to dispose them of within twelve months, are classified as 'short-term investments'.

Investments other than 'short-term investments' are classified as 'long term investments'.

Investments that are earmarked, are identified separately to policyholder's or shareholder's, as applicable.

#### **B. Valuation**

**Debt Securities:** All debt securities including Government Securities and redeemable Preference shares are considered as 'Held to Maturity' and accordingly stated at amortised cost determined after amortisation of premium or accretion of discount on a constant yield basis over the holding period/maturity.

**Equities & Convertible Preference Shares:** Equity Securities listed at the balance sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange being selected as primary exchange as required by IRDAI circular number IRDA/F&I/INV/CIR/213/10/2013 dated October 30, 2013. And if the security is not listed on the National Stock Exchange, then the last quoted closing price on the Bombay Stock Exchange is used.

**Mutual Funds:** Mutual fund investments are stated at fair value, being the closing net asset value per unit declared by respective fund house at balance sheet date.

**Investments other than those mentioned above are valued at cost.**

#### **C. Investment Income**

Investment income which is directly identifiable is

recognised on actuals to revenue account(s) and profit and loss account as applicable.

Further, investment income across segments within the revenue account(s) have been allocated on the basis of segment-wise policyholder's funds. Policyholders' Funds are the aggregate of Outstanding Claims, estimates of IBNR, IBNER, PDR and Reserve for Unexpired risk.

#### **D. Fair Value Change Account**

In accordance with the Regulations, unrealised gain/loss arising due to changes in fair value of listed equity shares, convertible preference shares and mutual fund investments are taken to the 'fair value change account'. The balance in the fair value change account is not available for distribution, pending realisation.

#### **E. Impairment of Investments**

The Company assesses at each balance sheet date, whether any impairment has occurred in respect of investment in equity and units of mutual fund. If any indication exists, then the impairment loss, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If at the balance sheet date, a previously impaired loss no longer exists, then such loss is reversed to the profit & loss account and the investment is restated to that extent.

Impairment for Investment properties is assessed at each balance sheet date. The impairment loss, if any, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value.

#### **3.14 Taxes**

##### **a) Current Income Tax**

Current Income Tax is measured at the amount expected to be paid to the tax authorities, computed as per the applicable tax rates and tax laws.

##### **b) Deferred Tax**

Deferred tax assets and liabilities are the timing difference between taxable income and accounting income that are capable of reversal in one or more subsequent period(s) and are measured using tax rate enacted or substantively enacted as at the balance sheet date. Deferred tax assets are only recognized to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, where the Company has

unabsorbed depreciation or carry forward tax loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty backed by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax is reviewed at each balance sheet date.

#### **c) MAT Credit**

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the same is created by way of a credit to the Statement of Profit and Loss shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

#### **d) Goods and Service Tax (GST)**

Goods and Service Tax is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilised credits, if any, are carried forward under 'Others – GST unutilised credit' and disclosed in Schedule 12 for adjustments in subsequent periods and GST liability if any to be remitted to the appropriate authority is disclosed under 'Others – GST Liability' in Schedule 13.

#### **3.15 Operating Lease**

Leases where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the lease item, are classified as operating lease. Lease rentals with respect to assets taken on 'Operating Lease' are charged to revenue accounts on a straight-line basis over the lease term.

#### **3.16 Cash and Cash Equivalent**

Cash and cash equivalent for the purpose of cash flow statement comprises cash at bank, cash on hand, cheques on hand and stamp on hand.

#### **3.17 Provisions and Contingencies**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the

obligation. 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. However, contingent assets are not recognised on prudent basis.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

#### **3.18 Share issue expenses**

Share issue related expenses are debited to Profit and Loss account

#### **3.19 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shareholders and weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. In computing, diluted earnings per share only potential equity shares that are dilutive are considered.

#### **3.20 Foreign currency transactions**

Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of the transaction. Foreign exchange denominated monetary assets and liabilities outstanding as at balance sheet date, are restated at the rates prevalent at the date of the balance sheet. The gains/losses on account of restatement and settlement are recognised in the revenue account(s) and profit and loss account.

#### **3.21 Operating Expenses Related to the Insurance Business**

The Company has a Board approved policy for allocation and apportionment of expenses of management amongst various business segments as required by IRDAI (Expenses of Management of Insurers Transacting General or Health Insurance

Business) Regulations, 2016. The expenses are segregated between those which can be directly attributed to a particular business segment and those which need to be apportioned between different business segments.

- Operating expenses which are directly attributable to a particular business segment are allocated directly to that segment.
- Operating expenses which are not directly identifiable to any business segment, but which are attached to specific functions are apportioned based on the most suitable lever of apportionment for respective functions. Operating expenses which are not attached to specific functions are apportioned based on the most logical available lever of apportionment as laid down in the policy.

### 3.22 Segment Reporting

#### Business Segment

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' specified under Section 133 of the Companies Act, 2013, 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.

#### Segmental Assets and liabilities

Assets and liabilities have been identified under segments only where directly attributable or reasonably allocable. Cash and Bank Balances,

Income Tax and Other Assets and Liabilities to the extent not identifiable to a segment are reported as unallocated funds.

The allocation of revenue and expenses to specific segments is done in the following manner, which is applied on a consistent basis.

- Direct operating expenses relating to Fire, Marine and Miscellaneous lines of business are charged to the respective Revenue Accounts.
- Indirect operating expenses have been allocated on basis of board approved methodology given above for allocation and apportionment of such expenses.

### 3.23 Contribution to Solatium Fund

The Company provides for contribution to Solatium Fund at 0.1% of the total Third Party Premium of direct business as per requirements of IRDAI Circular.

### 3.24 Contribution to Terrorism Pool

The Company in accordance with the requirements of IRDAI has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium are ceded at 100% of the terrorism premium collected to the Terrorism Pool, subject to conditions and an overall limit of ₹ 20 billion.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on intimation/confirmation received from GIC. Accordingly, reinsurance accepted, on account of the terrorism pool has been recorded in books of account as per the last confirmation received.

## 4. Notes to Accounts

### 4.1 Contingent Liabilities

(₹ '000)

Sr No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Partly paid-up investments	-	-
2	Claims, other than against policies, not acknowledged as debts by the Company	-	-
3	Underwriting commitments outstanding (in respect of shares and securities)	-	-
4	Guarantees given by, or on behalf of the Company	-	-
5	Statutory demands/liabilities in dispute, not provided for	-	-
6	Re-insurance obligations, to the extent not provided for in accounts	-	-
7	Others (to be specified)	-	-
	<b>Total</b>	-	-

**4.2** The Company has all the assets within India. The assets of the Company are free from all encumbrances.

### 4.3 Commitments

- Commitments made and outstanding for investments and loans are NIL (previous year: NIL).

- Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances) is INR51,474 thousand (previous year INR 91,190 thousand).

#### 4.4 Claims

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

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
In India	94,225	785
Outside India	-	-
<b>Total</b>	<b>94,225</b>	<b>785</b>

Ageing of gross claims outstanding is set out in the table below:

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
More than six months	-	-
Others	25,746	473
<b>Total</b>	<b>25,746</b>	<b>473</b>

Claims settled and remaining unpaid for more than six months is NIL (previous period: NIL).

**Claims where the claim payment period exceeds four years:**

There is no insurance contract where the claim payment exceed four years.

**4.5 Premiums less re-insurance written from business in/outside India**

- All premiums net of re-insurance are written and received in India.
- Premium income recognised on 'Varying Risk Pattern' is NIL (previous period: NIL)

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
In India	12,90,876	9,04,717
Outside India	-	-
<b>Total Net Premium</b>	<b>12,90,876</b>	<b>9,04,717</b>

**4.6 Sector-wise Details of the Policies Issued are Given Below**

Sector	For the Year Ended March 31, 2019					For the period ended March 31, 2018				
	GDP (₹ '000)	No. of Policies	% of Policy	No. of lives	% of GDP	GDP (₹ '000)	No. of Policies	% of Policy	No. of lives	% of GDP
Rural	2,16,505	28,989	10%	17,880	9%	1,07,120	11,422	8%	8,537	8%
Social	11,685	2539	1%	2007	0%	-	-	-	-	-
Urban	22,02,488	2,48,188	89%	1,84,750	91%	13,03,624	1,23,356	92%	86,198	92%
<b>Total</b>	<b>24,30,678</b>	<b>2,79,716</b>	<b>100%</b>	<b>2,04,637</b>	<b>100%</b>	<b>14,10,744</b>	<b>1,34,778</b>	<b>100%</b>	<b>94,735</b>	<b>100%</b>

The annual obligations as indicated in the Regulations shall be reckoned from this financial year which shall be considered as the first year of

operations for the purpose of compliance to this regulations (NOTIFICATION F. NO. IRDAI/REG/13/103/2015, DATED 24-8-2015).

**4.7 Extent of Risks Retained and Reinsured with respect to Gross Written Premium is set out below (excluding Excess of Loss and Catastrophe Reinsurance)**

Particulars	Basis	For the year ended March 31, 2019		For the period ended March 31, 2018	
		Retention	Ceded	Retention	Ceded
<b>Fire</b>	<b>Total sum insured</b>	54%	46%	95%	5%
<b>Miscellaneous</b>					
Motor OD	Value at risk	95%	5%	NA	NA
Motor TP	Value at risk	95%	5%	NA	NA
Personal accident	Value at risk	45%	55%	45%	55%
Health insurance	Value at risk	49%	51%	42%	58%
Engineering	Value at risk	6%	94%	NA	NA
Others	Value at risk	95%	5%	NA	NA

#### 4.8 Investments

Value of contracts in relation to investments for:

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Purchase where deliveries are pending	-	-
b) Sales where payments are overdue	-	-

The Company has received License to operate as a General Insurer on 22nd May 2017. 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.

Investments that are earmarked, are allocated separately to policyholders' fund or shareholders' fund, as applicable;

#### Provision for Diminution in Value of Investment

The Company has debt investments (FV of ₹ 1,50,000 thousand) in the securities of IL&FS Group. Pursuant to the NCLAT order dated February 25, 2019, the Company has not classified these investments as NPA. However, as a matter of prudence, an amount of ₹ 37,295 thousand has been provided towards these investments.

The historical cost and fair value of listed equity shares and mutual fund are as follows:

(₹ '000)

Particulars	Historical Cost		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Investment - Listed Equity Shares & Mutual Funds	1,42,800	73,100	1,42,944	73,198

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate market value of the Investments other than Mutual Fund and Listed Equity Shares	18,64,685	21,74,504
Aggregate amortized cost/cost of the Investments other than Mutual Fund and Listed Equity Shares	19,05,740	21,77,369

#### Reverse Repo in Government securities and Corporate bonds

(₹ '000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year*#	Outstanding as on March 31, 2019
<b>Securities Sold under repo</b>				
1. Government Securities	NIL	NIL	NIL	NIL
2. Corporate Debt Securities	NIL	NIL	NIL	NIL
<b>Securities purchased under reverse repo</b>				
1. Government Securities	50,000	1,00,000	60,000	NIL
2. Corporate Debt Securities	NIL	NIL	NIL	NIL

\* Daily Average is on the basis of actual no. of days

# Face Value amount is considered for Note

#### Reverse Repo in Government securities and Corporate bonds (Previous Period)

(₹ '000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year*#	Outstanding as on March 31, 2018
<b>Securities Sold under repo</b>				
1. Government Securities	Nil	Nil	Nil	Nil
2. Corporate Debt Securities	Nil	Nil	Nil	Nil
<b>Securities purchased under reverse repo</b>				
1. Government Securities	50,000	25,00,000	95,256	10,00,000
2. Corporate Debt Securities	Nil	Nil	Nil	Nil

\* Daily average is on the basis of actual no of days

# Face value amount is considered for note

#### 4.9 Employee Benefits

The relevant disclosures in pursuance of Accounting Standard (AS 15) 'Employee Benefits' as notified

under the Companies Act, 2013 are as follows:

- i. The Company has recognised, in the Schedule 4

Operating Expenses related to Insurance Business/Profit & Loss Accounts for the year, an amount of ₹ 20,462 thousand [Previous period ₹ 13,628 thousand] as expenses under defined contribution plans.

(₹ '000)

Benefit (Contribution to)	For the year ended March 31, 2019	For the period ended March 31, 2018
Provident/Pension Fund	20,462	13,628

ii. The Company operates defined benefit plan as follows:

a) Post Retirement Gratuity

Details of the gratuity plan are as follows

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
<b>1. Reconciliation of opening and closing balances of obligation</b>		
a. Obligation as at the beginning of the year	952	94
b. Current Service Cost	1,015	289
c. Past Service Cost (Vested Benefit)	-	103
d. Interest Cost	106	16
e. Actuarial (Gain)/Loss	843	450
f. Benefits paid	-	0
g. Obligation as at the end of the year	2,916	952
The defined benefit obligation as at the end of the year is wholly funded by the Company		
<b>2. Change in Plan Assets (Reconciliation of opening and closing balances)</b>		
a. Fair value of plan assets as at the beginning of the year	0	0
b. Expected return on plan assets	85	0
c. Actuarial Gain/(Loss)	7	0
d. Contributions	2,136	0
e. Benefits paid	0	0
f. Fair value of plan assets as at the end of the year	2,214	0
<b>3. Expense recognized in the year</b>		
a. Current Service Cost	1,015	289
b. Past Service Cost (Vested Benefit)	0	103
c. Interest Cost	106	16
d. Expected return on plan assets	(85)	0
e. Actuarial (Gain) / Loss	850	450
f. Expense recognized in the year	1,886	858
<b>The expense is disclosed in Employees' Remuneration and Welfare Benefits</b>		
<b>4. Investment Details</b>		
a. Funded with a Life Insurance Company	-	-
<b>Break up of Plan Assets:</b>		
Government Bonds	-	-
PSU Bonds	-	-
Corporate Bonds	-	-
Others	<b>100%</b>	-
<b>5. Assumptions</b>		
a. Discount rate (per annum)	7.07%	7.34%
b. Estimated rate of return on plan assets (per annum)	7.07%	NA
c. Rate of escalation in salary (per annum)	8.00%	8.00%

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
d. Attrition Rate	30.00%	30.00%
e. Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
<b>6. Experience Adjustment</b>		
a. Experience adjustments on plan liabilities (Gain)/Loss	-	-
b. Experience adjustments on plan assets Gain/(Loss)	(7)	-
<b>7. Reconciliation of fair value of assets and Obligations</b>		
a. Fair value of plan assets as at end of the year	-	-
b. Present value of obligation as at end of the year	702	952
c. Amount recognised in the Balance Sheet - (Liability)/Asset	(702)	(952)

b) Unfunded – Compensated Absences & Leave Entitlement

Details of the Compensated Absences & Leave Entitlement Plan are as follows

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
<b>1. Reconciliation of opening and closing balances of obligation</b>		
a. Obligation as at the beginning of the year	5,134	765
b. Current Service Cost	1,296	2,384
c. Past Service Cost (Vested Benefit)		
d. Interest Cost	366	316
e. Actuarial (Gain)/Loss	1,202	1,716
f. Benefits paid	(31)	(47)
g. Obligation as at the end of the year	7,967	5,134
The defined benefit obligation as at the end of the year is wholly funded by the Company		
<b>2. Expense recognized in the year</b>		
a. Current Service Cost	1,296	2,384
b. Past Service Cost (Vested Benefit)		
c. Interest Cost	366	316
d. Actuarial (Gain)/Loss	1,202	1,716
e. Expense recognized in the year	2,864	4,416
<b>The expense is disclosed in the line item – Employees' Remuneration and Welfare Benefits</b>		
<b>3. Assumptions</b>		
a. Discount rate (per annum)	7.07%	7.34%
b. Rate of escalation in salary (per annum)	8.00%	8.00%
c. Attrition Rate	30.00%	30.00%
d. Leave Availment Ratio	1.00%	1.00%
e. Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
<b>4. Experience Adjustment</b>		
a. Experience adjustments on plan liabilities (Gain) / Loss		

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
<b>5. Reconciliation of fair value of assets and Obligations</b>		
a. Fair value of plan assets as at end of the year	-	-
b. Present value of obligation as at end of the year	7,967	5,134
c. Amount recognised in the Balance Sheet - (Liability)/Asset	(7,967)	(5,134)

The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market.

#### 4.10 Segmental Reporting

##### Business Segments

In accordance with the Accounting Regulations, read with Accounting Standard 17 on "Segment Reporting", as specified under the Companies Act, 2013, the Insurer's business in India is segmented into Fire, Marine and Miscellaneous business.

##### Segmental Revenues and Expenses

Refer Appendix A for Segmental reporting of Revenues and Expenses for "Miscellaneous" business.

##### Segmental Assets and Liabilities

Refer Appendix B for Segmental reporting of Assets and Liabilities.

#### 4.11 Managing Director's and Chief Executive Officer's (CEO) Remuneration

The details of remuneration to MD and CEO as per

the term of appointment are as under:

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
Salary, Bonus & Allowances	29,018	18,737
Contribution to provident and other funds	2,376	962
<b>Total</b>	<b>31,394</b>	<b>19,699</b>

- Managerial remuneration in excess of ₹ 15,000 thousand has been charged to profit and loss account.
- Expense towards gratuity funding and leave encashment provision are determined actuarially on an overall company basis annually and accordingly has not been considered in the above information.

#### 4.12 Related Party Disclosures

<b>A) Holding Company</b>
Wadhawan Global Capital Limited
<b>B) Fellow Subsidiary</b>
WGC Management Services Private Limited
Aadhar Housing Finance Limited
Avanse Financial Services Limited
Arthveda Fund Management Private Limited
Wadhawan Wealth Managers Private Limited
WGC Advisory Services Private Limited
WGC Consultancy Services Private Limited
Wadhawan Global Capital UK Limited
<b>C) Associate &amp; Other related party</b>
DHFL Pramerica Life Insurance Co. Limited
Dewan Housing Finance Corporation Limited



**D) Key Managerial Personnel****Mr Vijay Sinha**, Managing Director and Chief Executive Officer**Mr Vishal Garg**, Senior Vice President & Chief Financial Officer**Mr Peeyush Agarwal**, Senior Vice President & Head – Operations**Mr Harikrishnan**, V H Senior Vice President & Chief Digital Officer**Mr Ramchandra**, Pandit Senior Vice President & Chief Partnership Distribution Officer**Mr Anupam Ashesh**, Senior Vice President & Chief Underwriting Officer**Mr Jatin Arora**, Senior Vice President & Chief Risk Officer & Head Strategy**Mr Prasun Sarkar**, Senior Vice President & Appointed Actuary w.e.f. November 28, 2018**Mr Manoj Kumar Agarwal**, Senior Vice President & Chief Information Officer**Mr Sunil Chawla**, Vice President & Head – Motor Vertical & Property and Casualty Claims**Ms Seema Raghunath**, Vice President & Head Human Resource**Mr Prasun Aachharyya**, Vice President Marketing & Communications**Mr Manish Pahwa**, Vice President – Company Secretary, Head Legal & Compliance**Mr Ketul Patel**, Vice President & Head Internal Audit appointed w.e.f. June 20, 2018**Mr Kaushik Moitra**, Deputy Vice President & Head Risk ceased to be Head Risk w.e.f. November 1, 2018**Dr Sangita Shinde**, Deputy Vice President – Health Claims**Mr Alok Sharma**, Head – Investments**Related Party Transactions (April 1, 2018 – March 31, 2019)****(₹ '000)**

Name of the Related Party/Transaction Type	Holding Company	Associate & Other Related Party	Fellow Subsidiaries	Key Management Personnel	Grand Total
<b>1. DHFL Pramerica Life Insurance Co. Limited</b>					
<b>Transactions during the year</b>					
Staff Insurance – Group Term Life Insurance Premium	-	780	-	-	780
Prepaid – Group Term Life Insurance Premium	-	327	-	-	327
<b>Outstanding Balance at the year end</b>					
Insurance Deposit	-	475	-	-	475
<b>2. Dewan Housing Finance Corporation Ltd.</b>					
<b>Transactions during the year</b>					
Rent	-	29,917	-	-	29,917
Other Rental	-	19,035	-	-	19,035
Facility Management Services (Non IT)	-	1,203	-	-	1,203
Reimbursement of Expenditure (Telephone)	-	5	-	-	5
Brand Fees	-	38,474	-	-	38,474
Rent Deposit set-off	-	(20,777)	-	-	(20,777)
Trademark License Asset reversal	-	(4,38,400)	-	-	(4,38,400)
Premium	-	(13,80,127)	-	-	(13,80,127)
GMC Premium	-	(49,095)	-	-	(49,095)
Commission	-	2,17,168	-	-	2,17,168
<b>Outstanding Balance at the year end</b>					
Other Current Liabilities – Rent	-	(2,105)	-	-	(2,105)
Balance receivable	-	4,03,773	-	-	4,03,773
Commission Payable	-	12,375	-	-	12,375
Agent Balance Payable	-	(69,637)	-	-	(69,637)
Unallocated Premium	-	(17,199)	-	-	(17,199)
<b>3. Aadhar Housing Finance Ltd.</b>					
<b>Transactions during the year</b>					
Premium	-	-	(6,16,366)	-	(6,16,366)
Commission	-	-	96,543	-	96,543
GMC Premium	-	-	(26,512)	-	(26,512)

Name of the Related Party/Transaction Type	Holding Company	Associate & Other Related Party	Fellow Subsidiaries	Key Management Personnel	Grand Total
<b>Outstanding Balance at the year end</b>					
Commission payable	-	-	(17,053)	-	(17,053)
Unallocated Premium	-	-	(3,904)	-	(3,904)
<b>4. Avanse Financial Services Ltd.</b>					
<b>Transactions during the year</b>					
Premium	-	(1,314)	-	-	(1,314)
Commission	-	196	-	-	196
GMC Premium	-	(5,438)	-	-	(5,438)
Reimbursement of Expenses	-	109	-	-	109
<b>Outstanding Balance at the year end</b>					
Commission payable	-	(75)	-	-	(75)
Unallocated Premium	-	(230)	-	-	(230)
<b>5. Arthveda Fund Management Private Limited</b>					
GMC Premium	-	-	(199)	-	(199)
<b>Outstanding Balance at the year end</b>					
Unallocated Premium	-	-	(76)	-	(76)
<b>6. Wadhawan Wealth Managers Private Limited</b>					
GMC Premium	-	-	(1,828)	-	(1,828)
<b>Outstanding Balance at the year end</b>					
Unallocated Premium	-	-	(381)	-	(381)
<b>7. WGC Management Services Private Limited</b>					
GMC Premium	-	-	(193)	-	(193)
<b>Outstanding Balance at the year end</b>					
Unallocated Premium	-	-	(24)	-	(24)
<b>8. Key Managerial Personnel</b>					
<b>Transactions during the year</b>					
Salary Bonus Other Allowances	-	-	-	1,54,772	1,54,772

### Related Party Transactions (April 1, 2017 – March 31, 2018)

(₹ '000)

Name of the Related Party/Transaction Type	Holding Company	Associate & Other Related Party	Fellow Subsidiaries	Key Management Personnel	Grand Total
<b>1. M/s Wadhawan Global Capital Limited</b>					
<b>Transactions during the year</b>					
Advance Repayment	1,34,300	-	-	-	134,300
Equity Share Issued	(19,00,000)	-	-	-	(19,00,000)
Expenditure on our Behalf	1,435	-	-	-	1,435
<b>2. M/s DHFL Pramerica Life Insurance Co. Limited</b>					
<b>Transactions during the year</b>					
Staff Insurance - Group Term Life Insurance Premium	-	422	-	-	422
Prepaid - Group Term Life Insurance Premium	-	254	-	-	254
<b>Outstanding Balance at the year end</b>					
Other Advances given	-	337	-	-	337
<b>3. M/s Dewan Housing Finance Corp. Ltd.</b>					
<b>Transactions during the year</b>					
Rent	-	16,957	-	-	16,957
Other Rental	-	9,518	-	-	9,518

Name of the Related Party/Transaction Type	Holding Company	Associate & Other Related Party	Fellow Subsidiaries	Key Management Personnel	Grand Total
Facility Management Services (Non IT)	-	3,407	-	-	3,407
Reimbursement of Expenditure (Stamp Duty)	-	170	-	-	170
Trademark License Fees (Capex)	-	4,38,400	-	-	4,38,400
Premium	-	(12,32,341)	-	-	(12,32,341)
Commission	-	1,91,015	-	-	191,015
Security Deposit	-	20,777	-	-	20,777
<b>Outstanding Balance at the year end</b>					
Deposits for Office Premises given	-	20,777	-	-	20,777
Other Current Liabilities (Trademark License fees)	-	(2,14,560)	-	-	(2,14,560)
Other Current Liabilities - Other Rental	-	(8,566)	-	-	(8,566)
Other Current Liabilities - Facility Management Services (Non IT)	-	(3,952)	-	-	(3,952)
Commission Payable	-	(36,240)	-	-	(36,240)
Unallocated Premium	-	(2,18,386)	-	-	(2,18,386)
<b>4. M/s Aadhar Housing Finance Ltd.</b>					
<b>Transactions during the year</b>					
Premium	-	-	(1,78,368)	-	(1,78,368)
Commission	-	-	28,306	-	28,306
<b>Outstanding Balance at the year end</b>					
Commission payable	-	-	(13,965)	-	(13,965)
Unallocated Premium	-	-	(56,548)	-	(56,548)
<b>5. M/s Avanse Financial Services Ltd.</b>					
<b>Transactions during the year</b>					
Premium	-	(34)	-	-	(34)
Commission	-	5	-	-	5
<b>Outstanding Balance at the year end</b>					
Commission payable	-	(5)	-	-	(5)
<b>6. Key Managerial Personnel</b>					
<b>Transactions during the year</b>					
Salary Bonus Other Allowances	-	-	-	1,00,270	1,00,270

#### 4.13 Operating Lease Commitments

The Company's significant leasing arrangement is in respect of operating lease for office premises. These agreements are for the period of four/five years and is usually renewable at the option of the lessee. In respect this agreement, refundable deposits have been given. Lease rentals are recognised in the Schedule - 4 pertaining to

operating expenses related to Insurance business and included under 'Rent, Rates and Taxes' aggregating ₹ 70,519 thousand [Previous year ₹18,341 thousand].

The details of future rent payables in respect of non-cancellable operating leases are given below:

(₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one year	53,934	29,917
Later than one year and not later than five years	58,794	78,418
Later than five years	Nil	Nil

#### 4.14 Earnings Per Share (EPS)

Earnings Per Share is calculated by dividing the Loss After Tax in the Profit and Loss Account by the weighted average number of equity shares

outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as follows:

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
a) Net Profit/(Loss) after tax for the year (₹ '000)	(2,88,297)	(1,41,518)
b) Weighted average number of Equity Shares	19,00,50,000	18,01,59,589
c) Basic/Diluted Earnings Per Share	(₹ 1.52)	(₹ 0.79)
d) Face Value Per Share	₹10.00	₹10.00

#### 4.15 Deferred Taxation

The components of Deferred tax assets on account of timing differences are as follows:

( ₹ '000)

Particulars	As at March 31, 2019	As at March 31, 2018
Depreciation on Fixed Asset	38,379	33,253
<b>Deferred Tax Liability (DTL)</b>	<b>38,379</b>	<b>33,253</b>
Provision for diminution of value of investments	9,697	-
Related to leave encashment provision	1,873	1,137
Related to pre-operative expense	10,425	15,564
Others	858	339
Tax Loss	1,41,605	68,003
<b>Deferred Tax Assets (DTA)</b>	<b>1,64,458</b>	<b>85,043</b>
<b>Deferred Tax Assets*</b>	<b>38,379</b>	<b>33,253</b>
<b>Net Deferred Tax Asset</b>	<b>-</b>	<b>-</b>

\* Deferred tax asset on unabsorbed depreciation has been recognized to the extent of the deferred tax credit available, in line with AS 22

#### 4.16 Outsourcing, business development and marketing support expenses

Expenses relating to outsourcing, business development and marketing support are:

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
<b>Outsourcing expenses</b>	10,060	2,949
<b>Business development</b>	-	-
Sales promotion	15,761	18,893
Business support services	-	-
<b>Marketing support</b>	11,784	13,551

#### 4.17 Details of penal actions taken by various Govt. authorities during year ended March 31, 2019

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

#### 4.18 Summary of Financial Statements for five years

Refer Appendix C

#### 4.19 Analytical Ratios

Refer Appendix D

#### 4.20 Micro and Small Scale Business Entities

There is no Micro, Small & Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2019. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

#### 4.21 Unclaimed Amount of Policyholders

Vide IRDAI Master Circular with regard to Unclaimed amounts of Policyholders' dated 25.07.2017 read with circular no. IRDA/F&A/CIR/Misc/173/07/2017 dated 25.07.2017, there is NIL unclaimed amount of

policyholders as at March 31, 2019 as disclosed under Schedule 13 – Current Liabilities (refer IRDAI Master circular on Unclaimed Amounts of Policyholders). Age-wise analysis is given below:

#### AGE-WISE ANALYSIS

(₹ '000)

Particulars	Total Amt	0-6 Mnth	7-12 Mnth	13-18 Mnth	19-24 Mnth	25-30 Mnth	31-36 Mnth	36-120 Mnth
Claims settled but not paid to the policyholders/Insured due to any reasons except litigation from the Insured/Policyholders	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sum due to the Insured/Policyholders on maturity or otherwise	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of condition of the policy or as per the law or as may be directed by the Authority but not refunded so far	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Cheques issued but not encashed by the Policyholder/ Insured	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Total</b>	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

#### Details of Unclaimed Amount and Investment Income

(₹ '000)

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
Opening Balance	-	-
<b>Add:</b> Amount transferred to Unclaimed Fund	-	-
<b>Add:</b> Cheques issued out of the unclaimed amount but not encashed by the policyholders (to be included only when the cheques are stale)	-	-
<b>Add:</b> Investment Income on Unclaimed Fund	-	-
<b>Less:</b> Amount of claims paid during the year	-	-
<b>Less:</b> Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	-	-
<b>Closing Balance of Unclaimed Amount Fund</b>	-	-

#### 4.22 Disclosure on other work given to auditors

Pursuant to clause 7.1 (g) of Corporate Governance Guidelines issued by IRDAI on May 18, 2016 the

services of the statutory auditors are disclosed below:

(₹ '000)

Name of the Auditor	Services Rendered	For the year ended March 31, 2019	For the period ended March 31, 2018
J. C. Bhalla & Co.	Tax Audit fees	-	200

#### 4.23 Premium Deficiency

In accordance with Master Circular and Corrigendum on Master Circular on preparation of financial statement issued by IRDAI 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, Premium deficiency duly certified by an Appointed Actuary is recognized as below:

(₹ '000)

Line of Business	For the year ended March 31, 2019	For the period ended March 31, 2018
Fire	1,22,417	55,040
Motor OD	6,674	
Motor TP	42,465	
Personal Accident	34,621	7,630
Health Insurance	2,02,579	51,800
Engineering	60	
Asset Service provider	1,213	
<b>Total</b>	<b>4,10,029</b>	<b>1,14,470</b>

The above includes Claim Equalisation Reserve amounting to ₹ 2,73,000 Thousand.

#### 4.24 Expenses of Management

Vide IRDAI order no. 38/F&A(non-life)/DHFL/01/2016-17 dated 17th January 2018, the Company has been exempted from necessary compliances required under sec 40B of The Insurance Act, 1938 read with IRDAI (Expenses of Management of Insurer transacting General or Health Insurance Business) Regulations, 2016. The said exemption is valid from Financial year 2018-19 to 2022-23 (Five Financial years).

#### 4.25 Provision for Free Look Period

The provision for Free Look period is NIL (Previous Year NIL) as certified by the Appointed Actuary.

#### 4.26 Trademark License Fee

Pursuant to IRDAI letter Ref: 38/F&A(Non-Life)/DHFL/01/2016-17/231, dated 05/3/2019 and further discussions/directions, the Trade Mark License Agreement (TMLA) with Dewan Housing

Finance Corporation Limited (DHFL) entered into during FY 2017-18 for lumpsum fee of Rs. 43.84 crore, which was capitalised as Intangible asset, is mutually rescinded resulting in decapitalisation of the same and write back of depreciation thereon during the year. As per the amended agreement, the Company is required to pay a yearly trade mark license fee for use of trade mark for first three years of operations and accordingly, the requisite provision in respect thereof is made.

4.27 Sundry creditors include Provision for capital & operating expenditure amounting to ₹ 2,04,768 Thousand (Previous year ₹ 3,73,869 Thousand)

4.28 Previous year/period figures have been regrouped, reclassified in the respective schedule and notes wherever necessary, to conform to current period classifications.

#### For and on behalf of the Board of Directors

##### Kapil Wadhawan

Chairman  
DIN: 00028528

##### Suresh Mahalingam

Director  
DIN:01781730

##### Vishal Garg

Chief Financial Officer  
M.No.097735

##### Srinath Sridharan

Director  
DIN: 03359570

##### Vijay Sinha

Managing Director & CEO  
DIN:07711564

##### Manish Pahwa

Company Secretary  
M. No: A18876

Place: Mumbai

Date: April 25, 2019



# APPENDIX TO NOTES



APPENDIX  
TO NOTES

# APPENDIX TO NOTES

## APPENDIX – A

### DHFL GENERAL INSURANCE LIMITED SCHEDULE FOR SEGMENTAL REPORTING OF REVENUES AND EXPENDITURE FOR “MISCELLANEOUS” BUSINESS FOR YEAR ENDED MARCH 31, 2019

(₹ '000)

Particulars	Miscellaneous							Total
	Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability	Engineering	Others	
<b>INCOME</b>								
Premiums earned (Net)	17,223	71,538	73,464	3,96,088	-	670	1,784	5,60,767
Profit/(Loss) on sale/redemption of investments	213	1,007	960	5,503	-	7	27	7,717
Interest, Dividend and Rent - Gross	1,422	6,717	6,404	36,714	-	47	179	51,483
Co-insurance Administration Income	-	-	-	-	-	-	-	-
Others	-	-	1	-	-	-	-	1
<b>TOTAL (A)</b>	<b>18,858</b>	<b>79,262</b>	<b>80,829</b>	<b>4,38,305</b>	<b>-</b>	<b>724</b>	<b>1,990</b>	<b>6,19,968</b>
<b>EXPENDITURE</b>								
Claims Incurred (Net)	5,642	20,235	14,410	2,01,922	-	172	601	2,42,982
Commission (Net)	4,963	2,024	(27,921)	(2,48,801)	-	(1,446)	215	(2,70,966)
Operating Expenses related to Insurance Business	17,857	1,94,904	1,14,916	5,02,050	-	4,239	2,033	8,35,999
Premium Deficiency	6,674	42,465	26,992	1,50,778	-	60	1,213	2,28,182
Claim equalisation Reserve	-	-	-	-	-	-	-	-
Co-Insurance Administration Fee	-	-	-	487	-	-	-	487
Terrorism Pool Management Expenses	-	-	-	-	-	7	-	7
Contribution towards Solatium Fund	-	170	-	-	-	-	-	170
<b>TOTAL (B)</b>	<b>35,136</b>	<b>2,59,798</b>	<b>1,28,397</b>	<b>6,06,436</b>	<b>-</b>	<b>3,032</b>	<b>4,062</b>	<b>10,36,861</b>
<b>OPERATING PROFIT/(LOSS) FROM MISCELLANEOUS BUSINESS (A)-(B)</b>	<b>(16,278)</b>	<b>(1,80,536)</b>	<b>(47,568)</b>	<b>(1,68,131)</b>	<b>-</b>	<b>(2,308)</b>	<b>(2,072)</b>	<b>(4,16,893)</b>

### SCHEDULE FOR SEGMENTAL REPORTING OF REVENUES AND EXPENDITURE FOR “MISCELLANEOUS” BUSINESS FOR THE PERIOD ENDED MARCH 31, 2018

(₹ '000)

Particulars	Miscellaneous							Total
	Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability	Engineering	Others	
<b>INCOME</b>								
Premiums earned (Net)	-	-	27,746	1,40,978	-	-	-	1,68,724
Profit/(Loss) on sale/redemption of investments	-	-	159	789	-	-	-	948
Interest, Dividend and Rent - Gross	-	-	850	4,218	-	-	-	5,068
Co-insurance Administration Income	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<b>TOTAL (A)</b>	<b>-</b>	<b>-</b>	<b>28,755</b>	<b>1,45,986</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,74,740</b>
<b>EXPENDITURE</b>								
Claims Incurred (Net)	-	-	4,228	9,085	-	-	-	13,313
Commission (Net)	-	-	(16,458)	(1,80,937)	-	-	-	(1,97,395)
Operating Expenses related to Insurance Business	-	-	63,261	3,02,011	-	-	-	3,65,272
Premium Deficiency	-	-	7,630	51,800	-	-	-	59,430
Claim equalisation Reserve	-	-	-	-	-	-	-	-
Co-Insurance Administration Fee	-	-	-	-	-	-	-	-
Terrorism Pool Management Expenses	-	-	-	-	-	-	-	-
Contribution towards Solatium Fund	-	-	-	-	-	-	-	-
<b>TOTAL (B)</b>	<b>-</b>	<b>-</b>	<b>58,661</b>	<b>1,81,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,40,620</b>
<b>OPERATING PROFIT/(LOSS) FROM MISCELLANEOUS BUSINESS (A)-(B)</b>	<b>-</b>	<b>-</b>	<b>(29,906)</b>	<b>(35,974)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(65,880)</b>

**Note:**

1. Profit/(Loss) on sale/redemption of investments, Interest and Dividend-Gross and Amortisation for investments have been allocated based on the ratio of average technical funds. Technical Fund are the aggregate of Outstanding Claims, estimates of IBNR, IBNER, Premium Deficiency and Reserve for Unexpired Risk.



**APPENDIX — B**

**DHFL GENERAL INSURANCE LIMITED  
SCHEDULE FOR SEGMENTAL REPORTING OF ASSETS AND LIABILITIES AS AT MARCH 31, 2019**

(₹ '000)

Particulars	Fire	Marine	Miscellaneous				Shareholders Funds			Unallocated Funds	As at March 31, 2019 Grand Total		
			Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability	Engineering	Others			Total	
<b>Assets</b>													
Investments	6,67,243	-	25,382	1,19,902	1,14,303	6,55,323	-	834	3,201	9,18,945	4,62,497	-	20,48,685
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	2,09,448	-	15,707	65,211	39,503	2,05,874	-	633	1,627	3,28,555	-	-	5,38,003
<b>Current Assets</b>													
Cash and Bank Balances	-	-	-	-	-	-	-	-	-	-	-	85,196	85,196
Income accrued on investments	16,980	-	646	3,051	2,909	16,676	-	21	81	23,384	8,821	-	49,185
Agents' Balances	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances and Other Assets	-	-	-	-	-	-	-	-	-	-	-	5,40,222	5,40,222
<b>Debit Balance in Profit and Loss Account</b>	-	-	-	-	-	-	-	-	-	-	5,19,975	-	5,19,975
<b>Total Assets</b>	<b>8,93,671</b>	<b>-</b>	<b>41,735</b>	<b>1,88,164</b>	<b>1,56,715</b>	<b>8,77,873</b>	<b>-</b>	<b>1,488</b>	<b>4,909</b>	<b>12,70,884</b>	<b>9,91,293</b>	<b>6,25,418</b>	<b>37,81,266</b>
<b>Liabilities</b>													
Claims outstanding	67,660	-	4,240	20,235	12,677	1,25,342	-	154	601	1,63,249	-	-	2,30,909
Reserve for Unexpired Risk	2,59,537	-	19,464	80,806	48,951	2,55,109	-	784	2,016	4,07,130	-	-	6,66,667
Premium Deficiency	1,22,417	-	6,674	42,465	34,621	2,02,579	-	60	1,213	2,87,612	-	-	4,10,029
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	2,84,322	2,84,322
Provision for Expense	94,496	-	7,087	29,421	17,823	92,884	-	286	734	1,48,235	-	-	2,42,730
Provision for tax	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Provisions	3,375	-	253	1,051	637	3,317	-	10	26	5,294	-	-	8,669
Provision for diminution in the value of investments	-	-	-	-	-	-	-	-	-	-	37,295	-	37,295
Share Capital	-	-	-	-	-	-	-	-	-	-	19,00,500	-	19,00,500
Fair Value change Account	58	-	2	10	10	57	-	-	-	79	8	-	145
Reserves and Surplus	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>5,47,543</b>	<b>-</b>	<b>37,720</b>	<b>1,73,988</b>	<b>1,14,719</b>	<b>6,79,288</b>	<b>-</b>	<b>1,294</b>	<b>4,590</b>	<b>10,11,599</b>	<b>19,37,803</b>	<b>2,84,322</b>	<b>37,81,266</b>

**Notes:** Total cost incurred during the year to acquire segment fixed assets

Intangible	61,797	-	4,634	19,240	11,655	60,743	-	187	480	96,939	-	-	1,58,736
Tangible	35,879	-	2,691	11,171	6,767	35,266	-	108	279	56,282	-	-	92,161

**SCHEDULE FOR SEGMENTAL REPORTING OF ASSETS AND LIABILITIES AS AT MARCH 31, 2018**

(₹ '000)

Particulars	Fire	Marine	Miscellaneous						Shareholders Funds	Unallocated Funds	As at March 31, 2018 Grand Total
			Motor-OD	Motor-TP	Personal Accident	Health Insurance	Liability	Engineering			
<b>Assets</b>											
Investments	5,53,165	-	-	-	64,284	3,19,084	-	-	13,14,035	-	22,50,567
Loans	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	5,27,586	-	-	-	52,793	2,57,349	-	-	-	-	8,37,729
<b>Current Assets</b>											
Cash and Bank Balances	-	-	-	-	-	-	-	-	-	-	34,681
Income accrued on investments	11,789	-	-	-	1,370	6,800	-	-	30,149	34,681	50,108
Agents' Balances	-	-	-	-	-	-	-	-	-	-	-
Advances and Other Assets	-	-	-	-	-	-	-	-	-	80,779	80,779
<b>Debit Balance in Profit and Loss Account</b>											
	-	-	-	-	-	-	-	-	2,31,678	-	2,31,678
<b>Total Assets</b>	<b>10,92,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,18,447</b>	<b>5,83,234</b>	<b>-</b>	<b>-</b>	<b>15,75,862</b>	<b>1,15,460</b>	<b>34,85,542</b>
<b>Liabilities</b>											
Claims outstanding	4,930	-	-	-	4,003	8,525	-	-	-	-	17,458
Reserve for Unexpired Risk	2,89,014	-	-	-	28,923	1,40,979	-	-	-	-	4,58,916
Premium Deficiency	55,040	-	-	-	7,629	51,800	-	-	-	-	1,14,470
Other Current Liabilities	-	-	-	-	-	-	-	-	-	5,13,134	5,13,134
Provision for Expense	2,99,071	-	-	-	29,927	1,45,883	-	-	-	-	4,74,880
Provision for tax	-	-	-	-	-	-	-	-	-	-	-
Provision for Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
Other Provisions	3,833	-	-	-	384	1,870	-	-	-	-	6,086
Provision for diminution in the value of investments	-	-	-	-	-	-	-	-	-	-	-
Share Capital	-	-	-	-	-	-	-	-	19,00,500	-	19,00,500
Fair Value change Account	39	-	-	-	5	22	-	-	32	-	98
Deferred Tax Liability	-	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>6,51,927</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,870</b>	<b>3,49,079</b>	<b>-</b>	<b>-</b>	<b>19,00,532</b>	<b>5,13,134</b>	<b>34,85,542</b>

**Notes:**

Total cost incurred during the year to acquire segment fixed assets

Intangible	4,09,502	-	-	-	40,977	1,99,750	-	-	-	-	650,229
Tangible	1,12,340	-	-	-	11,241	54,798	-	-	-	-	178,380

## APPENDIX – C

### SUMMARY OF FINANCIAL STATEMENTS

Sr. No.	Particulars	2018-19 (₹ '000)	2017-18 (₹ '000)	2016-17 (₹ '000)	2015-16 (₹ '000)	2014-15 (₹ '000)
	<b>OPERATING RESULTS</b>					
1	Gross Direct Premiums	24,30,678	14,10,744	-	-	-
2	Net Earned Premium #	10,83,125	4,45,801	-	-	-
3	Income from Investments net (includes interest income, dividend income, profit on sale/redemption of investment and adjustment for amortisation of premium on investments) @	1,02,187	14,697	-	-	-
4	Other Income	1	-	-	-	-
5	<b>Total Income</b>	<b>11,85,313</b>	<b>4,60,498</b>	-	-	-
6	Commissions (Net) (including Brokerage)	(4,00,534)	(1,02,975)	-	-	-
7	Operating Expenses	12,99,533	6,45,008	-	-	-
8	Net Incurred Claims	3,07,676	18,243	-	-	-
9	Change in Unexpired Risk Reserve	(2,07,751)	(4,58,916)	-	-	-
10	Premium Deficiency	2,95,559	1,14,470	-	-	-
11	Co-Insurance Administration Fee	487	-	-	-	-
12	Terrorism Pool Management Expenses	42	-	-	-	-
13	Contribution to Solatium Fund	170	-	-	-	-
	<b>Operating Profit/(Loss)</b>	<b>(3,17,620)</b>	<b>(2,14,248)</b>	-	-	-
	<b>NON-OPERATING RESULTS</b>				-	-
14	Total Income under shareholders' account	29,323	72,730	(90,160)	-	-
15	Profit/(Loss) before tax	(2,88,297)	(1,41,518)	(90,160)	-	-
16	Provision for tax	-	-	-	-	-
17	Profit/(Loss) after tax	(2,88,297)	(1,41,518)	(90,160)	-	-
	<b>MISCELLANEOUS</b>				-	-
18	Policyholders' Account:				-	-
	Total Funds	13,07,604	5,90,844	-	-	-
	Total Investments	15,86,188	9,36,532	-	-	-
	Yield on Investments*	8.35%	7.07%	-	-	-
19	Shareholders' Account:				-	-
	Total Funds	13,80,533	16,68,854	(89,660)	-	-
	Total Investments	4,62,497	13,14,035	41,529	-	-
	Yield on Investments*	7.94%	7.32%	NA	-	-
20	Paid up equity capital	19,00,500	19,00,500	500	-	-
21	Net Worth	13,80,533	16,68,854	(89,660)	-	-
22	Total Assets	19,00,645	19,00,598	500	-	-
23	Yield on Total Investments	8.16%	7.31%	NA	-	-
24	Earnings per share (₹)				-	-
	Basic	(1.52)	(0.79)	(1,803.20)	-	-
	Diluted	(1.52)	(0.79)	(1,803.20)	-	-
25	Book Value per share (₹)	7.26	8.78	(1,793.20)	-	-
26	Total Dividend	-	-	-	-	-
27	Dividend per share (₹)	-	-	-	-	-

# Net of reinsurance

@ Net of losses

\* Yield on investment includes return on Fixed Deposits forming part of Cash and Bank Balances

**Note:**

1. Since the Company was incorporated in the 2016-17 prior two year figures are not available for comparison.

## APPENDIX – D

### ANALYTICAL RATIOS Analytical Ratios for the Year ended March 31, 2019

Particulars	Total	Fire	Marine	Miscellaneous								
				Motor-OD	Motor-TP	Motor Total	Personal Accident	Health Insurance	Liability	Engineering	Others	Total
Gross Direct Premium	72%	56%	0%	0%	0%	0%	69%	55%	0%	0%	0%	85%
Growth Rate												
Gross Direct Premium to Net Worth Ratio	1.76											
Growth rate of Net Worth	-17%											
Net Retention Ratio	53%	52%	NA	90%	90%	90%	43%	49%	NA	15%	90%	54%
Net Commission Ratio	-31%	-26%	NA	14%	1%	4%	-30%	-49%	NA	-99%	6%	-34%
Expense of Management to Gross Direct Premium Ratio	67%											
Expense of Management to Net Written Premium Ratio	126%											
Net Incurred Claims to Net Earned Premium <sup>1</sup>	56%											
Combined Ratio <sup>1</sup>	125%											
Technical Reserves to Net Premium Ratio	1.01											
Underwriting Balance Ratio <sup>1</sup>	-0.39	0.11	NA	-1.04	-2.63	-2.32	-0.75	-0.53	NA	-3.53	-1.28	-0.85
Operating Profit Ratio <sup>1</sup>	-29%											
Liquid Assets to Liabilities Ratio	0.40											
Net Earning Ratio	-22%											
Return on Net Worth Ratio	-21%											
Available Solvency to Required Solvency Margin Ratio	2.60											
NPA Ratio												
Gross NPA Ratio	NA											
Net NPA Ratio	NA											

**Note:**

1. Ratios are calculated after taking into consideration Premium Deficiency.

### Analytical Ratios for the Year ended March 31, 2018

Particulars	Total	Fire	Marine	Miscellaneous								
				Motor-OD	Motor-TP	Motor Total	Personal Accident	Health Insurance	Liability	Engineering	Others	Total
Gross Direct Premium Growth Rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gross Direct Premium to Net Worth Ratio	0.85											
Growth rate of Net Worth	NA											
Net Retention Ratio	64%	93%	NA	NA	NA	NA	44%	42%	NA	NA	NA	42%
Net Commission Ratio	-11%	17%	NA	NA	NA	NA	-29%	-64%	NA	NA	NA	-58%
Expense of Management to Gross Direct Premium Ratio	61%											
Expense of Management to Net Written Premium Ratio	96%											
Net Incurred Claims to Net Earned Premium <sup>1</sup>	30%											
Combined Ratio <sup>1</sup>	90%											
Technical Reserves to Net Premium Ratio	0.65											
Underwriting Balance Ratio <sup>1</sup>	-0.51	-0.57	NA	NA	NA	NA	-1.11	-0.29	NA	NA	NA	-0.43
Operating Profit Ratio <sup>1</sup>	-48%											
Liquid Assets to Liabilities Ratio	2.16											
Net Earning Ratio	-16%											
Return on Net Worth Ratio	-8%											
Available Solvency to Required Solvency Margin Ratio	3.34											
NPA Ratio												
Gross NPA Ratio	NA											
Net NPA Ratio	NA											

**Note:**

1. Ratios are calculated after taking into consideration Premium Deficiency.

# CORPORATE INFORMATION

## Board of Director

Mr Kapil Wadhawan, Chairman  
Dr (Mrs) Jaya Balachandran, Non—Executive Independent Director  
Mr G.P. Kohli, Non—Executive Independent Director  
Mr Kaushal Kishore Mishra, Non—Executive Independent Director  
Mr Sunjoy Joshi, Non—Executive Independent Director  
Mr Suresh Mahalingam, Non—Executive Director  
Mr Srinath Sridharan, Non—Executive Director  
Mr Vijay Sinha, Managing Director & Chief Executive Officer

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## Key Managerial Personnel

Mr Vishal Garg, Senior Vice President & Chief Financial Officer  
Mr Prasun Sarkar, Senior Vice President & Appointed Actuary (w.e.f. 28th November 2018)  
Mr Peeyush Agarwal, Senior Vice President & Head—Operations  
Mr Harikrishnan VH, Senior Vice President & Chief Digital Officer  
Mr Ramchandra Pandit, Senior Vice President & Chief Partnership Distribution Officer  
Mr Anupam Ashesh, Senior Vice President & Chief Underwriting Officer  
Mr Jatin Arora, Senior Vice President, Chief Risk Officer & Head Strategy (*During 1st November 2018 to 24th May 2019*)  
Mr Manoj Agarwal, Senior Vice President & Chief Information Officer  
Mr Sunil Chawla, Senior Vice President, Head P & C Claims & Motor Vertical  
Ms Seema Raghunath, Senior Vice President & Head—Human Resource  
Mr Prasun Aachharyya, Vice President Marketing & Communications  
Mr Manish Pahwa, Vice President, Company Secretary, Head Legal & Compliance  
Dr Sangita Shinde, Deputy Vice President—Health Claims  
Mr Ketul Patel, Vice President, Head Internal Audit(w.e.f 20th June 2018)  
Mr Alok Sharma, Head Investments

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## Statutory Auditors

J C Bhalla & Company  
Chartered Accountants  
B-17 Maharani Bagh,  
New Delhi - 110 065  
Firm Registration No. 001111N

N M Raiji & Co.  
Chartered Accountants  
Universal Insurance Building  
Pheroza Shah Mehta Road, Mumbai - 400 001  
Firm Registration No. 108296W

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## Registered and Corporate Office

402, 403 & 404, A&B Wing, 4th Floor, Fulcrum,  
Sahar Road, Next to Hyatt Regency,  
Andheri (East), Mumbai - 400 099  
Board Line: +91(22) 4001 8100





By **DHFL** General Insurance

**DHFL General Insurance Limited**

*(A Wholly Owned Subsidiary Of WGC)*

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Board Line: +91 (22) 7115 5900. Website: [www.dhflinsurance.com](http://www.dhflinsurance.com). Email: [mycare@dhflinsurance.com](mailto:mycare@dhflinsurance.com)  
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