

RELIANCE

General Insurance

SIXTEENTH
ANNUAL
REPORT
2015-16



A Reliance Capital Company

16th Annual Report

BOARD OF DIRECTORS

Mr. Rajendra P. Chitale	Director
Mr. H. Ansari	Director
Mrs. Chhaya Virani	Director
Mr. Soumen Ghosh	Director
Mr. Rakesh Jain	Executive Director & CEO

CORPORATE OFFICE

Reliance Centre,
South Wing, 4th Floor,
Off. Western Express Highway,
Santacruz (East), Mumbai - 400 055.
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COMPANY SECRETARY

Mr. Mohan Khandekar

CHIEF FINANCIAL OFFICER

Mr. Hemant K. Jain

BANKERS

HDFC Bank Limited
ICICI Bank Limited
HSBC
Citi Bank
SBI
IDBI Bank
Yes Bank

AUDITORS

M/s. Singhi & Co.
Chartered Accountant
M/s. Pathak H.D. & Associates
Chartered Accountant

REGISTERED OFFICE

19, Reliance Centre,
Walchand Hirachand Marg,
Ballard Estate, Mumbai - 400 001.

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DIRECTORS' REPORT

To the Members,

Your Directors present the Sixteenth Annual Report together with the Audited Financial Statement for the Financial Year ended 31st March, 2016.

Financial Results

(Rs. in crore)

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Gross Direct Premium	2791.56	2,715.83
Insurance Profit/(Loss)	0.18	6.67
Investment Income on Shareholders fund	104.70	95.71
Profit/(Loss) before Tax	99.08	81.39
Profit/(Loss) after Tax	99.08	81.39

Dividend

Your Directors do not recommend any dividend for the Financial Year ended 31st March, 2016.

Operations

Your Company in the current year has underwritten Gross Direct Premium of Rs. 2791.56 crore as against Rs. 2715.83 crore in the previous year registering an increase by 2.8%. The main focus during the year was to improve the profitability of the Company.

The Profit Before Tax earned during the Financial Year 2015-16 is Rs. 99.08 crore as against Profit of Rs. 81.39 crore during the previous year achieving a growth of 22% over FY 2014-15. This is after taking the impact of large catastrophic flood event in Chennai.

Allotment of Shares

Reliance Capital Limited (RCL) has infused capital of Rs. 90 crore (Rs. 15 crore on 30th September, 2014, Rs. 35 crore on 31st December, 2014 and Rs. 40 crore on 31st March, 2015) during the Financial Year 2014-15. RCL has made an application to its Regulator, The Reserve Bank of India (RBI) for approval to infuse capital in Reliance General Insurance Company Limited (RGICL). The Company has not allotted shares to RCL due to pending approval from RBI to infuse capital in RGICL as on 31st March, 2016. Subsequently, RCL has received approval from RBI and equity shares on rights basis have been allotted to RCL.

Reduction in Share Capital

As on March 31, 2015, the Company's Reserves and Surplus included an amount of Rs. 1624.29 crore standing to the credit of the Securities Premium Account. At the same time, the Company also has accumulated losses amounting to Rs. 818.81 crore represented as a deficit in the statement of Profit and Loss account as on March 31, 2015. The Company rationalized its balance sheet by adjusting and setting off the accumulated losses against the amount available in its Securities Premium Account. After the adjustment of amount available in the Securities Premium Account against the accumulated losses the entire accumulated loss has been written off and an amount of Rs. 805.48 crore stands as credit in the Securities Premium Account.

The Bombay High Court had approved the Company's petition for reduction of Share Capital (Securities Premium Account) whereby the accumulated losses had been set off against the Securities Premium Account. To comply with the Court's order, the Company had applied to Registrar of Companies (ROC) and received their consent to the aforesaid reduction of share capital entailing removal of past losses using Securities Premium Account. The Company has received the approval for the aforesaid scheme from Insurance Regulatory and Development Authority of India (IRDAI) on 23rd May, 2016.

Corporate Governance

IRDAI has issued comprehensive guidelines on Corporate Governance for adoption by the Insurance Companies. The objective of these guidelines is to ensure that the structure, responsibilities and functions of the Board of Directors and Senior Management of the Company fully recognize the expectations of all stakeholders as well as those of the Regulator. The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the Government and the society. A Corporate Governance Report is presented in a separate section which forms part of the Annual Report. As required under the Corporate Governance Guidelines certificate from the Compliance Officer of the Company certifying that the Company has complied with the Corporate Governance Guidelines, forms the part of the Annual Report.

Reinsurance

The Company has a well structured Reinsurance Program supported by Insurance Regulatory and Development Authority of India (IRDAI) approved securities, spread across the globe, having a valid UIN for 2015-16. The Reinsurance Programme has been renewed for 2016-17 and placed completely with reinsurers having approved credit rating as acceptable by IRDAI. The Reinsurance Program has an optimum mix of proportional treaties to enhance the Company's automatic underwriting capacity and non proportional treaties to protect the Company's net retentions.

Based on the Company's Net Worth, Business Plans, Portfolio Mix and detailed analysis of the Company's historical data retention levels have been optimally fixed to ensure a healthy Solvency Margin, stability in financial results, minimum volatility in earnings and generate value to stakeholders. The Company would also like to emphasize on its preparedness for catastrophic events by regular monitoring of exposures, assessing accumulations through statistical Catastrophic (CAT) modeling tools and having adequate protection in place.

Information Technology

Focus on Information Technology for the year under review were to improve engagement with Customers and Agents in using web-based Portal applications to facilitate policy issuance in a straight-through manner. The Company's e-commerce enabled website www.reliancegeneral.co.in with it's fresh look, design simplicity and ease of doing transactions has seen good traction among customers. Both traffic to the website and policy sales has improved over last year. A new Agent Portal named "Smartzone" has been launched successfully with a large proportion of the Company's Agents as well as Brokers and Web aggregators have started using it for seamless issuance of quotes and policies. Smartzone also offers MIS reports, TDS certificates, Commission Statements, Renewal Notices and Online Reminders.

For Commercial products, entire Fire and Engineering lines of business is booked in Genisys Configurator platform, thus providing rich data for better underwriting analysis, smoother claims processing and Reinsurance Management.

Keeping in trend with adoption of data-enabled mobile smartphones in the Country, the Company has also launched several mobile apps to facilitate Motor Claims processing, Vehicle pre-inspection for Break-in Insurance cases. Several more initiatives including Agent recruitment, Sales Diary management, Renewal tracker are at pilot stage.

Health Claims processing system has been augmented with new modules like Cashless OPD claims and integration with TPA systems for claims authorization and approval.

On Analytics front, Regulatory reports submitted to IRDAI, IIB and BAP reporting has been automated. Financial Condition Report automation is in pipeline.

Employee engagement through use of Video-based collaboration, screen share and instant messaging has found widespread adoption.

Personnel

The Company believes that employees are the force behind the success and growth of an organization. The employees lead a path for the Company to achieve high productivity, performance and in turn customers delight. The Company is committed to provide an engaging and fair work environment which inspires its employee's creativity and innovation, focuses on their learning and development, and rewards performance and excellence. Employee comfort, well-being and satisfaction are thus supreme for the Company.

Employee Magazine – VIBES:

Culture of transparency and open communication is a key for the Company to grow as an organization of world repute. Towards this the Company has launched an **Employee Magazine – "VIBES"**, an interactive platform for employees to connect and co-create, celebrate their achievements and significant moments together while also unleashing their creativity, innovation and sharing their thoughts and ideas with all.

SOUL Program – Effective Managerial Feedback:

Building and sustaining high performing team is enabled through transparency and culture of open feedback. As a step towards this and in partnership with Ernst & Young, the Company has introduced **SOUL Program** for it's People Managers with an objective to promote and enable the Managers, to have an effective Goal Setting discussion, give constructive feedback on performance, and provide continuous Support to their sub-ordinates.

Key Automation Initiatives:

In this digitization era, one of the essentials of creating a great place to work is to Explore, Identify and Implement the technological trends, as it helps the Company serve it's employees better. The Company has moved towards an automated one stop platform – **PeopleOne** – to bring HR closer to its employees through an accessible and ease to use portal. The portal offers self directed Learning Management System and the Company's intranet social networking site Connect. Going forward other processes would also be automated here.

The Company also launched Investment Proof Verification portal for employees in Quarter 4 where they could view status of submitted IT proofs along with auditor's remarks in order to bridge gaps if any.

Employee Communication & Branding:

In today's world, effective brand visibility and recognition are critical for success of any organization. Towards this, the Company had recently launched **Career page** on **LinkedIn**, giving it's followers a glimpse of life at RGICL via varied posts.

As a step towards being proactive and encouraging a culture of two-way communication, the Company launched **Sampark** where it's HR Team gets in touch with employees to help them understand the existing PMS or other HR processes and ensure speedy resolution of queries if any.

Rewards & Recognition:

The Company launched it's 1st ever R&R platform *V-Celebrate Careers* in 2014, and with great zeal recognized the High-flyers on a Quarterly Basis. It was in August 2015, when the Company for the first time felicitated all his exemplary performers of the last Financial Year at the first ever Award Gala Night in Mumbai, celebrating their Performance and Excellence. The Company's high-flyers are also it's flag bearers for the New Joinees PAN India, with whom they interact with during the Induction ceremony.

Health & Wellness:

Healthy employee makes a healthy organization. In association with the RCare Team, to promote marathon and running as sport among the employees the Company launched "**Reliance Runners League**". Over 140 employees participated in marathons held across India. The top runners were rewarded with a chance to run in a global marathon circuits.

Going the family way is a very special phase for any person. To ensure a memorable journey for the employees and their spouses, the Company launched **Happy Pregnancy Program** in partnership with RCare team, a 9+3 months digitized maternity care program which would handhold all the fathers and mothers to be through pregnancy & childbirth via health experts on an e-portal.

CSR Activities:

Hands are for helping! On the occasion of Teacher's Day, "**Ek Haath Shiksha ki Or**" initiative was conducted wherein employees across 10 cities in India visited children homes, donated stationary and an eye check-up in partnership with the RCare Team was also conducted. The Company believes that smallest efforts on one's part can make a big difference in someone's life. Thus, this year on occasion of Christmas, the Company invited children affected by Chennai floods to it's offices to celebrate Christmas with the employees. Further, various other initiatives like Self defense and Yoga classes, health check-ups, grocery donations at across PAN India were done.

Corporate Sports:

Sports events not only promote fitness but also create camaraderie and team bonding. They are good platform to come together and indulge in a healthy competition. Internally, the Company organize events like *Reliance Champions Cricket League*, and externally the Company urges its employees to take part in external events like Corporate Indoor Games.

Training Initiatives:

The Company's *Talent Transformation Team* undertook numerous initiatives to create synergistic growth for all its stake-holders, by providing appropriate and customized training and skill enhancement opportunities to both its employees and Channel Partners. As every individual is attuned to different learning styles and abilities, a one-size-fits-all cannot meet the purpose of impactful learning in the truest sense. Hence, the Company recently introduced the concept of blended learning as well, wherein the Company has a robust platform for e-learning on PeopleOne to support the classroom training.

Few of the new training initiatives commenced in FY 2015-16 are as follows:

Session on COR (Combined Ratio): A platform for all the Regional Sales heads to explore, debate and learn together with the Underwriters on how to keep better track of their COR.

POSH (*Prevention of Sexual Harassment*): To create awareness on prevention & redressal of Sexual harassment at workplace.

Agency Development: Tools & Techniques - Exclusively for SM-Agency PAN India to equip them with the right skill-set to strategically plan, recruit and manage their set of Agents.

STEP (Sales Training for Efficient Productivity): Specially designed for the Sales force to help them gain understanding nuances of sales negotiation.

Data Insights-Qlikview/SAS/Manthan: A 1-day training program guides the critical role holders to get maximum return out of BI platforms.

Knowledge Bites- Introduced in February, it is a series of informative mailers shared with all the employees on 5th of every month.

Golden Purse- Half-a-day workshop on the occasion of International Women's day, exclusively designed and conducted for all the female employees to help them make the best of their financial resources.

Investments

The investment portfolio of the Company as on 31st March, 2016 is Rs. 5,395.33 crore as compared to Rs. 5,046.86 crore as on 31st March, 2015. The market value of the same is Rs. 5,415.69 crore as compared to Rs. 5,124.97 crore in the previous financial year. The asset allocation among Debt and Equity is 98.42% as compared to 98.32% in the last financial year and 1.58% as compared to 1.68% in the last financial year respectively. The modified duration of the Debt portfolio stands at 3.16 years as compared to 3.19 years a year earlier. The Debt portfolio comprised 33.07% as compared to 33.96% in last financial year in Sovereign Bonds – approved securities, 35.78% as compared to 36.87% in last financial year in AAA, 13.00% as compared to 12.13% in last financial year in AA+, 6.97% as compared to 4.68% in last financial year in AA/AA- rated and the remaining 11.18% as compared to 12.36% in last financial year in money market instruments and Fixed Deposits.

The income for the whole year stood at Rs. 515.98 crore as compared to Rs. 490.08 crore in last financial year). The income from overall portfolio translated into a return of 9.71% from average total assets of Rs. 5,220 crore debt and Rs. 95.87 crore equity. The MTM gain in debt is down to a positive Rs. 34.85 crore from a positive Rs.76.63 crore last year, as a substantial improvement in the market conditions lead to good profit booking from the debt portfolio. The MTM appreciation in equity moved down to a negative to Rs.14.49 crore from a positive Rs. 1.38 crore in the previous year.

Claims handling

Motor

Motor Claims team continues with its endeavor to build a best in class operating model with emphasis on finer customer centric approach: **Customer Experience**

- a) A new initiative - "Survey at door step" has been launched by the Company's Motor claims team for hassle free claims service to Private Car customers in selected cities, where the vehicle is not reported to a workshop. More than 1000 claims were surveyed at the doorstep of the claimants.
- b) Continuing with the Company's philosophy of customer care, Value Added Services were introduced, to ensure wellness of vehicles insured. The Company has tied up with more than 100 vendors across the country for offering free/ discounted, vehicle related services to its policyholders.
- c) Aadhaar based payment option for claims introduced for a faster and secure claim settlement.
- d) 78% of private car claim intimations have been on the cashless mode helping customers obtain faster delivery of vehicles.

Network Management

The network strength has increased to 3,259 as on 31st March, 2016 as against 2,642 last year which is 23% increase over the previous year contributing to the increase in cashless claim settlement.

Disaster Management

Disaster Management Plan was again invoked this year during the Chennai Floods.

Even while the flood was ravaging the city, the claims team started connecting with the customers through messaging and social media to emphasize the need to be vigilant on personal safety, health care and vehicle care. Customers were advised not to force start the vehicle when it was inundated to avoid ingress of water resulting in engine damages.

The disaster management teams at the ground, understanding the specific needs of the customers made sure of immediate settlement of claims. Additional manpower with knowledge of local language was deputed immediately to handle the large volumes. The claim settlement team was trained specially to handle inundation losses of this magnitude.

Few initiatives undertaken to mitigate the customers' hardship were:-

1. A Simple and transparent claim process to ensure timely settlement with least inconvenience
 - Easy Intimation through short messages
 - Direct connect to our toll free customer care with an instant connect to the relevant local language
 - Minimum documentation
 - Spot approvals
 - Advance to customers who were unable to commence repair due to financial constraints.
 - Advance payments to all garages in our cashless network tie up against flood damaged vehicles reported for repairs. This was done to facilitate them to procure parts on priority.

- Settlements through electronic fund transfer and Aadhaar based payments options where customer had not opted for a network cashless garage.
2. Organized more than a dozen special holiday and weekend claim camps in various parts of Chennai city to facilitate spot settlements. These camps were a huge success witnessing high foot fall. 60% of the claims disposed were settled at the camps. Conducting camps in various places in the city ensured that the Company was able to reach out to many customers at a location closer to them.

Vehicles swept away in floods were located at estuaries and efforts were made to identify them from our database and hand over to the customers. In this process, vehicles of customer who had missed their renewals were also identified and informed to the owners.

Health

With a vision to be the “FIRST CHOICE” of Customers and satisfying their need of insurance at that crucial hour - Financial Year 2015-16 surfeits of initiatives revolving around customer empowerment.

1. Claims Management:

- Mobility based enrollment solutions launched for Group Health customers, enabling On-Site digitization.
- Health-o-pedia: Post Claim Advisory communications to facilitate speedy recovery and decrease readmissions.
- State of the art Provider management Module launched for network hospitals for enhanced claims management.
- 100% E-Claim Processing of cashless claims.

2. Care Management:

- **Health Assistance on Mobile App:** Super-specialist second opinion, Appointment scheduling, Home care management.
 - **Care Management Program- Happy Pregnancy:** Launched for Group Health Customers Providing Tele, Webinar, Medical and Assistance services online for 9 months of pregnancy and 3 months post delivery.
 - **Technology solutions on fitness:** Launch of portal for managing fitness with features of Gamification and Social Integration. BYoA and BYoD for maximum participation. Video solutions and Health Coach for training participants of marathons.
3. Launch of Pre-approved Cashless authorization at select Hospitals aiming at zero discharge wait time.
 4. Customer friendly In-house Pre-Policy Health checkup providing wide-range of options for Health checkup
 5. Cost effective and Qualitative hospital facilities provided through Preferred Provider Networks.
 6. Evaluation of disability percentage of Third Party Injury claims on factual medical grounds by Medical experts in the team and representation of medical facts involved, by internal and external medical experts.

Commercial Lines:

The Company managed about 6,000 Commercial line claims in Financial Year 2015-16, against the previous year's 4,937 claims, with an enhanced productivity of about 22%. Direct claims increased by 31% from 3,808 to 4,999 & Follower claims increased by 69% from 861 to 1,451.

The focus continues to be on customer delight. Thrust is on immediate visit to the site of loss by senior team members in maximum high value claims as a gesture of assurance to client. In case of small size claims, focus is on simplicity of process and speed of settlement.

The two catastrophic events, Chennai Floods and Haryana Jat Andolan together brought in 250 claims of varied severity ranging from Rs. 20,000 to Rs. 2,000 crore. Team made multiple visits to the loss sites to assure support and ease of documentation. Immediate succor was offered to small clients by quick settlement through in house survey and settlement across the table on the basis of inspection of affected site. As at the end of FY 2015-16, 67% of Chennai flood claims and 50% of Haryana flood claims have been fully settled.

Multiple customer testimonials are on record to evidence the quality of services given by the Company.

Claims team has initiated pro-active involvement with Corporate Clients at the initial stage of business procurement which has facilitated better understanding of clients business. This has facilitated better understanding of the risk and helped speedy claim settlement. There is enhanced emphasis on regular structured meeting with Sales teams and Corporate clients on a monthly/quarterly basis. Increased collaboration with in-house Risk Containment Unit team has brought in better salvage realization in most cases. Recovery from transporters has been stepped up, which directly impacts the bottom line positively.

Grievances/complaints, which are negligible, have been expeditiously handled. It is also relevant to mention that the number of cases lodged in various consumer forums during the Financial Year 2015-16 represent around 0.6% of the direct claims handled.

Process and Certification

The Company has been successfully re-certified third time for complying with the requirements of Quality Management Systems as per ISO 9001:2008 standard. The certificate has been awarded by Det Norske Veritas (DNV), one of the leading ISO certifying bodies. The initial certification had been achieved in July 2007. The certification is valid until July 2016.

Awards and Recognition

The Company has won awards throughout the year. The Company won prestigious “Chairman’s Quality Award”. The Company was declared as “Best General Insurance Company” by Indian Insurance Awards. The Company also won the “Social Media & Digital Marketing Excellence Awards 2015” for Website of the Year and Best Email campaign of the Year. The Company also won “DMA ASIA ECHO Awards” in “Effective Insurance” category.

Customer Service and Grievances Redressal Cell

Braced for a fight in the aftermath of fury unleashed by nature in Chennai, the last quarter of the Financial Year was one of stoic courage, empathy and of accelerated processes. Even though the Chennai floods added substantial numbers to motor claims intimation volumes between December 2015 and January 2016 alone and more than 15% increase in overall motor claim intimations than the previous Financial Year, the Company has still managed to reduce the complaint numbers by 13% at the close of FY 2015-16 as compared to FY 2014-15.

Technology remained the driving force in the Financial Year 2015-16 be it a video based claim assessment approach or easy renewal for Customers by way of link sent on mobile.

To summarize some of the initiatives undertaken this Financial Year to enhance customer service are:

- Complete migration of all customer facing systems to new payment gateway partner for better tracking and improving transaction success ratio.
- SMS based help and support for Customers before renewal and post generation of policy.
- Web chat experience enhanced by sharing of screen with security features for identification of bugs and better troubleshooting. Increased engagement with customers during web sales process to avoid disconnect, further bouquet of product offering to e-channel partners.
- Improved feedback sourcing mechanism for customer facing department for continual improvement.
- Cross Functional Peer Group Review established to arbitrate/study defects/share best practices and take decision on exception cases.
- Migration of Call center to new partner and further enhancement of Customer Relationship Management (CRM) system for better tagging, dialer integration and re-classification of Incidents raised by Customers.
- Innovative methodology of correcting communication details of customer reaching call center.
- Grievance Policy Revamped with Board approval to accommodate recent changes and enhancements.

Implementation of Indian Accounting Standard

The Insurance Regulatory and Development Authority of India (IRDAI) has issued Circular on Implementation of Indian Accounting Standards in Insurance Sector bearing reference no. : IRDA/F&A/CIR/IFRS/038/03/2016 dated 01st March, 2016 under which the insurer has to comply with the Indian Accounting Standards (Ind AS) for financial statements for accounting periods beginning from April 1, 2018 onwards, with comparatives for the periods ending March 31, 2018. Ind AS implementation is likely to significantly impact the financial reporting systems and processes. According to the circular, the Company is advised to set up a Steering Committee headed by an official of the rank of an Executive Director (or equivalent) comprising members from cross-functional areas of the insurer to immediately initiate the implementation process. In this regard, the Company has constituted Steering Committee. The Audit Committee of the Board shall oversee the progress of the Ind AS implementation process and report to the Board at quarterly intervals.

Directors Responsibility Statement

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 (‘the Act’), it is hereby confirmed that:

- i. In the preparation of the annual Financial Statements for the Financial Year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit of the Company for the year ended on that date;

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- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 and Insurance Act, 1938, as amended, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual Financial Statements for the Financial Year ended 31st March, 2016 on a 'Going Concern' basis;
- v. The Directors had laid down proper internal financial controls to be followed by the Company and such financial controls are adequate and operating effectively;
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors and Key Managerial Personnel

During the year under review, in terms of the provisions of the Companies Act, 2013, the Company has appointed Mrs. Chhaya Virani as Independent Director for 5 (Five) years in Annual General Meeting held on 28th September, 2015.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

In terms of the provisions of the Companies Act, 2013, Mr. Soumen Ghosh, Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, Mr. Rakesh Jain, Executive Director & Chief Executive Officer, Mr. Hemant Jain, Chief Financial Officer and Mr. Mohan Khandekar, Company Secretary & Chief Compliance Officer are Key Managerial Personnel of the Company.

Number of Meetings of the Board

During the year four meetings of the Board of Directors were held. The details of the meeting of the Board are given in the Annexure to the Corporate Governance Report.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance and individual directors pursuant to the provisions of the Companies Act, 2013. The Board evaluated the performance after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. In a separate meeting of Independent Directors, the performance of non-independent directors, the performance of the Board as a whole, taking into account the views of Executive Director and Non-Executive Directors was evaluated.

Policy on Director's Appointment and Remuneration and other details

The Company's policy on Directors' Appointment and Remuneration and other matters provided in Section 178(3) of the Act has been annexed herewith as "Annexure I".

Particulars of Loans, Guarantees or Investments under Section 186

In terms of the provisions of sub-section 11 of Section 186 of the Companies Act, 2013, as amended by the Companies (Removal of Difficulties) Order, 2015 dated February 13, 2015, issued by the Ministry of Corporate Affairs, the provisions of Section 186, except sub-section 1 is not applicable to the Company.

Transfer to Reserves

The Company does not propose to carry any amount to its reserves during the year under review.

Material changes and commitments, affecting the financial position

There were no material changes or commitments, affecting the financial position of the Company between 31st March, 2016 and the date of this report.

Particulars of Employees

As required under the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the name and other particulars of the employees are set out in the Annexure to the Directors' Report. The Directors' Report is being sent to the shareholders excluding the Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

Extract of Annual return

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure II".

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Aashish K. Bhatt & Associates, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company.

Auditor's Report and Secretarial Auditor's Report

The Auditor's Report and Secretarial Auditor's Report does not contain any qualifications, reservations or adverse remarks. Report of the Secretarial Auditor is annexed herewith as "Annexure III".

Related Party Transactions

All related party transactions entered during the year were in ordinary course of the business and at arm's length basis. No material related party transactions were entered during the year by the Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

The Conservation of energy, technology absorption, foreign exchange earnings and outgo

Particulars required to be furnished under the Companies (Accounts) Rules, 2014 are as follows:-

- 1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- 2) Foreign exchange Earnings and Outgo:

During the Financial Year 2015-16, total expenditure incurred in foreign currencies amounted to Rs. 80.74 crore and earning in foreign currencies amounted to Rs. 111.20 crore.

Risk Management

The Company has a Board approved Risk Management Policy forming part of the enterprise wide risk management framework. The risk management framework of the Company is overseen by the Risk Management Committee (RMC). The Company has a Chief Risk Officer who is responsible for the implementation and monitoring of the framework.

Enterprise Risk Management (ERM) at the Company encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to the business objectives. Further, the risk management practices seek to sustain and enhance the long-term competitive advantage of the Company.

The Company has identified enterprise wide risks which are categorized under five broad categories viz. Credit risk, Market risk, Business Risk (Insurance Risk), Operational risk and Compliance risk. Risk management framework encompasses policy, procedures and standards that are established to provide appropriate responses, measures and mitigating factors for the identified risks.

ERM team monitors Key Risk Indicators (KRIs) on quarterly basis and submits the risk report to the senior management and Risk Management Committee. It also provides risk based audit inputs to the internal audit team. The Risk Management Committee regularly monitors and reviews risks to assess risk impact on an enterprise-wide basis and decide on appropriate mitigating measure. The implementation of formulated mitigation plans is monitored along with the relevant control owners from time to time.

Corporate Social Responsibility

The Corporate Social Responsibility (CSR) Committee comprises of Mr. H. Ansari, Mr. Soumen Ghosh and Mr. Rakesh Jain. The CSR policy is available on the website of the Company– www.reliancegeneral.co.in. Annual Report on CSR Activities is annexed herewith as "Annexure IV" as per the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Public Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Significant and material orders passed by the Regulators, Courts or Tribunals

No significant or material orders are passed by the regulators or courts or tribunals which may impact the going concern status and Company's operation in future.

Internal financial control systems and their adequacy

The Company has designed its internal financial control system to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well defined delegation of power with authority limits for approving the revenue as well as the expenditure. Internal auditor's findings and recommendations are reported to

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Audit Committee. The Audit Committee actively monitors and reviews audit reports submitted by the internal auditors and keeps the Board of Directors informed. The Audit Committee assures the adequacy and effectiveness of the internal financial control system as laid down.

As per IRDAI circular no. IRDA/F&A/CIR/IFRS/038/2016 dated March 01, 2016, the Company has constituted a steering committee which shall oversee the implementation of Ind AS and is in the process of analyzing the provision of Ind AS for implementation.

Report on Internal Financial Control

The Company has in place adequate internal financial controls across the organization. The same is subject to review periodically by the internal audit team for its effectiveness. During the year, such controls were tested and no reportable material weakness in the design and operation were observed.

Audit Committee

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

The names of Companies which have become or ceased to be its Subsidiaries, joint ventures or associate Companies during the year

No Companies became or ceased to be a subsidiary, joint venture or associate Company during the Financial Year 2015-16.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the Financial Year 2015-16

No. of complaints received: 0

No. of complaints disposed off: 0

Auditors and Auditors' Report

M/s. Pathak H.D. & Associates, Chartered Accountants, and M/s. Singhi & Company, Chartered Accountants, Joint Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. M/s. Singhi & Company were not eligible for the reappointment as Auditors.

M/s. Haribhakti & Company, Chartered Accountants have been recommended for appointment of Statutory Auditors in place of M/s. Singhi & Company. The Company has received letters from M/s. Pathak H.D. & Associates and M/s. Haribhakti & Company, Chartered Accountants, to the effect that their appointment, if made, would be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 and that they are not disqualified from appointment as statutory auditors of the Company.

The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore do not call for any comments.

Acknowledgement

Your Directors wish to place on record their immense appreciation for the assistance and cooperation received from Insurance Regulatory and Development Authority of India, Reserve Bank of India and other statutory authorities.

Your Directors appreciate the support received from Policyholders and Intermediaries and Reinsurers.

Your Directors wish to place on record their sincere appreciation for the sustained and dedicated efforts put in by employees at all levels.

For and on behalf of the Board of Directors

Rajendra Chitale
Chairman of Meeting
[DIN-00015986]

Place: Mumbai

Dated: July 18, 2016

ANNEXURE I

Policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Employees**1. Introduction**

- 1.1 Reliance General Insurance Company Limited (“the Company”) considers human resources as its invaluable assets. This policy aims to harmonize the aspirations of the directors / employees with the goals of the Company.
- 1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.

2. Objectives

- 2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate, employees to run the Company successfully.
- 2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance/ skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures;
- 2.4 Retention of high performers at all levels and those playing critical roles.

3. Scope

The Board has constituted the “Nomination and Remuneration Committee” in line with the requirements under the provisions of the Companies Act, 2013. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel, senior managerial personnel of the Company.

4. Definitions

- 4.1 “Director” means a director appointed to the Board of the Company.
- 4.2 “Key Managerial Personnel” means
 - (i) the Chief Executive Officer or the Managing Director of the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-time Director;
 - (iv) the Chief Financial Officer;
 - (v) such other officer as may be prescribed under the Companies Act, 2013.

5. Policy**5.1 Appointment of Directors/ Key Managerial/ Senior Management personnel**

The Nomination and Remuneration Committee, inter alia, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons contributing to the Company’s business and policy decisions.

5.2 Remuneration to Directors/ Key Managerial Personnel

- 5.2.1 The remuneration of the Directors/ Managing Directors/ Whole Time Directors and Managers etc. will be governed as per provisions contained in the Companies Act, 2013 and rules made therein from time to time and/or provisions under Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015.
- 5.2.2 Non - Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.
- 5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors /Key Managerial Personnel/ Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.

5.2.4 The remuneration structure shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options, if any.
- (iv) Commission (Applicable incase of Executive Directors/ Directors)
- (v) Retiral Benefits
- (vi) Performance Linked Incentives

5.0.5 The Annual Plan, objectives, financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration etc. will be proposed based on the achievements.

5.3 Remuneration to the other employees

Employees shall be assigned grades/ bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/ bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.

6. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonus (RBs); Special Monetary Programs (SMPs), Long term Incentives (LTIs), Employees Stock Options, etc.

7. Modification and Amendment

The policy is subject to modification, amendment and alterations by the management at any time without assigning any reasons.

ANNEXURE II

FORM NO. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

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

I. Registration and other details

1.	CIN	U66603MH2000PLC128300
2.	Registration Date	August 17, 2000
3.	Name of the Company	Reliance General Insurance Company Limited
4.	Category / Sub-Category of the Company	Public Company Limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	Reliance Centre 19, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400001 Tel. No. 022-33031000
6.	Whether listed company	No
7.	Name, Address and Contact details of the Registrar and Transfer Agent, if any.	NA

II. Principal Business Activities of the Company

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

Sl No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	General Insurance	6512	100

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Reliance Capital Limited 'H' Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400 710	L65910MH1986PLC165645	Holding Company	99.46	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	122110660	-	122110660	99.46	122110660	-	122110660	99.46	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1) -	122110660	-	122110660	99.46	122110660	-	122110660	99.46	-
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub -Total (A)(2) :-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	122110660	-	122110660	99.46	122110660	-	122110660	99.46	-

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2015				No. of Shares held at the end of the year i.e. 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (trust)	664300	-	664300	0.54	664300	-	664300	0.54	-
Sub-total (B)(2):-	664300	-	664300	0.54	664300	-	664300	0.54	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	664300	-	664300	0.54	664300	-	664300	0.54	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	122774960	-	122774960	100.00	122774960	-	122774960	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Reliance Capital Limited	122110660	99.46	-	122110660	99.46	-	-
	Total	122110660	99.46	-	122110660	99.46	-	-

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	There is no change in Promoters' Shareholding between 01.04.2015 to 31.03.2016			
3	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Reliance General Insurance Employee Benefit trust	664300	0.54	664300	0.54
	Total	664300	0.54	664300	0.54

(v) Shareholding of Directors and Key Managerial Personnel (KMPs):

Mr. Rajendra Chitale, Mr. Haris Ansari, Mrs. Chhaya Virani, Mr. Soumen Ghosh and Mr. Rakesh Jain (Executive Director & CEO) Directors of the Company hold Nil shares at the beginning and end of the year.

The KMP's of the Company i.e. Mr. Rakesh Jain (Executive Director & CEO), Mr. Hemant Jain, CFO and Mr. Mohan Khandekar, Company Secretary, hold nil shares at the beginning and end of the year.

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

(Amount in Rs.)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Crore)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. Rakesh Jain Executive Director & CEO	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.84	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.004	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	
2	Stock Option	NIL	-

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Mr. Rakesh Jain Executive Director & CEO	
3	Sweat Equity	NIL	-
4	Commission - as % of profit - others, specify...	NIL	-
5	Others, please specify	NIL	-
	Total (A)	3.844	
	Ceiling as per the Act		

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Director			Total (Amount in Rs.)
		Mr. Rajendra Chitale	Mr. H. Ansari	Mrs. Chhaya Virani	
1. Independent Directors	Fee for attending board/ committee meetings	4,00,000	6,20,000	1,60,000	11,80,000
	Commission	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	4,00,000	6,20,000	1,60,000	11,80,000

Sr. No.	Particulars of Remuneration	Name of Director		Total (Amount in Rs.)
		Mr. Soumen Ghosh		
2. Other Non Executive Directors	Fee for attending board/ committee meetings	NIL		NIL
	Commission	NIL		NIL
	Others, please specify	NIL		NIL
	Total (2)	NIL		NIL
	Total (B) = (1 + 2)	NIL		11,80,000
	Total Managerial Remuneration (A+B)	NIL		NIL
	Overall Ceiling as per the Act			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total (Amount in Crore)
		Mr. Rakesh Jain CEO	Mr. Hemant Jain CFO	Mr. Mohan Khandekar Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.84	0.89	0.50	5.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.004	NIL	NIL	0.004
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	3.844	0.89	0.50	5.234

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		

For and on behalf of the Board of Directors

Rajendra Chitale
Chairman of Meeting
[DIN: 00015986]

Place: Mumbai
Dated: July 18, 2016

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,

The Members,

Reliance General Insurance Company Limited

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2016, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2016, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - Not Applicable;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not Applicable;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – Not Applicable;
 - v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable :-
 - 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 till May 14, 2015 and thereafter The securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 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; and
 - 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;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - vi. Further we report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company being a general insurance company, has complied with the Insurance Act, 1938 and regulations, guidelines and directions issued by the Insurance Regulatory & Development Authority of India (IRDAI). The Company has its compliance system, which is subject to monitoring and reporting to IRDAI.

I have examined compliances with applicable clauses of:

- i. Secretarial Standards issued by the Institute of the Company Secretaries of India
- ii. Listing Agreement – **Not Applicable**

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

Adequate notice, agenda and detailed notes have been given to all Directors to schedule the Board Meetings 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.

The decisions at Board Meetings and Committee Meetings are carried out and recorded in the minutes of the Board of Directors and committee of the Board accordingly.

I have relied on the representation made by the Company and its Officers for adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws.-

I further report that during the year under report, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- (i) Reappointment of Mr. Rakesh Jain as Executive Director and CEO of the Company
- (ii) Reduction of Share Capital (Securities Premium Account) of the Company;

Sd/-

For **Aashish K. Bhatt & Associates**
Company Secretaries
(ICSI Unique Code S2008MH100200)

Place: Mumbai
Date: April 29, 2016

Aashish Bhatt
Proprietor
ACS No.: 19639, COP No.: 7023

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company has a robust CSR Policy. As per the said policy, all our efforts are focused towards building a great enterprise for the stakeholders.

Our approach is to interweave social responsibility into the company's mainstream business functions through translating commitments into policies, which not only drive all employees but influence and mobilize stakeholders, especially partners and suppliers, to embrace responsible business practices in their respective spheres of action. The policy affirms business objectives and strategy along with our commitment to preserve natural resources and augment the growth and development of employees and families, the communities we operate in, suppliers/vendors, and our investors. Through the social policy manual, the Company seeks to engage with all the stakeholders, using it as a reference or guideline for all stakeholders and practitioners. Our CSR policy is placed on our website at the link www.reliancegeneral.co.in/Downloads/Corporate-Social-Responsibility-Policy.pdf.

2. The Composition of the CSR Committee:

The CSR Committee comprises of Mr. H. Ansari, Mr. Soumen Ghosh and Mr. Rakesh Jain.

3. Average net profit of the company for last three financial years:

Average net profit of Rs. 17.58 crore for last three financial years.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):

The Company is required to spend Rs. 35.14 Lacs towards CSR.

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: Rs. 35.14 Lacs

(b) Amount unspent, if any: NA

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified.	Sector in which the project is covered	Projects or programs 1) Local area or 2) Specify the State and projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Oncology Centre	Health Care	Maharashtra	35.14 Lacs	35.14 Lacs	35.14 Lacs	Through a non-profit centre specialized in the provision of health care.
	TOTAL			35.14 Lacs	35.14 Lacs	35.14 Lacs	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

Rakesh Jain
(Executive Director and CEO)

H. Ansari
(Chairman of CSR Committee)

Report on Corporate Governance

1. Philosophy on Corporate Governance

The Company has always maintained the highest standards of Corporate Governance. The principles which are set in corporate governance policy are disclosure, fairness, independence, transparency, accountability, responsibility, social responsibility, compliances and ethical standards. The Company strives to achieve its mission in the light of these corporate governance principles. These principles are not just words but are strictly followed in its true and strict sense in day to day working of the Company. The Company has also framed a strong whistle blowing mechanism where employees without hesitation can raise concern or report a possible breach of law or regulation with appropriate measures to protect against retaliation against reporting employees. Timely disclosure on all material matters regarding the Company, including the financial situation, performance, ownership and governance arrangements, is part of a corporate governance framework. It also includes Compliance with legal and regulatory requirements. The presence of an active group of Independent Directors on the Board contributes a great deal towards ensuring confidence of the customers and stakeholders. The Company has laid emphasis on the cardinal values of fairness, transparency and accountability for performance at all levels, thereby enhancing the shareholders' value and protecting the interest of the stakeholders.

In our commitment to achieve sound Corporate Governance practices, the Company is guided by the following core principles:

1. To maintain the highest standards of transparency in all aspects of our interactions and dealings.
2. To comply with all the laws and regulations applicable to the Company.
3. To conduct the affairs of the Company in an ethical manner.
4. To promote the interest of all stakeholders including customers, shareholders, employees, lenders, vendors and the community.
5. To improve brand and reputation.
6. Strengthen internal controls and improve risk management.
7. To ensure highest level of responsibility and accountability.
8. Ensure timely dissemination of material information and matters of interest of Stakeholders.

2. Board of Directors

The composition of Board of Directors of the Company is as follows;

1. Mr. Rajendra Chitale
2. Mr. H. Ansari
3. Mrs. Chhaya Virani
4. Mr. Soumen Ghosh
5. Mr. Rakesh Jain (Executive Director & CEO)

Out of the five Directors, three Directors are Independent Directors. As per the Corporate Governance guidelines issued by IRDAI, your Company has constituted the Mandatory Committees viz. Audit Committee, Investment Committee, Policyholders Protection Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

3. Audit Committee

Your Company has constituted an Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and IRDAI Corporate Governance regulations. The Audit Committee comprises of Mr. Rajendra P. Chitale, Director, Mrs. Chhaya Virani, Director, Mr. Soumen Ghosh, Director and Mr. H. Ansari, Director. Audit Committee inter alia advises the management on the areas where systems, process, internal audit, risk management can be improved. The minutes of the meeting of the Audit Committee are placed before the Board for review. Audit Committee recommends to the Board, appointment and remuneration of Auditors of the Company. Audit Committee had discussions with Statutory Auditors before the audit commences about the nature & scope of audit as well as post audit discussions for addressing areas of concern.

4. Investment Committee

Your Company has constituted an Investment Committee pursuant to the requirement of Corporate Governance Guidelines of IRDAI. Presently the Committee consists of Mr. H. Ansari, Mr. Soumen Ghosh, Mr. Rajendra Chitale, Mr. Rakesh Jain,

Mr. Hemant Jain, Mr. K. Ramkumar and Mr. Sudip Banerjee. During the year, Ms. Kirti Kothari ceased to be a member w.e.f. 28th August, 2015. The Investment Committee decides on the Investment Policy of the Company and reviews the Investment decisions taken by the Company. Report on Investment performance and Investment Portfolio is also placed before the Board for review.

5. Policyholders Protection Committee

Your Company has also constituted Policyholders Protection Committee as required under Corporate Governance Guidelines of IRDAI. At present the Committee consists of Mr. H. Ansari, Mr. Soumen Ghosh and Mr. Rakesh Jain and Mr. Mukul Kishore. The Committee reviews and monitors customer grievances on regular basis. Report of the Policyholders Protection Committee is also placed before the Board of Directors for review. The Company has Grievance Redressal Policy which is approved by the Board of Directors.

6. Risk Management Committee

Your Company has also constituted Risk Management Committee for monitoring all the risks across the various lines of business of the Company. Presently the Committee consists of Mr. Rajendra Chitale, Mr. H. Ansari, Mr. Soumen Ghosh, Mr. Rakesh Jain, Mr. Mukul Kishore, Mr. Mohan Khandekar, Mr. Hemant Jain, Mr. K. Ramkumar and Mr. Sudip Banerjee. During the year, Mr. Rajendra P. Chitale was appointed as the member of the Committee w.e.f. 29th July, 2015.

7. Nomination and Remuneration Committee

Your Company has also constituted Nomination and Remuneration Committee which comprises of Mr. Rajendra Chitale, Mr. H. Ansari and Mr. Soumen Ghosh.

8. Corporate Social Responsibility

Your Company has also constituted Corporate Social Responsibility Committee which comprises of Mr. H. Ansari, Mr. Soumen Ghosh and Mr. Rakesh Jain.

In addition to the above, the Company has also constituted Non Mandatory Committees viz. Committee of Executives (Investment), Asset Liability Management Committee, Ethics Committee.

As required under the Corporate Governance guidelines, details of number of meetings held of the Board of Directors and Committees in the Financial Year and details of composition of the Board & Committees and meetings attended by the Directors etc. are enclosed as Annexure I & II forming part of this report.

9. Compliance Officer

Mr. Mohan Khandekar, Company Secretary, is the Chief Compliance Officer of the Company for complying with the requirements of IRDAI regulations.

Certification for compliance of the Corporate Governance Guidelines

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

Mohan Khandekar
Company Secretary

ANNEXURE I FORMING PART OF CORPORATE GOVERNANCE REPORT

DETAILS OF NUMBER OF MEETINGS HELD, DATE OF MEETINGS, ATTENDED AND COMPENSATION PAID DURING THE FINANCIAL YEAR 2015-16

BOARD MEETING

Date of the Meeting:	05.05.2015, 29.07.2015, 30.10.2015, 19.01.2016		
Name of the Director	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. Rajendra Chitale	4	4	160000
Mr. H. Ansari	4	4	160000
Mrs. Chhaya Virani	4	4	160000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil

POLICYHOLDER PROTECTION COMMITTEE

Date of the Meeting:	05.05.2015, 29.07.2015, 30.10.2015, 19.01.2016		
Name of the Director/Member	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. H. Ansari	4	4	80000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Mukul Kishore	4	3	Nil

INVESTMENT COMMITTEE

Date of the Meeting:	05.05.2015, 29.07.2015, 30.10.2015, 19.01.2016		
Name of the Director/Member	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. H. Ansari	4	4	80000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Hemant Jain	4	4	Nil
Mr. K. Ramkumar	4	4	Nil
Ms. Kirti Kothari (ceased to be a member w.e.f. 28.08.2015)	4	2	Nil

AUDIT COMMITTEE

Date of the Meeting:	05.05.2015, 29.07.2015, 30.10.2015, 19.01.2016		
Name of the Director	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. Rajendra Chitale	4	4	160000
Mr. H. Ansari	4	4	160000
Mr. Soumen Ghosh	4	4	Nil

RISK MANAGEMENT COMMITTEE

Date of the Meeting:	05.05.2015, 29.07.2015, 30.10.2015, 19.01.2016		
Name of the Director/Member	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. Rajendra Chitale (appointed as a member w.e.f. 29.07.2015)	4	2	40000
Mr. H. Ansari	4	4	80000
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Mohan Khandekar	4	4	Nil
Mr. Mukul Kishore	4	3	Nil
Mr. Sudip Banerjee	4	4	Nil
Mr. Hemant Jain	4	4	Nil
Mr. K. Ramkumar	4	4	Nil

COMMITTEE OF EXECUTIVES (INVESTMENT)

Date of the Meeting:	16.04.2015, 19.05.2015, 17.06.2015, 21.07.2015, 19.08.2015, 15.09.2015, 21.10.2015, 21.11.2015, 23.12.2015, 16.01.2016, 23.02.2016, 19.03.2016		
Name of the Director/Member	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. Rakesh Jain (Executive Director & CEO)	12	12	Nil
Mr. K. Ramkumar	12	12	Nil
Mr. Sudip Banerjee	12	10	Nil
Mr. Hemant Jain	12	12	Nil
Mr. Mukul Kishore	12	10	Nil

ASSET – LIABILITY MANAGEMENT COMMITTEE

Date of the Meeting:	11.05.2015, 12.08.2015, 09.11.2015, 02.02.2016		
Name of the Director/Member	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. Soumen Ghosh	4	4	Nil
Mr. Rakesh Jain (Executive Director & CEO)	4	4	Nil
Mr. Hemant Jain	4	4	Nil
Mr. K. Ramkumar	4	4	Nil
Mr. Sudip Banerjee	4	4	Nil
Mr. Mukul Kishore	4	4	Nil
Ms. Kirti Kothari (ceased to be a member w.e.f. 28.08.2015)	4	2	Nil

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Date of the Meeting:	30.10.2015		
Name of the Director/Member	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. H. Ansari	1	1	20000
Mr. Soumen Ghosh	1	1	Nil
Mr. Rakesh Jain (Executive Director & CEO)	1	1	Nil

NOMINATION AND REMUNERATION COMMITTEE

Date of the Meeting:	05.05.2015, 29.07.2015		
Name of the Director/Member	Meeting held during FY 2015-16	Meetings attended	Compensation paid Gross (Sitting fees)
Mr. H. Ansari	2	2	40000
Mr. Rajendra Chitale	2	2	40000
Mr. Soumen Ghosh	2	2	Nil

ANNEXURE II FORMING PART OF CORPORATE GOVERNANCE REPORT

Policyholders Protection Committee

Name	Qualification	Field of Specialization	Category
Mr. H. Ansari	Post Graduate in Science	General Insurance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Insurance, Finance	Executive Director & CEO
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee

Investment Committee

Name	Qualification	Field of Specialization	Category
Mr. H. Ansari	Post Graduate in Science	General Insurance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rajendra Chitale	Chartered Accountant	Finance & Insurance	Independent Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Insurance, Finance	Executive Director & CEO
Mr. Hemant Jain	Chartered Accountant	Finance	Employee
Mr. K. Ramkumar	B.Sc (Chemistry), Diploma in Business Finance from ICFAI, Hyderabad, ICWAI	Investments	Employee
Mr. Sudip Banerjee	B-Tech, IIT Kharagpur and MBA, IIM Kolkata	IT and Risk Management	Employee
Ms. Kirti Kothari*	FIAI	Appointed Actuary	Appointed Actuary

*ceased to be a member w.e.f 28.08.2015

Audit Committee

Name	Qualification	Field of Specialization	Category
Mr. H. Ansari	Post Graduate in Science	General Insurance	Independent Director
Mr. Rajendra Chitale	Chartered Accountant	Finance & Insurance	Independent Director
Mrs. Chhaya Virani	BA, LLB.	Legal	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director

Board of Directors

Name	Qualification	Field of Specialization	Category
Mr. H. Ansari	Post Graduate in Science	Insurance	Independent Director
Mr. Rajendra Chitale	Chartered Accountant	Finance & Insurance	Independent Director
Mrs. Chhaya Virani	BA, LLB.	Legal	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Insurance, Finance	Executive Director & CEO

Nomination and Remuneration Committee

Name	Qualification	Field of Specialization	Category
Mr. Rajendra Chitale	Chartered Accountant	Finance & Insurance	Independent Director
Mr. H. Ansari	Post Graduate in Science	Insurance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director

Ethics Committee

Name	Qualification	Field of Specialization	Category
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Insurance, Finance	Executive Director & CEO
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee

Risk Management Committee

Name	Qualification	Field of Specialization	Category
Mr. Rajendra Chitale*	Chartered Accountant	Finance & Insurance	Independent Director
Mr. H. Ansari	Post Graduate in Science	Insurance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Insurance, Finance	Executive Director & CEO
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee
Mr. Mohan Khandekar	M.Com, LLB, ACS	Company Secretarial and Legal Matters	Employee
Mr. Hemant Jain	Chartered Accountant	Finance	Employee
Mr. Sudip Banerjee	B-Tech, IIT Kharagpur and MBA, IIM Kolkata	IT and Risk Management	Employee
Mr. K. Ramkumar	B.Sc (Chemistry), Diploma in Business Finance from ICFAI, Hyderabad, ICWAI	Investments	Employee

*appointed as a member w.e.f. 29.07.2015

Committee of Executives (Investment)

Name	Qualification	Field of Specialization	Category
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Insurance, Finance	Executive Director & CEO
Mr. Hemant Jain	Chartered Accountant	Finance	Employee
Mr. Sudip Banerjee	B-Tech, IIT Kharagpur and MBA, IIM Kolkata	IT and Risk Management	Employee
Mr. Mukul Kishore	B.Tech, Fellow of Insurance Institute of India	Underwriting	Employee
Mr. K. Ramkumar	B.Sc (Chemistry), Diploma in Business Finance from ICFAI, Hyderabad, ICWAI	Investments	Employee

Asset Liability Management Committee

Name	Qualification	Field of Specialization	Category
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Insurance, Finance	Executive Director & CEO
Mr. Mukul Kishore	B.Tech, FIII	Underwriting	Employee
Mr. Hemant Jain	Chartered Accountant	Finance	Employee
Mr. K. Ramkumar	B.Sc (chemistry), Diploma in Business Finance from ICFAI, Hyderabad, ICWAI	Investments	Employee
Mr. Sudip Banerjee	B-Tech, IIT Kharagpur and MBA, IIM Kolkata	IT and Risk Management	Employee
Ms. Kirti Kothari*	FIAI	Appointed Actuary	Appointed Actuary

*ceased to be a member w.e.f 28.08.2015

Corporate Social Responsibility Committee

Name	Qualification	Field of Specialization	Category
Mr. H. Ansari	Post Graduate in Science	Insurance	Independent Director
Mr. Soumen Ghosh	Chartered Accountant	Finance & Insurance	Non - Executive Director
Mr. Rakesh Jain	Chartered Accountant, ICWAI	Insurance, Finance	Executive Director & CEO

MANAGEMENT REPORT ATTACHED TO THE FINANCIAL STATEMENT AS ON 31ST MARCH, 2016

- 1) We confirm the validity of the registration granted by Insurance Regulatory & Development Authority of India for carrying on general insurance business.
- 2) We certify that all the dues payable to the statutory authorities have been duly paid.
- 3) We confirm that shareholding pattern is in accordance with the statutory and regulatory requirements.
- 4) We declare that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
- 5) We confirm that the required solvency margins have been maintained.
- 6) We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and that in the best of our 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 "Investments other than debt securities", "Agents balances", "Outstanding Premium", "Interest and Dividends accrued but not due", "Balances due from other entities carrying on insurance business", "Other Advances", "Advances to Staff", "Deposits" and "Cash".
- 7) The company is exposed to various risks related to its insurance operations and financial risks related to its investment portfolio. The operational & financial risks are being closely monitored and being actively managed. The exposure to the insurance operations is managed by implementing underwriting controls and risk transfer through adequate reinsurance arrangements. Catastrophe risk exposure has been analyzed and accumulation is being monitored. Risk models have been also been used on our accumulation to get an estimate and the reinsurance protection has taken to limit our exposure to any one event to an acceptable limit.

In addition to our regular internal audits and technical audits, an important step was taken by establishing an independent Enterprise Risk Management team to oversee all the varied risk exposures and to take steps to mitigate these exposures.

- 8) We have no operations in any country outside India, except representative office at London.
- 9) The Company has a separate internal audit team which audits the operations at its offices.
- 10) We certify that the investments have been valued as per the Accounting Regulations of the IRDAI and shown in the Balance Sheet. The market value of investments has been arrived at as per the guidelines given by the Insurance Regulatory and Development Authority based on quoted market price wherever available and based on the market yield for rated securities not quoted and at book value for securities which do not have rating. The investment portfolio is also diversified within limits set under the IRDAI regulations.
- 11) Ageing analysis of claims outstanding and average claims settlement time for the five years.

Ageing of Claim Outstanding

FY 2015-16

(₹ in '000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	62	26,938	82	20,892	-	-	6,837	210,688
31 days to 6 Months	231	1,202,638	290	112,459	-	-	7,463	459,133
6 Months to 1 Year	179	484,129	108	229,519	1	39,960	1,293	159,413
1 Year to 5 Years	154	521,264	57	93,840	1	1,369	2,097	189,972
5 Years and Above	47	58,050	21	7,548	2	44	516	39,489
Grand Total	673	2,293,019	558	464,258	4	41,373	18,206	1,058,695

(₹ in '000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	1,325	322,881	49	18,939	18	373	7	4,030
31 days to 6 Months	6,266	1,336,866	124	71,236	173	11,466	20	5,095
6 Months to 1 Year	7,526	1,585,134	585	389,066	169	18,132	26	3,892
1 Year to 5 Years	41,822	8,951,911	108	278,805	79	15,837	153	50,282
5 Years and Above	13,897	2,460,812	13	4,421	17	3,031	4	616
Grand Total	70,836	14,657,604	879	762,467	456	48,839	210	63,915

(₹ in '000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	116,932	909,958	-	-	180	43,457	142	279,584	125,634	1,837,740
31 days to 6 Months	988	68,099	1	11,153	649	99,154	195	457,353	16,400	3,834,652
6 Months to 1 Year	126	41,809	1	60,363	468	58,329	27	60,792	10,509	3,130,538
1 Year to 5 Years	415	73,059	6	2,320	1157	63,985	772	1,283,413	46,821	11,526,057
5 Years and Above	145	3,558	11	721,180	219	17,792	91	4,785	14,983	3,321,326
Grand Total	118,606	1,096,483	19	795,016	2,673	282,717	1,227	2,085,927	214,347	23,650,313

FY 2014-15

(₹ in '000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	51	58,252	58	10,792	-	-	5,448	208,862
31 days to 6 Months	131	410,928	112	90,519	-	-	5,264	576,131
6 Months to 1 Year	134	251,899	60	55,454	2	3,250	918	190,059
1 Year to 5 Years	202	887,535	166	442,666	2	1,474	2,812	299,460
5 Years and Above	4	14,231	8	3,318	-	-	4	233
Grand Total	522	1,622,845	404	602,749	4	4,724	14,446	1,274,745

(₹ in '000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	1,428	292,681	42	23,882	15	1,729	9	972
31 days to 6 Months	6,627	1,307,423	125	200,043	58	5,404	28	5,718
6 Months to 1 Year	6,495	1,312,630	152	368,167	16	4,127	35	8,693
1 Year to 5 Years	46,858	9,012,841	517	672,807	47	12,879	95	29,201
5 Years and Above	8,841	1,379,224	6	643	8	1,323	5	2,715
Grand Total	70,249	13,304,799	842	1,265,542	144	25,462	172	47,299

(₹ in '000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	11,437	237,730	-	-	247	30,158	69	43,140	18,804	908,198
31 days to 6 Months	9,918	206,794	-	-	691	86,294	98	652,796	23,052	3,542,050
6 Months to 1 Year	3,383	91,708	2	496	503	51,511	136	307,624	11,836	2,645,618
1 Year to 5 Years	12,504	131,036	18	722,657	1,702	88,309	793	509,200	65,716	12,810,065
5 Years and Above	2	203	1	12	9	12,108	25	2,097	8,913	1,416,107
Grand Total	37,244	667,471	21	723,165	3,152	268,380	1,121	1,514,857	128,321	21,322,038

FY 2013-14*

(₹ in '000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	89	350,690	117	22,743	-	-	5,183	285,045
31 days to 6 Months	154	376,372	121	88,609	1	1,369	5,711	756,276
6 Months to 1 Year	76	425,842	50	12,759	1	90	1,326	288,185
1 Year to 5 Years	138	303,817	170	124,004	3	2,202	2,733	401,833
5 Years and Above	-	-	-	-	-	-	3	250
Grand Total	457	1,456,721	458	248,115	5	3,661	14,956	1,731,589

(Rs in'000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	1,359	257,981	106	97,577	19	2,311	8	1,205
31 days to 6 Months	6,271	1,223,010	224	664,329	48	10,180	18	5,553
6 Months to 1 Year	7,511	1,512,317	168	419,291	26	8,814	18	4,414
1 Year to 5 Years	49,553	8,837,251	276	269,423	44	10,537	63	22,313
5 Years and Above	4,696	654,793	1	325	4	774	3	1,534
Grand Total	69,390	12,485,352	775	1,450,945	141	32,616	110	35,019

(Rs in '000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	48,252	427,092	1	85	205	16,720	77	18,932	55,416	1,480,381
31 days to 6 Months	9,157	205,272	-	-	651	48,890	258	107,387	22,614	3,487,247
6 Months to 1 Year	8,222	58,043	4	1,576	476	27,537	102	91,228	17,980	2,850,096
1 Year to 5 Years	1,426	83,886	15	728,755	1,477	95,350	680	193,464	56,578	11,072,835
5 Years and Above	1	117	-	-	1	370	19	1,839	4,728	660,002
Grand Total	67,058	774,410	20	730,416	2,810	188,867	1,136	412,850	157,316	19,550,558

FY 2012-13*

(₹ in '000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	102	233,153	81	23,645	1	762	4,846	294,086
31 days to 6 Months	94	239,330	128	41,628	-	-	6,723	874,786
6 Months to 1 Year	57	360,188	49	16,432	-	-	1,735	330,828
1 Year to 5 Years	105	401,783	104	173,743	4	7,174	2,846	376,458
5 Years and Above	-	-	-	-	-	-	-	-
Grand Total	358	1,234,454	362	255,448	5	7,936	16,150	1,876,158

(₹ in '000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	1,479	264,018	46	27,291	23	1,768	8	1,821
31 days to 6 Months	8,281	1,485,066	144	152,770	47	13,716	35	5,566
6 Months to 1 Year	9,595	1,789,199	175	217,270	9	2,561	2	316
1 Year to 5 Years	47,354	7,182,245	115	224,215	36	6,304	25	9,404
5 Years and Above	-	-	-	-	-	-	2	1,536
Grand Total	66,709	10,720,528	480	621,546	115	24,349	72	18,643

(₹ in '000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	55,104	233,044	-	-	197	16,627	75	26,469	61,962	1,122,684
31 days to 6 Months	205,613	150,497	1	2,328	719	50,991	248	91,165	222,033	3,107,8454
6 Months to 1 Year	32,752	77,816	7	1,506	486	31,610	242	97,502	45,109	2,925,228
1 Year to 5 Years	1,822	64,789	8	729,697	906	61,512	525	104,674	53,850	9,341,998
5 Years and Above	-	-	-	-	-	-	-	-	2	1,536
Grand Total	295,291	526,146	16	733,531	2,308	160,740	1,090	319,810	382,956	16,499,286

FY 2011-12

(₹ in '000)

Period / Class	Fire		Marine Cargo		Marine Hull		Motor OD	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	60	60,988	142	14,741	1	25	5,159	293,925
31 days to 6 Months	117	454,117	151	71,287	2	549	6,469	773,110
6 Months to 1 Year	79	356,185	58	140,275	4	1,299	1,160	203,935
1 Year to 5 Years	61	331,333	22	34,238	2	5,408	218	67,968
5 Years and Above	1	2,735	-	-	-	-	-	-
Grand Total	318	1,205,358	373	260,541	9	7,281	13,006	1,338,938

(₹ in '000)

Period / Class	Motor-TP		Engineering		Liability		Public Liability	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	1,012	129,022	39	31,165	12	1,665	-	-
31 days to 6 Months	3,840	499,643	109	204,529	35	6,567	12	3,825
6 Months to 1 Year	3,568	338,949	86	195,178	17	9,562	13	2,931
1 Year to 5 Years	12,292	915,131	54	220,807	29	6,245	21	2,896
5 Years and Above	-	-	-	-	-	-	-	-
Grand Total	20,712	1,882,745	288	651,679	93	24,039	46	9,652

(₹ in '000)

Period / Class	Health		Aviation		Personal Accident		All Other Misc		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
30 days	84,530	99,634	9	1,623	228	29,590	127	33,691	91,319	696,069
31 days to 6 Months	74,289	74,012	-	-	479	43,117	418	134,397	85,921	2,265,153
6 Months to 1 Year	81	7,341	2	100	86	9,864	20	14,777	5,174	1,280,396
1 Year to 5 Years	24	1,745	10	924,177	13	12,047	49	22,879	12,795	2,544,874
5 Years and Above	-	-	-	-	-	-	-	-	1	2,735
Grand Total	158,924	182,732	21	925,900	806	94,618	614	205,744	195,210	6,789,224

* Based on revised logic related to claim count to be considered for claims IRDAI reporting, the outstanding counts of March, 2013 and March, 2014 are revised.

Average claims settlement time

Product/Class	FY 2015-16		FY 2014-15		FY 2013-14		FY 2012-13		FY 2011-12	
	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)
Fire	841	138	853	130	653	119	808	110	1,060	136
Marine Cargo	2,353	67	1,134	68	1,098	63	884	64	1,011	95
Marine Hull	-	-	1	1,659	1	859	4	154	9	38
Motor OD ⁴	162,794	23	143,402	21	137,308	23	123,163	26	174,296	22
Engineering	511	142	430	171	505	113	575	148	828	148
Liability	186	138	159	147	117	176	75	211	88	209
Public Liability	10	582	1	173	21	89	18	200	13	159
Health- ² Govt Approved Scheme	486,171	1	586,950	1	1,135,912	1	837,729	1	190,594	1
Health - ³ Other	59,169	21	62,845	31	58,737	32	58,772	38	64,122	33
Aviation	1	51	2	878	2	494	8	434	1	431
Public Accident	2,161	176	2,106	134	1,394	119	1,948	96	2,024	65
All Other Misc	1,036	87	1,220	147	1,147	82	1,141	78	2,613	63
Total	715,233		799,103		1,336,895		1,025,125		436,659	

Notes: 1. The above ageing does not include Motor Third Party claims which have been settled through MACT and other judicial bodies.

2. Average settlement time of Government Sponsored Schemes related to Health claims are separately shown, since they are cashless arrangements and settled on same day.

3. Average settlement time for Other Health Claims is recalculated for last four years considering cashless arrangement as same day settlement

4. Average settlement time for Motor OD claims is recalculated for last four years considering Garage Payments as same day settlement.

12) A Majority of the Company's investment is in fixed income securities. The Fixed Income portion is invested mainly in Government securities and AAA or AA+ rated bonds. The primary objective when investing is Safety, Liquidity and Return. The Company monitors the cash position daily and seasonal liquidity needs are considered while planning maturities of investments. None of the fixed income investments have had any delays in servicing of interest or principal amounts. Based on the past track record, the Management has reasonable confidence in the quality and expected performance of the investments, in line with the objectives.

13) We also confirm:

- in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
- the management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit or loss and of the profit 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) / Companies Act, 2013(18 of 2013), for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the management has prepared the financial statements on a going concern basis;
- the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

- 14) Details of payments during the financial year to individuals, firms, companies and organisations in which Directors are interested, including reimbursement-

(Rs '000)

Sr No.	Name Of Director	Entity in which Director is Interested	Interested As	Nature Of Payment	Amount
1	Mr. Rajendra P. Chitale	Reliance Capital Limited	Director	Claim Paid	10
				Reimbursement paid for expenses (Rent, Communication, Electricity, Professional fees, Maintenance Charges)	12,338
				Management fees	60,000
				Reimbursement paid for IT services	33,492
		Reliance Life Insurance Company Limited	Director	Claim Paid	28
				Term Insurance Policy	7,719
				Gratuity	36,885
	Ambuja Cements Limited	Director	Claims Paid	78	
	Reliance Defence & Engineering Limited	Director	Claims Paid	2,812	
	Hinduja Global Solutions Limited	Director	Claims Paid	5,432	
2	Mr. Soumen Ghosh	Reliance Life Insurance Company Limited	Director	Claim Paid	28
				Term Insurance Policy	7,719
				Gratuity	36,885
		Reliance Capital Limited	CEO/ Whole Time Director	Claims Paid	10
				Reimbursement paid for expenses (Rent, Communication, Electricity, Professional fees, Maintenance Charges)	12,338
				Management fees	60,000
		Reimbursement paid for IT services	33,492		
3	Mrs. Chhaya Virani	Reliance Capital Limited	Director	Claim Paid	10
				Reimbursement paid for expenses (Rent, Communication, Electricity, Professional fees, Maintenance Charges)	12,338
				Management fees	60,000
				Reimbursement paid for IT services	33,492

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

Director (DIN No.: 0015986)

H. Ansari

Director (DIN No.: 2155529)

Chhaya Virani

Director (DIN No.: 6953556)

Soumen Ghosh

Director (DIN No.: 1262099)

Rakesh JainExecutive Director and CEO
(DIN No.: 3645324)**Hemant K. Jain**

Chief Financial Officer

Mohan Khandekar

Company Secretary (Membership No. A8515)

Place : Mumbai

Date : April 29, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

RELIANCE GENERAL INSURANCE COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Reliance General Insurance Company Limited (the "Company") which comprise the Balance Sheet as at March 31, 2016, 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, annexed thereto.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company in accordance with the requirements of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), read with Insurance Regulatory and Development Act, 1999 (the "IRDA Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations"), order/ directions, circulars, guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI) in this regard and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and in the manner so required. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Insurance Act, the IRDA Act, the Regulations, the Companies Act and the Rules made there under including the accounting standards to the extent applicable and auditing standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared in accordance with the requirements of the Insurance Act, the IRDA Act, the Regulations and the Act to the extent applicable and 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, 2016;
- (b) in the case of the Revenue Accounts, of the net surplus/deficit for the year ended on that date;

- (c) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note no.27 of Schedule 17 of Notes to financial statements, regarding provision for claims outstanding towards incurred but not reported (IBNR) and incurred but not enough reported (IBNER) and expected claim cost for Premium Deficiency Reserve creation as at March 31, 2016, which has been certified by a consulting actuary instead of the appointed actuary as required by the IRDAI Regulations, for the reasons stated therein.

Our opinion is not qualified in respect of matter described in Emphasis of Matter paragraph.

Other Matters

10. The actuarial valuation of liabilities with respect to incurred but not reported (IBNR) and incurred but not enough reported (IBNER) as on March 31, 2016 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). However, the Company's Appointed Actuary had resigned from the company on August 28, 2015 and the Company has made provision based on the report from an external consulting actuary and said actuary has certified actuarial valuation of liability including assumption for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and Institute of Actuaries of India. We have relied on the external consulting actuary and management of the Company in this regard for forming our opinion on the financial statements of the Company.

Report on Other Legal and Regulatory Requirements

11. As required by the Regulations, we have issued a separate certificate dated April 29, 2016 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Regulations.
12. Further, to our comments in the Certificate referred to in Paragraph 10 above, as required under the 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 our audit and have found them to be satisfactory;
 - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) As the Company's financial accounting system is centralized at Head Office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
 - (d) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
 - (e) 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, 1938 and the Regulations and / or orders / directions/ circulars/guidelines issued by the IRDAI in this behalf;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders / directions issued by the IRDAI in this behalf;
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by IRDAI in this regard; and
 - (h) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1".

- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 1 of Schedule 17 to the financial statements;
 - ii. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, wherever applicable, on long-term contracts. Further, the Company does not have any derivative contracts.
 - iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended March 31, 2016.

For Pathak H.D. & Associates,
Chartered Accountants
Firm Registration No.107783W

For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Mukesh Mehta
Partner
Membership No. 043495

S. Chandrasekhar
Partner
Membership No. 007592

Place: Mumbai
Date: April 29, 2016

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 12 (i) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Reliance General Insurance Company Limited on the financial statements for the year ended March 31, 2016]

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 Reliance General Insurance Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

The actuarial valuation of liabilities with respect to claims But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) as on March 31, 2016 is required to be certified by the Appointed Actuary. However, the Company's Appointed Actuary had resigned from the Company on August 28, 2015 and the Company has made provision based on the certificate from an external consulting actuary and said actuary has certified actuarial valuation of liability including assumption for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ("IRDA") and Institute of Actuaries of India in concurrence with IRDA. Accordingly while giving our opinion with regards to adequacy and operating effectiveness of the Internal Financial Control system over financial reporting, in so far as it relates to the actuarial valuation of liabilities, we have placed reliance on the certificate from an external consulting actuary and the management of the Company.

For **Pathak H.D. & Associates,**
Chartered Accountants
Firm Registration No. 107783W

For **Singhi & Co.,**
Chartered Accountants
Firm Registration No. 302049E

Mukesh Mehta
Partner
Membership No. 043495

S. Chandrasekhar
Partner
Membership No. 007592

Place: Mumbai
Date: April 29, 2016

INDEPENDENT AUDITORS' CERTIFICATE

To the Members of Reliance General Insurance Company Limited

(Referred to in paragraph 11 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated April 29, 2016)

This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "Regulations") read with regulation 3 of the Regulations.

The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"). 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 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').

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 accounts and other records maintained by **RELIANCE GENERAL INSURANCE COMPANY LIMITED** (the "Company") for the year ended March 31, 2016, we certify that:

- 1) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2016 and have found no apparent mistake or material inconsistency with the financial statements;
- 2) Based on management representations and the compliance certificate submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration as per sub section 4 of section 3 of the Insurance Act, 1938;
- 3) We have verified the cash balances, to the extent considered necessary and securities relating to Company's loans and investments as at March 31, 2016, by actual inspection and on the basis of certificates/confirmations received from the third parties/Custodians and/Depository Participants appointed by the Company, as the case may be;
- 4) The Company is not a trustee of any trust; and
- 5) No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 relating to the application and investments of the Policyholders' Funds.

For Pathak H.D. & Associates,
Chartered Accountants
Firm Registration No.107783W

For Singhi & Co.,
Chartered Accountants
Firm Registration No. 302049E

Mukesh Mehta
Partner
Membership No. 043495

S. Chandrasekhar
Partner
Membership No. 007592

Place: Mumbai
Date: April 29, 2016

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016
Fire Insurance Business

Registration No and Date of Registration with the IRDAI : Regn. No. 103 dated 23.10.2000

(₹ in '000)

Particulars	Schedule	2015-16	2014-15
Premium Earned (Net)	1	560,425	483,880
Profit / (loss) on sale/redemption of Investments (Net)		16,370	15,440
Interest, Dividend & Rent – Gross		78,832	70,021
Exchange Gain / (loss)		350	(21)
TOTAL (A)		655,977	569,320
Claims Incurred (Net)	2	362,684	364,984
Commission	3	(171,436)	(120,356)
Operating Expenses related to Insurance Business	4	228,629	166,514
Reserve for Premium Deficiency		-	-
TOTAL (B)		419,877	411,142
Operating Profit/(Loss) from Fire Business C= (A) - (B)		236,100	158,178
Appropriations			
Transfer to Shareholders' Accounts		236,100	158,178
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		236,100	158,178
Significant accounting policies and notes to accounts to the Financial Statement	16 & 17		

As required by Section 40C(2) of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 we certify that, to the best of our knowledge and according to the information, all expenses of management, wherever incurred, whether directly or indirectly in respect of general insurance business have been fully debited in the revenue accounts as expenditure.

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

As per our audit report of even date attached.

For and on behalf of the Board

For Singhi & Co.

Chartered Accountants
(Firm Registration no. 302049E)

Rajendra Chitale

Director (DIN : 0015986)

H. Ansari

Director (DIN : 2155529)

S. Chandrasekhar

Partner, Membership No. 007592

Chhaya Virani

Director (DIN : 6953556)

Soumen Ghosh

Director (DIN : 1262099)

For Pathak H D & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Rakesh Jain

Executive Director & CEO
(DIN : 3645324)

Hemant K. Jain

Chief Financial Officer

Mukesh Mehta

Partner, Membership No. 043495

Mohan Khandekar

Company Secretary (Membership No. A8515)

Place : Mumbai

Date : April 29, 2016

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**Marine Insurance Business****Registration No and Date of Registration with the IRDAI : Regn. No. 103 dated 23.10.2000**

(₹ in '000)

Particulars	Schedule	2015-16	2014-15
Premium Earned (Net)	1	268,297	218,674
Profit / (loss) on sale/redemption of Investments (Net)		6,537	5,727
Interest, Dividend & Rent – Gross		31,480	25,970
Exchange Gain / (loss)		56	57
TOTAL (A)		306,370	250,428
Claims Incurred (Net)	2	314,242	186,055
Commission	3	31,777	15,135
Operating Expenses related to Insurance Business	4	93,647	63,529
Reserve for Premium Deficiency		25,791	-
TOTAL (B)		465,457	264,719
Operating Profit/(Loss) from Marine Business C= (A) - (B)		(159,087)	(14,291)
Appropriations			
Transfer to Shareholders' Accounts		(159,087)	(14,291)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		(159,087)	(14,291)
Significant accounting policies and notes to accounts to the Financial Statement	16 & 17		

As required by Section 40C(2) of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 we certify that, to the best of our knowledge and according to the information, all expenses of management, wherever incurred, whether directly or indirectly in respect of general insurance business have been fully debited in the revenue accounts as expenditure.

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

As per our audit report of even date attached.

For and on behalf of the Board

For Singhi & Co.

Chartered Accountants
(Firm Registration no. 302049E)

Rajendra Chitale

Director (DIN : 0015986)

H. Ansari

Director (DIN : 2155529)

S. Chandrasekhar

Partner, Membership No. 007592

Chhaya Virani

Director (DIN : 6953556)

Soumen Ghosh

Director (DIN : 1262099)

For Pathak H D & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Rakesh Jain

Executive Director & CEO
(DIN : 3645324)

Hemant K. Jain

Chief Financial Officer

Mukesh Mehta

Partner, Membership No. 043495

Mohan Khandekar

Company Secretary (Membership No. A8515)

Place : Mumbai

Date : April 29, 2016

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016
Miscellaneous Insurance Business

Registration No and Date of Registration with the IRDAI : Regn. No. 103 dated 23.10.2000

(₹ in '000)

Particulars	Schedule	2015-16	2014-15
Premium Earned (Net)	1	19,165,268	18,482,070
Profit / (loss) on sale/redemption of Investments (Net)		697,202	715,971
Interest, Dividend & Rent – Gross		3,357,502	3,247,020
Exchange Gain / (loss)		(1,016)	7,584
Misc Income		14,290	6,885
TOTAL (A)		23,233,246	22,459,530
Claims Incurred (Net)	2	17,198,214	17,492,003
Commission	3	(110,726)	(101,983)
Operating Expenses related to Insurance Business	4	6,220,947	5,146,702
Reserve for Premium Deficiency		-	-
TOTAL (B)		23,308,435	22,536,722
Operating Profit/(Loss) from Miscellaneous Business C= (A) - (B)		(75,189)	(77,192)
Appropriations			
Transfer to Shareholders' Accounts		(75,189)	(77,192)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		(75,189)	(77,192)
Significant accounting policies and notes to accounts to the Financial Statement	16 & 17		

As required by Section 40C(2) of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 we certify that, to the best of our knowledge and according to the information, all expenses of management, wherever incurred, whether directly or indirectly in respect of general insurance business have been fully debited in the revenue accounts as expenditure.

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

As per our audit report of even date attached.

For and on behalf of the Board

For Singhi & Co.

Chartered Accountants
(Firm Registration no. 302049E)

Rajendra Chitale

Director (DIN : 0015986)

H. Ansari

Director (DIN : 2155529)

S. Chandrasekhar

Partner, Membership No. 007592

Chhaya Virani

Director (DIN : 6953556)

Soumen Ghosh

Director (DIN : 1262099)

For Pathak H D & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Rakesh Jain

Executive Director & CEO
(DIN : 3645324)

Hemant K. Jain

Chief Financial Officer

Mukesh Mehta

Partner, Membership No. 043495

Mohan Khandekar

Company Secretary (Membership No. A8515)

Place : Mumbai

Date : April 29, 2016

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

Registration No and Date of Registration with the IRDAI : Regn. No. 103 dated 23.10.2000

(₹ in'000)

Particulars	2015-16	2014-15
Operating Profit / (Loss)		
a. Fire Insurance	236,100	158,178
b. Marine Insurance	(159,087)	(14,291)
c. Miscellaneous Insurance	(75,189)	(77,192)
	1,824	66,695
Income from Investments		
Interest, Dividend & Rent – Gross	866,954	784,163
Profit on sale/redemption of investments	180,924	174,410
Less: Loss on sale/redemption of investment	(897)	(1,501)
	1,046,981	957,072
Other Income		
Profit/(Loss) on sale/discard of assets	985	(1,071)
Miscellaneous Income	5,647	8,744
Excess Provision Written Back	-	36,481
	6,632	44,154
TOTAL (A)	1,055,437	1,067,921
Provisions (Other than Taxation)		
(a) For diminution in the value of investment	-	-
(b) For doubtful debts	19,114	76,156
(c) Others :-	-	(186)
Standard Assets w/back	-	-
	19,114	75,970
Other Expenses		
Expenses other than those related to Insurance Business	36,576	30,000
Interest on refunds	4,125	148,050
Bad debt w/off	38,976	-
Less:- Provision held	(38,689)	287
Corporate Social Responsibility Expense (Refer note no. 21 of Schedule 17)	3,515	-
Penalty (Refer note no. 28 of Schedule 17)	1,000	-
Exchange Gain / (loss)	-	-
	64,617	254,020
TOTAL (B)	64,617	254,020
Profit / (Loss) Before Tax	990,820	813,901
Provision for Taxation		
Current Tax	180,629	34,700
Short Provision for earlier year	46,717	-
Deferred Tax (Refer note no. 10 of Schedule 17)	-	-
MAT Credit	(227,346)	(34,700)
Net Profit / (Loss) After Tax	990,820	813,901
Appropriations:		
(a) Interim dividends paid during the year	-	-
(b) Proposed final dividend	-	-
(c) Dividend Distribution Tax	-	-
(d) Transfer to any reserve or other accounts (to be specified):	-	-
Profit / (Loss) After appropriations	990,820	813,901
Balance of Profit / Loss brought forward from last year	(8,188,081)	(8,993,804)
Less:- Adjusted as per capital reduction scheme (Refer note no. 20 of Sch 17)	8,188,081	-
Adjustment on Account of Schedule II of the Companies Act, 2013	-	(8,178)
Balance carried forward to Balance Sheet	990,820	(8,188,081)
Basic Earning Per Share (Refer note no. 35 of Schedule 17)	8.07	6.63
Diluted Earning Per Share (Refer note no. 35 of Schedule 17)	7.78	6.59

Significant accounting policies and notes to accounts form an integral part of the Financial Statement refer schedule 16 & 17

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

As per our audit report of even date attached.

For Singhi & Co.Chartered Accountants
(Firm Registration no. 302049E)**S. Chandrasekhar**

Partner, Membership No. 007592

For Pathak H D & AssociatesChartered Accountants
(Firm Registration no. 107783W)**Mukesh Mehta**

Partner, Membership No. 043495

Place : Mumbai

Date : April 29, 2016

For and on behalf of the Board

Rajendra Chitale

Director (DIN : 0015986)

Chhaya Virani

Director (DIN : 6953556)

Rakesh JainExecutive Director & CEO
(DIN : 3645324)**Mohan Khandekar**

Company Secretary (Membership No. A8515)

H. Ansari

Director (DIN : 2155529)

Soumen Ghosh

Director (DIN : 1262099)

Hemant K. Jain

Chief Financial Officer

BALANCE SHEET AS AT 31ST MARCH, 2016

Registration No and Date of Registration with the IRDAI : Regn. No. 103 dated 23.10.2000

(₹ in'000)

Particulars	Schedule	31.03.2016		31.03.2015	
Sources of funds					
Share Capital	5&5A		1,227,750		1,227,750
Reserves and Surplus	6		9,045,620		16,242,881
Share Application Money Pending Allotment (Refer note no. 19 of Schedule 17)			900,000		900,000
Fair Value Change Account (Refer note no. 8 of Schedule 17)			(139,547)		14,664
Borrowings	7		-		-
TOTAL			11,033,823		18,385,295
Application of funds					
Investments	8		53,813,732		50,483,263
Loans	9		-		-
Fixed Assets	10		339,179		349,270
Deferred Tax Assets (Refer note no. 10 of Schedule 17)			372,735		372,735
Current Assets					
Cash and Bank Balances	11	1,013,015		785,878	
Advances and Other Assets	12	7,391,825		4,637,434	
Sub-Total (A)			8,404,840		5,423,312
Current Liabilities	13		42,648,575		37,426,523
Provisions	14		9,248,088		9,004,843
Sub-Total (B)			51,896,663		46,431,366
Net Current Assets (C = A - B)			(43,491,823)		(41,008,054)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15		-		-
Debit Balance in Profit & Loss Account (Refer note no. 20 of Schedule 17)			-		8,188,081
TOTAL			11,033,823		18,385,295
Significant accounting policies and notes to accounts form an integral part of the Financial Statements refer schedule.	16 & 17				

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

As per our audit report of even date attached.

For and on behalf of the Board

For Singhi & Co.

Chartered Accountants
(Firm Registration no. 302049E)

Rajendra Chitale

Director (DIN : 0015986)

H. Ansari

Director (DIN : 2155529)

S. Chandrasekhar

Partner, Membership No. 007592

Chhaya Virani

Director (DIN : 6953556)

Soumen Ghosh

Director (DIN : 1262099)

For Pathak H D & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Rakesh Jain

Executive Director & CEO
(DIN : 3645324)

Hemant K. Jain

Chief Financial Officer

Mukesh Mehta

Partner, Membership No. 043495

Mohan Khandekar

Company Secretary (Membership No. A8515)

Place : Mumbai

Date : April 29, 2016

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Schedule- 1

Premium Earned (Net of Service Tax)

(₹ in'000)

Particulars	Financial year	Premium from direct business written	Premium on reinsurance accepted	Premium on reinsurance ceded	Net Premium (3+4-5)	Change in reserve for unexpired risks	Net Premium Earned (6+7)
1	2	3	4	5	6	7	8
Fire	2015-16	2,590,774	604,124	2,521,215	673,683	(113,258)	560,425
	2014-15	1,893,182	296,825	1,628,339	561,668	(77,788)	483,880
Marine Cargo	2015-16	413,662	18,870	145,787	286,745	(19,860)	266,885
	2014-15	415,588	1,093	188,728	227,953	(10,947)	217,006
Marine Hull	2015-16	94,248	-	92,587	1,661	(249)	1,412
	2014-15	44,297	-	43,268	1,029	639	1,668
Marine Total	2015-16	507,910	18,870	238,374	288,406	(20,109)	268,297
	2014-15	459,885	1,093	231,996	228,982	(10,308)	218,674
Motor OD	2015-16	7,947,724	-	1,686,374	6,261,350	(200,987)	6,060,363
	2014-15	7,581,450	27	1,540,924	6,040,553	468,985	6,509,538
Motor TP	2015-16	8,657,535	63,802	1,769,200	6,952,137	(50,014)	6,902,123
	2014-15	8,843,908	(23,635)	1,758,875	7,061,398	(268,300)	6,793,098
Motor Total	2015-16	16,605,259	63,802	3,455,574	13,213,487	(251,001)	12,962,486
	2014-15	16,425,358	(23,608)	3,299,799	13,101,951	200,685	13,302,636
Employer's Liability	2015-16	93,948	-	4,698	89,250	(3,244)	86,006
	2014-15	79,857	-	5,818	74,039	(1,503)	72,536
Public Liability	2015-16	312,925	111	255,669	57,367	(5,044)	52,323
	2014-15	261,232	5,010	223,353	42,889	3,859	46,748
Engineering	2015-16	531,953	66,646	422,992	175,607	(8,574)	167,033
	2014-15	674,531	81,628	596,100	160,059	(7,975)	152,084
Aviation	2015-16	54,615	-	53,443	1,172	(190)	982
	2014-15	31,081	-	30,256	825	165	990
Personal Accident	2015-16	274,745	6,430	28,308	252,867	103,040	355,907
	2014-15	376,090	9,131	35,624	349,597	(89,040)	260,557
Health	2015-16	5,370,912	3,878	337,867	5,036,923	101,991	5,138,914
	2014-15	4,820,914	-	629,587	4,191,327	40,767	4,232,094
Other Misc.	2015-16	1,572,595	307	1,151,317	421,585	(19,968)	401,617
	2014-15	2,136,191	2,029	1,765,874	372,346	42,079	414,425
Misc Total	2015-16	24,816,952	141,174	5,709,868	19,248,258	(82,990)	19,165,268
	2014-15	24,805,254	74,190	6,586,411	18,293,033	189,037	18,482,070
Total	2015-16	27,915,636	764,168	8,469,457	20,210,347	(216,357)	19,993,990
Total	2014-15	27,158,321	372,108	8,446,746	19,083,683	100,941	19,184,624

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Schedule- 2

Claims Incurred (Net)

(₹ in'000)

Particulars	Financial year	Claims Paid from direct business written	Claims Paid on reinsurance Accepted	Claims Re-covered on reinsurance ceded	Net Claims Paid (3+4-5)	Out-standing Claims at the end of the Year	Out-standing Claims at the beginning of the Year	Net Claims Incurred (6+7-8)
1	2	3	4	5	6	7	8	9
Fire	2015-16	1,242,062	78,396	993,935	326,523	518,417	482,256	362,684
	2014-15	1,024,161	71,401	801,998	293,564	482,256	410,836	364,984
Marine Cargo	2015-16	490,972	11,409	257,878	244,503	279,875	210,778	313,600
	2014-15	370,020	1,268	225,141	146,147	210,778	170,956	185,969
Marine Hull	2015-16	17,078	-	16,854	224	1,069	651	642
	2014-15	1,914	-	1,842	72	651	637	86
Marine Total	2015-16	508,050	11,409	274,732	244,727	280,944	211,429	314,242
	2014-15	371,934	1,268	226,983	146,219	211,429	171,593	186,055
Motor OD	2015-16	4,569,952	-	1,039,491	3,530,461	1,262,212	1,333,521	3,459,151
	2014-15	4,504,593	-	465,175	4,039,418	1,333,521	1,722,057	3,650,882
Motor TP	2015-16	5,889,598	54,500	360,039	5,584,059	22,773,913	20,501,493	7,856,480
	2014-15	4,897,669	79,496	253,552	4,723,613	20,501,493	16,747,101	8,478,005
Motor Total	2015-16	10,459,550	54,500	1,399,530	9,114,520	24,036,125	21,835,014	11,315,631
	2014-15	9,402,262	79,496	718,727	8,763,031	21,835,014	18,469,158	12,128,887
Employer's Liability	2015-16	25,592	-	1,915	23,677	56,949	40,644	39,982
	2014-15	32,577	-	2,431	30,146	40,643	38,757	32,032
Public Liability	2015-16	6,705	-	885	5,820	60,478	47,225	19,073
	2014-15	2,354	-	235	2,119	47,225	26,945	22,399
Engineering	2015-16	641,314	15,581	528,296	128,599	217,433	242,096	103,936
	2014-15	640,202	23,998	556,706	107,494	242,096	204,121	145,469
Aviation	2015-16	98,044	-	97,897	147	2,397	2,125	419
	2014-15	9,014	-	8,770	244	2,125	1,713	656
Personal Accident	2015-16	433,994	10,216	121,491	322,719	267,523	238,352	351,890
	2014-15	437,946	6,906	221,396	223,456	238,352	152,505	309,303
Health	2015-16	4,791,975	-	307,878	4,484,097	1,598,619	1,166,690	4,916,026
	2014-15	4,993,052	286	689,375	4,303,963	1,166,690	950,880	4,519,773
Other Misc.	2015-16	2,087,092	2	1,648,235	438,859	385,301	372,903	451,257
	2014-15	489,848	-	381,996	107,852	372,904	147,272	333,484
Misc Total	2015-16	18,544,266	80,299	4,106,127	14,518,438	26,624,825	23,945,049	17,198,214
	2014-15	16,007,255	110,686	2,579,636	13,538,305	23,945,049	19,991,351	17,492,003
Total	2015-16	20,294,378	170,104	5,374,794	15,089,688	27,424,186	24,638,734	17,875,140
Total	2014-15	17,403,350	183,355	3,608,617	13,978,088	24,638,734	20,573,780	18,043,042

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Schedule- 3

Commission (Net)

(₹ in'000)

Particulars	Financial year	Commission Paid	Commission paid on reinsurance accepted	Commission received from reinsurance ceded	Net commission (3+4-5)
1	2	3	4	5	6
Fire	2015-16	114,501	26,095	312,032	(171,436)
	2014-15	101,363	14,552	236,271	(120,356)
Marine Cargo	2015-16	38,754	1,916	8,450	32,220
	2014-15	33,200	15	11,900	21,315
Marine Hull	2015-16	2,158	-	2,601	(443)
	2014-15	65	-	6,245	(6,180)
Marine Total	2015-16	40,912	1,916	11,051	31,777
	2014-15	33,265	15	18,145	15,135
Motor OD	2015-16	669,632	-	685,332	(15,700)
	2014-15	661,175	-	306,874	354,301
Motor TP	2015-16	5,654	-	88,946	(83,292)
	2014-15	10,885	-	312,958	(302,073)
Motor Total	2015-16	675,286	-	774,278	(98,992)
	2014-15	672,060	-	619,832	52,228
Employer's Liability	2015-16	8,744	-	705	8,039
	2014-15	7,216	-	603	6,613
Public Liability	2015-16	12,582	1	11,880	703
	2014-15	9,797	125	8,994	928
Engineering	2015-16	39,444	3,718	83,447	(40,285)
	2014-15	36,420	4,896	123,954	(82,638)
Aviation	2015-16	16	-	3,571	(3,555)
	2014-15	81	-	2,808	(2,727)
Personal Accident	2015-16	26,215	64	2,186	24,093
	2014-15	23,759	91	2,210	21,640
Health	2015-16	174,071	39	57,749	116,361
	2014-15	177,815	-	82,204	95,611
Other Misc.	2015-16	23,874	4	140,968	(117,090)
	2014-15	27,945	1	221,584	(193,638)
Misc Total	2015-16	960,232	3,826	1,074,784	(110,726)
	2014-15	955,093	5,113	1,062,189	(101,983)
Total	2015-16	1,115,645	31,837	1,397,867	(250,385)
	2014-15	1,089,721	19,680	1,316,605	(207,204)

Schedule 3 A

Commission Paid - Direct

(₹ in '000)

Particulars	Paid in India		Paid Outside India	
	2015-16	2014-15	2015-16	2014-15
Agents	634,016	716,753	-	-
Brokers	349,193	318,272	-	-
Corporate agency	130,362	54,599	-	-
Web Aggregator	2,074	97	-	-
Others	-	-	-	-
TOTAL	1,115,645	1,089,721	-	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Schedule-4

Operating Expenses related to insurance business

(₹ in'000)

Particulars	2015-16	2014-15
Employees' remuneration & welfare benefits	2,026,824	1,671,270
Company's contribution to Provident fund and others	125,962	113,890
Travel, conveyance and vehicle running expenses	129,660	109,547
Rents, rates & taxes	240,254	189,038
Repairs	305,758	298,606
Printing & Stationery	55,588	47,784
Communication expenses	124,577	102,875
Postage expenses	94,845	52,643
Legal & professional charges	135,887	140,730
Auditors Fees, expenses, etc.		
a. As auditor	4,531	4,548
b. As advisor or in any other capacity, in respect		
(i) Taxation matters	-	-
(ii) Insurance matters	-	-
(iii) Management services; and	-	-
c. In any other capacity	4,531	4,548
Advertisement and Publicity	2,585,263	1,905,380
Interest & Bank Charges	29,379	28,132
Service Tax Expenses	81,821	137,834
Others :		
Directors' Sitting fees	1,181	1,100
Entertainment Expenses	7,184	7,303
Office Maintenance Expenses	141,721	157,688
Training & Recruitment Expenses	171,770	122,447
Depreciation	174,338	134,347
Office Management Expenses	60,150	60,000
Subscriptions and Membership Fees	32,725	30,602
Coinsurance Expenses (net)	9,568	34,028
Miscellaneous expenses	40,813	56,953
TOTAL	6,579,799	5,406,745
Allocation:		
Fire Revenue Account	228,629	166,514
Marine Revenue Account	93,647	63,529
Miscellaneous Revenue Account	6,220,947	5,146,702
Expenses not relating to Insurance Business taken in Profit & Loss A/c	36,576	30,000
TOTAL	6,579,799	5,406,745

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
Schedule-5
Share Capital

(₹ in'000)

Particulars	2015-16		2014-15	
Authorized Capital				
20,00,00,000 (Previous Year 20,00,00,000) Equity Shares of Rs 10 each		2,000,000		2,000,000
Issued Capital				
12,27,74,960 (Previous Year 12,27,74,960) Equity Shares of Rs 10 each		1,227,750		1,227,750
Subscribed Capital				
12,27,74,960 (Previous Year 12,27,74,960) Equity Shares of Rs 10 each		1,227,750		1,227,750
Called Up Capital				
12,27,74,960 (Previous Year 12,27,74,960) Equity Shares of Rs 10 each		1,227,750		1,227,750
Less: Calls Unpaid		-		-
Add : Equity Share forfeited (Amount originally paid up)		-		-
Less: Par value of Equity shares bought back		-		-
Less: (i) Preliminary Expenses to the extent not written off		-		-
(ii) Expenses including commission or brokerage on underwriting or subscription of shares		-		-
TOTAL		1,227,750		1,227,750

Note: Of the above 12,21,10,660 shares are held by Holding Company, Reliance Capital Limited (previous period 12,21,10,660 Equity shares).

Schedule-5A
Pattern of Share Holding (As certified by the Management)

(₹ in'000)

Shareholder	2015-16		2014-15	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Promoters- Indian				
Holding Company- Indian	122,110,660	99.46%	122,110,660	99.46%
Holding Company- Foreign	-	-	-	-
Others				
Reliance General Insurance Employees Benefit Trust	664,300	0.54%	664,300	0.54%
TOTAL	122,774,960	100.00%	122,774,960	100%

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Schedule-6

Reserves and Surplus

(₹ in'000)

Particulars	2015-16		2014-15	
Capital Reserve		-		-
Capital Redemption Reserve		-		-
Share Premium:-				
Opening Balance	16,242,881		16,242,881	
Less: - Adjusted as per capital reduction scheme (Refer note no. 20 of Schedule 17)	8,188,081		-	
Closing Balance		8,054,800		16,242,881
General Reserve		-		-
Catastrophe Reserve		-		-
Other Reserves		-		-
Balance in Profit and Loss Account		990,820		-
TOTAL		9,045,620		16,242,881

SCHEDULE - 7

Borrowings

(₹ in'000)

Particulars	2015-16		2014-15	
Debentures/ Bonds		-		-
Banks		-		-
Financial Institutions		-		-
Others		-		-
TOTAL		-		-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016SCHEDULE - 8
Investments

(₹ in'000)

Particulars	2015-16		2014-15	
LONG TERM INVESTMENTS				
Government securities and Government guaranteed bonds including Treasury Bills	13,380,607		16,126,270	
Other Approved Securities	4,179,438		704,848	
Other Investments :				
(a) Shares				
(aa) Equity	534,837		628,319	
(bb) Preference	-		-	
(b) Mutual Funds	-		-	
(c) Derivative Instruments	-		-	
(d) Debentures/ Bonds	11,464,068		12,047,660	
(e) Other securities	-		-	
(f) Subsidiaries	-		-	
(g) Investment Properties-Real Estate	-		-	
Investments in Infrastructure and social sector	9,687,547		8,705,315	
Other than Approved Investments	1,234,062		558,170	
Total Long Term Investments		40,480,559		38,770,582
SHORT TERM INVESTMENTS				
Government securities and Government guaranteed bonds including Treasury Bills	-		-	
Other Approved Securities	-		19,930	
Other Investments :				
(a) Shares				
(aa) Equity	-		-	
(bb) Preference	-		-	
(b) Mutual Funds	1,113,014		1,049,043	
(c) Derivative Instruments	-		-	
(d) Debentures/ Bonds	8,013,400		7,131,744	
(e) Other securities	-		-	
(f) Subsidiaries	-		-	
(g) Investment Properties-Real Estate	-		-	
Investments in Infrastructure and social sector	3,378,746		3,260,452	
Other than Approved Investments	828,013		251,512	
Total Short Term Investments		13,333,173		11,712,681
TOTAL		53,813,732		50,483,263

1. The value of Investment Other than listed equity shares is as follows:

(₹ in'000)

Particulars	Current Year	Previous Year
Book Value	53,101,572	49,619,807
Market Value	53,450,042	50,387,096

2. During the Period, Company has withdrawn, deposits under section 7 of the Insurance Act, 1938 in accordance with IRDAI circular IRDAI/F&I/CIR/INV/093/04/2015 dated 30th April, 2015 and hence balance as on 31st March, 2016 is NIL(as at 31st March 2015 ₹ 129,075 thousands).
3. All the above investments are performing assets.
4. The company has not segregated the investments separately between policyholder's funds and shareholders funds, due to practical difficulty and the same has been approved by the Board of Directors as per requirement of Master circular on Preparation of Financial Statements vide circular no. IRDA-F&I-CIR-F&A-231-10-2012

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

SCHEDULE - 9

Loans

(₹ in'000)

Particulars	2015-16		2014-15	
SECURITY-WISE CLASSIFICATION				
Secured				
(a) On mortgage of property				
(aa) In India	-		-	
(bb) Outside India	-		-	
(b) On Shares, Bonds, Govt. Securities	-		-	
(c) Others (to be specified)	-		-	
Unsecured	-		-	
TOTAL		-		-
BORROWER-WISE CLASSIFICATION				
(a) Central and State Governments	-		-	
(b) Banks and Financial Institutions	-		-	
(c) Subsidiaries	-		-	
(d) Industrial Undertakings	-		-	
(e) Others - Trustees of Reliance General Insurance Employee's Benefit Trust	-		-	
TOTAL		-		-
PERFORMANCE-WISE CLASSIFICATION				
(a) Loans classified as standard				
(aa) In India	-		-	
(bb) Outside India	-		-	
(b) Non-performing loans less provisions				
(aa) In India	-		-	
(bb) Outside India	-		-	
TOTAL		-		-
MATURITY-WISE CLASSIFICATION				
(a) Short Term	-		-	
(b) Long Term	-		-	
TOTAL		-		-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Schedule - 10

Fixed Assets

(₹ in '000)

Description	Gross Block			Depreciation			Net Block		
	As at 01-04-15	Additions	Deductions	As at 31-03-16	As at 01-04-15	Additions	Deduction	As at 31-03-16	As at 31-03-15
Furniture & Fittings	76,310	11,412	1,296	86,427	50,636	20,448	977	70,106	25,674
Leasehold Improvements	53,191	9,786	89	62,888	33,031	6,220	18	39,234	20,160
Information Technology Equipment	245,719	45,310	4,672	286,357	188,277	42,367	4,269	226,375	57,442
Intangible Asset (Computer Software)	620,546	72,096	114,923	577,719	439,243	81,267	114,466	406,043	181,303
Vehicles	930	-	-	930	894	36	-	930	36
Office Equipment	206,911	16,461	10,254	213,118	151,714	23,730	9,327	166,117	55,197
Plant & Machinery	6,851	-	1,010	5,841	6,364	271	1,011	5,624	487
TOTAL	1,210,458	155,066	132,244	1,233,280	870,159	174,338	130,068	914,429	340,299
Capital WIP	8,972	20,330	8,973	20,329	-	-	-	20,329	8,972
GRAND TOTAL	1,219,429	175,395	141,216	1,253,609	870,159	174,338	130,068	914,429	349,270
Previous Period (2014-15)	1,003,230	237,274	21,075	1,219,429	745,420	134,347	9,608	870,159	-

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Schedule-11

Cash and Bank Balances

(₹ in'000)

Particulars	2015-16		2014-15	
Cash (including cheques, drafts and stamps on hand)		59,971		50,698
Bank Balances				
(a) Deposit Accounts				
(aa) Short - term (due within 12 months)	75,285		74,735	
(aa) Others	-		-	
(b) Current Accounts*	472,974		440,195	
(c') Cheques on Hand	404,785	953,044	220,250	735,180
Money at Call and Short Notice				
(a) With Bank	-		-	
(b) With other Institutions	-	-	-	-
Others		-		-
TOTAL		1,013,015		785,878
Balances with non-scheduled banks included in (Current Accounts) above		-		-
TOTAL		1,013,015		785,878

Short term deposit represents fixed deposit given to bank for bank guarantee.

* Rs 130,044 thousand (Previous Year Rs 196009 thousand) is earmarked for specified purpose in a separate bank account.

Schedule-12

Advances and Other Assets

(₹ in'000)

Particulars	2015-16		2014-15	
Advances				
Reserve deposits with Ceding Companies		-		-
Application money for investments		-		-
Prepayments		34,358		46,374
Advances to Directors/ Officers		-		-
Advance tax paid and taxes deducted at source (Net of provision for taxation)		47,445		78,021
MAT Credit Entitlement		262,046		34,700
Others				
- Rental & Other Deposits	339,084		299,468	
- Advances to Staff	2,193		1,957	
- Unutilised Service Tax Credit and VAT	44,769		42,590	
- Other Advances & Deposits	2,335,828	2,721,874	78,340	422,355
Other Assets				
Income accrued on investments	1,698,900		1,880,825	
Outstanding Premiums	749,950		529,200	
Agents' Balances	812		714	
Foreign Agency Balances	-		-	
Reposessed Stock	-		-	
Due from other entities carrying on insurance business	2,260,258		1,981,006	
Less Provision for doubtful debts	(383,818)	4,326,102	(335,761)	4,055,984
TOTAL		7,391,825		4,637,434

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Schedule-13

Current Liabilities

(₹ in'000)

Particulars	2015-16		2014-15	
Agent's Balances		64,618		91,793
Balances due to other insurance companies		3,530,489		2,429,694
Premium received in Advance		106,256		84,530
Unallocated Premium		817,153		505,602
Sundry Creditors		1,824,492		1,127,389
Claims Outstanding	34,628,145		31,859,612	
Add : Provision for Doubtful Reinsurance Recoveries	137,330	34,765,475	137,330	31,996,942
Due to Officers / Directors		-		-
Others :				
- Unclaimed amount of policyholders	504,680		746,482	
- Environmental Relief Fund Payable (Refer note no. 17 of Schedule 17)	12		51	
- Temporary Book Overdraft as per accounts	759,708		322,495	
- Employee Related Payables	36,409		19,230	
- Statutory Dues	152,057		85,995	
- Service Tax & VAT Liability	87,226	1,540,092	16,320	1,190,573
TOTAL		42,648,575		37,426,523

SCHEDULE-14

Provisions

(₹ in'000)

Particulars	2015-16		2014-15	
Reserve for Unexpired Risk		9,100,313		8,883,956
For Taxation (less advance tax paid and Tax deducted at source)		-		-
For Proposed Dividends		-		-
For Dividend distribution tax		-		-
Reserve for Premium Deficiency		25,791		-
Others :				
- For Grativity	2,777		4,179	
- For Leave Encashment	19,207		16,708	
- For Risk Reserves	100,000	121,984	100,000	120,887
TOTAL		9,248,088		9,004,843

SCHEDULE - 15

Miscellaneous Expenditure

(₹ in'000)

Particulars	2015-16		2014-15	
Discount Allowed in issue of shares/ debentures		-		-
Others (to be specified)		-		-
TOTAL		-		-

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

Registration No. and Date of Registration with the IRDAI : Regn. No. 103 dated 23.10.2000

(₹ in'000)

Particulars	Current Period	Previous Period
Cash flows from operating activities :		
Direct Premiums received	27,937,362	27,196,885
Payment to re-insurers, net of commissions and claims	(14,569)	3,541,607
Payment to co-insurers, net claims recovery	(81,407)	481,199
Direct Claims Paid	(20,408,911)	(17,306,508)
Direct Commission / Brokerage Payments	(1,156,394)	(1,065,413)
Payment of other operating expenses	(6,078,368)	(5,523,995)
Preliminary and pre-operating expenses	-	-
Deposits, Advances, and Staff loans	(393,237)	(490,968)
Service Tax (Net)	68,728	56,435
Income tax paid (Net)	(196,419)	(105,043)
Wealth tax paid	-	-
Misc Receipts/payments	13,682	14,510
Cash flow before extraordinary items	(309,533)	6,798,709
Cash flow from extraordinary operations	-	-
Cash flow from operating activities	(309,533)	6,798,709
Cash flows from investing activities :		
Purchase of investments	(65,911,228)	(46,918,212)
Sale of Investments (Including gain/ Loss)	59,709,619	39,452,906
Purchase of fixed Assets	(175,453)	(237,274)
Proceeds from sale of fixed assets	12,134	10,484
Rent/ Interest/ Dividends received	4,441,529	3,655,873
Investment in money market instruments and in liquid mutual funds (Net)	2,059,433	(3,589,995)
Repayment received on Loan Given	-	46,501
Expenses related to investments	(36,576)	(30,000)
Net Cash flow from investing activities	99,457	(7,609,718)
Cash flows from financing activities :		
Proceeds from Issuance of Share Capital	-	-
Share Application Money Received	-	900,000
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Interest/ Dividend Paid	-	-
Cash flow from financing activities	-	900,000
Net increase in cash & cash equivalents	(210,076)	88,991
Cash and cash equivalents at the beginning of the year	463,383	374,393
Cash and cash equivalents at the end of the period including Bank Overdraft	253,307	463,383
Cash and cash Equivalent at the end of the period:		
Cash & Bank balance as per schedule	1,013,015	785,878
Less: Temporary book over draft as per schedule	759,708	322,495
Cash and Cash Equivalent at the end including Bank Overdraft	253,307	463,383
Significant accounting policies and notes to accounts form an integral part of the Financial Statements refer schedule 16 & 17.		

As per our audit report of even date attached.

For Singhi & Co.

Chartered Accountants
(Firm Registration no. 302049E)

S. Chandrasekhar

Partner, Membership No. 007592

For Pathak H D & Associates

Chartered Accountants
(Firm Registration no. 107783W)

Mukesh Mehta

Partner, Membership No. 043495

Place : Mumbai

Date : April 29, 2016

For and on behalf of the Board

Rajendra Chitale

Director (DIN : 0015986)

Chhaya Virani

Director (DIN : 6953556)

Rakesh Jain

Executive Director & CEO
(DIN : 3645324)

Mohan Khandekar

Company Secretary (Membership No. A8515)

H. Ansari

Director (DIN : 2155529)

Soumen Ghosh

Director (DIN : 1262099)

Hemant K. Jain

Chief Financial Officer

SCHEDULE – 16**Significant accounting policies forming part of the financial statements as at 31st March 2016****1. Background**

Reliance General Insurance Company Limited (hereinafter referred to as “the Company”) was incorporated on August 17, 2000. The Company is a subsidiary of Reliance Capital Limited. The Company obtained regulatory approval to undertake General Insurance business on October 23, 2000 from the Insurance Regulatory and Development Authority of India (“IRDAI”).

The Company’s certificate of renewal of registration dated February 25, 2014 was valid till March 31, 2015. Pursuant to section 3 read with section 3A of the Insurance Act, 1938 as amended by the Insurance Laws (Amendments) Act, 2015, said certificate shall consequentially continue to be in force from April 1, 2015.

2. Basis of Preparation of Financial Statements

The accompanying financial statements are drawn up in accordance with the Insurance Regulatory and Development Authority Act, 1999, The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations 2002, and orders and directions issued by IRDAI in this behalf and the Regulations framed there under read with relevant provisions of The Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 and The Companies Act, 2013 to the extent applicable. The financial statements have been prepared under historical cost convention and on accrual basis in accordance with the generally accepted accounting principles, in compliance with the Accounting Standard (AS) as prescribed in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014, to the extent applicable and conform to the statutory provisions in regard to general insurance operations in India.

3. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates and assumptions. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as on the date of the financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

4. Revenue Recognition**a. Premium income**

Premium (net of service tax) is recognized as income over the contract period or the period of risk whichever is appropriate. Any subsequent revisions to or cancellations of premium are recognised in the year in which they occur.

b. Income from reinsurance ceded

- i. Commission income on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.
- ii. Profit commission under reinsurance treaties, wherever applicable, is recognized on accrual basis. Any subsequent revisions of profit commission are recognized in the year in which final determination of the profits are intimated by reinsurers.

c. Income earned on investments

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

Realized profit or loss on sale/redemption of securities is recognized on trade date basis. In determining the realized profit and loss, the cost of securities is arrived at on weighted average cost basis. Further, in case of listed equity shares and mutual funds the profit and loss also includes accumulated changes in the fair value previously recognized in the fair value change account and includes effects on accumulated fair value changes, previously recognized, for specific investments sold/redeemed during the year.

5. Premium Received in Advance

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the balance sheet date.

6. Reinsurance Premium

- i. Insurance premium ceded is accounted in the year in which the risk commences and recognized over the Contract period. Any subsequent revision to refunds & cancellation of policies are recognized in the year in which they occur.
- ii. Reinsurance inward is accounted to the extent of the returns received from the reinsurer.

7. Reserve for Unexpired Risk

Reserve for unexpired risk is made on the amount representing that part of the net premium written which attributable to, and to be allocated to the succeeding accounting period using 1/365 method.

8. Claims Incurred

Claims incurred comprises of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and change in 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.

Salvaged vehicles are recognized on realization basis.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation on management estimates of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information.

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNER. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is required to be certified by the Appointed Actuary of the Company. However, during the current year the company has made the provision based on the report from an external consulting Actuary.

9. Acquisition Cost

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts and are expensed in the period in which they are incurred.

10. Loans

Loans are stated at historical cost, subject to provision as per master circular IRDA/F&I/CIR/F&A/231/10/2012 dated October 5th, 2012 and impairment, if any.

11. Premium Deficiency

Premium deficiency is recognized if the cost of expected net claim cost, related expenses and maintenance cost exceeds the sum of related premium carried forward to subsequent accounting period as the reserve for unexpired risk. Premium deficiency is recognised for the Company at reportable segmental revenue account (i.e. Fire, Marine and Miscellaneous). The Company considers maintenance cost as relevant cost incurred for ensuring claim handling operations. The expected claim cost is required to be calculated and duly certified by the Appointed Actuary of the Company. However, during the current year the company has made the provision based on the report from an external consulting Actuary.

12. Investments

- i. Investments maturing within twelve months from the Balance Sheet date are classified as short term investments. Investments other than short term investments are classified as long term investments
- ii. Investments are carried at cost on weighted average basis. Cost includes brokerage, securities transactions tax, stamp duty and other charges incidental to transactions.
- iii. Investment in debt securities is shown in the Balance sheet at historical cost subject to amortisation/accretion of the premium/discount over the maturity period based on constant yield to maturity method.

- iv. Investment in equity shares as at the Balance Sheet date is stated at fair value and fair value is the last quoted closing price on the National Stock Exchange. However, in case of any stock not being listed in National Stock Exchange, then the last quoted closing price in Bombay Stock Exchange is taken as fair value. Unrealized gains/losses are credited / debited to fair value change account.
- v. Investment in Mutual Funds units is stated at latest available Net Asset Value (NAV) at the time of valuation at Balance Sheet date. Unrealized gains/losses are credited / debited to fair value change account.
- vi. In accordance with the regulations, unrealized gain/loss arising due to changes in fair value of listed equity shares is taken to the fair value change account. This balance in the fair value change account is not available for distribution, pending crystallizations.

13. Impairment of Investments

The Company assesses at each Balance Sheet date whether there is any indication that any investment in equity or units of mutual funds is impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognized in the revenue(s)/profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and investment is restated to that extent.

14. Fixed Assets & Depreciation/Amortisation

- i. Fixed assets are stated at cost less accumulated depreciation.
- ii. Depreciation on Fixed Assets is provided on useful life basis at the rates and the manner provided in Schedule II of the Companies Act, 2013 except for point v, vi and vii mentioned below.
- iii. Lease Hold Improvements, is amortized over the primary period of lease.
- iv. Capital work-in-progress includes assets not ready for intended use and is carried at cost, comprising direct cost and related incidental expenses.
- v. Assets purchased for value not exceeding ₹ 5000/- is fully depreciated in the year of purchase.
- vi. Intangible assets are stated at cost of acquisition less accumulated amortization. The same is amortized over a period of four years on straight line basis as per technical advice.
- vii. Based on the technical advice, the use lives for Mobile Handset, Camera, Tablet PC are amortized over a period of two years on straight line basis.

15. Impairment of Assets

The Company assesses at each Balance Sheet Date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in the profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

16. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments of assets/premises taken on operating lease are recognised as an expense in the revenue(s) and profit and loss account over the lease term on straight-line basis.

17. Employee Benefits

I. Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, bonus and other short term benefits are recognized in the period in which the employee renders the services. All short term employee benefits are accounted on undiscounted basis.

II. Long Term Employee Benefits

The Company has both defined contribution and defined benefit plans. The plans are financed by the Company and in the case of some defined contribution plans, by the Company along with its employees.

A. Defined Contribution Plan

The company's superannuation scheme and provident fund scheme are defined under contribution plans. The contributions paid/payable under the scheme are recognized immediately in the Profit and Loss accounts and revenue accounts as applicable.

B. Defined Benefit Plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each balance sheet date based on actuarial valuation carried out by an independent actuary using projected unit credit method. Actuarial gains and losses are recognized immediately in the Profit and Loss accounts and revenue accounts as applicable. To the extent the benefit are already vested, past service cost is recognized immediately.

III. Other Long Term Employee Benefits

Provision for other long term benefits includes accumulated compensated absences that are entitled to be carried forward for future encashment or availment, at the option of the employer subject to the rules framed by the Company which are expected to be availed or encashed beyond twelve months from the Balance Sheet date. The Company's liability towards these other long term benefits are accrued and provided for on the basis of an actuarial valuation using projected unit credit method made at the end of the financial year.

IV. Phantom Stock Option Scheme

Phantom Stock Option Scheme, 2015 ('the Scheme') are cash settled rights where the Employees are entitled to get cash compensation based on a formula linked to the Fair Market Value of Shares upon exercise of the Phantom Stock Options. The Company's liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end using projected unit credit method and any actuarial gains/losses are charged to the revenue account or the profit and loss account, as applicable over the vesting period on straight line method.

18. Foreign Currency Transaction

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year end are reinstated at the year end rates. Non-monetary foreign currency items are carried at cost. Any gain or loss on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account and Revenue Accounts as applicable.

19. Forward Contract Transaction

In case of forward exchange contracts entered into, to hedge the foreign currency exposure in respect of monetary items, the difference between the exchange rate on the date of such contracts and the period end rate is recognized in the Profit and Loss Account. Any profit / loss arising on cancellation of forward exchange contract is recognized as income or expense of the year.

20. Provision for Taxation

The Company provides for Income Tax in accordance with the provisions of Income Tax Act 1961. Provision for Income Tax is made on the basis of estimated taxable income for the year at current rates. Tax expenses comprises of both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current tax represents the amounts of Income Tax payable/recoverable in respect of the taxable income/loss for the reporting period.

Deferred Tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future, however, where there is unabsorbed depreciation and carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty backed by the convincing evidence of realization of such assets. Deferred tax assets are reviewed as at each Balance Sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realized.

In accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India and in accordance with the provisions of the Income tax Act, 1961, Minimum Alternative Tax (MAT) credit is recognized as an asset to the extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

21. Allocation of Expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

- i. Expenses, which are attributable and identifiable to the business segments, are directly charged to relevant business segment. This is determined by the management, based on the nature of the expenses and their relationship with various business segments, wherever possible
- ii. Other expenses, that are not identifiable to a segments, are allocated on the basis of ratio of net written premium in each business class

Expenses relating to investment activities are charged to profit and loss account.

22. Allocation of Investment Income

Investment Income has been allocated between revenue accounts and profit and loss account on the basis of the ratio of average policyholders funds to average shareholders funds respectively; average being the balance at the beginning of the year and at the end of the year. Further, investment income between policyholders is allocated on the basis of the ratio of average policyholders' funds comprising reserves for unexpired risks, IBNR, IBNER and outstanding claims.

23. Earnings per share (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted EPS comprises of weighted average number of shares considered for deriving basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion of equity shares would decrease the net profit per share from continuing ordinary operations.

24. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

SCHEDULE – 17**Notes forming part of the Accounts as on 31st March 2016****1. Contingent Liabilities:**

(₹ in '000)

Particulars	At March 31, 2016	At March 31, 2015
Partly paid up investments	-	-
Underwriting commitments outstanding	-	-
Claims, other than under policies, not acknowledged as debt (Net)	21,598	14,706
Guarantees given by or on behalf of the company	75,505	75,285
Statutory demands/liabilities in dispute, not provided for (see note (c) below)	20,104	3,172
Reinsurance obligations to the extent not provided for in accounts	-	-
Others (see note (d) below)	13,925	-

Note:

- a) Service Tax Department had filed an appeal before CESTAT on the issue of availment of Cenvat Credit in excess of restriction of 20% of output service tax liability during financial year 2006-07 as per erstwhile Rule 6(3)(c) of Cenvat Credit Rules amounting to ₹ 160,848 thousand. Based on the favourable order from Principal Commissioner, Service Tax-II, Mumbai, the management does not expect any outflow of economic benefits and assessed the likelihood of outflow of resources as remote.
- b) Service Tax Department had filed an appeal before CESTAT on the issue of Wrong availment of Input Credit for the financial year from 2006-07 to 2010-11 amounting to ₹ 845 thousand. Based on the favourable order from Principal Commissioner, Service Tax-II, Mumbai, the management does not expect any outflow of economic benefits and assessed the likelihood of outflow of resources as remote.

- c) The Company has disputed the demand raised by the income tax department for non deduction of tax at source for ₹ 1,238 thousands for A.Y. 2009-10 and also penalty from A.Y. 2007-08 to A.Y. 2011-12 for ₹ 18,866 thousands (Previous period for ₹ 1,238 thousands and ₹ 1,567 thousands towards non deduction of tax at source for A.Y. 2009-10 and penalty for A.Y. 2009-10 & A.Y. 2012-13 respectively).
- d) Statutory bonus of 13,925 thousands (Previous year: Nil) pursuant to retrospective amendment in the Bonus Act, 1965 for financial year 2014-15 have not been provided considering stay orders of Hon'ble Kerala High Court and Karnataka High Court.
2. The management is continuously in the process of identifying enterprises which have been provided goods and services to the Company which qualify under the definition of medium and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly the disclosure in respect of the amount payable to such Micro, Small and Medium enterprises as at 31st March, 2016 has not been made in the financial statements. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the act is not expected to be material.
3. There are no encumbrances to the assets of the company in and outside India.
4. The company has not invested any amount in real estate in the current financial year.
5. **Commitments:**
- There are no commitments made and outstanding for Loans in the current financial year (Previous year Nil).
 - The commitments made and outstanding for Investments are Nil (Previous year Nil).
 - Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is ₹ 91,615 thousands (Previous year ₹ 11,434 thousands).
6. **Premium:**
- All premiums net of reinsurance are written and received in India.
 - Premium income recognised on "Varying Risk Patten" is Nil. (Previous year: Nil)

7. **Claims:**

- i. Claims net of reinsurances are incurred and paid to claimants in/outside India as under:

(₹ in '000)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
In India	15,060,987	13,926,699
Outside India	28,701	51,389

- There are no claims which are settled and unpaid for a period of more than six months as on the Balance Sheet date.
- Ageing of gross claims outstanding is set out in the table below:

(₹ in '000)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
More than six months	17,977,922	16,871,789
Others	5,672,392	4,450,247

- Claims where the claim payment period exceeds four years is Nil. (Previous year Nil)

8. **Investments:**

- i. Value of contracts in relation to investments for:

(₹ in '000)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Purchases where deliveries are pending*	466,857	Nil
Sales where payment are overdue	Nil	Nil
Sales where deliveries are pending	2,024,493	Nil

*These amount have been settled post balance sheet date

- ii. Historical cost of investments valued at fair value on Balance Sheet date is ₹ 2,598,791 thousands (Previous year ₹ 1,988,592 thousands).

9. Employee Benefits:

- i. Defined Contribution Plan: During the year, Company has recognized ₹ 83,334 thousands as expenses (Previous year ₹ 70,048 thousands)
- ii. Defined Benefit Plan: The disclosure required under the define benefit plan as per AS 15 for gratuity fund is provided below:

(₹ in '000)

Gratuity	For the Year ended March 31, 2016	For the Year ended March 31, 2015
I. Assumptions		
Discount Rate	7.48%	8.08%
Rate of Return on Plan Assets	7.48%	8.08%
Salary Escalation	6.00%	6.00%
II. Table Showing Change in Benefit Obligation		
Liability at the beginning of the Year	79,310	45,727
Interest Cost	6,408	4,257
Current Service Cost	17,639	10,167
Benefit Paid	(13,737)	(12,591)
Actuarial Gain/(Loss) on Plan Obligation	15,010	31,750
Liability at the end of the Year	104,630	79,310
III. Tables of Fair value of Plan Assets		
Fair Value of Plan Assets at the beginning of the Year	75,131	49,595
Expected Return on Plan Assets	6,071	4,617
Contributions	36,885	28,788
Benefit Paid	(13,737)	(12,591)
Actuarial Gain/(Loss) on Plan Assets	(2,496)	4,722
Fair Value of Plan Assets at the end of the Year	101,853	75,131
Total Actuarial Gain/(Loss) to be recognised	17,506	27,028
IV. Actual Return on Plan Assets		
Expected return on Plan Assets	6,071	4,617
Actuarial Gain/(Loss) on Plan Assets	(2,496)	4,722
Actual return on Plan Assets	3,574	9,339
V. Amount Recognised in the Balance Sheet		
Liability at the end of the Year	104,630	79,310
Fair Value of Plan Assets at the end of the Year	101,853	75,131
Difference	2,777	4,178
Amount Recognised in the Balance Sheet	2,777	4,178
VI. Expenses Recognised in the Income Statement		
Current Service Cost	17,639	10,167
Interest Cost	6,408	4,257
Expected Return on Plan Assets	6,071	4,617
Net Actuarial Gain/(Loss) to be recognized	17,506	27,028
Expense Recognised in P&L	35,483	36,835
VII. Amount Recognised in the Balance Sheet		
Opening Net Liability	4,178	(3,868)
Expense as above	35,483	36,835
Employers Contribution Paid	(36,885)	(28,788)
Closing Net Liability	2,777	4,178

Experience adjustments

(₹ in '000)

	Year ended March 31,2016	Year ended March 31,2015	Year ended March 31,2014	Year ended March 31,2013	Year ended March 31,2012
Defined benefits obligations	104,630	79,310	45,727	43,795	35,090
Plan assets	101,853	75,131	49,596	39,117	30,097
Surplus/ (Deficit)	(2,777)	(4,178)	3,869	(4,678)	(4,993)
Experience adjustment for plan liabilities (Gain)/ Losses	(2,496)	15,910	670	828	(538)
Experience adjustment for plan liabilities (losses)/Gains	5,884	4,722	291	(111)	(1,454)

As the gratuity fund is managed by Reliance Life Insurance Company, details of its investments are not available with the Company.

10. Deferred Taxes:

The deferred tax assets and liabilities arising due to timing differences have been recognized in the financial statements as under:

(₹ in '000)

Particulars	For the Year ended March 31,2016	For the Year ended March 31, 2015
Deferred Tax Asset		
Related to Fixed Assets	7,896	7,181
Related to Leave Encashment Provision	6,647	5,421
Long Term Employee Benefit	10,470	-
Unabsorbed Depreciation	347,722	360,133
Total	372,735	372,735
Deferred Tax Asset/(Liability)(Net)	372,735	372,735
Deferred Tax Expense/(Income) recognised in Profit and Loss A/c	-	-

11. Employee Stock Option Plan (ESOP):

The company had introduced the Employee Stock Option Plan during the F. Y. 2008-09 under which options were granted to the employees of the Company on the basis of their performance and other eligibility criteria. During the year the Company granted Nil equity shares (Previous year Nil) to Reliance General Insurance Employees' Benefit Trust. These options are planned to be settled in cash or equity at the time of exercise and have maximum period of 7 years from the date of respective grants. The plan existing during the year is as follows:

Exercise Period	On completion of 3 years	30%
	On completion of 4 years	30%
	On completion of 5 years	40%

The information covering stock options granted, exercised, forfeited and outstanding at the year end is as follows:

Particulars	For the Year ended March 31, 2016			For the Year ended March 31, 2015		
	No. of Stock Options	Weighted Average Exercise Price (₹)	Weighted Average remaining Contractual Life (Years)	No. of Stock Options	Weighted Average Exercise Price (₹)	Weighted Average remaining Contractual Life (Years)
Outstanding at the beginning of the year	-	-	-	414,900	70	0.42
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Lapsed/Forfeited/Surrender	-	-	-	414,900	-	-
Outstanding at the end of the year	-	-	-	-	-	-
Exercisable at the end of the year	-	-	-	-	-	-

12. Phantom Stock Option Scheme (PSOS):-

- (i) Details of vesting schedule and condition :-

Phantom Stock Options granted under the Scheme would vest within not less than 1 year and not more than 5 years from the last date of vesting of such Phantom Stock Options. Vesting of Phantom Stock Options would be subject to continued employment with the Company and thus the Phantom Stock Options would vest on passage of time.

- (ii) Options granted, forfeited and exercised are given below:

Particulars	No. of options
Outstanding as at 1st April, 2015	Nil
Granted	1,107,747
Exercised	Nil
Lapsed/ Forfeited/Surrendered	13,728
Outstanding as at 31st March, 2016	1,094,019
Exercisable as at 31st March, 2016	Nil

- (iii) Detail of phantom share granted subject to the term and conditions as per Phantom stock scheme.

Particulars	
Date of grant	October 15, 2015
Base Price Per Phantom stock Option	₹ 122
Appreciation per Phantom stock Option	Excess of 'fair market of share on the date of exercise' determined in term of the Phantom Stock Option Scheme over the Base Price'
Formula for the valuation of the Co.	50% of Gross Written Premium (GWP) + Profit Before Tax (PBT) X Fixed Multiplier (5)
Exercise Period	a. In case of continuation of employment : Vested Phantom Stock Options can be exercised any time up to 3 year from the date of last vesting of Phantom stock Options; and b. In case of cessation of employment :Different periods depending on kind of cessation as per provision of the Phantom Stock Option scheme.
Settlement of Phantom Stock Options	Within 90 days from the date of exercise by cash.

- (iv) The fair value of the options granted was estimated on the date of grant with the following assumptions:

Particulars	Phantom Stock Option Scheme, 2015
Discount rate	7.72%
Expected Life	5 Years

- (v) The Company's liability towards the scheme is accounted for on the basis of an independent actuarial valuation done at the year end. The valuation of the shares is done considering the Project Unit Credit Method and the progression of share price up to the exercise of the option. The total expense recognised for the year is ₹ 30,254 thousands.

13. Premium Deficiency Reserve:

In accordance with Master Circular and Corrigendum on Master Circular on preparation of financial statement issued by IRDA vide circular number IRDA/F&I/CIR/F&A/231/10/2012 dated October 5, 2012 and circular number IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013 respectively, in respect of calculation and recognition of Premium deficiency, there is premium deficiency at reportable segmental revenue account level in Marine segment for ₹ 25,791 thousand (Previous Year: ₹ Nil).The expected claim cost is calculated based on the report from an external consulting Actuary since there is no Appointed Actuary in the current year (refer note no. 27 of Schedule 17).

14. Details of Outsourcing, Business Development and Marketing Support Expenses:

(₹ in '000)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Outsourcing Expenses	1,073,861	958,742
Business Development	2,186,411	1,564,644
Marketing Support	398,852	340,735

15. Terrorism Pool:

In accordance with the requirements of IRDAI, the company together with other insurance companies participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India (GIC). Amount collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee (TAC) are ceded at 100% of the terrorism premium collected to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retrocede 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 quarterly statements received from GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the last statement received from GIC

The Company has created liability to the extent of 50% of premium retro ceded to the company through reserve for unexpired risks.

16. Indian Motor Third Party Decline Risk Pool (IMTPDRP):

In accordance with the directions of IRDAI, the Company, together with other insurance companies, is participating in the Indian Motor Third Party Decline Risk Pool (IMTPDRP). The IMTPDRP is a multilateral reinsurance arrangement, in which all member companies are compulsorily required to participate. The IMTPDRP is administered by the General Insurance Corporation of India (GIC).

The Authority vide Order dated January 03, 2012 has created IMTPDRP for Act only Commercial Vehicle third party risks i.e. Act only policies.

Under this arrangement, any business relating to Act only policies of Commercial Vehicles which does not fall within the underwriting parameters of insurers shall be ceded to IMTPDRP. This arrangement is called the Declined Risk Pool.

IRDAI has mandated that every insurer has to comply with the obligation to underwrite a minimum percentage of such policies that is calculated as an average of insurer's total gross premium percentage share in the industry and gross motor premium percentage share in the industry.

The insurers are required to retain 20% of such risk, while 5% is ceded to GIC under obligatory cession and remaining 75% ceded to IMTPDRP.

The Company has received its share of premium, claims and expenses of the pool, which is recorded as inward reinsurance business, based on the statement received from GIC. Accordingly the Company has recognized pool retrocession up to 9 month period ended 31st December 2015, the accounts for which statement received.

Company has accounted for its share in Decline Risk Pool for the 3 months period January 2016 to March 2016 on provisional basis based on management estimate and recorded the net amount if any under claims incurred. Unexpired risks reserve is provided for at 50% of net premium of such inward business, being the minimum rate specified in Section 64V(1)(ii) of the Insurance Act, 1938.

17. Contribution to Environment Relief Fund:

During the year, Company had collected ₹ 1,372 thousand (Previous year ₹ 1,443 thousand) towards Environment Relief Fund (ERF) for public liability policies and an amount of ₹ 1,411 thousand (Previous year ₹ 1,392 thousand) transferred to "United India Insurance Company Limited, Environment Fund Account" as per Notification of ERF scheme under the public liability Insurance Act, 1991 as amended, balance amount of ₹ 12 thousand (Previous year ₹ 51 thousand) is shown under current liabilities in schedule 13.

18. Contribution to Solatium Fund:

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company has provided 0.1% of gross written premium on all motor third party policies (excluding reinsurance premium accepted on motor third party for commercial vehicles) towards contribution to the solatium fund.

19. Reliance Capital Limited (RCL) had infused capital of ₹ 900,000 thousand during the financial year 2014-15 which is shown as share application money. RCL has made an application to Reserve Bank of India (RBI) for approval to infuse equity share capital in Reliance General Insurance Company Limited. The Company shall allot the equity shares on rights basis post receipt of approval from RBI by RCL.

20. Pursuant to the Hon'ble Bombay High Court Order dated 8th January, 2016 and filed with ROC on 16th March 2016, the Company has reduced its Share Premium account from ₹ 16,242,881 thousands to ₹ 8,054,800 thousands and such reduction has been utilized towards writing off the deficit in Profit and Loss account of ₹ 8,188,081 thousands as on 31st March 2015. The Company has received a communication from IRDAI that the above matter is under examination. However, based on a legal opinion obtained by the Company, it has complied with Hon'ble Bombay High Court Order.

21. Corporate Social Responsibility:

During the year ended 31st March 2016, in accordance with the provisions of Section 135 of the Companies Act, 2013, the Company has provided and spent an amount ₹ 3,515 thousand (Previous Year - Nil) on the Corporate Social Responsibility (CSR) activities approved by the CSR Committee of the Board.

22. MAT credit entitlement amounting to ₹ 227,346 thousand (Previous Year ₹ 34,700 thousand) has been recognised as on balance sheet date as an asset based on the future economic benefits associated with it that will flow to the Company.

23. Leases:

In respect of premises taken on operating lease, the lease agreements are generally mutually renewable/ cancellable by the lessor/lessee except for some premises.

Non Cancellable Operating Lease

The total of future minimum lease rent payable under operating lease for premises & assets for each of the following periods:

(₹ in '000)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Not later than one year	104,694	22,967
Later than one year and not later than five years	344,636	17,529
Later than five years	-	-

Lease payment debited to the Revenue account during the year ₹ 215,788 thousands (Previous year ₹ 178,064 thousands).

24. Sector wise business based on Gross Direct Premium (GDP):

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	GDP (₹ in '000)	% of GDP	GDP (₹ in '000)	% of GDP
Rural	2,711,758	9.71	2,844,865	10.48
Urban	25,203,877	90.29	24,313,456	89.52
Total	27,915,635	100.00	27,158,321	100.00

Particulars	For the Year ended March 31, 2016		For the Year ended March 31, 2015	
	GDP (₹ in '000)	No. of lives	GDP (₹ in '000)	No. of lives
Social Sector	15,266	288,212	19,538	212,087

25. Extent of risk retained and reinsured is set out below (excluding excess of loss and catastrophe reinsurance)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
	% of business written	% of business written
Risk Retained	72%	71%
Risk Reinsured	28%	29%

26. Managerial Remuneration:

(₹ in '000)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Salaries	34,219	29,791
Contribution to Provident Fund and Superannuation	2,700	2,524
Provision for Gratuity and Leave Encashment	1,481	1,385

The managerial remuneration is in accordance with the approval accorded by a resolution of the Board of Directors, which has been approved by IRDAI as required under Section 34A of the Insurance Act, 1938.

The managerial remuneration in excess of ₹ 15,000 thousands for each managerial personnel has been charged to Profit & Loss Account.

27 Basis used for determining IBNR / IBNER:

As per the provision of Insurance Regulatory and Development Authority of India (IRDAI) Appointed Actuary Regulation 2000, as amended by the Insurance Regulatory and Development Authority (Appointed Actuary) (First Amendment) Regulations, 2013 IBNR / IBNER reserve should be certified by Appointed Actuary. The Company's Appointed Actuary had resigned from the company on August 28, 2015 and the company has initiated the process of appointment of new Appointed Actuary and is awaiting approval from IRDAI.

Meanwhile since there is no Appointed Actuary in the current period, the company has made the provision based on the report from an external consulting Actuary.

For lines of business other than motor third party, the estimation was carried out using past trends in claims experience as indicated by paid claims chain ladder approach and Bomhuetter-Ferguson method as considered appropriate by an external consulting Actuary.

For motor third party line of business, the estimates were done using ultimate loss ratio method. For liabilities relating to erstwhile motor third party pool and declined risk pool, the ultimate loss ratios as specified in regulatory circulars were referred to in determining the estimates.

28. As per IRDAI Circular No 005/IRDA/F&A/CIR/MAY-09 dated May 07, 2009, below table mentions the details of the penalty imposed by various regulators and Government authorities:

(₹ in '000)

SI No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	a) Violation of IRDA (Health Insurance) Regulations, 2013 (₹ 500 thousand) b) Violation of Regulation 2(g) (i) of the IRDA (Registration of Indian Insurance Company) Regulation, 2002 (₹ 500 thousand) (None)	1,000 (Nil)	1,000 (Nil)	Nil (Nil)
2	Service Tax Authorities	None	Nil (Nil)	Nil (Nil)	Nil (Nil)
3	Income Tax Authorities	None	Nil (Nil)	Nil (Nil)	Nil (Nil)
4	Any other Tax Authorities	None	Nil (Nil)	Nil (Nil)	Nil (Nil)
5	Enforcement Directorate/ Adjudicating Authority/Tribunal or any Authority under FEMA	None	Nil (Nil)	Nil (Nil)	Nil (Nil)

SI No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
6	Registrar of Companies/NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013/1956	None	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	None	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Securities and Exchange Board of India	None	Nil (Nil)	Nil (Nil)	Nil (Nil)
9	Competition Commission of India	None	Nil (Nil)	Nil (Nil)	Nil (Nil)
10	Any other Central/State/Local Government/Statutory Authority	None	Nil (Nil)	Nil (Nil)	Nil (Nil)

(Previous year's figures are in brackets)

29. As per IRDAI Master Circular IRDA/F&I/CIR/F&A/231/10/2012 dated October 5th, 2012 and Corrigendum on Master Circular IRDA/F&I/CIR/F&A/126/07/2013 dated July 3rd, 2012, below table mention the age-wise analysis of unclaimed amount of the policyholders as on 31st March, 2016:

(₹ in '000)

Particulars	Total	4-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
a. Claim Settled but not paid to the policy holders/insured due to any reason except under litigation from the insured/policyholders.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
b. Any other sum due/payable to the insured/policyholder on completion of the policy terms or otherwise.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
c. Any excess collection of premium/ tax or any other charges which is refundable to the policyholders either as per the terms of the conditions of the policy or as per law or as per the direction of the authority but not refunded so far.	47,277 (383,592)	9,544 (154,888) ³	2,414 (2,880)	2,689 (2,090)	2,842 (2,219)	2070 (2,895)	27,717 (218,620) ²
Cheques Issued by the company under "a", "b" or "c" above & cheques have not been encashed by the policyholders/ Insured.*	457,401 (362,890)	182,568 ¹ (68,940)	21,764 (20,793)	18,501 (17,895)	13,771 (21,548)	10,777 (17,412)	210,020 (216,302)

(Previous year's figures are in brackets)

*Does not include cheques issued to policyholders and appearing in bank reconciliation as on 31st March, 2016.

- This includes stale cheques amounting to ₹129,553 thousands on account of refund endorsement passed in FY 2014-15 on healthwise policies issued in FY 2007-08 and 2008-09.
- Includes ₹ 196,009 thousands with respect to refund endorsement passed in Q3 FY 2014-15 on account of healthwise policies issued in 2007-08 and 2008-09.
- This includes ₹148,040 thousand with respect to interest payable till 31st March, 2015 on healthwise policies refund mentioned above.

30. As per the requirement of Accounting Standard 18 'Related Party Disclosures' as notified by the Companies (Accounting Standard) Rules, 2006, following are the list of related parties with the relationship.

1. List of related parties* :

Holding Company

Reliance Capital Limited

Subsidiary of Holding Company

Reliance Capital Asset Management Limited

Reliance Asset Management (Singapore) Pte Limited

Reliance Asset Management (Mauritius) Limited

Reliance Capital Asset Management (UK) Limited (formerly Reliance Capital Asset Management (UK) Plc)

Reliance Capital Pension Fund Limited

Reliance AIF Management Company Limited

Reliance Capital Trustee Company Limited

Reliance Gilts Limited

Reliance Money Express Limited

Reliance Money Precious Metals Private Limited

Reliance Home Finance Limited

Reliance Securities Limited

Reliance Commodities Limited

Reliance Financial Limited

Reliance Wealth Management Limited

Reliance Money Solutions Private Limited

Reliance Exchangenext Limited

Reliance Spot Exchange Infrastructure Limited

Reliance Capital AIF Trustee Company Private Limited

Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)

Quant Capital Private Limited

Quant Broking Private Limited

Quant Securities Private Limited

Quant Commodity Broking Private Limited

Quant Capital Finance and Investments Private Limited

Quant Investments Services Private Limited

List of other related parties under common control with whom transaction have taken place during the year.

Reliance Innoventures Private Limited

Reliance Big Broadcasting Private Limited

Reliance Infratel Limited

Reliance Big Entertainment Private Limited

Reliance Communications Infrastructure Limited

Reliance Infocomm Infrastructure Limited

Big Animation (India) Private Limited

Zapak Mobile Games Private Limited

Zapak Digital Entertainment Limited

MPC Securities Limited

Reliance Telecom Limited

Reliance BPO Private Limited

Reliance Communications Limited

Reliance Globalcom Limited

Reliance Tech Services Limited

Reliance Transport and Travels Private Limited (ceased w.e.f. November 28, 2015)

Reliance Asset Reconstruction Company Limited
 Campion Properties Limited
 Indian Commodity Exchange Limited
 Big Flicks Private Limited

Key managerial personnel

Rakesh Jain (ED & CEO)

* As certified by the management and relied upon by the Auditor

2 Transactions during the period with related parties:

(₹ in '000)

S. No.	Name of the Related Party	Relationship	Nature of transaction	For the Year ended 31st March,2016	For the Year ended 31st March,2015
1	Reliance Capital Limited	Holding Company	Premium Received	27,658	28,081
			Share Application Money	-	900,000
			Claim Paid	10	95
			Reimbursement paid for expense (Rent, Salary, Communication, Electricity, Maintenance Charges)	12,338	7,665
			Management fees paid	60,000	60,000
			Reimbursement paid for IT services	33,492	27,374
			Reimbursement received for expense (Rent, Communication, Electricity, canteen expense)	8,696	5,306
			Interest Accrual on Debenture	229,889	100,494
			Outstanding balance in Customer Deposit A/c	17,670	1,324
			Debtors	-	564
Creditors	2,873	-			
2	Reliance Capital Asset Management Limited	Fellow Subsidiary	Premium Received	12,897	10,468
			Claim Paid	-	143
			Reimbursement received for expense (Rent, Communication, Electricity, canteen expense)	734	753
			Outstanding balance in Customer Deposit A/c	1,374	3,374
			Debtors	72	202
3	Reliance Home Finance Limited	Fellow Subsidiary	Premium Received	3,280	1,714
			Outstanding balance in Customer Deposit A/c	1,203	158
4	Reliance Money Express Limited	Fellow Subsidiary	Premium Received	647	1,380
			Foreign Currency Purchased	952	3,548
			Outstanding balance in Customer Deposit A/c	434	554
5	Reliance Securities Limited	Fellow Subsidiary	Premium Received	5,060	4,279
			Brokerage paid for stock exchange trading	36	91
			Reimbursement received for expense (Rent, Communication, Electricity, canteen expense)	947	1,935
			Outstanding balance in Customer Deposit A/c	25	8
			Debtors	135	181
6	Reliance Spot Exchange Infrastructure Limited	Fellow Subsidiary	Outstanding balance in Customer Deposit A/c	22	22
7	Quant Capital Pvt. Limited	Fellow Subsidiary	Premium Received	-	37
8	Reliance Capital Trustee Company Limited	Fellow Subsidiary	Premium Received	5,390	10,674
9	Reliance Wealth Management Limited	Fellow Subsidiary	Premium Received	559	82
			Outstanding balance in Customer Deposit A/c	6	1

(₹ in '000)

S. No.	Name of the Related Party	Relationship	Nature of transaction	For the Year ended 31st March,2016	For the Year ended 31st March,2015
10	Reliance Capital Pension Fund Limited	Fellow Subsidiary	Premium Received	35	41
			Outstanding balance in Customer Deposit A/c	70	73
11	Reliance Commodities Limited	Fellow Subsidiary	Premium Received	489	325
			Outstanding balance in Customer Deposit A/c	9	42
12	Reliance Financial Limited	Fellow Subsidiary	Premium Received	221	125
			Outstanding balance in Customer Deposit A/c	93	9
13	Reliance Money Solutions Private Limited	Fellow Subsidiary	Premium Received	2,112	180
			Insurance Commission Expense	88,871	-
			Creditors	734	-
			Outstanding balance in Customer Deposit A/c	2	136
14	Reliance Money Precious Metals Private Limited	Fellow Subsidiary	Premium Received	154	303
			Outstanding balance in Customer Deposit A/c	131	52
15	Reliance Life Insurance Company Limited (w.e.f. March 30, 2016)	Fellow Subsidiary	Premium Received	72,988	63,565
			Reimbursement received for rent and expenses	2,171	-
			Premium Paid	7,719	7,672
			Claim Paid	28	167
			Debtors	264	-
			Outstanding balance in Customer Deposit A/c	1,363	48,047
16	MPC Securities Limited	Fellow Subsidiary	Premium Received	20	-
17	Reliance AIF Management Company Limited	Fellow Subsidiary	Premium Received	1	1
18	Reliance Innoventure Private Limited	Ultimate holding Company	Premium Received	3,796	3,250
19	Reliance Infratel Limited	Person having control	Premium Received	18	35
20	Reliance Big Entertainment Private Limited	Person having control	Premium Received	21	25
			Claim Paid	17	-
21	Reliance BPO Limited	Person having control	Premium Received	-	1,875
			Claim Paid	1,571	-
22	Reliance Communications Limited	Person having control	Premium Received	9,133	19,826
			Claim Paid	4,311	24,451
			Reimbursement paid for expenses (Rent and Telephone expense)	3,600	4,320
			Creditors	-	22
			Outstanding balance in Customer Deposit A/c	828	5,186
23	Reliance Globalcom Limited	Person having control	Claim Paid	74	320
24	Reliance Infocomm Infrastructure Private Limited	Person having control	Premium Received	25	7
			Claim Paid	4	61
			Reimbursement paid for expenses:- Rent, Communication, Electricity, Professional fees, Maintenance Charges	12,264	8,939
			Creditors	12,816	923
25	Reliance Tech Services Limited	Person having control	Claim Paid	434	398

(₹ in '000)

S. No.	Name of the Related Party	Relationship	Nature of transaction	For the Year ended 31st March,2016	For the Year ended 31st March,2015
26	Reliance Telecom Limited	Person having control	Premium Received	-	2
			Claim Paid	90	194
			Reimbursement received for Telephone Expenses	11	8
			Outstanding balance in Customer Deposit A/c	800	800
27	Reliance Transport & Travels Private Limited (ceased w. e. f. November 28, 2015)	Person having control	Premium Received	18,422	16,797
			Claim Paid	94,353	-
			Outstanding balance in Customer Deposit A/c	132	114
28	Big Animation (India) Private Limited	Person having control	Premium Received	20	16
29	Big Flicks Private Limited	Person having control	Premium Received	22	-
			Outstanding balance in Customer Deposit A/c	-	25
30	Campion Properties Limited	Person having control	Premium Received	19	23
31	Reliance Big Broadcasting Private Limited	Person having control	Premium Received	175	-
			Reimbursement received for expts(Rent, Telephone, Electricity, Office Maintenance)	425	-
			Debtors	-	474
32	Reliance Communications Infrastructure Limited	Person having control	Premium Received	25	145
			Claim Paid	7	-
			Reimbursement received for expenses (Rent, Communication, Electricity, Canteen expenses)	-	391
			Payments towards Information and Technology Services	666	27,883
			Reimbursement paid for expenses:- Rent, Communication, Electricity, Professional fees, Maintenance Charges	-	520
			Purchase of Fixed Asset (Tablet)	-	1,560
			Debtors	361	-
Creditors	-	22			
33	Zapak Digital Entertainment Limited	Person having control	Premium Received	91	148
			Outstanding balance in Customer Deposit A/c	205	205
34	Zapak Mobile Games Private Limited	Person having control	Premium Received	88	135
35	Indian Commodity Exchange Limited	Person having control	Outstanding balance in Customer Deposit A/c	179	-
36	Reliance Asset Reconstruction Company Limited	Person having control	Outstanding balance in Customer Deposit A/c	230	10
37	Mr.Rakesh Jain	Key Managerial Personnel (includes Relatives of KMP's)	Premium Received	55	32
			Remuneration	38,400	33,700

- Expenses incurred towards public utilities services such as telephone and electricity charges have not been considered for related party transaction.
- Claim paid to employees against Group Medical Policies and Group Personal Accident Policies have not been considered for related party transaction.
- Transaction amount consider above are excluding taxes.

31. Segment Information for the year ended on 31st March, 2016

- a. Revenue and expenses have been identified to a segment on the basis of relationship to the operating activities of the segment. Revenue and expenses, which relate to enterprise as a whole and are not allocable to a segment on reasonable basis, have been disclosed as “Unallocable”.
- b. Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “Unallocable”.

(₹ in '000)

Particulars	Fire	Marine Cargo	Marine Hull	Motor -OD	Motor -TP	Motor	Employer Liability	Public Liability	Engineering	Aviation	Personal Accident	Health	Other Miscellaneous	Total Enterprise
Segment Revenues														
Earned Premium														
2015-16	560,425	266,885	1,412	6,060,363	6,902,123	12,962,486	86,006	52,323	167,033	982	355,907	5,138,914	401,617	19,993,990
2014-15	483,880	217,006	1,668	6,509,538	6,793,098	13,302,636	72,536	46,748	152,084	990	260,557	4,232,094	414,425	19,184,624
Investment income														
2015-16	95,202	37,881	136	452,678	3,216,687	3,669,365	8,241	8,498	31,672	256	40,622	234,392	61,658	4,187,923
2014-15	85,461	31,554	143	518,934	3,082,380	3,601,314	7,551	7,206	32,078	235	37,851	222,705	54,051	4,080,149
Misc Income														
2015-16	350	285	(228)	2,619	-	2,619	-	-	(2,722)	86	72	-	13,218	13,680
2014-15	(21)	(6)	63	-	404	404	-	(113)	6,104	(21)	111	-	7,984	14,505
Total														
2015-16	655,977	305,051	1,320	6,515,660	10,118,810	16,634,470	94,247	60,821	195,983	1,324	396,601	5,373,306	476,493	24,195,593
2014-15	569,320	248,554	1,874	7,028,472	9,875,882	16,904,354	80,087	53,841	190,266	1,204	298,519	4,454,799	476,460	23,279,278
Segment Expenses														
Claims														
2015-16	362,684	313,600	642	3,459,151	7,856,480	11,315,631	39,982	19,073	103,936	419	351,890	4,916,026	451,257	17,875,140
2014-15	364,984	185,969	86	3,650,882	8,478,005	12,128,887	32,032	22,399	145,469	656	309,303	4,519,773	333,484	18,043,042
Commission														
2015-16	(171,436)	32,220	(443)	(15,700)	(83,292)	(98,992)	8,039	703	(40,285)	(3,555)	24,093	116,361	(117,090)	(250,385)
2014-15	(120,356)	21,315	(6,180)	354,301	(302,073)	52,228	6,613	928	(82,638)	(2,727)	21,640	95,611	(193,638)	(207,204)
Premium Deficiency														
2015-16	-	25,791	-	-	-	-	-	-	-	-	-	-	-	25,791
2014-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Expenses														
2015-16	228,629	92,921	726	2,008,851	2,230,478	4,239,329	28,660	18,429	58,845	449	84,274	1,629,082	161,880	6,543,224
2014-15	166,514	63,103	426	1,677,341	1,960,808	3,638,149	20,249	11,789	46,461	240	96,606	1,153,123	180,086	5,376,746
Total														
2015-16	419,877	464,532	925	5,452,302	10,003,666	15,455,968	76,681	38,205	122,496	(2,687)	460,257	6,661,469	496,047	24,193,770
2014-15	411,142	270,387	(5,668)	5,682,524	10,136,740	15,819,264	58,894	35,116	109,292	(1,831)	427,549	5,768,507	319,932	23,212,584
Net Profit/loss														
2015-16	236,100	(159,481)	395	1,063,358	115,144	1,178,502	17,566	22,616	73,487	4,011	(63,656)	(1,288,163)	(19,554)	1,823
2014-15	158,178	(21,833)	7,542	1,345,948	(260,858)	1,085,090	21,193	18,725	80,974	3,035	(129,030)	(1,313,708)	156,528	66,694
Unallocated items														
Investment income														
2015-16														1,046,981
2014-15														957,072
Provision/ (Other income)														
2015-16														6,632
2014-15														44,154
Expenses														
2015-16														64,617
2014-15														254,020
Net Profit before tax														
2015-16														990,820
2014-15														813,900
Income tax														
2015-16														227,346

(₹ in '000)

Particulars	Fire	Marine Cargo	Marine Hull	Motor -OD	Motor -TP	Motor	Employer Liability	Public Liability	Engineering	Aviation	Personal Accident	Health	Other Miscellaneous	Total Enterprise
2014-15														34,700
MAT Credit														
2015-16														(227,346)
2014-15														(34,700)
Net profit after tax														
2015-16														990,820
2014-15														813,900
Assets														
Segment Assets														
2015-16														Nil
2014-15														Nil
Unallocated Assets														
2015-16														62,930,486
2014-15														56,628,580
Total														
2015-16														62,930,486
2014-15														56,628,580
Liabilities														
Segment Liabilities														
2015-16	1,038,691	447,874	1,714	4,718,990	33,712,863	38,431,853	93,979	95,948	313,247	2,824	395,295	2,561,192	640,513	44,023,130
2014-15	891,508	327,854	1,048	4,560,001	31,403,294	35,963,295	73,935	80,658	329,351	2,362	464,088	2,222,453	608,876	40,965,428
Unallocated Liabilities														
2015-16														7,873,533
2014-15														5,465,938
Shareholders Fund														
2015-16														11,033,823
2014-15														10,197,214
Total														
2015-16														62,930,486
2014-15														56,628,580

Notes:

- Segment Reporting is made as per the modification prescribed by the Insurance Regulatory and Development Authority Regulations wherein details are to be given for fire, marine cargo, marine hull and eight classes of miscellaneous insurance.
- Since the company's entire business is conducted within India, there are no reportable geographical segments for the year.

32. Summary of Financial Results:

(₹ in '000)

Particulars	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
Operating Results					
Gross Direct Premiums	27,915,636	27,158,321	23,888,249	20,100,052	17,125,473
Net Earned Premium	19,993,990	19,184,624	17,397,581	13,598,151	11,630,872
Income From Investment	4,187,922	4,080,149	3,387,475	1,931,993	1,427,425
Other Income	13,680	14,505	(8,720)	(2,110)	4,829
Total Income	24,195,593	23,279,278	20,776,336	15,528,034	13,063,126
Commission (Net) including Brokerage	(250,385)	(207,204)	396,363	449,007	412,724
Operating Expenses	6,543,223	5,376,745	4,598,337	3,895,361	3,833,566
Net Incurred Claims (Including Premium Deficiency Reserve)	17,900,931	18,043,042	16,015,320	12,625,867	12,661,650
Change in unexpired risk reserve	216,357	(100,941)	1,232,033	1,809,743	208,497
Operating Profit/(Loss)	1,824	66,695	(233,684)	(1,442,201)	(3,844,814)
Non Operating Results					
Total Income under Shareholder's Account	1,053,613	1,001,226	932,389	828,948	647,571
Profit/(Loss) before tax	990,820	813,901	640,827	(927,692)	(3,415,993)

(₹ in '000)

Particulars	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12
Provision for tax :					
Current Tax (including earlier year tax)	227,346	34,700	-	-	-
Deferred Tax	-	-	-	-	(16,000)
MAT Credit	(227,346)	(34,700)	-	-	-
Profit/(Loss) after tax	990,820	813,901	640,827	(927,692)	(3,431,993)
Miscellaneous					
Policyholders' Account					
Total Funds	42,779,909	40,286,049	29,943,368	25,061,691	20,180,364
Total Investments	42,779,909	40,286,049	29,943,368	25,061,691	20,180,364
Yield on Investments	8.62%	10.52%	9.26%	8.92%	8.65%
Shareholders' Account					
Total Funds	11,033,823	10,197,214	8,483,787	7,783,003	7,138,051
Total Investments	11,033,823	10,197,214	8,483,787	7,783,003	7,138,051
Yield on Investments	8.62%	10.52%	9.26%	8.92%	8.65%
Paid up Equity Capital	1,227,750	1,227,750	1,227,750	1,227,750	1,211,933
Net Worth	11,033,823	10,197,214	8,483,787	7,783,003	7,138,051
Total Assets	62,930,477	56,628,581	48,878,896	43,468,654	30,749,895
Yield on total Investments	8.62%	10.52%	9.26%	8.92%	8.65%
Earnings Per Share (₹)	8.07	6.63	5.22	(7.61)	(29.24)
Book Value Per Share (₹)	89.87	83.06	69.10	63.82	59.52
Total Dividend	-	-	-	-	-
Dividend Per Share (₹)	-	-	-	-	-

33. Financial Ratios:

Class	FY	Gross Direct Premium Growth Rate	Net Retention Ratio	Net Commission Ratio	Underwriting Balance Ratio
Fire	2015-16	37%	21%	(25%)	0.25
	2014-15	6%	26%	(21%)	0.15
Marine Cargo	2015-16	0%	66%	11%	(0.74)
	2014-15	7%	55%	9%	(0.25)
Marine Hull	2015-16	113%	2%	(27%)	0.18
	2014-15	192%	2%	(600%)	4.40
Motor	2015-16	1%	79%	(0.7%)	(0.19)
	2014-15	14%	80%	0.40%	(0.19)
Employer Liability	2015-16	18%	95%	9%	0.11
	2014-15	0%	93%	9%	0.19
Public Liability	2015-16	20%	18%	1%	0.27
	2014-15	(5%)	16%	2%	0.25
Engineering	2015-16	(21%)	29%	(23%)	0.25
	2014-15	(7%)	21%	(52%)	0.28
Aviation	2015-16	76%	2%	(303%)	3.83
	2014-15	5%	3%	(331%)	2.85
Personal Accident	2015-16	(27%)	90%	10%	(0.29)
	2014-15	31%	91%	6%	(0.64)
Health	2015-16	11%	94%	2%	(0.30)
	2014-15	2%	87%	2%	(0.36)
Other Miscellaneous	2015-16	(26%)	27%	(28%)	(0.20)
	2014-15	85%	17%	(52%)	0.23
Total	2015-16	3%	70%	(1%)	(0.21)
	2014-15	14%	69%	(1%)	(0.21)

34. Other Ratios:

Ratio	Basis	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Gross Direct Premium to Net worth Ratio	Gross direct premium for current year divided by paid up capital & free reserve	2.53	2.66
Growth Rate of Net worth	Change in Net Worth during the period divided by net worth as at previous balance sheet date	8%	20%
Expenses of Management to Gross Direct Premium	Expenses of Management(operating expenses related to insurance business plus direct commission paid divided by gross direct premium)	27%	24%
Expenses of Management to Net written premium ratio	Expenses of Management(operating expenses related to insurance business plus direct commission paid divided by Net written premium)	38%	34%
Net Incurred Claims to Net Earned Premium	Net Incurred Claims divided by Net Earned Premium	90%	94%
Combined Ratio	Net Incurred Claims divided by Net Earned Premium plus expenses of management (including net commission) divided by Net written premium	121%	121%
Technical Reserves to Net Premium Ratio	Reserve for un-expired risks plus premium deficiency reserve plus reserve for outstanding claims(including IBNR and IBNER) divided by net premium	2.20	2.13
Operating Profit Ratio	Underwriting profit/loss divided by net premium	0.01%	0.3%
Liquid Assets to Liabilities Ratio (times)	Liquid assets(short term investment plus short term loan plus cash and bank balances of the insurer) divided by policyholders liabilities(claims outstanding plus reserve for unexpired risk and premium deficiency)	0.35	0.31
Net Earnings Ratio	Profit after tax divided by net premium	5%	4%
Return on net worth ratio	Profit after tax divided by net worth	9%	8%
Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio	Ratio of Available Solvency Margin (ASM) at the end of the Quarter to the Required Solvency Margin (RSM)	1.55	1.53
NPA Ratio		-	-

Note: The above ratios have been calculated as per IRDAI Master Circular IRDA/F&I/CIR/F&A/231/10/2012 dated October 5th, 2012 and Corrigendum on Master Circular IRDA/F&I/CIR/F&A/126/07/2013 dated July 3rd, 2012

35. Earnings per share information:

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Profit/(Loss) available to equity shareholders (₹ in '000)	990,820	813,901
Weighted Average number of equity shares outstanding during the year	122,774,960	122,774,960
Basic Earning Per Share (₹)	8.07	6.63
Diluted Earning Per Share (₹)*	7.78	6.59

*Considering the dilutive potential of the share application money at the proposed value of ₹ 200 per share.

36. Forward contracts entered and outstanding as on March 31,2016 is ₹ Nil (Previous year - Nil)

37. Prior year figures have been reclassified, wherever necessary, to conform to current year's presentation.

For and on behalf of the Board

Rajendra Chitale

Director (DIN : 0015986)

H. Ansari

Director (DIN : 2155529)

Chhaya Virani

Director (DIN : 6953556)

Soumen Ghosh

Director (DIN : 1262099)

Rakesh Jain

Executive Director & CEO
(DIN : 3645324)

Hemant K. Jain

Chief Financial Officer

Mohan Khandekar

Company Secretary (Membership No. A8515)

Place : Mumbai

Date : April 29, 2016



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General Insurance

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IRDAI Registration No. 103. Reliance General Insurance Company Limited. Registered Office: 19, Reliance Centre, Walchand Hirachand Marg, Ballard Estate, Mumbai 400001. Corporate Office: Reliance Centre, South Wing, 4th Floor, Off. Western Express Highway, Santacruz (East), Mumbai - 400 055. Corporate Identity Number: U66603MH2000PLC128300. Trade Logo displayed above belongs to Anil Dhirubhai Ambani Ventures Private Limited and used by Reliance General Insurance Company Limited under License. RGI/MCOM/ACC./AR15-16/VER.1.0/020816.