

Independent Auditor's Report

TO THE MEMBERS OF KOTAK MAHINDRA GENERAL INSURANCE COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **Kotak Mahindra General Insurance Company Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, the Revenue Account, the Profit & Loss Account and Receipts and Payments Account for the year ended on that date, the schedules annexed there to and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Revenue Account, the Profit & Loss Account and Receipts and Payments Account for the year ended on that date for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2020. There are no Key Audit Matters to be reported.

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

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

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

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

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

OTHER MATTER

The actuarial valuation of liabilities Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), included under Claims Outstanding as at March 31, 2020 has been duly certified by the Company's Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

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

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

- (a) The Insurance Act, 1938 (Act 4 of 1938) as amended by Insurance Laws (Amendment) Act, 2015 read with circular no. IRDAI/F&A/CIR/CPM/056/03/2016 dated 4th April, 2016 and IRDAI/F&A/CIR/CPM/010/01/2017 dated January 12, 2017 and IRDAI/F&A/CIR/MISC/081/05/2019 dated May 20, 2019 (the "Insurance Act");
- (b) The Insurance Regulatory and Development Act, 1999 (the "IRDA Act") ,
- (c) IRDA (Preparation of Financial Statements and Auditor's report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statement Regulations").

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

- (g) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (h) The managerial remuneration paid to the Managing Director is currently governed as per Section 34A of the Insurance Act. The remuneration for FY 2019-20 to the Managing Director has been approved by IRDA as per their approval vide letter IRDA/Non Life/2016-17/359 dated 20.01.2020. Hence, there is no reporting required in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations as at the balance sheet date which has an impact on its financial position in its financial statements.
 - ii. The Company did not have any other long term contracts including derivative contracts for which there we any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

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

Rajesh S. Joshi
Membership No.38526
Partner
Mumbai, April 22, 2020
UDIN: 20038526AAAAAW5510

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

V.C. Shah
Membership No. 10360
Partner
Mumbai, April 22, 2020
UDIN: 20010360AAALKD1214

“Annexure A” to the Independent Auditor’s Report

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

AUDITORS’ CERTIFICATE

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by **Kotak Mahindra General Insurance Company Limited** (‘the Company’) for the year ended March 31, 2020, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2020, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on the Management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDA;
3. We have verified the Cash Balances, to the extent considered necessary, and securities relating to the Company’s investments as at March 31, 2020 by actual inspection or on the basis of certificate/confirmations received from the custody/depository participant appointed by the Company, as the case may be.
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders’ funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 (4 of 1938), as amended by Insurance Laws (Amendment) Act, 2015 relating to the application and investment of the Policyholders’ funds.

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

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

Rajesh S. Joshi
Membership No.38526
Partner
Mumbai, April 22, 2020
UDIN: 20038526AAAAAW5510

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

V.C. Shah
Membership No. 10360
Partner
Mumbai, April 22, 2020
UDIN: 20010360AAALKD1214

“Annexure B” to the Independent Auditor’s Report

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

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

We have audited the internal financial controls over financial reporting of Kotak Mahindra General Insurance Company Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements of the Company that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the “IRDA”) and circulars/notifications issued by IRDAI from time to time (including circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017) in this regard.

AUDITORS’ RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

OTHER MATTER

The actuarial valuation of liabilities Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) claims is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), included under Claims Outstanding as at March 31, 2020 has been duly certified by the Company's Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

For **K.S. Aiyar & Co.**

Chartered Accountants

ICAI Firm Registration No.100186W

Rajesh S. Joshi

Membership No.38526

Partner

Mumbai, April 22, 2020

UDIN: 20038526AAAAAW5510

For **V. C. Shah & Co**

Chartered Accountants

ICAI Firm Registration No. 109818W

V.C. Shah

Membership No. 10360

Partner

Mumbai, April 22, 2020

UDIN: 20010360AAALKD1214

Balance Sheet

as at 31st March, 2020

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Particulars	Schedule	As at	
		31 st March, 2020	31 st March, 2019
Sources of Funds			
Share Capital	5	30,50,000	22,00,000
Share Application Money Pending Allotment		-	-
Reserves And Surplus	6	-	-
Fair Value Change Account - Shareholder's fund		(12,384)	1,341
Fair Value Change Account - Policyholder's fund		(39,342)	3,981
Borrowings	7	-	-
TOTAL		29,98,274	22,05,322
Application of Funds			
Investments-Shareholders	8	15,33,365	9,46,114
Investments-Policyholders	8A	52,32,491	32,02,128
Loans	9	-	-
Fixed Assets	10	76,693	71,284
Deferred Tax Asset (Refer Note 26 of Schedule 16)	-	-	-
Current Assets			
Cash and Bank Balances	11	77,181	1,25,948
Advances and Other Assets	12	4,62,996	3,33,961
Sub-Total (A)		5,40,177	4,59,909
Current Liabilities	13	31,86,599	19,24,213
Provisions	14	26,00,772	16,71,589
Sub-Total (B)		57,87,371	35,95,802
Net Current Assets (C) = (A - B)		(52,47,194)	(31,35,893)
Miscellaneous Expenditure (to the extent not written off or adjusted)		-	-
Debit Balance in Profit and Loss Account		14,02,919	11,21,689
TOTAL		29,98,274	22,05,322

Significant Accounting Policies & Notes to Accounts - Schedule 16
The schedules referred to above form an integral part of the Financial Statements

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
ICAI FRN : 100186W

For V.C.Shah & Co.
Chartered Accountants
ICAI FRN : 109818W

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

Rajesh S Joshi
Partner
M. No : 38526

V.C.Shah
Partner
M. No : 10360

Gaurang Shah
Director
DIN: 00016660

Virat Diwanji
Director
DIN: 07021145

Mahesh Balasubramanian
Managing Director & CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Date: April 22, 2020

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Profit and Loss Account

for the year ended 31st March, 2020

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Particulars	For the Year ended 31 st March, 2020	For the year ended 31 st March, 2019
Operating Profit/(Loss)		
(a) Fire Insurance	(76,762)	(13,874)
(b) Marine Insurance	-	-
(c) Miscellaneous Insurance	(3,04,292)	(4,04,497)
Income from Investments		
(a) Interest, Dividend & Rent – Gross	96,093	75,646
(b) Profit on sale/redemption of Investments (Refer Note 32 of Schedule 16)	26,607	9,033
Less: Loss on sale of investments	(7,996)	(4,071)
Other Income	159	44
Profit / (Loss) on Sale/discard of Fixed Assets	(699)	1,646
TOTAL (A)	(2,66,891)	(3,36,073)
Provisions (Other than taxation)		
(a) For diminution in the value of Investments	-	-
(b) For doubtful debts	37	-
(c) Others	-	-
Other Expenses		
(a) Expenses other than those related to Insurance Business:		
Employees' related remuneration and welfare benefits	14,264	12,921
(b) Bad debts written off	-	-
(c) Others	38	-
TOTAL (B)	14,339	12,921
Profit / (Loss) Before Tax	(2,81,230)	(3,48,994)
Provision for Taxation		
Current Tax	-	-
Deferred Tax (Refer Note 26 of Schedule 16)	-	-
Profit / (Loss) After Tax	(2,81,230)	(3,48,994)
Profit available for appropriation	(2,81,230)	(3,48,994)
Appropriations :-		
(a) Interim dividends paid during the year	-	-
(b) Proposed final dividend	-	-
(c) Dividend distribution tax	-	-
(d) Transfer to any Reserves or Other Accounts	-	-
Balance of profit/ (loss) brought forward from previous period	(11,21,689)	(7,72,695)
Balance carried forward to Balance Sheet	(14,02,919)	(11,21,689)
Earning Per Share (Basic & Diluted) (Refer Note 17 of Schedule 16)	(1.00)	(1.62)

Significant Accounting Policies & Notes to Accounts - Schedule 16

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

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
ICAI FRN : 100186W

For V.C.Shah & Co.
Chartered Accountants
ICAI FRN : 109818W

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

Rajesh S Joshi
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M. No :38526

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Director
DIN: 07021145

Mahesh Balasubramanian
Managing Director & CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Date: April 22, 2020

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Revenue Account

for the year ended 31st March, 2020

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Particulars	Schedule	For the Year ended March 31, 2020				For the year ended March 31, 2019			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
Premiums earned (Net)	1	73,520	-	28,35,375	29,08,895	49,759	-	19,23,788	19,73,547
Profit/ (Loss) on sale/redemption of Investments (Refer Note 32 of Schedule 16)		2,677	-	54,920	57,597	302	-	11,613	11,915
Others - Miscellaneous Income		32	-	643	675	3	-	103	106
Interest, Dividend & Rent – Gross		16,617	-	2,84,115	3,00,732	7,191	-	1,77,618	1,84,809
TOTAL (A)		92,846	-	31,75,053	32,67,899	57,255	-	21,13,122	21,70,377
Claims Incurred (Net)	2	59,548	-	19,41,793	20,01,341	29,163	-	13,14,037	13,43,200
Commission	3	27,172	-	2,53,358	2,80,530	4,286	-	1,94,960	1,99,246
Contribution to Solatium Fund		-	-	1,192	1,192	-	-	963	963
Change in Premium Deficiency		-	-	-	-	-	-	-	-
Operating Expenses related to Insurance Business	4	82,888	-	12,83,002	13,65,890	37,680	-	10,07,659	10,45,339
TOTAL (B)		1,69,608	-	34,79,345	36,48,953	71,129	-	25,17,619	25,88,748
Operating Profit/(Loss) from Fire/ Marine/Miscellaneous Business C= (A - B)		(76,762)	-	(3,04,292)	(3,81,054)	(13,874)	-	(4,04,497)	(4,18,371)
APPROPRIATIONS									
Transfer to Shareholders' Account		(76,762)	-	(3,04,292)	(3,81,054)	(13,874)	-	(4,04,497)	(4,18,371)
Transfer to Catastrophe Reserve		-	-	-	-	-	-	-	-
Other Investments		-	-	-	-	-	-	-	-
TOTAL (C)		(76,762)	-	(3,04,292)	(3,81,054)	(13,874)	-	(4,04,497)	(4,18,371)

Significant Accounting Policies & Notes to Accounts - Schedule 16

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

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

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
ICAI FRN : 100186W

For V.C.Shah & Co.
Chartered Accountants
ICAI FRN : 109818W

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

Rajesh S Joshi
Partner
M. No :38526

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M. No :10360

Gaurang Shah
Director
DIN: 00016660

Virat Diwanji
Director
DIN: 07021145

Mahesh Balasubramanian
Managing Director & CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Date: April 22, 2020

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Receipts & Payments Account

for the year ended 31st March, 2020

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Particulars	For the Year ended 31 st March, 2020	For the year ended 31 st March, 2019
Cash Flows from the operating activities:		
Premium received from policyholders, including advance receipts	53,30,032	36,64,881
Payments to the re-insurers, net of commissions and claims	(4,01,471)	-2,36,238
Payments of claims	(12,32,199)	-7,37,820
Payments of commission and brokerage	(4,08,980)	-2,68,419
Payments of other operating expenses	(13,92,250)	-9,41,113
Deposits, advances and staff loans	(81,674)	-54,261
Income taxes paid (Net)	(40)	-858
GST/Service tax paid	(4,06,032)	-3,52,510
Cash flows before extraordinary items	14,07,387	10,73,661
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities (A)	14,07,387	10,73,661
Cash flows from investing activities:		
Purchase of fixed assets	(48,521)	-72,591
Proceeds from sale of fixed assets	865	2,936
Purchases of investments	(3,36,05,489)	-1,18,05,189
Sales of investments	3,04,94,272	1,00,41,435
Repayments received	5,22,500	1,55,000
Rents/Interests/ Dividends received	3,36,554	2,16,837
Investments in money market instruments and in liquid mutual funds (Net)	(4,119)	-30,918
Expenses related to investments	(2,216)	-554
Net cash flow from investing activities (B)	(23,06,154)	(14,93,044)
Cash flows from financing activities:		
Proceeds from issuance of share capital	8,50,000	4,50,000
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities (C)	8,50,000	4,50,000
Effect of foreign exchange rates on cash and cash equivalents, (Net) (D)	-	-
Net decrease in cash and cash equivalents: (A+B+C+D)	(48,767)	30,618
Cash and cash equivalents at the beginning of the year	1,25,947	95,329
Cash and cash equivalents at the end of the year	77,180	1,25,947
Net increase/(decrease) in cash and cash equivalents	(48,767)	30,618

Notes To Accounts

Refer Schedule 11 for components of cash and bank balances

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
ICAI FRN : 100186W

For V.C.Shah & Co.
Chartered Accountants
ICAI FRN : 109818W

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

Rajesh S Joshi
Partner
M. No :38526

V.C.Shah
Partner
M. No :10360

Gaurang Shah
Director
DIN: 00016660

Virat Diwanji
Director
DIN: 07021145

Mahesh Balasubramanian
Managing Director & CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Date: April 22, 2020

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Schedules

Forming part of Audited Financial Statements

SCHEDULE 1 - PREMIUM EARNED (NET)

₹ '000

Particulars	For the Year ended 31 st March, 2020					For the year ended 31 st March, 2019				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Premium from direct business written :	3,50,693	-	-	39,83,216	43,33,909	1,62,254	-	-	28,48,845	30,11,099
Add : Premium on reinsurance accepted	24,877	-	-	4,889	29,766	21,515	-	-	5,045	26,560
Less : Premium on reinsurance ceded	1,55,143	-	-	4,37,142	5,92,285	90,386	-	-	2,75,821	3,66,207
Net Premium	2,20,427	-	-	35,50,963	37,71,390	93,383	-	-	25,78,069	26,71,452
Adjustment for change in reserve for unexpired risks :										
Change in the unexpired risk reserve	1,46,907	-	-	7,15,588	8,62,495	43,624	-	-	6,54,281	6,97,905
Total Premium Earned (Net)	73,520	-	-	28,35,375	29,08,895	49,759	-	-	19,23,788	19,73,547
Premium Income from business effected :										
In India	73,520	-	-	28,35,375	29,08,895	49,759	-	-	19,23,788	19,73,547
Outside India	-	-	-	-	-	-	-	-	-	-
Total Premium Earned (Net)	73,520	-	-	28,35,375	29,08,895	49,759	-	-	19,23,788	19,73,547

*Refer Schedule 1A

SCHEDULE 1A - PREMIUM EARNED (NET)

₹ '000

Particulars	For the Year ended 31 st March, 2020											
	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Premium from direct business written :	13,34,636	11,63,247	24,97,883	3,816	-	14,523	-	2,78,291	10,56,809	-	1,31,894	39,83,216
Add : Premium on reinsurance accepted	-	-	-	-	-	4,889	-	-	-	-	-	4,889
Less : Premium on reinsurance ceded	78,536	66,861	1,45,397	219	-	13,577	-	1,66,080	74,545	-	37,324	4,37,142
Net Premium	12,56,100	10,96,386	23,52,486	3,597	-	5,835	-	1,12,211	9,82,264	-	94,570	35,50,963
Adjustment for change in reserve for unexpired risks :												
Change in the unexpired risk reserve	1,56,172	1,23,641	2,79,813	438	-	102	-	29,865	3,35,153	-	70,217	7,15,588
Total Premium Earned (Net)	10,99,928	9,72,745	20,72,673	3,159	-	5,733	-	82,346	6,47,111	-	24,353	28,35,375
Premium Income from business effected :												
In India	10,99,928	9,72,745	20,72,673	3,159	-	5,733	-	82,346	6,47,111	-	24,353	28,35,375
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium Earned (Net)	10,99,928	9,72,745	20,72,673	3,159	-	5,733	-	82,346	6,47,111	-	24,353	28,35,375

Schedules

Forming part of Audited Financial Statements

SCHEDULE 1A - PREMIUM EARNED (NET)

₹ '000

Particulars	For the Year ended 31 st March, 2019											
	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Premium from direct business written :	10,36,087	9,39,914	19,76,001	2,920	-	3,622	-	1,49,791	6,07,617	-	1,08,894	28,48,845
Add : Premium on reinsurance accepted	-	-	-	-	-	5,045	-	-	-	-	-	5,045
Less : Premium on reinsurance ceded	64,010	57,806	1,21,816	179	-	3,642	-	89,238	38,354	-	22,592	2,75,821
Net Premium	9,72,077	8,82,108	18,54,185	2,741	-	5,025	-	60,553	5,69,263	-	86,302	25,78,069
Adjustment for change in reserve for unexpired risks :												
Change in the unexpired risk reserve	1,24,672	1,94,343	3,19,015	999	-	702	-	26,889	2,25,916	-	80,760	6,54,281
Total Premium Earned (Net)	8,47,405	6,87,765	15,35,170	1,742	-	4,323	-	33,664	3,43,347	-	5,542	19,23,788
Premium Income from business effected :												
In India	8,47,405	6,87,765	15,35,170	1,742	-	4,323	-	33,664	3,43,347	-	5,542	19,23,788
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium Earned (Net)	8,47,405	6,87,765	15,35,170	1,742	-	4,323	-	33,664	3,43,347	-	5,542	19,23,788

SCHEDULE 2 - CLAIMS INCURRED (NET)

₹ '000

Particulars	For the Year ended 31 st March, 2020					For the year ended 31 st March, 2019				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Claims paid :-										
Direct claims	99,844	-	-	10,48,986	11,48,830	18,066	-	-	6,72,656	6,90,722
Add : Re-insurance accepted to direct claims	35	-	-	30	65	1,028	-	-	214	1,242
Less : Re-insurance Ceded to claims	79,700	-	-	73,869	1,53,569	10,406	-	-	40,908	51,314
Net Claims Paid	20,179	-	-	9,75,147	9,95,326	8,688	-	-	6,31,962	6,40,650
Claims Outstanding (Including IBNR and IBNER)										
Add : Claims Outstanding at the end of the period (Net of Reinsurance)	66,041	-	-	23,22,624	23,88,665	26,672	-	-	13,55,978	13,82,650
Less : Claims Outstanding at the beginning of the period (Net of Reinsurance)	26,672	-	-	13,55,978	13,82,650	6,197	-	-	6,73,903	6,80,100
Total Claims Incurred (Net)	59,548	-	-	19,41,793	20,01,341	29,163	-	-	13,14,037	13,43,200
Claims paid to claimants:										
In India	59,548	-	-	19,41,793	20,01,341	29,163	-	-	13,14,037	13,43,200
Outside India	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred	59,548	-	-	19,41,793	20,01,341	29,163	-	-	13,14,037	13,43,200

*Refer Schedule 2A

Schedules

Forming part of Audited Financial Statements

SCHEDULE 2A - CLAIMS INCURRED (NET)

₹ '000

Particulars	For the Year ended 31 st March, 2020											
	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Claims paid :-												
Direct claims	6,79,134	37,215	7,16,349	79	-	-	-	27,097	2,99,273	-	6,188	10,48,986
Add : Re-insurance accepted to direct claims	-	-	-	-	-	30	-	-	-	-	-	30
Less : Re-insurance Ceded to claims	35,746	1,861	37,607	4	-	-	-	18,648	15,519	-	2,091	73,869
Net Claims Paid	6,43,388	35,354	6,78,742	75	-	30	-	8,449	2,83,754	-	4,097	9,75,147
Claims Outstanding (Including IBNR and IBNER)	-	-	-	-	-	-	-	-	-	-	-	-
Add : Claims Outstanding at the end of the period (Net of Reinsurance)	1,68,989	20,17,169	21,86,158	3,882	-	1,023	-	24,941	97,081	-	9,539	23,22,624
Less : Claims Outstanding at the beginning of the period (Net of Reinsurance)	1,23,505	11,73,242	12,96,747	930	-	140	-	9,777	45,375	-	3,009	13,55,978
Total Claims Incurred (Net)	6,88,872	8,79,281	15,68,153	3,027	-	913	-	23,613	3,35,460	-	10,627	19,41,793
Claims paid to claimants:												
In India	6,88,872	8,79,281	15,68,153	3,027	-	913	-	23,613	3,35,460	-	10,627	19,41,793
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred	6,88,872	8,79,281	15,68,153	3,027	-	913	-	23,613	3,35,460	-	10,627	19,41,793

SCHEDULE 2A - CLAIMS INCURRED (NET)

₹ '000

Particulars	For the Year ended 31 st March, 2019											
	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Claims paid :-												
Direct claims	4,76,822	24,715	5,01,537	-	-	8	-	9,049	1,59,777	-	2,285	6,72,656
Add : Re-insurance accepted to direct claims	-	-	-	-	-	214	-	-	-	-	-	214
Less : Re-insurance Ceded to claims	23,842	2,039	25,881	-	-	7	-	6,052	7,989	-	979	40,908
Net Claims Paid	4,52,980	22,676	4,75,656	-	-	215	-	2,997	1,51,788	-	1,306	6,31,962
Claims Outstanding (Including IBNR and IBNER)	-	-	-	-	-	-	-	-	-	-	-	-
Add : Claims Outstanding at the end of the period (Net of Reinsurance)	1,23,505	11,73,242	12,96,747	930	-	140	-	9,777	45,375	-	3,009	13,55,978
Less : Claims Outstanding at the beginning of the period (Net of Reinsurance)	1,24,676	5,15,913	6,40,589	-	-	-	-	9,312	22,674	-	1,328	6,73,903
Total Claims Incurred (Net)	4,51,809	6,80,005	11,31,814	930	-	355	-	3,462	1,74,489	-	2,987	13,14,037
Claims paid to claimants:												
In India	4,51,809	6,80,005	11,31,814	930	-	355	-	3,462	1,74,489	-	2,987	13,14,037
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Claims Incurred	4,51,809	6,80,005	11,31,814	930	-	355	-	3,462	1,74,489	-	2,987	13,14,037

Schedules

Forming part of Audited Financial Statements

SCHEDULE 3 - COMMISSION

₹ '000

Particulars	For the Year ended 31 st March, 2020					For the year ended 31 st March, 2019				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Commission paid :-										
Commission Paid Direct	45,136	-	-	3,51,477	3,96,613	20,005	-	-	2,55,231	2,75,236
Add : Re-insurance Accepted	709	-	-	85	794	353	-	-	55	408
Less : Commission on Re-insurance Ceded	18,673	-	-	98,204	1,16,877	16,072	-	-	60,326	76,398
Net Commission	27,172	-	-	2,53,358	2,80,530	4,286	-	-	1,94,960	1,99,246
Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:										
Agents	336	-	-	17,911	18,247	156	-	-	16,960	17,116
Brokers	1,462	-	-	1,42,725	1,44,187	901	-	-	72,077	72,978
Corporate Agency	43,338	-	-	1,48,715	1,92,053	18,948	-	-	1,30,706	1,49,654
Referral	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	42,126	42,126	-	-	-	35,488	35,488
TOTAL	45,136	-	-	3,51,477	3,96,613	20,005	-	-	2,55,231	2,75,236
Commission Paid										
In India	45,136	-	-	3,51,477	3,96,613	20,005	-	-	2,55,231	2,75,236
Outside India	-	-	-	-	-	-	-	-	-	-
Total Commission	45,136	-	-	3,51,477	3,96,613	20,005	-	-	2,55,231	2,75,236

*Refer Schedule 3A

SCHEDULE 3 (A) - COMMISSION

₹ '000

Particulars	For the Year ended 31 st March, 2020											
	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Commission paid :-												
Commission Paid Direct	2,25,720	386	2,26,106	461	-	2,544	-	10,858	91,532	-	19,976	3,51,477
Add : Re-insurance Accepted	-	-	-	-	-	85	-	-	-	-	-	85
Less: Commission on Re-insurance Ceded	10,010	2,910	12,920	29	-	1,853	-	68,414	10,796	-	4,192	98,204
Net Commission	2,15,710	(2,524)	2,13,186	432	-	776	-	(57,556)	80,736	-	15,784	2,53,358
Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:												
Agents	15,753	7	15,760	30	-	115	-	13	1,981	-	12	17,911
Brokers	1,22,305	128	1,22,433	79	-	2,299	-	10,829	4,713	-	2,372	1,42,725
Corporate Agency	51,580	6	51,586	352	-	130	-	12	79,043	-	17,592	1,48,715
Referral	-	-	-	-	-	-	-	-	-	-	-	-
Others	36,082	245	36,327	-	-	-	-	4	5,795	-	-	42,126
TOTAL	2,25,720	386	2,26,106	461	-	2,544	-	10,858	91,532	-	19,976	3,51,477
Commission Paid												
In India	2,25,720	386	2,26,106	461	-	2,544	-	10,858	91,532	-	19,976	3,51,477
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Commission	2,25,720	386	2,26,106	461	-	2,544	-	10,858	91,532	-	19,976	3,51,477

Schedules

Forming part of Audited Financial Statements

SCHEDULE 3 (A) - COMMISSION

₹ '000

Particulars	For the Year ended 31 st March, 2019											
	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Commission paid :-												
Commission Paid Direct	1,71,286	27	1,71,313	435	-	375	-	2,167	63,988	-	16,953	2,55,231
Add : Re-insurance Accepted	-	-	-	-	-	55	-	-	-	-	-	55
Less : Commission on Re-insurance Ceded	7,771	2,352	10,123	22	-	587	-	40,137	6,942	-	2,515	60,326
Net Commission	1,63,515	(2,325)	1,61,190	413	-	(157)	-	(37,970)	57,046	-	14,438	1,94,960
Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:												
Agents	16,038	10	16,048	79	-	-	-	56	764	-	13	16,960
Brokers	60,616	1	60,617	228	-	239	-	2,083	8,482	-	428	72,077
Corporate Agency	60,111	13	60,124	128	-	136	-	28	53,778	-	16,512	1,30,706
Referral	-	-	-	-	-	-	-	-	-	-	-	-
Others	34,521	3	34,524	-	-	-	-	-	964	-	-	35,488
TOTAL	1,71,286	27	1,71,313	435	-	375	-	2,167	63,988	-	16,953	2,55,231
Commission Paid												
In India	1,71,286	27	1,71,313	435	-	375	-	2,167	63,988	-	16,953	2,55,231
Outside India	-	-	-	-	-	-	-	-	-	-	-	-
Total Commission	1,71,286	27	1,71,313	435	-	375	-	2,167	63,988	-	16,953	2,55,231

SCHEDULE 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

₹ '000

Particulars	For the Year ended 31 st March, 2020					For the year ended 31 st March, 2019				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Employees' remuneration & welfare benefits	43,560	-	-	5,29,929	5,73,489	21,408	-	-	4,81,526	5,02,934
Travel, conveyance and vehicle running expenses	1,554	-	-	29,000	30,554	749	-	-	26,613	27,362
Training expenses	856	-	-	14,174	15,030	342	-	-	15,797	16,139
Rents, rates & taxes	3,086	-	-	75,935	79,021	1,304	-	-	53,951	55,255
Repairs and maintenance	967	-	-	16,213	17,180	436	-	-	13,603	14,039
Printing & stationery	793	-	-	14,055	14,848	254	-	-	7,979	8,233
Communication	732	-	-	12,225	12,957	351	-	-	11,222	11,573
Legal & professional charges	4,305	-	-	83,348	87,653	1,173	-	-	49,649	50,823
Auditors' fees, expenses etc :-										
(a) as auditor	154	-	-	2,546	2,700	74	-	-	2,326	2,400
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	12	-	-	188	200	10	-	-	305	315
(d) out of pocket expenses	4	-	-	65	69	-	-	-	-	-
Advertisement and publicity	9,454	-	-	2,57,620	2,67,074	1,925	-	-	1,12,852	1,14,777
Interest & Bank Charges	659	-	-	10,911	11,570	258	-	-	8,058	8,316

Schedules

Forming part of Audited Financial Statements

₹ '000

Particulars	For the Year ended 31 st March, 2020					For the year ended 31 st March, 2019				
	Fire	Marine		Miscellaneous*	Total	Fire	Marine		Miscellaneous*	Total
		Cargo	Others				Cargo	Others		
Others :-	-									
Membership and Subscription Fees	113	-	-	3,907	4,020	121	-	-	4,971	5,092
Information Technology Related Expenses	10,073	-	-	1,66,950	1,77,023	3,447	-	-	1,08,694	1,12,141
Electricity Expenses	299	-	-	4,953	5,252	127	-	-	3,969	4,096
Directors Sitting Fees	42	-	-	698	740	22	-	-	683	705
Miscellaneous Expenses	3,950	-	-	21,681	25,631	2,512	-	-	5,431	7,943
Depreciation	2,275	-	-	38,604	40,879	3,167	-	-	1,00,030	1,03,197
TOTAL	82,888			12,83,002	13,65,890	37,680			10,07,659	10,45,339

*Refer Schedule 4A

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

₹ '000

Particulars	For the Year ended 31 st March, 2020											
	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Employees' remuneration & welfare benefits	1,98,171	1,53,917	3,52,088	730	-	305	-	16,429	1,39,678	-	20,699	5,29,929
Travel, conveyance and vehicle running expenses	10,793	9,407	20,200	26	-	11	-	830	7,194	-	739	29,000
Training expenses	5,022	4,377	9,399	14	-	6	-	458	3,890	-	407	14,174
Rents, rates & taxes	18,076	15,755	33,831	52	-	22	-	16,944	23,624	-	1,462	75,935
Repairs and maintenance	5,676	4,947	10,623	16	-	7	-	517	4,591	-	459	16,213
Printing & stationery	5,062	4,412	9,474	13	-	6	-	424	3,761	-	377	14,055
Communication	4,346	3,788	8,134	12	-	5	-	391	3,335	-	348	12,225
Legal & professional charges	30,309	26,416	56,725	72	-	30	-	2,300	21,770	-	2,451	83,348
Auditors' fees, expenses etc:-												
(a) as auditor	902	786	1,688	3	-	1	-	82	699	-	73	2,546
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	67	58	125	-	-	-	-	6	52	-	5	188
(d) out of pocket expenses	23	20	43	-	-	-	-	2	18	-	2	65
Advertisement and publicity	1,09,423	95,371	2,04,794	158	-	66	-	5,053	42,946	-	4,603	2,57,620
Interest & Bank Charges	3,866	3,369	7,235	11	-	5	-	352	2,995	-	313	10,911
Others :-												
Membership and Subscription Fees	1,750	1,525	3,275	2	-	1	-	61	514	-	54	3,907
Information Technology Related Expenses	59,193	51,591	1,10,784	169	-	71	-	5,383	45,757	-	4,786	1,66,950
Electricity Expenses	1,756	1,529	3,285	5	-	2	-	160	1,359	-	142	4,953
Directors Sitting Fees	247	215	462	1	-	-	-	23	192	-	20	698
Miscellaneous Expenses	7,948	6,927	14,875	17	-	549	-	714	4,927	-	599	21,681
Depreciation	13,714	11,952	25,666	38	-	16	-	1,216	10,587	-	1,081	38,604
TOTAL	4,76,344	3,96,362	8,72,706	1,339	-	1,103	-	51,345	3,17,889	-	38,620	12,83,002

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

₹ '000

Particulars	For the Year ended 31 st March, 2019											
	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident	Health Insurance	Trade Credit	Others	Total
Employees' remuneration & welfare benefits	1,87,799	1,54,145	3,41,944	711	-	162	-	10,938	1,03,289	-	24,482	4,81,526
Travel, conveyance and vehicle running expenses	10,456	9,486	19,942	25	-	6	-	545	5,239	-	856	26,613
Training expenses	6,716	6,093	12,809	11	-	3	-	249	2,334	-	391	15,797
Rents, rates & taxes	15,343	13,919	29,262	43	-	10	-	9,938	13,214	-	1,484	53,951
Repairs and maintenance	5,138	4,661	9,799	14	-	3	-	317	2,972	-	498	13,603
Printing & stationery	3,008	2,729	5,737	8	-	2	-	185	1,756	-	291	7,979
Communication	4,262	3,866	8,128	12	-	3	-	255	2,422	-	402	11,222
Legal & professional charges	19,275	17,485	36,760	77	-	9	-	854	9,316	-	2,633	49,649
Auditors' fees, expenses etc:-												
(a) as auditor	878	797	1,675	2	-	1	-	54	508	-	86	2,326
(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-	-	-	-	-	-	-
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	115	105	220	-	-	-	-	7	66	-	12	305
(d) out of pocket expenses	-	-	-	-	-	-	-	-	-	-	-	-
Advertisement and publicity	50,065	45,418	95,483	80	-	15	-	1,400	13,129	-	2,745	1,12,852
Interest & Bank Charges	3,043	2,761	5,804	9	-	2	-	188	1,760	-	295	8,058
Others :-												
Membership and Subscription Fees	1,973	1,790	3,763	8	-	1	-	88	828	-	283	4,971
Information Technology Related Expenses	41,206	37,381	78,587	115	-	26	-	2,507	23,517	-	3,942	1,08,694
Electricity Expenses	1,499	1,360	2,859	4	-	1	-	92	867	-	146	3,969
Directors Sitting Fees	258	234	492	1	-	-	-	16	149	-	25	683
Miscellaneous Expenses	2,108	1,913	4,021	3	-	556	-	60	676	-	115	5,431
Depreciation	37,817	34,307	72,124	105	-	24	-	2,303	21,852	-	3,622	1,00,030
TOTAL	3,90,959	3,38,450	7,29,409	1,228	-	824	-	29,996	2,03,894	-	42,308	10,07,659

SCHEDULE 5 - SHARE CAPITAL

₹ '000

Particulars	As at	
	31 st March, 2020	31 st March, 2019
Authorised Capital		
310,000,000 (Previous Year: 235,000,000) Equity Shares of ₹ 10 each	31,00,000	23,50,000
Issued Capital		
305,000,000 (Previous Year: 220,000,000) Equity Shares of ₹ 10 each	30,50,000	22,00,000
Subscribed Capital		
305,000,000 (Previous Year: 220,000,000) Equity Shares of ₹ 10 each	30,50,000	22,00,000
Called-up Capital		
305,000,000 (Previous Year: 220,000,000) Equity Shares of ₹ 10 each	30,50,000	22,00,000
Less : Calls unpaid	-	-
Add : Equity Shares forfeited (amount originally paid up)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less : Preliminary Expenses	-	-
Less : Expenses including commission or brokerage on underwriting or subscription of shares	-	-
TOTAL	30,50,000	22,00,000

Entire 305,000,000 (Previous Year 220,000,000) equity shares of ₹ 10 each fully paid up are held by Kotak Mahindra Bank Ltd the holding company and its nominees.

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SCHEDULE 5A - PATTERN OF SHAREHOLDING

As Certified by Management

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	30,50,00,000	100%	22,00,00,000	100%
- Foreign	-	-	-	-
Others				
TOTAL	30,50,00,000	100%	22,00,00,000	100%

SCHEDULE 6 - RESERVES AND SURPLUS

₹ '000

Particulars	As at	
	31 st March, 2020	31 st March, 2019
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	-	-
General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance in Profit & Loss Account	-	-
TOTAL	-	-

SCHEDULE 7 - BORROWINGS

₹ '000

Particulars	As at	
	31 st March, 2020	31 st March, 2019
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
TOTAL	-	-

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SCHEDULE 8 - INVESTMENTS-SHAREHOLDERS

₹ '000

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	4,59,374	3,02,514
Other Approved Securities	-	-
Other Investments :-	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	3,00,766	1,89,174
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	6,17,408	2,82,077
Other than Approved Investments	43,154	18,173
SHORT TERM INVESTMENTS	-	-
Government securities and Government guaranteed bonds including Treasury Bills	70,426	50,110
Other Approved Securities	-	-
Other Investments :-	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	18,295	16,302
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	23,942	37,787
(e) Other Securities - Commercial Papers	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	-	49,977
Other than Approved Investments	-	-
TOTAL	15,33,365	9,46,114

Notes:

- All the Investments are free of any encumbrances.
- All the above Investments are performing assets.
- Investment maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve month from balance sheet date are categorised as Short Term Investments.
- Segregation between Policyholders & Shareholders investments with reference to IRDAI Circular no.: IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017.

Schedules

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SCHEDULE 8A - INVESTMENTS-POLICYHOLDERS

₹ '000

Particulars	As at	
	31 st March, 2020	31 st March, 2019
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	18,20,608	12,90,903
Other Approved Securities	-	-
Other Investments :-	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	9,55,483	5,61,766
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	19,61,396	8,37,651
Other than Approved Investments	1,37,094	53,967
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	2,23,731	1,48,804
Other Approved Securities	-	-
Other Investments :-	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	58,121	48,412
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	76,058	1,12,213
(e) Other Securities - Commercial Papers	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	-	1,48,412
Other than Approved Investments	-	-
TOTAL	52,32,491	32,02,128

NOTES:

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

- Total Investment in Mutual Fund Schemes of Kotak Mahindra Asset Management Company Limited ₹ 76,545 (PY 47860) (figures in '000), including ETF investment of ₹57,545 (PY 23,848) (figures in '000),

- Investment in Debentures of Kotak Mahindra Prime Ltd ₹ NIL (PY NIL) (figures in '000).

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- 4) Aggregate amount of total investments other than listed equity securities and derivative instruments- ₹ 65,85,608 (PY 40,76,102) (figures in '000) Market Value: ₹66,54,433 (PY 40,42,029) (figures in '000).
- 5) Investment maturing within twelve months from balance sheet date and investments made with the specific intention to dispose of within twelve month from balance sheet date are categorised as Short Term Investments.
- 6) Value of contracts in relation to investments for Purchases where deliveries are pending NIL (Previous Year NIL), and in respect of sales where payments are overdue ₹ NIL (Previous Year NIL).
- 7) Segregation between Policyholders & Shareholders investments with reference to IRDAI Circular no.: IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and Circular No. IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017

SCHEDULE 9 - LOANS

₹ '000

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
SECURITY-WISE CLASSIFICATION		
Secured	-	-
(a) On mortgage of property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	-	-
TOTAL	-	-
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
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	-	-

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SCHEDULE 10 - FIXED ASSETS

Rs '000

Particulars	Cost/ Gross Block			Depreciation				Net Block		
	As at 1 st April, 2019	Additions during the Year	Deductions/ adjustments during the year	As at 31 st March, 2020	As at 1 st April, 2019	For the year ended 31 st March, 2020	On Sales/ Adjustments	As at 31 st March, 2020	As at 31 st March, 2020	As at 31 st March, 2019
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Software	1,88,446	32,794	-	2,21,240	1,69,902	19,303	-	1,89,205	32,035	18,544
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	3,992	41	2,437	1,596	1,834	372	1,385	821	775	2,158
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	542	222	153	611	486	196	134	548	63	56
IT Equipments	85,486	15,260	85	1,00,661	69,827	10,768	12	80,583	20,078	15,659
Vehicles	37,345	4,882	2,298	39,929	9,964	9,893	1,398	18,459	21,470	27,381
Office Equipment	1,780	386	77	2,089	742	347	53	1,036	1,053	1,038
Others	-	-	-	-	-	-	-	-	-	-
TOTAL	3,17,591	53,585	5,050	3,66,126	2,52,755	40,879	2,982	2,90,652	75,474	64,836
Capital Work in progress	6,448	-	5,229	1,219	-	-	-	-	1,219	6,448
Grand Total	3,24,039	53,585	10,279	3,67,345	2,52,755	40,879	2,982	2,90,652	76,693	71,284
Previous Year	2,58,784	72,779	7,524	3,24,039	1,55,792	1,03,197	6,234	2,52,755	71,284	

SCHEDULE 11 - CASH AND BANK BALANCE

₹ '000

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Cash (including cheques, drafts and stamps)	20,061	50,438
Bank Balances		
(a) Deposit Accounts (Refer Note below)	-	-
(aa) Short-term (due within 12 months)	-	-
(bb) Others	10,000	-
(b) Current Accounts	47,120	75,510
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
TOTAL	77,181	1,25,948

Schedules

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SCHEDULE 12 - ADVANCES AND OTHER ASSETS

₹ '000

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
ADVANCES		
Reserve deposits with ceding companies	-	-
Application money for investments	-	-
Prepayments	22,770	17,442
Advances to Directors/Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	540	320
Others :-		
Advances to employees	5,628	2,290
Advances to vendors	7,164	1,462
TOTAL (A)	36,102	21,514
OTHER ASSETS		
Income accrued on investments	2,19,101	1,15,155
Outstanding Premiums	-	-
Agents' Balances	-	-
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	21,741	6,315
Due from subsidiaries/ holding company	700	202
Deposit with Reserve Bank of India	-	-
Others :-		
Investment of Unclaimed Amount	2,471	983
Security and other deposits	7,619	5,329
Sundry Debtors	1,449	1,115
Terrorism Pool Receivables	93,794	67,435
GST Unutilised Credit	80,019	1,15,913
TOTAL (B)	4,26,894	3,12,447
TOTAL (A+B)	4,62,996	3,33,961

Schedules

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SCHEDULE 13 - CURRENT LIABILITIES

₹ '000

Particulars	As at	
	31 st March, 2020	31 st March, 2019
Agents' Balances	27,978	19,599
Balances due to other insurance companies	90,544	92,143
Deposits held on re-insurance ceded	-	-
Premiums received in advance	2,50,889	88,549
Unallocated Premium	1,13,036	69,306
Unclaimed Amount of Policyholders	1,043	735
Sundry creditors	3,097	6,813
Due to subsidiaries/ holding company	15,200	17,585
Claims Outstanding	23,88,665	13,82,649
Due to Officers/ Directors	-	-
Others :-		
Statutory Dues	1,04,609	91,134
Refund Payable - Premium	466	2,654
Provision for expenses	1,86,337	1,50,637
Solatium Fund	3,008	1,815
Payable to Employees	535	449
Claims Payable	1,192	145
TOTAL	31,86,599	19,24,213

SCHEDULE 14 - PROVISIONS

₹ '000

Particulars	As at	
	31 st March, 2020	31 st March, 2019
Reserve for Unexpired Risk	25,02,190	16,39,695
For taxation (less advance tax paid and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others :-		
Gratuity	31,486	22,042
Leave Encashment	15,370	9,852
Reserve for Premium Deficiency	-	-
Mark to Market on Investment (Unrealised Loss)	51,726	-
TOTAL	26,00,772	16,71,589

SCHEDULE 15 - MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

₹ '000

Particulars	As at	
	31 st March, 2020	31 st March, 2019
Discount Allowed in issue of shares/ debentures	-	-
Others	-	-
Total	-	-

Schedules

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SCHEDULE 16: NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND

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

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India to comply with the accounting standards specified under section 133 and the relevant provision of the Companies Act, 2013, as applicable, and in accordance with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI /F&A/CIR/FA/059/03/2015 dated March 31, 2015 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act, 1999 the (“IRDAI Act”), and the regulations framed there under (also refer IRDAI) the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002 (the “IRDAI Financial Statements Regulations”), circulars/notifications issued by IRDAI from time to time (including circular no. IRDAI/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and IRDAI/F&A/CIR/CPM/010/01/2017 dated January 12, 2017) and IRDA/F&A/CIR/MISC/081/05/2019 dated May 20, 2019).

COVID-19 note

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe including India. The outbreak was identified in China and on March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminable. Various governments have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of virus.

Due to uncertainty around the course of the COVID-19 pandemic, we do not have visibility into the extent to which it will impact the Company’s results and it will depend upon on future developments. The impact of the global health pandemic may be different from that estimated as at the date of approval of Company’s financial statements and the Company will continue to closely monitor any material changes to future economic conditions that may have any financial impact on the Company.

B. Use of Estimates

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

C. Revenue Recognition

Premium:

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

Commission on reinsurance ceded:

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

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Income earned on investments:

Interest income is recognised on accrual basis.

Dividend income is recognised when right to receive is established,

Accretion of discount and amortization of premium relating to debt securities is recognised over the holding or maturity period of such securities on constant yield to maturity basis.

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

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

D. Premium Received In Advance

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

E. Reserve for Unexpired Risk

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

F. Reinsurance Premium Ceded and Reinsurance Accepted

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

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

G. Premium Deficiency Reserve

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

H. Claims

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

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

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

I. Acquisition Cost

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

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J. Segment Reporting

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

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

K. Allocation of Investment income

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

L. Allocation of Expenses

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

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

M. Property, Plant and Equipment

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

Intangible Assets

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

Depreciation / Amortisation:

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

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

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

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

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

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

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Impairment of Assets

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

N. Employee Benefits

a. Short Term Benefits

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

b. Long term Benefits

i. Provident Fund – Defined Contribution Plan:

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

ii. New Pension Scheme - Defined Contribution Plan:

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

iii. Gratuity – Long Term Benefit Plan:

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

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

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

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

O. Investments

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

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

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

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

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

Mutual fund units are stated at their 'Net Asset Value' as at the balance sheet date.

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

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Further in case of any net mark to market loss in respect of the above matter the additional provision has been created to the extent of the loss in 'fair value change account' on the balance sheet date and impact has been taken to Revenue/Profit and Loss Account appropriately

Impairment of Investments

The Company assesses at each Balance Sheet date whether there is any indication of impairment of investments or reversal of impairment loss earlier recognised. In case of impairment in the value of investment as at the balance sheet date which is other than temporary, the amount of loss is recognised as an expense in the Revenue / Profit and Loss Account to the extent of difference between the re-measured fair value of the investment and its acquisition cost as reduced by any previous impairment loss recognised as expense in Revenue/Profit and Loss Account. Any reversal of impairment loss, earlier recognised in Revenue/ Profit and Loss Account, is recognised in the Revenue/ Profit and Loss Account.

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

P. Foreign Currency Transactions

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

Q. Operating Leases

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

R. Contribution to Terrorism Pool

In accordance with the requirements of IRDAI, the Company, together with other insurance companies, participated in the Terrorism Pool. This pool is managed by General Insurance Corporation of India (GIC). In accordance with the terms of the agreement, GIC retro cedes, to the Company, terrorism premium to the extent of shares agreed to be borne by the Company in the risk which is recorded as reinsurance accepted. Such Insurance accepted is recorded based on quarterly confirmation received from GIC. Accordingly, reinsurance accepted on account of Terrorism Pool has been recorded in accordance with the latest statement received from GIC as on December 31, 2019.

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

S. Contribution to Solatium Fund

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

T. Taxation

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

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

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

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

U. Goods and Services Tax (GST)

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

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V. Share Issue Expenses

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

W. Earnings per share

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

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

X. Provisions & Contingencies

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

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

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

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

Y. Cash and Cash Equivalents

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

Z. Employee stock option scheme

Cash settled scheme:

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

AA. Receipts and Payments Account

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

Schedules forming part of the Financial Statements for the year ended March 31, 2020

(Currency: In thousands of Indian Rupees unless otherwise stated)

3. CONTINGENT LIABILITIES: -

Sr No.	Particulars	As at	
		31 st March, 2020	31 st March, 2019
1	Partly paid up investments	Nil	Nil
2	Underwriting commitments outstanding	Nil	Nil
3	Claims, other than those under policies, not acknowledged as debts	Nil	Nil
4	Guarantees given by or on behalf of the Company	Nil	Nil
5	Statutory demands/liabilities in dispute, not provided for	Nil	Nil
6	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

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7	Others	10,000	Nil
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4. ENCUMBRANCES ON ASSETS

The assets of the Company are free from any encumbrances.

5. CAPITAL COMMITMENTS

Sr No.	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
1	Estimated amount of commitment pertaining to contracts remaining to be executed in respect of Fixed Asset (Net of Advances)	12,899	2,643

6. CLAIMS

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

Sr No.	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
1	In India	995,261	639,408
2	Outside India	Nil	Nil

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

Ageing of gross claims outstanding is as under:

Sr No.	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
1	More than 6 months	372,904	240,102
2	Other Claims	511,339	234,399

7. PREMIUM

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

Sr No.	Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
1	In India	3,771,390	2,671,452
2	Outside India	Nil	Nil

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

8. EXTENT OF RISKS RETAINED AND REINSURED

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

Product	Gross Premium	Premium Ceded	Retention	Ceded %	Retention%
For the year ended 31st March, 2020					
Motor	2,497,883	124,894	2,372,989	5%	95%
Health	1,056,809	74,545	982,264	7%	93%
Personal Accident	278,291	162,743	115,548	58%	42%
Fire	375,570	134,459	241,111	36%	64%
Engineering	19,412	13,007	6,405	67%	33%
Others	131,894	29,143	102,751	22%	78%
Workmen's Compensation	3,816	191	3,625	5%	95%
For the year ended 31st March, 2019					
Motor	1,976,001	98,800	1,877,201	5%	95%
Health	607,617	38,354	569,263	6%	94%
Personal Accident	149,791	89,080	60,711	59%	41%
Fire	183,769	78,788	104,981	43%	57%
Engineering	8,667	2,989	5,678	34%	66%

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Others	108,894	13,443	95,451	12%	88%
Workmen's Compensation	2,920	146	2,774	5%	95%

9. INVESTMENTS:

Value of contracts in relation to investments for:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Purchases where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

Historical cost of value of Investments which are valued on fair value basis Rs. 308,390 (Previous Year ₹ 131,532).

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

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

10. MANAGERIAL REMUNERATION

Sr No.	Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
1	Salary & Perquisites	27,636	26,451
2	Contribution to Provident & Other Funds	1,628	1,470

- The managerial remuneration is in accordance with the requirements of section 34A of the Insurance Act, 1938 and as approved by IRDAI.
- The managerial remuneration does not include provision for gratuity and leave encashment, as provision for gratuity & leave encashment liability is determined actuarially for the Company as a whole and accordingly have not been considered in the above information.

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

Business Sector	For the year ended 31 st March, 2020		For the year ended 31 st March, 2019	
	GDPI	% of GDPI	GDPI	% of GDPI
Rural	236,356	5%	156,991	5%
Urban	4,097,553	95%	2,854,108	95%
Total	4,333,909	100%	3,011,099	100%

Social Sector	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Number of Lives	146,708	58,496
GDPI	60,809	25,606

12. PREMIUM DEFICIENCY RESERVE:

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

13. OPERATING LEASES:

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

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The aggregate operating lease rent amounting to Rs.13,128 (Previous Year 9,816) has been charged to the Revenue Accounts in the current year.

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

14. RELATED PARTY:

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

Particulars	Nature of Relationship	Name of the party
Parties where control exists	Holding Company	Kotak Mahindra Bank Limited (KMBL) Mr. Uday S. Kotak along with his relatives and enterprises in which he has beneficial interest holds 29.92% (P.Y 29.99%) of the equity share capital and 19.65% (P.Y 19.68%) of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 st March, 2020
Other Related Parties	Fellow Subsidiaries	Kotak Mahindra Prime Limited Kotak Securities Limited Kotak Mahindra Investments Limited Kotak Mahindra Capital Company Limited Kotak Mahindra Asset Management Company Limited Kotak Mahindra Life Insurance Limited Kotak Mahindra Trustee Company Limited Kotak Investment Advisors Limited Kotak Mahindra Trusteeship Services Limited Kotak Infrastructure Debt Fund Limited (formerly known as Kotak Forex Brokerage Limited) IVY Product Intermediaries Limited (Formerly known as ING Vysya Financial Services Limited) BSS Microfinance Limited Kotak Mahindra (International) Limited Kotak Mahindra (UK) Limited Kotak Mahindra, Inc. Kotak Mahindra Asset Management (Singapore) Pte Limited Kotak Mahindra Financial Services Limited Kotak Mahindra Pension Fund Limited
Key Management Personnel (KMP) and its relatives	Managing Director & CEO	Mahesh Balasubramanian
	Relative of KMP	T S Balasubramanian
Enterprises over which individual or their relatives have their significant influence.		Kotak Commodity Services Private Limited Infina Finance Private Limited Phoenix ARC Private Limited Harisiddha Trading and Finance Private Limited Palko Properties Private Limited Business Standard Private Limited Kotak Education Foundation

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

Sr No	Party Name	FY 19-20				FY 18-19				
		Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual having Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual having Significant influence
Assets										
Advance Commission	Kotak Mahindra Bank Limited	358	-	-	-	-	-	-	283	-
	Kotak Mahindra Prime Ltd.	-	21	-	-	-	-	-	-	-
	Kotak Securities Limited	-	7	-	-	-	-	-	-	-
Bank Balance	Kotak Mahindra Bank Limited	39,799	-	-	-	-	-	-	70,101	-
Employee Asset Transfer	Kotak Mahindra Life Insurance Company Limited	-	511	-	-	-	-	-	-	-
Prepaid Expenses	Kotak Mahindra Life Insurance Company Limited	-	0.15	-	-	-	-	11	-	-
Receivable from Group Company	Kotak Mahindra Life Insurance Company Limited	-	189	-	-	-	-	202	-	-
Liability										
Commission Payable	Kotak Mahindra Bank Limited	7,034	-	-	-	-	-	-	9,890	-
	Kotak Mahindra Prime Limited	-	487	-	-	-	-	892	-	-
	Kotak Securities Limited	-	87	-	-	-	-	-	-	-
Outstanding Payables	Kotak Mahindra Bank Limited	6360	-	-	-	-	-	-	6578	-
	Kotak Mahindra Life Insurance Company Limited	-	52	-	-	-	-	203	-	-
	Kotak Mahindra Prime Limited	-	27	-	-	-	-	30	-	-
Premium Deposits	Kotak Securities Limited	-	54	-	-	-	-	0	-	-
	BSS Microfinance Limited	-	231	-	-	-	-	695	-	-
	Kotak Commodity Services Private Limited	-	-	-	0.0865	-	-	-	-	-
	Kotak Education Foundation	-	-	-	210	-	-	-	-	-
	Kotak Investment Advisors Limited	-	82	-	-	-	-	0.007	-	-
	Kotak Mahindra Asset Management Company Limited	-	0.145	-	-	-	-	0.109	-	-
	Kotak Mahindra Bank Limited	19,137	-	-	-	-	-	-	13,682	-

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Sr No	Party Name	FY 19-20				FY 18-19				
		Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual Significant influence
	Kotak Mahindra Capital Company Limited	-	0.077	-	-	-	-	-	0.005	-
	Kotak Mahindra Investment Limited	-	0.003	-	-	-	-	-	0.003	-
	Kotak Mahindra Life Insurance Company Limited	-	110	-	-	-	-	-	0	-
	Kotak Mahindra Prime Limited	-	4100	-	-	-	-	-	1235	-
	Kotak Securities Limited	-	271	-	-	-	-	-	34	-
	Mahesh Balasubramanian	-	-	0.002	-	-	-	-	-	-
	T S Balasubramanian	-	-	0.001	-	-	-	-	0.001	-
	Uday S. Kotak Along with relatives	-	-	-	-	0.01	-	-	-	40.008
Premium Received in Advance	Infina Finance Private Limited	-	-	-	8	-	-	-	-	17
	Kotak Commodity Services Private Limited	-	-	-	7	-	-	-	-	14
	Kotak Investment Advisors Limited	-	44	-	-	-	-	-	61	-
	Kotak Mahindra Asset Management Company Limited	-	280	-	-	-	-	-	24	-
	Kotak Mahindra Bank Limited	3,205	-	-	-	-	1,576	-	-	-
	Kotak Mahindra Capital Company Limited	-	52	-	-	-	-	-	24	-
	Kotak Mahindra Investment Limited	-	66	-	-	-	-	-	68	-
	Kotak Mahindra Life Insurance Company Limited	-	382	-	-	-	-	-	235	-
	Kotak Mahindra Prime Limited	-	114	-	-	-	-	-	65	-
Premium Received in Advance	Kotak Mahindra Trusteeship Services Limited	-	13	-	-	-	-	-	-	-
	Kotak Securities Limited	-	334	-	-	-	-	-	364	-
	Mahesh Balasubramanian	-	-	8	-	-	-	-	-	-
	Uday S. Kotak Along with relatives	-	-	-	-	29	-	-	-	-

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Sr No	Party Name	FY 19-20					FY 18-19				
		Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual Significant influence	Individual having Significant influence
Transfer of Employee Liability from Group Companies	Kotak Mahindra Bank Limited	184	-	-	-	-	1,087	-	-	-	-
	Kotak Mahindra Prime Limited	-	-	-	-	-	15	-	-	-	-
Transfer of Employee Liability to Group Companies	Kotak Mahindra Life Insurance Company Limited	-	1100	-	-	-	-	-	-	-	-
Transactions during the year											
Bank Charges	Kotak Mahindra Bank Limited	539	-	-	-	-	402	-	-	-	-
Claims Paid	BSS Microfinance Limited	-	2,122	-	-	-	207	-	-	-	-
	Infina Finance Private Limited	-	-	-	274	-	-	-	-	-	41
	Kotak Commodity Services Private Limited	-	-	-	49	-	-	-	-	-	-
	Kotak Education Foundation	-	-	-	851	-	-	-	-	-	-
	Kotak Investment Advisors Limited	-	62	-	-	-	-	129	-	-	-
	Kotak Mahindra Asset Management Company Limited	-	892	-	-	-	-	499	-	-	-
	Kotak Mahindra Bank Limited	15,742	-	-	-	-	9,546	-	-	-	-
	Kotak Mahindra Capital Company Limited	-	134	-	-	-	-	511	-	-	-
	Kotak Mahindra Investment Limited	-	27	-	-	-	-	83	-	-	-
	Kotak Mahindra Life Insurance Company Limited	-	1772	-	-	-	-	334	-	-	-
	Kotak Mahindra Prime Limited	-	192	-	-	-	-	129	-	-	-
	Kotak Securities Limited	-	1387	-	-	-	-	1659	-	-	-
	Mahesh Balasubramanian	-	-	-	-	-	-	-	-	12	-
	Uday S Kotak Along with relatives	-	-	-	-	-	-	-	-	-	101

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Sr No	Party Name	FY 19-20					FY 18-19				
		Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual Significant influence	Individual having Significant influence
Commission Paid	Kotak Mahindra Bank Limited	131,970	-	-	-	-	130,663	-	-	-	-
	Kotak Mahindra Prime Limited	-	9,882	-	-	-	-	11,059	-	-	-
	Kotak Securities Limited	-	87	-	-	-	-	0	-	-	-
Employee Insurance Premium	Kotak Mahindra Life Insurance Company Limited	-	523	-	-	-	-	484	-	-	-
Reimbursement to Group Companies	Kotak Mahindra Bank Limited	34269	-	-	-	-	22,532	-	-	-	-
	Kotak Mahindra Life Insurance Company Limited	-	593	-	-	-	-	1475	-	-	-
	Kotak Mahindra Prime Limited	-	296	-	-	-	-	330	-	-	-
	Kotak Securities Limited	-	600	-	-	-	-	150	-	-	-
Remuneration of Key Management Personnel	Mahesh Balasubramanian	-	-	29,264	-	-	-	-	27,921	-	-
Rent Premises	Kotak Mahindra Bank Limited	29,053	-	-	-	-	25,159	-	-	-	-
	Kotak Mahindra Life Insurance Company Limited	-	648	-	-	-	-	1226	-	-	-
	Kotak Mahindra Prime Limited	-	184	-	-	-	-	184	-	-	-
Transfer of Employee Liability from Group Companies	Kotak Mahindra Prime Limited	-	-	-	-	-	-	15	-	-	-
Transfer of Employee Liability to Group Companies	Kotak Mahindra Life Insurance Company Limited	-	1100	-	-	-	-	-	-	-	-
Interest Income	Kotak Mahindra Prime Limited	-	-	-	-	-	-	1,685	-	-	-
Premium Income	BSS Microfinance Limited	-	7,594	-	-	-	-	3,550	-	-	-
	Business Standard Private Limited	-	-	-	16	-	-	-	-	-	-
	Hansiddha Trading And Finance Private Limited	-	-	-	3	-	-	-	-	-	-
	Infina Finance Private Limited	-	-	-	90	-	-	-	-	160	-
	Kotak Commodity Services Private Limited	-	-	-	77	-	-	-	-	192	-
	Kotak Education Foundation	-	-	-	1,907	-	-	-	-	-	-

Schedules

Forming part of Audited Financial Statements

Sr No	Party Name	FY 19-20				FY 18-19				
		Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual having Significant influence	Individual having Significant influence	Holding Company	Fellow Subsidiaries	KMP/Relative of KMP	Enterprises over which Individual having Significant influence
	Kotak Infrastructure Debt Fund Limited	-	-	-	-	-	-	-	-	-
	Kotak Investment Advisors Limited	-	252	-	-	-	589	-	-	-
	Kotak Mahindra Asset Management Company Limited	-	1,064	-	-	-	902	-	-	-
	Kotak Mahindra Bank Limited	40,877	-	-	-	19,591	-	-	-	-
	Kotak Mahindra Capital Company Limited	-	615	-	-	-	849	-	-	-
	Kotak Mahindra Investment Limited	-	443	-	-	-	564	-	-	-
	Kotak Mahindra Life Insurance Company Limited	-	2633	-	-	-	1645	-	-	-
	Kotak Mahindra Pension Fund Limited	-	-	-	-	-	12	-	-	-
	Kotak Mahindra Prime Limited	-	1744	-	-	-	1219	-	-	-
	Kotak Mahindra Trusteeship Services Limited	-	80	-	-	-	25	-	-	-
	Kotak Securities Limited	-	4,878	-	-	-	3,893	-	-	-
	Mahesh Balasubramanian	-	-	83	-	-	-	53	-	-
	Paiko Properties Private Limited	-	-	-	3	-	-	-	-	-
	Phoenix Arc Private Limited	-	-	-	99	-	-	-	166	-
	T S Balasubramanian	-	-	4	-	-	-	4	-	-
	Uday S Kotak Along with relatives	-	-	-	-	254	-	-	-	121
	Reimbursement From Group Companies	-	823	-	-	-	527	-	-	-
	Rent Premises (Income)	-	1,544	-	-	-	871	-	-	-
	Transfer of Employee Liability from Group Companies	184	-	-	-	1,087	-	-	-	-
	Investment in Equity Capital	850,000	-	-	-	450,000	-	-	-	-

Schedules

Forming part of Audited Financial Statements

15. EMPLOYEE BENEFIT PLANS:

Defined Contribution Plan:

SL No	Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
1	Provident Fund	24,328	19,414
2	National Pension Scheme	1,864	1,485

Defined Benefit Plan:

Gratuity

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

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

Amount to be recognised in Balance Sheet:-

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Amount to be Recognised in Balance Sheet		
Present Value of Funded Obligations	Nil	Nil
Fair Value of Plan Assets	Nil	Nil
Present Value of Unfunded Obligations	31,486	22,042
Unrecognised Past Service Cost	Nil	Nil
Amount not Recognised as an Asset (limit in Para 59(b))	Nil	Nil
Net Liability	31,486	22,042
Amounts in Balance Sheet		
Liability	31,486	22,042
Assets	Nil	Nil
Net Liability is bifurcated as follows:		
Current	3,717	2,239
Non Current	27,769	19,803
Net Liability	31,486	22,042
Expense To Be Recognised in the Statement of P&L		
Current Service Cost	5,478	3,806
Interest on Defined Benefit Obligation	1,887	1,324
Expected Return on Plan Assets	Nil	Nil
Net Actuarial Losses / (Gains) Recognised in Year	3,811	3,774
Past Service Cost	Nil	Nil
Losses / (Gains) on "Curtailements & Settlements"	Nil	Nil
Losses / (Gains) on "Acquisition / Divestiture"	Nil	Nil
Effect of the limit in Para 59(b)	Nil	Nil
Total, Included in "Employee Benefit Expense"	11,176	8,904
Actual Return on Plan Assets	Nil	Nil

Schedules

Forming part of Audited Financial Statements

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Reconciliation of Benefit Obligations & Plan Assets For the Period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	22,042	13,587
Current Service Cost	5,478	3,806
Interest Cost	1,887	1,324
Actuarial Losses / (Gain)	3,811	3,774
Past Service Cost	Nil	Nil
Actuarial Losses / (Gain) due to Curtailment	Nil	Nil
Liabilities Extinguished on Settlements	Nil	Nil
Liabilities Assumed on Acquisition / (Settled on Divestiture)	(629)	463
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	(1,103)	(906)
Closing Defined Benefit Obligation	31,486	22,042
Change in Fair Value of Assets		
Opening Fair Value of Plan Assets	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Actuarial Gain / (Losses)	Nil	Nil
Assets Distributed on Settlements	Nil	Nil
Contributions by Employer	1,103	906
Assets Acquired on Acquisition / (Distributed on Divestiture)	Nil	Nil
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	(1,103)	(906)
Closing Fair Value of Plan Assets	Nil	Nil
Expected Employer's Contribution Next Year	3,717	2,239

Experience Adjustments

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Defined Benefit Obligation	31,486	22,042
Plan Assets	Nil	Nil
Surplus / (Deficit)	(31,486)	(22,042)
Exp. Adj. on Plan Liabilities	3,833	2,616
Exp. Adj. on Plan Assets		0

Summary of Principal Actuarial Assumptions:-

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Discount Rate (p.a.)	6.40%	7.15%
Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
Salary Escalation Rate (p.a.)	7.00%	7.00%

Schedules

Forming part of Audited Financial Statements

Leave Encashment:

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

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

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Net Liability	15,370	9,852

Financial Assumptions at the Valuation Date:-

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Discount Rate (p.a.)	6.40%	7.15%
Salary Escalation Rate (p.a.)	7.00%	7.00%

16. SEGMENTAL REPORTING:

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

Period	Products	Claims Outstanding	Reserve for Unexpired Risk
As at 31st March, 2020	Motor	2,186,158	1,308,803
	Health	97,081	725,512
	PA	24,941	71,929
	Fire	66,041	218,482
	Engg	1,023	2,302
	Others	9,539	173,474
	Workmen Compensation	3,882	1,688
	Total	2,388,665	2,502,190
As at 31st March, 2019	Motor	1,296,747	1,028,990
	Health	45,375	390,359
	PA	9,777	42,065
	Fire	26,672	71,575
	Engg	140	2,200
	Others	3,009	103,257
	Workmen Compensation	930	1,248
	Total	1,382,650	1,639,695

Schedules

Forming part of Audited Financial Statements

17. EARNINGS PER SHARE:

Sr No.	Particulars	As at 31 st March, 2020	As at 31 st March, 2019
1	Net Profit/(Loss) available to Equity Shareholders	(2,81,230)	(3,48,994)
2	Weighted Average Number of Equity Shares:-		
	Number of Shares at the beginning of the year	22,00,00,000	17,50,00,000
	Shares issued during the year	8,50,00,000	4,50,00,000
	Number of Shares at the end of the year	30,50,00,000	22,00,00,000
	Weighted Average Number of Equity Shares outstanding during the year	28,12,15,847	21,55,61,644
3	Nominal Value of Equity Shares	₹ 10	₹ 10
4	Basic Earnings Per Share	(1.00)	(1.62)
5	Diluted Earnings Per Share	(1.00)	(1.62)

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

18. PENALTIES LEVIED BY VARIOUS GOVERNMENT AUTHORITIES DURING FINANCIAL YEAR 2019-20:

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

19. CONTRIBUTION TO SOLATIUM FUND

The IRDAI had asked the General Insurance Council ("the Council") to recommend the percentage of contribution to be made to a Solatium Fund and matters relating to the administration of the Fund. The Council recommended contribution of 0.10% of the all third party motor gross written premium as solatium fund to the administrator. Accordingly the company has provided ₹1192 (Previous Year ₹ 963) towards solatium fund during the year which is charged to revenue account and also disclosed under current liabilities.

20. MICRO AND SMALL SCALE BUSINESS ENTITIES:

According to the information available with the Company there are dues of Rs 950 (Previous Year 800) payable to Micro, Small and Medium enterprises as defined under Micro, Small and Medium Enterprises Development, 2006 as at March 31, 2020.

Schedules

Forming part of Audited Financial Statements

Particulars	As at	
	31 st March 2020	31 st March 2019
Principal Amount due to suppliers under MSMED Act, 2006, beyond the appointed day	NIL	NIL
Interest accrued and due to suppliers under MSMED Act , on the above amount	NIL	NIL
Payment made to suppliers other than interest) beyond the appointed day , during the year	NIL	NIL
Interest paid to suppliers under MSMED Act (Other than section 16)	NIL	NIL
Interest due and payable to suppliers under MSMED Act , for the payments already made	NIL	NIL
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act,2006	NIL	NIL

21. EMPLOYEE SHARE OPTION PLANS (ESOP) & STOCK APPRECIATION RIGHTS (SARs):

Employee share option plans (ESOP)

Equity Settled Options

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

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

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

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

Consequent to the above, the Bank has granted stock options to employees of the Company. In accordance with the SEBI Guidelines and the guidance note on "Accounting for Employee Share based payments", the excess, if any, of the market price of the share, preceding the date of grant of the option under ESOPs over the exercise price of the option is amortised on a straight-line basis over the vesting period. The Company has reimbursed the Bank Rs 182 (Previous Year 'NIL') during the year on account of such costs and the same is forming part of Employee costs and included under the head "Reimbursement of expense on ESOP Scheme" under Schedule 4 Employees Remuneration and Welfare Benefit Expenses

Stock Appreciation rights (SARs)

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

Detail of activity under SARs plan is summarized below:

Particulars	No. of SARs	
	As at 31 st March, 2020	As at 31 st March, 2019
Outstanding at the beginning of the year	15,119	15,643
Granted during the year	9,710	6,580
Additions/Reduction due to transfer of employees	(297)	-
Exercised during the year	(7,405)	(7,104)
Expired during the year	-	-
Outstanding at the end of the year	17,127	15,119

Schedules

Forming part of Audited Financial Statements

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

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Employee Compensation	12,182	11,526
Closing balance of liability for cash-settled options	12,322	11,923

Had the Company recorded the compensation cost computed on the basis of fair valuation method instead of intrinsic value method, employee compensation cost would have been higher by Rs.13,250 (Previous Year 16,393) and the Loss after tax would have been higher by Rs.13,250 (Previous year 16,393). Consequently the basic and diluted EPS would have been lower by Rs. 0.05 (Previous year 0.08).

22. PROVISION FOR FREE LOOK PERIOD:

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

23. Accounting Ratios are given in Annexure 1.

24. SUMMARY OF FINANCIAL STATEMENT IS PROVIDE IN ANNEXURE 2.

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

Schedule-I (FORM A)

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

Rs.In "000"

Particulars	Total Amount	AGE-WISE ANALYSIS						
		0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	36-120 months
Claims settled but not paid to the policyholders/beneficiaries due to any reasons except under litigation from the policyholders/ beneficiaries	-	-	-	-	-	-	-	-
Sum due to the policyholders/beneficiaries on maturity or otherwise	-	-	-	-	-	-	-	-
Any excess collection of the premium/tax or any other charges which is refundable to the policyholders/ beneficiaries either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	653.45	217.06	199.74	66.58	71.85	53.00	28.01	17.21
Cheques issued but not encashed by the policyholder/beneficiaries	388.99	-	388.99	-	-	-	-	-
Total	1,042.44	217.06	588.73	66.58	71.85	53.00	28.01	17.21

FORM C

Details of Unclaimed Amount and Investment Income

₹ In "000"

Particulars	FY 2019-20	FY 2018-19
Opening Balance	735.00	627.22
Add: Amount transferred to Unclaimed Fund	1,527.49	3,277.27
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	-	-
Add: Investment Income on Unclaimed Fund	67.53	52.00
Less: Amount of claims paid during the year	1287.82	3,222.00
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	-	-
Closing Balance of Unclaimed Amount Fund	1042.44	735.00

26. TAXATION

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

27. FOREIGN EXCHANGE

Expenditure in Foreign Currency (on cash basis) in current year: Rs.Nil (Previous Year: Rs. 148)

28. DISCLOSURE OF CERTAIN EXPENSES

As required under Circular no 067/IRDAI/F&A/CIR/MAR -08 dated March 28, 2008, outsourced services include payments made for various outsourced services amounting to Rs.134,732 (Previous Year: 79,816)

29. DISCLOSURE OF OTHER WORKS GIVEN TO AUDITORS

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

Name	Particulars	Nature	2020	2019
V.C Shah & Co	Statutory Auditors	Certification work	50	40
V.C Shah & Co	Statutory Auditors	Tax Audit	150	275

30. The premium received for new motor and two wheeler policies under Long Terms product is recognised as per the IRDAI Circular No. IRDA/NL/CIR/MOT/137/08/2018 dated August 28, 2018 and Circular No.IRDAI/NL/CIR/MISC/052/03/2019 dated March 29, 2019

31. IRDAI vide circular no. IRDAI/NL/CIR/MOT/081/04/2020 dated April 3, 2020 read with circular no. IRDAI/NL/CIR/MOT/079/04/2020 dated 2nd April, 2020 communicated that Premium for renewals of Third Party cover falling due from 25th March to 31st March, 2020 as a result of COVID 19 situation shall be recognised as income during the FY 2019-20 by debiting Outstanding Premium. Further, corresponding liabilities on such premium such as UPR, Claims provisioning etc shall also be provided for in FY 2019-20

However, the Company is of the view that the quantum of renewal premium business during the aforesaid period is less than 1% compared to the overall premium which is not significant. As a regular process, the Company has already sent reminder communications to the Policyholders whose policies are getting renewed during this period. Any policy which has been renewed during this period has been accounted appropriately. Further the management is of the view that due to uncertainty of the policyholder to renew the same policy with the Company, the booking of the premium will overstate the total Gross Written Premium. Accordingly, liabilities on such premiums such as UPR, Claims provisioning etc, have not been accounted.

32. With effect from current year end, the Company has started making provision for net unrealised mark to market loss in respect of its investment in mutual fund units and recognized it in the Revenue Account and Profit and Loss Account as the case may be. Consequently, charge to the Revenue account is higher by Rs. 3.91 crore and charge to Profit and Loss account is higher by Rs. 1.26 crore with a like corresponding effect on higher operating loss in Revenue Account and higher loss after tax in Profit and Loss Account.

33. Prior year figures have been regrouped, reclassified in the respective schedule and notes wherever considered necessary.

As per our report of even date

For K.S.Aiyar & Co.
Chartered Accountants
ICAI FRN : 100186W

For V.C.Shah & Co.
Chartered Accountants
ICAI FRN : 109818W

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

Rajesh S Joshi
Partner
M. No :38526

V.C.Shah
Partner
M. No :10360

Gaurang Shah
Director
DIN: 00016660

Virat Diwanji
Director
DIN: 07021145

Mahesh Balasubramanian
Managing Director & CEO
DIN: 02089182

Yash Kotak
Chief Financial Officer

Mumbai
Date: April 22, 2020

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

ANALYTICAL RATIOS FOR THE YEAR ENDED 31ST MARCH 2020 ANNEXURE - 1

Particular	Total	Miscellaneous										Total			
		Fire	Marine	Motor OD	Motor TP	Motor Total	Workmen's Compensation	Public Liability	Engineering	Aviation	Personal Accident		Health Insurance	Trade Credit	Others
Gross Direct Premium Growth Rate	0.44	1.16	NA	0.29	0.24	0.26	0.31	NA	3.01	NA	0.86	0.74	NA	0.21	0.40
Gross Direct Premium to Net Worth ratio	2.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth rate of Net Worth	53%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Retention Ratio	86%	59%	NA	94%	94%	94%	94%	NA	30%	NA	40%	93%	NA	72%	89%
Net Commission Ratio	7%	12%	NA	17%	0%	9%	12%	NA	13%	NA	-51%	8%	NA	17%	7%
Expense of Management to Gross Direct Premium Ratio	41%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expense of Management to Net Premium Ratio	47%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Incurred Claims to Net Earned Premium	69%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Combined Ratio	112%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Reserves to net premium ratio	1.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Underwriting balance ratio	(0.25)	(1.31)	NA	(0.26)	(0.31)	(0.28)	(0.52)	NA	0.51	NA	0.79	(0.13)	NA	(1.67)	(0.23)
Operating Profit Ratio	-13%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquid Assets to liabilities ratio	0.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net earning ratio	-7%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Return on Net Worth Ratio	-17%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Solvency Margin Ratio to Required Solvency Margin Ratio	2.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NPA Ratio															
Gross NPA Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net NPA Ratio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Annexure – 2

No	Particulars	FY 19-20	FY 18-19	FY 17-18	FY 16-17	FY 15-16
OPERATING RESULTS						
1	Gross Direct Premiums	43,339.09	30,110.99	18,539.15	8,205.29	370.89
2	Net Earned Premium #	29,088.95	19,735.47	11,587.48	3,285.72	6.05
3	Income from investments (net) @	3,583.29	1,967.24	1,017.62	355.29	16.62
4	Other income (Pl. specify)	(5.17)	(8.57)	(5.25)	(2.32)	0.57
5	Total income	32,667.07	21,694.14	12,599.85	3,638.69	23.24
6	Commissions (Net) (Including Brokerage)	2,805.30	1,992.46	1,340.93	368.55	21.00
7	Operating Expenses	13,658.90	10,453.39	6,882.96	5,271.82	1,586.64
8	Net Incurred Claims	20,013.41	13,432.00	8,303.05	2,401.45	21.03
9	Change in Unexpired Risk Reserve	8,624.95	6,979.05	4,706.57	4,387.10	324.26
10	Operating Profit/loss	(3,810.55)	(4,183.71)	(3,927.09)	(4,403.12)	(1,605.44)
NON-OPERATING RESULT						
11	Total income under shareholders' account	998.25	693.77	672.14	930.75	632.53
12	Profit/ (loss) before tax	(2,812.30)	(3,489.94)	(3,254.95)	(3,472.36)	(972.91)
13	Provision for tax	-	-	-	-	-
14	Profit / (loss) after tax	(2,812.30)	(3,489.94)	(3,254.95)	(3,472.36)	(972.91)
MISCELLANEOUS						
15	Policy holders' Account:	Not applicable for General Insurance Co	Not applicable for General insurance Co	Not applicable for General insurance Co	Not applicable for General Insurance Co	Not applicable for General Insurance Co
	Total funds					
	Total Investments					
	Yield on investments					
16	Shareholders' Account:	Not applicable for General Insurance Co	Not applicable for General insurance Co	Not applicable for General Insurance Co	Not applicable for General Insurance Co	Not applicable for General Insurance Co
	Total funds					
	Total Investments					
	Yield on investments					
17	Paid up equity capital	30,500	22,000	17,500	13,500	13,500
18	Net worth	16,471	10,783	9,773	9,028	12,500
19	Total assets	73,827	46,794	29,035	17,375	13,857
20	Yield on total investments	9%	7.99%	8.19%	10.47%	8.20%
21	Earnings per share (₹)	(1.00)	(1.62)	(1.90)	(2.57)	(1.18)
22	Book Value per share (₹)	6	5.00	5.70	6.69	15.21
23	Total Dividend	-	-	-	-	-
24	Dividend per share (₹)	-	-	-	-	-

Net of reinsurance

@ Net of losses

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

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

Management Report

As per provisions of Part IV of Schedule B of The Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002 the following Management Report for the year ended March 31, 2020 is submitted:

1. The company obtained and hold certificate of registration from Insurance Regulatory and Development Authority of India on November 18, 2015 to start general insurance business.
2. We hereby certify that all the dues payable to the statutory authorities have been duly paid by the company except those under dispute or disclosed under contingent liability in the notes to account forming part of financials.
3. We hereby confirm that the shareholding pattern and transfer of shares during the year ended 31st March 2020 are in accordance with the statutory or regulatory requirements.
4. We declare that the management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. We hereby confirm that the required solvency margins have been maintained throughout the year.
6. We certify that the values of all the assets have been reviewed on the date of the Balance Sheet and to the best of our belief the assets set forth in the Balance-sheets are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings – “Loans”, “Investments”, “Agents balances”, “Outstanding Premiums”, “Interest, Dividends and Rents outstanding”, “Interest, Dividends and Rents accruing but not due”, “Amounts due from other persons or Bodies carrying on insurance business”, “Sundry Debtors”, “Cash” and the several items specified under “Other Accounts” except debt securities which are valued at cost/amortized cost.
7. The Company is exposed to a variety of risks associated with general insurance business such underwriting risk (quality and price at which risk are underwritten), reserve risk (risk of adverse development), assets risk (credit risk, market risk, liquidity risk, etc.) and expense risk (higher than planned expenses). Some of the risk beyond Company's risk appetite are transferred and managed through an appropriate reinsurance program, thereby ensuring that the risk exposure is kept at a level commensurate with its capacity. The key business risk, as mentioned above, are closely monitored and effective remedial actions are taken whenever deemed necessary.
8. We confirm that the company does not have any operations outside India.
9.
 - a) Please refer annexure 1 for age wise analysis of claims outstanding
 - b) Please refer annexure 2 for average claims settlement time
 - c) Please refer annexure 3 for details of claims intimated
10. We certify that Investments are recorded at cost and include brokerage, transfer charges, stamps etc, and excludes pre-acquisition interest, if any.

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

Mutual fund units are stated at their ‘Net Asset Value’ as at the balance sheet date.

Any unrealized gain or loss in respect of mutual funds and equity if any are recognised in ‘fair value change account’ in balance sheet and not available for distribution for dividend.

Further in case of any net mark to market loss in respect of the above matter the additional provision has been created to the extent of the loss in ‘fair value change account’ on the balance sheet date and impact has been taken to Revenue/Profit and Loss Account appropriately
11. The Company has adopted a prudent investment policy aiming optimum return with minimum risk. The company has invested predominantly in Government Securities and Corporate Securities having highest credit quality rating. The company has a well-diversified portfolio across issuers and Industry segments in Corporate Securities. The investments are managed within the investment policy laid down by the board from time to time and are within the investment regulations and guidelines of IRDAI. There are no non-performing assets as at the end of the financial year.
12. We confirm that:
 - a) In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;

- b) The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit or loss and of the profit or loss of the company for the year;
- c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) / Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The management has prepared the financial statements on a going concern basis;
- e) The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
13. Details of payments made to individuals, firms, companies and organisations in which Directors of the insurers are interested are given below:

Sr. No	Name of the Directors	Entity in which Director are interested	Interested As	Expense during the financial year (₹ In lakhs)
1	Gaurang Shah G Murlidhar	Kotak Mahindra Life Insurance Co. Ltd.	Director	46.37
2.	Gaurang Shah	Kotak Mahindra Bank Limited	Director	2115.73

For V.C.Shah & Co.
Chartered Accountants
ICAI FRN : 109818W

V.C.Shah
Partner
M. No :10360

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

Gaurang Shah
Director
DIN: 00016660

Mahesh Balasubramanian
Managing Director & CEO
DIN: 02089182

Krishnan Gopalakrishnan
Chief Compliance Officer and Company Secretary

Virat Diwanji
Director
DIN: 07021145

Yash Kotak
Chief Financial Officer

Mumbai
Date: April 22, 2020

Annexure – 1
Age wise analysis of claims outstanding:
a. Year 2019-20

Particulars	0-30 days		30 days - 6 months		6months - 1 year		1 year - 5 years		> 5 years		Total	
	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount	Count	Amount
Motor TP	29	17,635,500	201	123,178,894	203	129,115,355	286	193,933,785	-	-	719	463,863,534
Motor OD	543	46,323,927	282	70,592,195	60	20,489,276	21	10,311,834	-	-	906	147,717,232
Fire	3	4,645,001	30	141,172,796	8	16,143,560	-	-	-	-	41	161,961,357
Engineering	-	-	2	490,000	1	320,000	-	-	-	-	3	810,000
Others	9	824,247	20	3,752,834	3	805,396	-	-	-	-	32	5,382,477
Health	697	22,602,634	524	27,432,396	-	135,720	-	1,648,546	-	-	1,221	51,819,296
Personal Accident	65	13,402,501	42	39,286,338	-	-	-	-	-	-	107	52,688,839
Total	1,346	105,433,810	1,101	405,905,453	275	167,009,307	307	205,894,165	-	-	3,029	884,242,735

b. Year 2018-19

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

c. Year 2017-18

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

d. Year 2016-17

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

e. Year 2015-16

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

Annexure – 2

Average Claims Settlement Time:

Type	2019-20		2018-19		2017-18		2016-17		2015-16		2014-15	
	Count	Days	Count	Days	Count	Days	Count	Days	Count	Days	Count	Days
Fire	165	216	55	187	13	122	-	-	-	-	-	-
Motor OD	23,880	15	16,538	19	10,909	24	2,763	20	8	17	-	-
Motor TP	63	460	66	310	15	182	1	183	-	-	-	-
PA	451	12	195	10	40	10	9	7	-	-	-	-
Health	19,510	10	7,032	9	1,064	10	394	27	-	-	-	-
Others	101	87	14	91	1	37	-	-	-	-	-	-
Engineering	1	33	1	107	-	-	-	-	-	-	-	-
Workmen Compensation	1	228	-	-	-	-	-	-	-	-	-	-

Annexure – 3
Details of Claims Intimated:

Particulars	Eastern	Amount	Northern	Amount	Southern	Amount	Western	Amount
Fire	31	26,833	25	33,411	21	12,096	46	29,502
Engineering	-	-	-	-	4	1,475	-	-
Motor OD	2,642	90,756	10,825	395,334	7,259	167,976	7,667	177,731
Motor TP	17	58,507	155	728,112	159	357,300	118	255,573
Personal Accident	28	4,904	170	37,586	155	24,165	186	43,204
Health Insurance	237	17,824	3,035	135,731	3,435	105,298	13,740	192,538
Others	2	214	75	4,188	23	6,554	28	4,343
Total	2,957	199,038	14,285	1,334,362	11,056	674,864	21,785	702,891