



# SAHARA INDIA LIFE INSURANCE COMPANY LIMITED

## ANNUAL REPORT

2015-2016

CIN: U65999UP2000PLC025635

Registered Office: Sahara India Centre, 2 Kapoorthala Complex, Aliganj, Lucknow (U.P.) – 226024

Website: [www.saharalife.com](http://www.saharalife.com)

E-mail: [sahara.life@sahara.in](mailto:sahara.life@sahara.in)

Phone: (0522) 2337777

Fax: (0522) 2332683

## **BOARD OF DIRECTORS**

Shri O.P. Srivastava  
*(Chairman & Non-executive Director)*

Shri R. S. Rathore  
*(Independent Director)*

Smt. Rana Zia  
*(Independent Director)*

Shri Brijendra Sahay  
*(Independent Director)*

Shri Sanjay Agarwal  
*(CEO & Director)*

## **SENIOR MANAGEMENT**

Shri Dhiraj Goel  
*(Appointed Actuary)*

Shri Praveen Paliwal  
*(Chief Investment Officer)*

Shri K.K. Bajpai  
*(Chief Financial Officer)*

Shri Pushkar Verma  
*(Chief Marketing Officer)*

Shri Ajay Kumar Trivedi  
*(Company Secretary)*

Shri Rajesh Kumar  
*(Chief Risk Officer)*

## **AUDITORS**

M/s S. S. Kothari Mehta & Co.  
Chartered Accountants  
*(Statutory Auditors)*

M/s S. N. Kapur & Associates  
Chartered Accountants  
*(Statutory Auditors)*

M/s J. J. Mehrotra & Co.  
Chartered Accountants  
*(Internal Auditors)*

M/s Singhi & Co.  
Chartered Accountants  
*(Concurrent Auditors for F.Y. 2015-16)*

M/s C. P. Shukla & Co.  
*(Secretarial Auditors)*

## **BANKERS**

Punjab National Bank  
Bank of Baroda  
UCO Bank

HDFC Bank Limited  
ICICI Bank Limited  
Andhra Bank



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LIMITED**

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Phone: (0522) 2337777 Fax: (0522) 2332683

**BOARD'S REPORT**

To

The Members

Your Board has pleasure in presenting their **Sixteenth Report** on the business and operations of your Company together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2016.

The financial performance of the Company is summarized below:

**Policyholders Account**

Particulars	₹ in '000)	
	Current Year	Previous Year
Net Premium Income	15,69,717	16,67,581
Income from investment (Net)	4,08,802	12,99,004
Other Income	23,027	21,522
Contribution from Shareholder account	48,666	36,517
<b>Total Income</b>	<b>20,50,212</b>	<b>30,24,624</b>
Commissions	80,599	85,224
Operating expenses relating to insurance business	3,75,947	3,67,933
<b>Total Expenses</b>	<b>4,56,546</b>	<b>4,53,157</b>
Payment to policyholders	13,30,705	19,46,127
Increase in actuarial liability	8,54,515	8,61,071
Transfer to Link fund	-8,27,011	-6,32,468
Fund for future appropriation	1,40,611	2,56,697
Transfer to Shareholders Account	55,364	84,194
<b>Total Income under Shareholders Account</b>	<b>83,014</b>	<b>2,21,354</b>
Expenses other than those directly related to insurance business (including contribution to policyholder account)	72,877	59,124
<b>Profit/(Loss) before Tax</b>	<b>65,501</b>	<b>2,46,424</b>
<b>Profit/(Loss) after Tax</b>	<b>64,039</b>	<b>2,14,788</b>
<b>Profit/(Loss) carried to Balance Sheet</b>	<b>11,85,942</b>	<b>11,21,903</b>

### Miscellaneous

<u>Particulars</u>	<u>(₹ in '000)</u>	
	<u>Current Year</u>	<u>Previous Year</u>
<b>Policyholder Account</b>		
a. Total funds	93,87,439	92,29,989
b. Total investments	88,85,558	90,89,646
<b>Shareholders Account</b>		
a. Total funds (Net of debit balance in Profit and Loss Account)	35,42,267	34,91,213
b. Total investments	24,29,261	21,66,983
Paid Up Equity Capital	23,20,000	23,20,000
Net Worth	35,42,267	34,91,213

### THE AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVE

The Board proposes no amount to be carried to any reserves during the Financial Year.

### OPERATIONS OVERVIEW

It has been tough for the entire Life Insurance Industry during the year 2015-16. All Life Insurance Companies put together registered a positive growth of 8.10% in total premium including Group Insurance. Our Company recorded a positive growth of 12.97%.

	<u>01-04-2015 to 31-03-2016</u>
No. of Policies	19,542
Total New Premium adjusted	₹ 43.43 Crores
Total Renewal Premium	₹ 113.62 Crores
Total Collection	₹ 157.05 Crores

### GROUP INSURANCE

The Group Insurance portfolio of the Company made a substantial headway and had premium income of ₹ 35 Lac. We are in the process of building up a strong and capable team of officials so as to enhance not only group insurance portfolio but also exploring other alternate channels of Business.

### PERFORMANCE UNDER RURAL AND SOCIAL SECTORS

The Company is required to fulfill the regulatory requirements both under rural & social sectors by doing 20% of its total policies under rural sector & minimum of 55,000 Lives under social sector for the Financial Year 2015-16. The Company has fulfilled the rural sector requirement by doing 64.44% of its total policies. Further the Company has also achieved the Social Sector target by doing 90,671 lives against a requirement of 55,000 lives.

## PRODUCTS OF THE COMPANY

During the year under review the company had not introduced any new plan.

The range of products both individual and group which were sold during the year under review are given below:

<b>Products</b>		
<b>Sr.no</b>	<b>Name of the Products</b>	<b>Product Category</b>
1	Sahara Subh Nivesh Jeevan Bima	Endowment ( Individual)
2	Sahara Dhan Sanchay Jeevan Bima	Endowment ( Individual)
3	Sahara Dhanvarsha Jeevan Bima	Endowment ( Individual)
4	Sahara Surakshit Pariwar Jeevan Bima	Endowment ( Individual)
5	Sahara Sherstha Nivesh Jeevan Bima	Endowment ( Individual)
6	Sahara Utkarsh Jeevan Bima	ULIP Endowment
7	Sahara Sugam Jeevan Bima	ULIP Endowment
8	Sahara Sanchit Jeevan Bima	ULIP Endowment
9	Sahara Samooh Suraksha	Group Term
10	Sahara Jamakarta Samooh Yojna	Group Term
11	Sahara Sanjeevani Jeevan Bima	Annuity ( Individual)
12	Sahara Dhanvridhi Jeevan Bima	Endowment ( Individual)
13	Sahara Payback Jeevan Bima	Endowment ( Individual)

<b>Riders</b>		
<b>Sr.no</b>	<b>Riders</b>	<b>Rider Category</b>
1	Accidental Death Benefit Rider	Rider Term

**Note:** Sahara Surakshit Pariwar Jeevan Bima - Endowment ( Individual) and Sahara Jamakarta Samooh Yojna -Group Term had been closed and does not exist in the list of products to be sold by the Company during the F.Y. 2016-17.

## DIVIDEND

The Board of Directors did not recommend any dividend for the financial year 2015-16.

## OUR REACH

The Company reaches its customers through 141 offices at March 31, 2016. At March 31, 2016, the Company had over 530 employees and over 11,481 advisors to cater to the needs of customers. The Company distributes its products through agents and corporate agents.

## EXTRACT OF ANNUAL RETURN

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

## AUDITORS

M/s S. S. Kothari Mehta & Co., Chartered Accountants, and M/s S. N. Kapur & Associates, Chartered Accountants, are the Joint Statutory Auditors of the Company.

As per the IRDAI Regulations, a Statutory Auditor can conduct the audit of an insurance Company for a maximum period of 5 years at a time. Further, as per the Companies Act, 2013, an audit firm can be appointed as Statutory Auditor for not more than two terms of five consecutive years.

Thus, in accordance with the IRDAI Regulations read with the provisions of the Companies Act, 2013, M/s S. S. Kothari Mehta & Co., Chartered Accountants, were appointed as Statutory Auditors only for 4 (Four) years in the 14<sup>th</sup> Annual General Meeting (AGM) of the Company held on 14-July-2014 from the conclusion of the that AGM till the conclusion of 18<sup>th</sup> AGM, with that AGM being counted as the first meeting. This was in view of M/s S. S. Kothari Mehta & Co., Chartered Accountants having already completed 1 year of office at the time of appointment at the 14<sup>th</sup> AGM held on 14-July-2014.

Further, M/s S. N. Kapur & Associates, Chartered Accountants, were also appointed in the 14<sup>th</sup> Annual General Meeting of the Company held on 14-July-2014 as the Statutory Auditors of the Company, from the conclusion of that Annual General Meeting till the conclusion of 19<sup>th</sup> Annual General Meeting, with that Annual General Meeting being counted as the first meeting. This was new appointment for 5 (Five) years in the 14<sup>th</sup> Annual General Meeting of the Company held on 14-July-2014.

As per Section 139(1) of the Companies Act 2013, the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

Accordingly, in view of the provisions of IRDAI Regulations and the Companies Act, 2013, the Board proposes and recommends to Shareholders for ratification of appointment of M/s S. S. Kothari Mehta & Co., Chartered Accountants, and M/s S. N. Kapur & Associates, Chartered Accountants, as Joint Statutory Auditors of the Company on the recommendation of the Audit Committee of the Company.

#### **SECRETARIAL AUDIT**

As required by the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s C. P. Shukla & Co., Company Secretaries, to undertake Secretarial Audit of the Company for Financial Year 15-16. The Secretarial Audit Report is annexed herewith as Annexure B.

#### **NUMBER OF BOARD MEETINGS HELD**

During financial year 2015-16, five (5) Board meetings were held.

#### **DECLARATION BY INDEPENDENT DIRECTOR**

The Company has obtained the declarations from independent directors as per sub-section (6) of section 149 of the Companies Act 2013.

#### **EXPLANATIONS OR COMMENTS BY THE BOARD ON REMARKS MADE BY STATUTORY AUDITOR IN HIS REPORT**

The Statutory Audit Report does not contain any qualification, reservation or adverse remark by Statutory Auditors. So, no explanation or comments are required to be given by the Board.

**EXPLANATIONS OR COMMENTS BY THE BOARD ON REMARKS MADE BY SECRETARIAL AUDITOR IN HIS REPORT**

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark by Secretarial Auditor. So, no explanation or comments are required to be given by the Board.

**LOANS, GUARANTEES OR INVESTMENTS**

The particulars of loans, guarantees or investments under section 186 of Companies act 2013, is not required to be given as Company has not taken any loan, given any guarantee or made any investments.

**SETTLEMENT OF CLAIMS**

Your Company provides utmost priority to settlement of death claims and pursues a policy of settling the death claim as expeditiously as possible after taking all safety measures.

During the year under review death intimation was received in respect of 766 policies. During the period under review 769 cases have been settled or repudiated and 25 cases were outstanding as on 31<sup>st</sup> March 2016 primarily on account of no response from the claimants. Since a large section of our existing client base is from the rural and backward areas where communication facilities are not that good and also because of the lack of awareness amongst them, the communication gap persists. However, the Company ensures that all such matters are diligently followed up. During the period under review the claims team has been further strengthened to ensure quick processing, proper investigation and timely settlement of genuine claims.

The Company has also a Claims Review Committee under the Chairmanship of Justice S.C. Verma (Retd.), an eminent retired Judge of the Allahabad High Court, to review the representations of various clients who are dissatisfied with the decision of repudiation of their claim by the Company. The Committee has been constituted to ensure transparency in the process of settlement of claims. The Committee reviewed Nine cases during the year.

Further, during the year (F.Y. 2015-16) under review the Company made payments of Survival Benefit instalments to the tune of Rupees 47.44 crores in respect of Money Back Plans which were purchased in 2005 and thereafter. Maturity claim have also been paid to the tune of Rupees 5.43 crores.

**INVESTMENTS**

Investments of an insurance company are regulated under Insurance Act, 1938 and also under IRDAI (investment) Regulations, 2000, as amended, from time to time. Your Company has complied with all the requirements under the said regulations. Your Company recognizes the importance of securing good returns on the investments under different funds.

**INFUSION OF ADDITIONAL CAPITAL**

The Company has not increased its capital during the period under review. The present paid up capital stands at Rs. 232 crores.

## PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year under review under Section 73 of the Companies Act, 2013.

## CORPORATE GOVERNANCE

Your Company is committed to achieve highest standards of Corporate Governance. The Company manages its business affairs with accountability, legitimacy, veracity and transparency in all its operations.

The Company has a balanced Board of Directors, constituted in compliance with the Companies Act, 2013 and in accordance with IRDAI Corporate governance guideline, 2016. The Board comprises of five Directors; three independent Directors including one woman Independent Director, the Whole-time Director & CEO and one Executive Directors. Except the Whole-time Director & CEO all other Directors including the Chairman of the Board are non-executive Directors. There is a clear segregation of responsibility and authority between the non-executive Directors and the executive management. The Board is responsible for overall corporate strategy and other responsibilities as laid down by IRDAI under the Corporate Governance guidelines dated 18<sup>th</sup> May-16. The independent Directors are eminent personalities with valuable expertise and from renowned areas. The Whole-time Director & CEO is with significant expertise in the fields of finance, insurance, law, strategy and marketing. None of the Directors are related to any other Director or employee of the Company.

The Board functions either as a full Board or through various Committees constituted to oversee specific operational areas. The Chairman of Audit Committee, Investment Committee, Nomination & Remuneration Committee, With Profits Committee is an Independent Director. The Board presently has eight sub-committees - Audit Committee, Investment Committee, Risk & Asset Liability Management Committee, Policyholders Protection Committee, Nomination & Remuneration Committee, With Profits Committee, Corporate Social Responsibility Committee and Insurance Awareness Committee.

Pursuant to Section 177 of the Companies Act, 2013, Audit Committee is formed and is chaired by an Independent Director. It decides the scope of internal audit provides a link between the auditors and the Board of Directors and reviews the financial statements and performance of the Company.

The composition of the Investment Committee is strictly in accordance with the IRDAI Regulations. It frames and periodically reviews investment policy of the Company; it reviews the performance of the portfolio and provides guidance to the investment team from time to time.

The Risk & Asset Liability Management Committee has been formed in accordance with Corporate Governance guidelines issued by IRDAI. It lays down Company's Risk Management Strategy, assists the Board in effective operation of the risk management system by performing specialized analysis and quality reviews, it lays down the framework to ensure that the Company invests in a manner which would enable it to meet its cash flow needs and capital requirements at a future date, it lays down the risk tolerance limits.

The Policyholders Protection Committee has also been formed in accordance with Corporate Governance guidelines issued by IRDAI. It puts in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries, it Ensures compliance with the statutory requirements as laid down in the regulatory framework.



The Nomination and Remuneration Committee has been formed in accordance with provisions of Companies Act, 2013. The functions of the said Committee are as prescribed in Section 178 of the Companies Act, 2013. The Companies Act 2013 provides for the requirement of the Nomination and Remuneration Committee to formulate the criteria for determining qualifications and independence and recommend to the Board a policy on remuneration for the directors, key managerial personnel and other employees. The Company has framed the Nomination and Remuneration Policy for ensuring that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The With Profits Committee has also been formed in accordance with Insurance Regulatory and Development Authority (Non Linked Insurance Products) Regulations, 2013, dated 16 February 2013.

The Corporate Social Responsibility Committee has been formed in accordance with provisions of Companies Act, 2013. The duties of the Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities referred to above; and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

The Insurance Awareness Committee has been formed in accordance with provisions of IRDAI Circular No. 35/CAD/PUB/Insurance Awareness Policy/2013-14 dated 12th March, 2014. It puts in place a year-long action plan of the Company for initiating insurance literacy and awareness campaigns in the Country. The Committee will be responsible for the following:

1. To identify the key concerns of the Insurance Consumers and Prospective Insurance Consumers
2. To identify ways and means of involving various stakeholders for protecting Insurance Consumers and Prospective Consumers' interest
3. To identify the ways and means of publicity to educate Insurance Consumers and Prospective Insurance Consumers.
4. Planning of the annual activity chart as per the objectives.
5. Take budgetary approvals
6. Inform about the activity chart to the stakeholders
7. Monitoring of the program execution as per schedule and assess the effectiveness
8. Reporting to the Board and Regulator.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has formulated a policy on Corporate Social Responsibility, which was approved by Board in its meeting dated 03<sup>rd</sup> December 2014 and revised in its meeting dated 28<sup>th</sup> September, 2016. The said Policy is uploaded on the Company's website. The detail about the policy is set out in Annexure D to this Report.

### **WHISTLE BLOWER POLICY**

The Company has formulated a Whistle blower Policy to encourage employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. As per the Policy, employees can raise concerns related to breach of any law, statute or regulation, issues related to accounting policies and procedures, Acts resulting in financial loss or loss of reputation, misuse of office, suspected/actual fraud and criminal offences, non-compliance to Anti-bribery & anti-corruption policy by the Company or its employees to the Board Audit Committee through specified channels. This mechanism has been communicated and posted on the Company's intranet.

### **CODE OF CONDUCT FOR PERSONAL INVESTMENTS**

The Company has a Code of Conduct for personal investments. The objective of the Code is to prohibit insider trading in any manner by the Access Persons and to maintain confidentiality of unpublished price Sensitive information and access to information on a "need to know" basis.

The Code is applicable to all "Access Persons" and their "Family Members" as defined in this Code.

### **CODE OF BUSINESS CONDUCT AND ETHICS**

The Board of Directors has approved a Code of Business Conduct and Ethics for Directors and employees of the Company. The Code aims at ensuring consistent standards of conduct and ethical business practices across the constituents of the Company.

The Code lays down the broad framework of general guiding principles

### **POLICY AGAINST SEXUAL HARASSMENT AT WORKPLACE**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment. Company is committed towards providing a work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. For ensuring such protection, the Company has framed the Policy against Sexual Harassment at Workplace. During the Financial Year 2015-2016 there has been no complaint related to Sexual Harassment at Workplace.

### **STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has established a governance framework and a control environment, commensurate with the size, scale and complexity of its operations. The corporate governance framework of the Company is based on an effective independent Board, separation of Board's supervisory role from the executive management and constitution of Board Committees, generally comprising a majority of independent/non-executive directors and chaired by independent directors to oversee critical areas. The Board committees are supported by executive committees to oversee at an operational level. All employees are bound by the Code of business conduct and ethics approved by the Board of Directors.

The internal financial control with reference to financial statements of the Company comprises multiple levels of oversight as follows:

1. The Company has a reporting and review framework comprising quarterly reporting and review of audited financials and investment returns to regulator and shareholders. The financials prepared are audited by joint statutory auditors, and are reviewed by Audit Committee. They are also submitted to IRDAI. Internal auditor's acts exercises independent control over operational and financial processes and significant internal audit observations and corrective actions thereon are presented to the Audit Committee of the Board. Investment operations are subject to concurrent audit certification on a daily basis.
2. The Company has deployed automation in most of the transaction processing aspects including policy administration, investment management, actuarial computations, claims management, human resources process and accounting. System and process controls have been put in place for various sub processes.
3. A formal Risk and Control Self-assessment is carried out to identify and assess operational risk in all aspects related to financial controls.

#### **Auditor's Report**

There is no qualification, reservation or adverse remark or disclaimer made by the auditors in their report.

#### **RISK MANAGEMENT ARCHITECTURE**

Risk exposure: The Company recognizes the risks associated with the life insurance business and plans to manage it by adopting prudent policies commensurate with the needs of the life insurance business.

The key risks affecting the operations of the Company are underwriting risks, investment risks and operational risks.

The underwriting risk is managed by the Company's underwriting function and further by establishing reinsurance treaties with various reinsurance companies. All risks above the pre-determined retention limits are reinsured.

The investment risk is managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of investee companies. The Company has constituted an Investment Committee of the Board of Directors, which acts as the policy making body for the investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The investment strategy framed is kept appropriate to the underlying liabilities of the policyholders. The Investment Committee periodically discusses the investment strategy, portfolio structures, performance of the portfolio and other issues relating to the investment portfolio. This is then approved by the Board of Directors. The Board of Directors of the Company has constituted the Risk & Asset Liability Management Committee (RALM). The Risk & Asset Liability Management Committee (RALM) reviews the Asset Liability Management and other related risks periodically.

The company has established a Risk Management Framework to manage, control and mitigate operational risks. Each function is required to ensure that all processes are documented, process risks are identified and that steps are taken to mitigate identified operational risks. An independent

risk management function, in turn, reviews the risks identified, the effectiveness of the operational controls and ensures that risk mitigation steps suggested are implemented. Operational risks are also mitigated by audits conducted by an independent internal auditor, and an independent concurrent auditor for the investment function. The Risk & Asset Liability Management Committee meets at periodic intervals and lays down and reviews various internal policies and norms governing the risk function across the company. The Committee also reviews the top risks, mitigations implemented and progress made by the Risk Management Function.

#### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS**

Pursuant to the applicable provisions of the Companies Act, 2013 and IRDAI Guidelines, Acts, Rules Regulations made thereunder and all other applicable laws, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees for the Financial Year 2015-2016.

##### **Manner in Which Formal Annual Evaluation has been made by the Board:**

Rating sheets along with structured questionnaire covering various aspects of the Board like its own performance and that of its committees and individual directors were prepared and placed before the Nomination and Remuneration Committee (NRC) for further development therein, which were also approved by the NRC.

NRC approved said Rating sheets were sent to each of the Directors with regard to evaluation of performance of the Board, its Committees and individual Directors (except for the Director being evaluated) for the year under review.

The Rating sheets of the Independent Directors' Performance were filled by the entire Board excluding the Directors being evaluated.

The Rating sheets of the Board as a whole and the Non-Independent Directors' Performance were carried out by the Independent Directors excluding the Directors being evaluated.

Rating sheets of the Committees' Performance were carried out by the entire Board.

Rating sheet of the Board' Performance were carried out by the entire Board.

In addition to the above rating process, the Rating sheets of the Board were also carried out by the NRC.

A report on the ratings given by each of the Directors was then prepared and placed before the NRC for finally analyzing the feedback at its meeting held on 28<sup>th</sup> Day of September, 2016 and thereafter such report alongwith NRC views was placed before the Board meeting held on 28<sup>th</sup> Day of September, 2016, 2016.

#### **BOARD OF DIRECTORS AND COMMITTEES**

In accordance with the provisions of the Act, Shri O. P. Srivastava (DIN: 00144000), Chairman and Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

**Extension of Shri Sanjay Agarwal (DIN: 06555737) as Whole-time Director designated as Chief Executive Officer**

The tenure of three years of Shri Sanjay Agarwal (DIN: 06555737) will be completed on 07 October 2016 (i.e. from from 08 October 2013 to 07 October 2016). It is proposed to extend his tenure for a further period of three years w.e.f. 08 October 2016.

The Nomination and Remuneration Committee in their meeting held on 28<sup>th</sup> September, 2016 have recommended the appointment of Shri Sanjay Agarwal (DIN: 06555737) as Whole-time Director designated as Chief Executive Officer, for a further period of 3 years, with effect from 08 October 2016 to 07 October 2019 to the Board of Directors for approval. The Board, in their meeting held on 28<sup>th</sup> September, 2016, has approved the same subject to approval of Members of the Company by way of special resolution and subject to approval of IRDAI.

The special resolution pertaining to his appointment as Whole-time Director designated as Chief Executive Officer is set out at item no. 4 of the Notice of the forthcoming 16<sup>th</sup> Annual General Meeting of the Company.

As compared to previous Board's Report, following changes were made in the Board of Directors and Key Managerial Persons of the Company:

Name	Appointment / Cessation
Smt. Rana Zia	In Annual General Meeting dated 30-Sep-2015, confirmed as an Independent Director for a term up to 04th February, 2020.
Shri Parakh Tandon	Resigned from the Company w.e.f. 09-Sep-2015 (accepted in Board meeting dated 22-Aug-2015) He was the Company Secretary of the Company. He was also the Compliance Officer as well as Grievance Redressal Officer of the Company.
Shri Ajay Kumar Trivedi	In Board Meeting dated 22-Aug-2015, appointed as a Company Secretary of the Company w.e.f. 10-Sep-2015. He was also appointed as Compliance Officer and Grievance Redressal Officer of the Company.
Shri Ishwar Chand Rai	Ishwar Chand Rai, Head of Finance was re-designated as Chief Financial Officer (CFO) of the Company, in the Board meeting held on 22nd Day of August 2015. However, he had resigned vide his resignation letter dated 04th August, 2016.
Shri Krishan Kumar Bajpai	Shri Krishan Kumar Bajpai was appointed and designated as Chief Financial Officer of the Company, in the Board meeting held on 28th Day of September 2016, w.e.f. 05th September, 2016. He is also Member of Investment Committee, Risk & Asset Liability Management Committee, Policyholders Protection Committee and Insurance Awareness Committee.

As per Section 152 of the Companies Act, 2013, Shri O. P. Srivastava is liable to retire by rotation at the Sixteenth Annual General Meeting and being eligible have offered himself for re-appointment as Directors of the Company.

As compared to previous Board's Report, following changes were made in the members of Committees of Board of Directors of the Company and in the Key persons of the company:

Name	Appointment / Cessation
Shri Gautam Kakar Appointed Actuary on consulting basis	He was appointed as Appointed Actuary on consulting basis and worked with us from 3 <sup>rd</sup> September 2015 to 30 <sup>th</sup> November, 2015 as approved by IRDAI.
Shri Dhiraj Goel Appointed Actuary	He has taken charge as Appointed Actuary w.e.f. 10 <sup>th</sup> June, 2016 as approved by IRDAI. He is also Member of Investment Committee, Risk & Asset Liability Management Committee, Policyholders Protection Committee and With Profits Committee.
Shri. Liyaquat Khan Independent Actuary	Shri Liyaquat Khan was appointed as an Independent Actuary in place of Mr. K. K. Dharni, existing Independent Actuary of the Company. He is also a Member of With Profits Committee.
Shri Pushkar Verma Chief Marketing Officer	Shri Pushkar Verma was appointed and designated as Chief Marketing Officer of the Company, in the Board meeting held on 06 <sup>th</sup> Day of December 2015, w.e.f. 14 <sup>th</sup> November, 2015. He is also a Member of Insurance Awareness Committee.
Shri Rajesh Kumar Chief Risk Officer	Shri Rajesh Kumar, Deputy General Manager was designated as Chief Risk Officer of the Company, in the Board meeting held on 28 <sup>th</sup> Day of September 2016, w.e.f. 28 <sup>th</sup> September, 2016. He is also a Member of Risk & Asset Liability Management Committee and Investment Committee.

The composition of Board of Directors and the Committees is as under:

### Composition of Board of Directors

Name	Designation	Qualifications	Specialization	Status of Directorship including this Company		Status of Positions in Committees including this Company	
				In Indian Public Limited Companies	In other Companies	Membership	Chairmanship
Shri D. P. Srivastava	Chairman & Director	Master's Degree in Arts & Bachelor's Degree in Law	Over 31 years of experience in the retail finance and real estate industry.	7	13	12	4

Shri R. S. Rathore	Independent Director	M.A.	Ex-Chairman of Central Board of Direct Taxes and a Special Secretary of Ministry of Finance Government of India. He has also been a former Chairman of Bank of Rajasthan.	2	0	6	5
Shri Brijendra Sahay	Independent Director	B.A., M.A. (Eco), LLB	{Retd} IAS in the Administration/ Finance/ Industrial & Urban Development	3	0	8	0
Smt. Rana Zia	Independent Director	Bachelor's Degree	Holding directorship in other companies	10	0	11	0
Shri Sanjay Agarwal	CEO & Director	B.Sc. (Maths Hons.) and Chartered Accountant	Worked in investment field for 13 years. Worked as head of investment Department and CFO of Sahara India Life Insurance Company Ltd.	1	0	7	0

\* Other Companies include Indian Private Limited Companies and Foreign Companies but not include Section 8 Companies under the Companies Act, 2013.

### Composition of Committees:

Members of the Board of Directors	Audit Committee	Investment Committee	Risk & Asset Liability Management Committee	Policyholders Protection Committee	Corporate Social Responsibility Committee	Nomination and Remuneration Committee	With Profits Committee	Insurance Awareness Committee
Shri O. P. Srivastava*	Member	-	Chairman	Chairman	Chairman	Member	-	Chairman
Shri R. S. Rathore*	Chairman	Chairman	Member	-	-	Chairman	Chairman	-
Shri Brijendra Sahay*	Member	Member	Member	-	Member	Member	-	-
Shri Sanjay Agarwal	Member	Member	Member	Member	Member	-	Member	Member
Smt. Rana Zia*	Member	-	-	-	-	-	-	-

\*Other details are available under heading 'Composition of Board of Directors' as above.

Other Members of the Committees	Investment Committee	Risk & Asset Liability Management Committee	Policyholders Protection Committee	With Profits Committee	Insurance Awareness Committee
Shri Praveen Paliwal, CIO	Member	Member	-	-	-
#Shri Ishwar C. Rai, Chief Financial Officer	Member	Member	Member	-	Member
Shri Manoj Tandon, Head Underwriting	-	-	Member	-	Member
Shri Liyaquat Khan, Independent Actuary	-	-	-	Member	-
Shri Pushkar Verma Chief Marketing Officer	-	-	-	-	Member
Shri Amit Agarwal, Deputy Senior Manager	-	-	-	-	Member
Shri Rajesh Kumar Chief Risk Officer	Member	Member	-	-	-
Shri Krishan Kumar Bajpai Chief Financial Officer	Member	Member	Member	-	Member
Shri Dhiraj Goel Appointed Actuary	Member	Member	Member	Member	-

# Shri Ishwar Chand Rai had resigned vide his resignation letter dated 04<sup>th</sup> August, 2016.

Profile of Other Committees members

Name & Designation	Qualifications	Specialization	Status of Directorship
Shri Praveen Paliwal, Chief Investment Officer	MBA- Finance & Global Management	Handling Investment / Treasury functions –Dealing, Research & Fund Management for more than 15 years. Presently Working as a CIO from October 2013 till date with Sahara India Life Insurance Co. Ltd.	N/A
#Shri Ishwar Chand Rai, Chief Financial Officer	Chartered Accountant	18 years rich experience in the field of Account, Finance & Taxation.	N/A
Shri Manoj Tandon, Head Policy Servicing & Underwriting	MBA- Finance	23 years experience in back-office operations.	N/A
Shri Pushkar Verma, Chief Marketing Officer	Post Graduate in Commerce	20 years experience in Finance & Marketing with 'SAHARA INDIA'.	20
Shri Amit Agarwal, Deputy Senior Manager	MBA-Marketing	18 years experience in various marketing activities on retail & insurance.	N/A
Shri Liyaquat Khan, Independent Actuary	FIA, FIAI, FII	Career started with management cadre of Life Insurance Corporation of India in the year 1964.	Executive Director of Actuarial Consulting



		<p>Mr. Khan has worked in middle and senior positions in various institutions in India, UK, Mauritius and Sultanate of Oman and has been CEO of two life insurers in Oman and India.</p> <p>Mr. Khan has also held positions of Appointed Actuary in India for a General Insurer, Health Insurer and Agriculture Insurer.</p> <p>On professional side, Mr. Khan has been President of the Indian Actuarial Profession three times over about six years from y 2000 to September, 2012. Currently Mr. Khan holds responsibility as Executive Director of Actuarial Consulting Congress of Asia, a non-remunerated voluntary leadership role.</p>	Congress of Asia
Shri Rajesh Kumar, Chief Risk Officer	BSc, AIAI DAT, CFI	25 years of experience in policy servicing, administration and actuarial.	N/A
Shri Krishan Kumar Bajpai, Chief Financial Officer	B.Com., FCA	33 years' experience in finance, accounts, taxation, audit etc.	N/A
Shri Dhiraj Goel, Appointed Actuary	FIA, FIAI, ACA	Professional career of over a decade, covering life, Health, and Reinsurance, he has worked on a range of projects covering risk management, financial modelling, product pricing & development and corporate actuarial function for Life companies.	2

# Shri Ishwar Chand Rai had resigned vide his resignation letter dated 04<sup>th</sup> August, 2016.

### NUMBER OF MEETINGS HELD AND ATTENDED

The number of Board and Committee meetings held during financial year 2015-16 was as under:

Board/Committee	No. of Meetings Held
Board of Directors	5
Audit Committee	5
Investment Committee	4
Risk & Asset Liability Management Committee	4
Policyholder Protection Committee	5

Corporate Social Responsibility Committee	2
Nomination and Remuneration Committee	2
With Profits Committee	1
Insurance Awareness Committee	4

The dates of meetings held during the Financial Year 2015-16 are mentioned below:

Dates of Board Meetings	Dates of Audit Committee Meetings	Dates of Investment Committee Meetings	Dates of Risk & Asset Liability Management Committee Meetings	Dates of Policyholders Protection Committee Meetings	Dates of Corporate Social Responsibility Committee Meetings	Dates of Nomination and Remuneration Committee Meetings	Dates of With Profits Committee Meeting	Dates of Insurance Awareness Committee
27-05-2015	27-05-2015	27-05-2015	27-05-2015	27-05-2015	06-12-2015	22-08-2015	29-10-2015	27-09-2015
22-08-2015	22-08-2015	22-08-2015	22-08-2015	22-08-2015	14-02-2016	06-12-2015	-	26-09-2015
26-09-2015	26-09-2015	06-12-2015	06-12-2015	26-09-2015	-	-	-	06-12-2015
06-12-2015	06-12-2015	14-02-2016	14-02-2016	06-12-2015	-	-	-	14-02-2016
14-02-2016	14-02-2016	-	-	14-02-2016	-	-	-	-

The number of Board and Committee meetings attended by Directors and Committee Members during financial year 2015-16 was as under:

Director / Committee Member	Board of Directors Meeting	Audit Committee Meeting	Investment Committee Meeting	Policyholders Protection Committee Meeting	Risk & Asset Liability Management Committee Meeting	With Profits Committee Meeting	Corporate Social Responsibility Committee Meeting	Nomination and Remuneration Committee Meeting	Insurance Awareness Committee Meeting
Shri Subrata Roy Sahara	-	N.A.	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri O. P. Srivastava	5	4	N.A.	4	3	N.A.	2	2	1
Shri R. S. Rathore	5	4	3	N.A.	3	1	N.A.	2	N.A.
Shri Brijendra Sahay	4	3	2	N.A.	2	N.A.	1	2	N.A.
Smt. Rana Zia	4	3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Sanjay Agarwal	5	5	4	5	4	1	2	N.A.	1
Shri Praveen Paliwal	N.A.	N.A.	3	N.A.	3	N.A.	N.A.	N.A.	N.A.

Shri Ishwar C. Rai *	N.A.	N.A.	2	3	2	N.A.	N.A.	N.A.	1
Shri Manoj Tandon	N.A.	N.A.	N.A.	1	N.A.	N.A.	N.A.	N.A.	1
Shri K.K. Dharni**	N.A.	N.A.	N.A.	N.A.	N.A.	1	N.A.	N.A.	N.A.
Shri Gautam Kakar	N.A.	N.A.	N.A.	N.A.	N.A.	1	N.A.	N.A.	N.A.
Shri Amit Agarwal	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	4
Shri Vijay Kumar***	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3
Shri Navneet Rastogi***	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	3
Shri Pushkar Verma	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1

\*\* At present, Shri Ishwar C. Rai is not Member of Investment Committee, Risk & Asset Liability Management Committee, Policyholders Protection Committee and Insurance Awareness Committee.

\*\* At present, Shri K.K. Dharni is not a member of With Profits Committee.

\*\*\* At present, Shri Vijay Kumar and Shri Navneet Rastogi both is not a member of Insurance Awareness Committee.

#### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

Following separate meeting(s) of Independent Directors was held in financial year 2015-2016. The names of the Independent Directors and their attendance at said meeting(s) during the said financial year are as under:

DATE OF MEETING	NAME OF THE INDEPENDENT DIRECTOR	WHETHER ATTENDED / NOT ATTENDED
11 <sup>th</sup> March 2015.	Shri R. S. Rathore	Attended
	Shri Brijendra Sahay	Attended
	Smt. Rana Zia	Attended

#### **DIRECTORS' REMUNERATION**

Details of remuneration and sitting fees paid to the Directors during the financial year 2015-16 are set out in Annexure A to this report in Form MGT-9.

## **GENERAL MEETING OF SHAREHOLDERS**

The details of the last three Annual General Meetings of the Company held are given below:

<b>No. of AGM</b>	<b>Date of Annual General Meeting</b>	<b>Venue</b>	<b>Time</b>
15 <sup>th</sup> AGM	Wednesday, 30 <sup>th</sup> September, 2015	Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226024	4:00 P.M.
14 <sup>th</sup> AGM	Monday, 14 <sup>th</sup> July, 2014	Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226024	4:00 P.M.
13 <sup>th</sup> AGM	Wednesday, 14 <sup>th</sup> August, 2013	Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226024	4:00 P.M.

## **MANAGEMENT REPORT**

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority (preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2000, the Management Report forms a part of the financial statements.

## **PARTICULARS OF EMPLOYEES**

Pursuant to the provisions of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, during the financial year 2015-16, no employee of the Company had received the remuneration in excess of the prescribed limit.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such 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 2015-16 and of the profit and loss of the company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis; and
- v. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO**

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out herein below:

#### **A. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

In view of the nature of business activity of the Company, the information relating to the conservation of energy and technology absorption, as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is not required to be given.

#### **B. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year under review foreign exchange earnings and outgo is as under:

Foreign Exchange Earning	:	Nil
Foreign Exchange Outgo	:	₹ 13.87 Lakhs

The amount of foreign exchange outgo was on account of payment to reinsurance Companies.

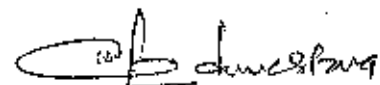
#### **EVENTS AFTER BALANCE SHEET DATE**

There have been no material changes and commitments, affecting the financial position of the company, which have occurred between the end of the financial year of the company to which the Balance Sheet relates and the date of this report.

#### **ACKNOWLEDGEMENT**

The Board places on record its sincere thanks to the Insurance Regulatory and Development Authority of India. The Board acknowledges the support extended by all associates, statutory bodies and the entire work force at all levels. The Board also thanks the Shareholders and Policyholders who have reposed their trust and faith in the Company.

For and on behalf of the Board



(O. P. Srivastava)  
Chairman & Director  
DIN: 00144000

Place: Lucknow

Dated: 28<sup>th</sup> September 2016



(Sanjay Agarwal)  
CEO & Director  
DIN: 06555737



g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>2. Non-Institutions</b>									
a) Bodies Corp.	15700000	7500000	23200000	10	15700000	7500000	23200000	10	NIL
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	15700000	7500000	23200000	10	15700000	7500000	23200000	10	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	15700000	7500000	23200000	10	15700000	7500000	23200000	10	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>94200000</b>	<b>137800000</b>	<b>232000000</b>	<b>100</b>	<b>94200000</b>	<b>137800000</b>	<b>232000000</b>	<b>100</b>	<b>NIL</b>

ii) Shareholding of Promoter-

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sahara India Financial Corporation Limited	116000000	50	NIL	116000000	50	NIL	NIL
2	Sahara Care Limited	92800000	40	NIL	92800000	40	NIL	NIL

iii) Note: There is no change in the number of shares held by the promoter companies.

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year April 01, 2015		Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	Shareholding at the end of the year March 31, 2016	
		No. of shares of FV Rs. 10/-	% of total shares of the company		No. of shares of FV Rs. 10/-	% of total shares of the company
1	Sahara India Commercial Corporation Limited	9900637	4.27	N/A	9900637	4.27
2	Sahara Infrastructure & Housing Ltd. (formerly Gara Projects Ltd.)	8866242	3.82	N/A	8866242	3.82

3	Sahara Prime City Ltd. (formerly Sahara India Investment Corporation Ltd.)	2955414	1.27	N/A	2955414	1.27
4	Sahara One Media & Entertainment Ltd.	1108280	0.48	N/A	1108280	0.48
5	Master Chemicals Limited	369427	0.16	N/A	369427	0.16

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL			
	At the end of the year				

V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

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



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ 000)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri Sanjay Agarwal, Whole Time Director & CEO	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,19	23,19
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	98	98
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil
5	Others, please specify (Fee for attending board /committee meetings)	210	210
<b>Total</b>		<b>26,27</b>	<b>26,27</b>

B. Remuneration to other directors

(₹ 000)

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Subrata Roy Sahara	Shri O.P. Srivastava	Shri R.S. Rathore	Shri Brijendra Sahay	Smt. Rana Zia	
1	Independent Directors						
	Fee for attending board committee meetings	Nil	Nil	340	260	140	740
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>Nil</b>	<b>Nil</b>	<b>340</b>	<b>260</b>	<b>140</b>	<b>740</b>
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	Nil	380	Nil	Nil	Nil	380
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>380</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>380</b>
<b>Total (B)=(1+2)</b>		<b>Nil</b>	<b>380</b>	<b>340</b>	<b>260</b>	<b>140</b>	<b>11,20</b>

C. Remuneration to Key Managerial Personnel Other Than MD/MANAGER/WTD

(₹ 000)

S.N.	Particulars of Remuneration	Shri Parakh Tandon Company Secretary (From 01-04-2015 to 09-09-2015)	Shri Ajay Trivedi Company Secretary (From 26-08-2015 to 31-03-2016)	Shri Ishwar Chand Rai Chief Financial Officer	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,45	4,32	10,83	18,60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	51	Nil	1,17	1,68
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
<b>Total</b>		<b>3,96</b>	<b>4,32</b>	<b>12,00</b>	<b>20,28</b>

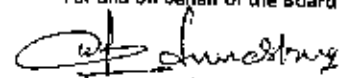
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

NIL

Place: Lucknow  
 Dated: 28<sup>th</sup> September 2016

For and on behalf of the Board



(O. P. Srivastava)  
 Chairman & Director  
 DIN: 00144000



(Sanjay Agarwal)  
 CEO & Director  
 DIN: 06555737

# **SECRETARIAL AUDIT REPORT**

**OF**

**SAHARA INDIA LIFE INSURANCE COMPANY LIMITED**

**(For the Financial year 2015-16)**

**CIN:U65999UP2000PLC025635**

From:

**C.P.SHUKLA & CO.**

*Company Secretaries*

*554/21/19 C, Lane No.11,*

*Pawanpuri, Alambagh,*

*LUCKNOW-226005.*

*Tel No 09389684335*

*e-mail: shuklacps@gmail.com*

**C.P.SHUKLA & CO.**  
Company Secretaries

55A/21/19 C,  
Lane No.11, Pawanpuri, Alambagh,  
LUCKNOW-226005.  
Tel No 09389684335  
email:shuklacpcs@gmail.com

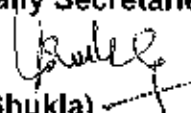
To,  
The Members,  
Sahara India Life Insurance Company Limited  
Sahara India Centre, 2 Kapoorthala Complex,  
LUCKNOW -226024

Sirs,

Sub: Our Report of even date is to be read alongwith this letter.

1. The maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Secretarial Audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happenings of events etc.
5. The Compliance of the provisions of the Insurance, Corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For C.P. Shukla & Co.  
Company Secretaries

  
(C.P. Shukla)  
Proprietor  
Mem. No.:FCS 3819  
C.P. No :5138  
Date : 28/09/2016  
Place: Lucknow



**FORM NO. MR.3**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED**  
**ON 31<sup>ST</sup> MARCH, 2016**

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

To,  
The Members,  
Sahara India Life insurance Company Ltd,  
Sahara India Centre, 2 Kapoorthala Complex,  
LUCKNOW -226024

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Sahara India Life insurance Company Ltd**, (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing of our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

We hereby report that in our opinion the Company has, during the audit period ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made there under;



II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **Not applicable to the Company during the Audit period**);

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015 notified w.e.f. May 15, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit period)**;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit period)**;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the Audit period)**;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)**;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit period)**; and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 notified w.e.f.

December 1, 2015



VI. We further report that having regard to the compliance system prevailing in the company and examinations of the relevant documents and records in pursuance thereof on test-check basis, the company has complied with the following laws applicable specifically to the Company namely :

- (a) The Insurance Act, 1938 (including Insurance Rules, 1939)
- (b) The Insurance Regulatory and Development Authority Act, 1999
- (c) The Insurance Regulatory and Development Authority Regulations framed under the IRDA, Act, 1999
- (d) Industrial Disputes (Banking and Insurance Companies) Act, 1949

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India notified w.e.f. July 1, 2015;

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

**We further report that:**

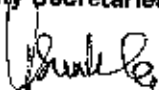
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors for the Board Meetings, agenda and detailed notes on agenda were sent almost at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board / Committee meetings are carried out either unanimously or by the majority as recorded in the minutes of the meetings of the Board/Committee of the Board, as the case may be.



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

We further report that as per documents produced and information provided to us, during the audit period there has not been any such activity having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines etc.

For M/S C.P. Shukla & Co.  
Company Secretaries

  
28/9/16

(C.P. Shukla)  
Mem. No.: FCS 3819  
C.P. N/o.: 5138  
Date: 28/09/2016  
Place: Lucknow





## Form No. AOC-2

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

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

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

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1.	M/S Sahara India Financial Corporation Limited	Lease agreement	01.04.2015 to 29.02.2016	Location: 25-28 Atlanta Building, Nariman Point, Mumbai-400021, Maharashtra Rent per month: Rs.100000 Area: 957 Sq. Ft. *Termination: The lessee shall be entitled to terminate the lease any time, by giving six months' notice in writing to the Lessor. *To pay the maintenance charges per month, proportionately for the demised premises, either to the Lessor or directly to the service provider, as advised by the Lessor. * At the expiration of the present Lease period the parties will renew the terms	14-02-2016	NIL	

				<p>and conditions to be agreed between the parties and the Lessor shall execute a fresh Lease Deed. However, both the parties may mutually agree to revise the rent after expiry of first and second year.</p>		
2.	M/S Sahara India Financial Corporation Limited	Lease agreement	01.07.2015 to 31.05.2016	<p>Location: Varanasi  Rent per month: Rs.4800  Area: 400 Sq. Ft.  *Termination: The lessee shall be entitled to terminate the lease any time, by giving six months' notice in writing to the Lessor.  *The Lessee shall not sub-let or under-let the demised premises or any part thereof without the consent reduced in writing of the Lessor.</p>	14-02-2016	NIL
3.	M/S Sahara India Financial Corporation Limited	Lease Agreement	01.07.2015 to 31.05.2016	<p>Location: Patna  Rent per month: Rs.7429  Area: 437 Sq. Ft.  *Termination: The lessee shall be entitled to terminate the lease any time, by giving six months' notice in writing to the Lessor.  *The Lessee shall not sub-let or under-let the demised premises or any part thereof without the consent reduced in writing of the Lessor.</p>	14-02-2016	NIL
4.	M/S Sahara India Financial Corporation Limited	Lease Agreement	01.07.2015 to 31.05.2016	<p>Location: Bhopal  Rent per month:Rs.3576  Area: 298 Sq. Ft.  *Termination: The lessee shall be entitled to terminate the lease any time, by giving six months' notice in writing to the</p>	14-02-2016	NIL

5.	M/S Sahara India Financial Corporation Limited	Lease Agreement	01.07.2015 to 31.05.2016	<p>Lessor.</p> <p>*The Lessee shall not sub-let or under-let the demised premises or any part thereof without the consent reduced in writing of the Lessor.</p> <p>Location: Baroda Rent per month: Rs. 7200 Area: 400 Sq. Ft.</p> <p>*Termination: The lessee shall be entitled to terminate the lease any time, by giving six months' notice in writing to the Lessor.</p> <p>*The Lessee shall not sub-let or under-let the demised premises or any part thereof without the consent reduced in writing of the Lessor.</p>	14-02-2016	NIL	
6.	M/S Sahara India Commercial Corporation Limited	Lease Agreement	01.12.2015 to 31.10.2016	<p>Location: Lucknow -Sahara Bazar Rent per month:Rs.62805 Area: 4187 Sq. Ft.</p> <p>*Termination: Either party may terminate this Agreement by giving a written notice to the other, three months' prior to the termination.</p> <p>*The owner shall be responsible and liable for payment of all future property tax and other rates and taxes levied by the Government and/or municipal or local authorities in respect of the building, including the Demised Premises.</p>	14-02-2016	NIL	
7.	M/S Sahara India Commercial.	Lease Agreement	01.09.2015 to 31.07.2016	<p>Location: SI Chamber, Jaipur Rent per month: Rs. 758 Area: 50.5 Sq. Ft.</p>	14-02-2016	NIL	

	Corporation Limited			<p>* Termination: The lessee shall be entitled to terminate the lease any time, by giving six months' notice in writing to the Lessor.</p> <p>* The Lessee shall not sub-let or under-let the demised premises or any part thereof without the consent reduced in writing of the Lessor.</p>		
8.	M/S Sahara India Commercial Corporation Limited	Lease Agreement	01.06.2015 to 30.04.2016	<p>Location: Sahara Manzil, Hyderabad</p> <p>Rent per month: Rs. 9600</p> <p>Area: 400 Sq. Ft.</p> <p>* Termination: The lessee shall be entitled to terminate the lease any time, by giving six months' notice in writing to the Lessor.</p> <p>* The Lessee shall not sub-let or under-let the demised premises or any part thereof without the consent reduced in writing of the Lessor.</p>	14-02-2016	NIL
9.	M/S Sahara India Commercial Corporation Limited	Lease Agreement	01.08.2015 to 30.06.2016	<p>Location: SI Centre, Lucknow</p> <p>Rent per month: Rs. 33360</p> <p>Area: 1390 Sq. Ft.</p> <p>* Termination: The lessee shall be entitled to terminate the lease any time, by giving six months' notice in writing to the Lessor.</p> <p>* The Lessee shall not sub-let or under-let the demised premises or any part thereof without the consent reduced in writing of the Lessor.</p>	14-02-2016	NIL

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

S.No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts / arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board



(O. P. Srivastava)  
Chairman & Director  
DIN: 00144000

Place: Lucknow

Dated: 28<sup>th</sup> September 2016



(Sanjay Agarwal)  
CEO & Director  
DIN: 06555737

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

This CSR Policy encompasses Sahara India Life Insurance Company Limited or SILICL's philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such responsibilities.

The CSR policy as approved in Board meeting held on 03rd December, 2014 was monitored by CSR Committee meeting held on 28<sup>th</sup> September, 2016 and approved also in Board meeting held on 28<sup>th</sup> September, 2016 with duly incorporated suggestions of CSR Committee, and subsequently was put up on the Company website [www.saharalife.com](http://www.saharalife.com).

**CSR program mechanism:** -The CSR Committee identify the CSR programs and assess the project in terms of funding required, implementation area and overall scope, due diligence of implementation agency and decide what amount of CSR expenditure must be incurred (not below the prescribed limit under the law). The CSR Committee also monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

Further, the CSR Committee recommends to the Board for approval of the amount of expenditure to be incurred and proposed project of CSR activities. Finally the Board approves and gives directions in this regard.

#### **1. Composition of the CSR Committee**

The CSR committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy.

The Company's CSR Committee comprises of three Directors including one independent Director. The composition of the Committee is set out below:

Shri O.P. Srivastava (Director)	-	Chairman
Shri Brijendra Sahay (Independent Director)	-	Member
Shri Sanjay Agarwal (Whole-time Director & CEO)	-	Member

The CSR committee is the governing body that articulates the scope of CSR activities and ensures compliance with the CSR policy. The functions of the Committee include:

- ✓ Formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- ✓ Recommend the amount of expenditure to be incurred on the activities referred to above; and
- ✓ Monitor the Corporate Social Responsibility Policy of the company from time to time.

#### **2. Average net profit of the company for last three financial years**

The average net profit of the company for the last three financial years calculated as specified by the Companies Act 2013 was ₹ 2762.83 Lacs

#### **3. Prescribed CSR Expenditure need to contribute (two per cent of the amount as in item 4 above)**

The prescribed CSR expenditure was ₹ 55.26 Lacs

#### 4. Details of CSR spent during the financial year

##### (a) Total amount to be spent for the financial year:

The Company had to spend ₹ 60.01 Lacs during the F.Y. 2014-15 towards annual CSR commitment and no CSR expenditure was made during the F.Y. 2014-15.

During the F.Y. 2105-16, the Company has contributed total ₹ 115.27 Lacs (including ₹ 55.26 Lacs made during the F.Y. 2015-16) to 'Sahara Welfare Foundation' (a Company under Section 8 of the Companies Act, 2013) for annual CSR commitments of both F.Y. 2014-15 & F.Y. 2015-16 as no CSR expenditure was made during the F.Y. 2014-15.

The Company had executed a Memorandum of Understanding (MOU) with 'Sahara Welfare Foundation' on 21<sup>st</sup> March, 2016 and contributed ₹115,27,000/- to 'Sahara Welfare Foundation' towards expending in CSR activities as mentioned in CSR Policy of the Company particularly for undertaking and conducting market oriented employability Vocational Training programs such as Information Technology Enables Services (ITES), BFSI Training Program, Training for Beautician, Tailoring & Embroidery, Sales and Marketing, Paper Bag & File maker Training, Scholarship for the talented underprivileged & Health Centre support for the youth and also English Coaching and personality development classes for the underprivileged Youth.

Manner in which the amount will be spent by 'Sahara Welfare Foundation' is detailed below:

#### PROJECT UNDER MEMORANDUM OF UNDERSTANDING

Details of the Project are as under:-

- |  |  |
|--|--|
| 1. Name of the Project   | Sahara CSR Initiative  |
| 2. Location (Project site)   | Lucknow & Gorakhpur District (Both Rural & Urban)<br>Uttar Pradesh |
| • Frequency of Activities  | Six Days a week (Except Public Holidays)                           |
| • All services to the beneficiaries will be rendered free of cost by the SWF including course fee, tuition fee, faculty charges, course materials & infrastructural cost. External Certification charges may apply to the candidates which will not go beyond 25% of the total course fee. |  |
| • Others as under:-  |  |
| • SWF through its Staff / Volunteers will also sensitize the community on various health and allied issues   |  |
| • Diagnosis, Treatment & Medicines will be provided free of cost to the community  |  |
| • SWF undertakes to train at least Four Community Mobilisers / Youth volunteers from the local community within a span of one year   |  |
| • Employment Assistance to Beneficiaries will be provided through Information Kiosk and active counselling   |  |
| • Association with like-minded organisations will be promoted so that best practices in training modules can be adopted  |  |

- SWF shall keep the Capital, administrative and H.R cost of the programme at bare minimum so that the best services are delivered at optimum operational expense meant for the programme.
- Wherever possible; SWF will collaborate with like-minded organizations to seek professional certifications for the Beneficiaries
- **Proposed Activities with Budget** Provided hereunder

S. No.	Proposed Activities	Batch Size	Budget (₹)
<b>1. Training</b>			
A	Computer Proficiency Training	30	57,05,000
B	Tailoring and Embroidery	30	5,70,000
C	Beautician	30	4,86,000
D	Paper Bag and File Maker	30	2,40,000
E	BSFI	30	9,54,000
<b>2. Health Centre</b>			4,68,000
<b>3. Sales and Marketing</b>		30	90,000
<b>Grand Total</b>			<b>85,13,000</b>

**Estimated Expenditures: ₹**

S. No.	Particulars	Total
1	Project Cost	85,13,000
2	Scholarship	21,00,000
	<b>Total</b>	<b>1,06,13,000</b>
3	Cont.10%	10,61,300
	<b>G. Total</b>	<b>1,16,74,300</b>



Manner in which the amount spent during the Financial Year is detailed below:							
1	2	3	4	5	6	7	8
S No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local Area or other 2. Specify the State and District where Projects or Programmes was undertaken	Amount Outlay (budget) Project or Programmes-wise (in ₹)	Amount spent on Projects or Programmes Sub-heads 1. Direct Expenditure on projects or programmes 2. Overheads (₹ million)	Cumulative Expenditure to the Reporting Period (in ₹)	Amount spent Direct or through implementing agency*

\*The Company has spent the amount through 'Sahara Welfare Foundation' (a Company under Section 8 of the Companies Act, 2013). Regular monitoring of the Project under MOU with 'Sahara Welfare Foundation' will be carried out by the Company and annual reports will be submitted by 'Sahara Welfare Foundation' to the Company.

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

**Responsibility statement**

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

(b) Amount unspent, if any:

There is "NIL" unspent amount towards CSR during F.Y. 2015-16.

Place: Lucknow

Dated: 28<sup>th</sup> September, 2016

For and on behalf of the Board



(O. P. Srivastava)

Chairman of CSR Committee & Director

DIN: 00144000



(Sanjay Agarwal)

CEO & Director

DIN: 06555737



**SAHARA INDIA LIFE INSURANCE COMPANY LIMITED**

CIN: U65999JP2000PLC025635 | Website: [www.saharalife.com](http://www.saharalife.com) | E-mail: [sahara.life@sahara.in](mailto:sahara.life@sahara.in)  
Registered Office: Sahara India Centre, 2, Kapoorthala Complex, Lucknow- 226024 India  
Phone: (0522) 2337777, Fax: (0522) 2332683

**MANAGEMENT REPORT**

In accordance with the Insurance Regulatory and Development Authority of India (IRDAI) (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulation, 2002 the Board of Directors presents the Management Report for the year ended 31<sup>st</sup> March, 2016. Your Directors certify that -

**1. Validity of Registration**

The Certificate of Registration under Section 3 of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) granted by IRDAI on February 6, 2004 is valid at March 31, 2016 and as on the date of this report.

**2. Statutory Dues**

We hereby certify that all dues payable to the statutory authorities have been duly paid except those under dispute or disclosed under contingent liabilities.

**3. Shareholding Pattern**

There has been no transfer of shares during the year and the shareholding pattern is in accordance with the statutory and regulatory requirements.

There was no capital infusion by the promoters during the year.

**4. Investment of Policyholders' Funds**

No part of the policyholders fund in India has been directly or indirectly invested outside India.

**5. Solvency Margins**

We hereby confirm that the Company has maintained adequate assets to cover both its liabilities and required solvency margin as prescribed under Section 64VA of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) and the IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000.

The actual solvency ratio as compared to required minimum solvency ratio of 1.50 is as below:

Particulars	March 31, 2016	March 31, 2015
Actual solvency ratio	8.03	7.55

## 6. Values of Assets

The values of all the assets have been reviewed on the date of the Balance Sheet and that the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings –“Investments”, “Loans”, “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”, “Advances and other assets”, “Cash” and the several items specified under “Other Accounts” except debt securities held in non-linked and shareholder funds.

The book value and the market value of these investments are as follows:

Particulars	March 31, 2016		March 31, 2015	
	Balance Sheet value	Market value	Balance Sheet value	Market value
Debt investments in non-linked and shareholder funds	91,38,967	94,72,282	79,82,320	83,00,147

## 7. Application of the Life Insurance Fund

No part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), relating to the application and investment of the life insurance fund.

## 8. Risk Exposure

The Company recognizes the risks associated with the life insurance business and plans to manage it by adopting prudent policies commensurate with the needs of the life insurance business. The key risks affecting the operations of the Company are underwriting risks, investment risks and operational risks.

The underwriting risk is managed by the Company's underwriting function and further by establishing reinsurance treaties with various reinsurance companies. All risks above the pre-determined retention limits are reinsured.

The investment risk is managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of investee companies. The Company has constituted an Investment Committee of the Board of Directors, which acts as the policy making body for the investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The investment strategy framed is kept appropriate to the underlying liabilities of the policyholders. The Investment Committee periodically discusses the investment strategy, portfolio structures, performance of the portfolio and other issues relating to the investment portfolio. This is then approved by the Board of Directors. The Board of Directors of the Company has constituted the Risk & Asset Liability Management Committee (RALM). The Risk & Asset Liability Management Committee (RALM) reviews the Asset Liability Management and other related risks periodically.

The company has established a Risk Management Framework to manage, control and mitigate operational risks. Each function is required to ensure that all processes are documented, process risks are identified and that steps are taken to mitigate identified operational risks. An independent risk management function, in turn, reviews the risks identified, the effectiveness of the operational controls and ensures that risk mitigation steps suggested are implemented. Operational risks are also mitigated by audits conducted by an independent internal auditor, and an independent concurrent auditor for the investment function. The Risk & Asset Liability Management Committee meets at periodic intervals and lays down and reviews various internal policies and norms governing the risk function across the company. The Committee also reviews the top risks, mitigations implemented and progress made by the Risk Management Function.

#### 9. Operations in Other Countries

During the year ended March 31, 2016, Company had no operations in other countries.

#### 10. Claims

In respect of mortality claims, the average time taken by the Company from the date of submission of the final requirement by the claimant to dispatch of claim payment was as follows.

Financial Year	Average Claim Settlement time (In days)
2009-10	6
2010-11	6
2011-12	6
2012-13	6
2013-14	6
2014-15	6
2015-16	6

The ageing of claims registered and not settled as of March 31, 2016 has been detailed herein below:

Period	(₹. in 000s)			
	Non Linked Business		Linked Business	
	No. of Claims	Amount	No. of Claims	Amount
Upto 30 days	16	2,048	1	30
Greater than 30 days and upto 6 months	8	843	0	0
Greater than 6 months and upto 1 year				
Greater than 1 year and upto 5 years				
Greater than 5 years				
Total	24	2,891	1	30

March 2015

Period	(₹. in 000s)			
	Non Linked Business		Linked Business	
	No. of Claims	Amount	No. of Claims	Amount
Upto 30 days	8	763	1	50
Greater than 30 days and upto 6 months	13	1,455	6	591
Greater than 6 months and upto 1 year				
Greater than 1 year and upto 5 years				
Greater than 5 years				
<b>Total</b>	<b>21</b>	<b>2,218</b>	<b>7</b>	<b>641</b>

## 11. Valuation of Investments

### 11.1. Non-linked investments

We hereby certify that as prescribed under the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, all debt securities including government securities made from Policyholders' non-linked funds and Shareholders' funds are considered as 'held to maturity' and accordingly measured at historical cost, subject to amortization of premium or accretion of discount over the remaining period of maturity/holding based on straight line basis.

Money market instruments are valued at historical cost, subject to accretion of discount over the remaining period till maturity based on straight line basis.

Listed equity shares at the Balance Sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange of India Limited ('NSE') (in case the securities are not listed on NSE, the last quoted closing price on the BSE Limited ('BSE') is used).

Mutual fund units are valued at the latest available net asset values of the respective fund.

Unrealized gains/losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to the "Fair Value Change Account" in the Balance Sheet.

Investment property is held to earn rental income or for capital appreciation and is not occupied by the Company. Investment property is initially valued at cost including any directly attributable transaction costs. Investment property is revalued at least once in every three years. The change in carrying amount of investment property is taken to "Revaluation reserve" in the Balance Sheet.

Fixed deposits with banks are valued at cost.

### 11.2. Linked investments

We certify that the investments in linked business are valued on mark-to-market basis.

Central and State government securities are valued as per the valuation price provided by CRISIL Limited ('CRISIL').

Debt securities other than government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate (based on the matrix released by the CRISIL Limited ('CRISIL') on daily basis) to arrive at the yield for pricing the security.

Debt securities with a residual maturity upto 182 days are valued at last valuation price plus the difference between the redemption value and last valuation price, based on straight line basis over the remaining term of the instrument.

Money market instruments are valued at historical cost, subject to accretion of discount over the period of maturity/holding based on straight line basis.

Listed equity shares are valued at market value, being the last quoted closing price on the NSE (in case of securities not listed on NSE, the last quoted closing price on the BSE is used).

Mutual fund units are valued at the latest available net asset values of the respective fund.

Unrealised gains and losses are recognised in the Revenue account as prescribed by IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002.

Fixed deposits with banks are valued at cost.

## **12. Review of asset quality and performance of Investment**

Investments are made in accordance with the Regulatory norms and fund mandates for Unit Linked Funds.

The primary aim while investing is to generate adequate return while minimizing risk. The Investment is also made keeping in mind the Asset and Liability requirement to the respective funds.

The equity portfolio is also well diversified and equity selection is made after appropriate research and analysis of the Investee Company, Investee Group and Industry of the Company to which it belongs to.

In Fixed income segment the company has invested predominantly in Government Securities and Corporate Securities having highest credit quality rating of AAA and equivalent. The Funds have an exposure of 94.6% of the fixed income portfolio is held in highest credit rated securities (Sovereign/AAA or equivalent). The Company's investments in debt instruments are largely restricted to a minimum rating of AA and above which accounts for 100.00% of the Company's fixed income portfolio. The Company does not hold any non-performing assets in its debt portfolio. The company has a well-diversified portfolio across issuers and industry segments in Corporate Securities.

To meet the liquidity requirements, some portion is invested in liquid schemes of leading mutual funds and other money market instruments of high credit rating.

In view of the aforementioned prudent practices, the high quality of assets are maintained in all portfolios and asset classes.

## 12.1 Asset composition

The portfolio mix of assets of the Company at March 31, 2016 is as follows:

Investment Category	Shareholder's Fund		PH - Non Linked Funds		PH - Unit Linked Funds		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Government securities	9,84,024	40.51	24,26,577	34.68	95,756	5.07	35,06,357	30.99
Government Guaranteed & State Government Securities	6,82,686	28.10	11,47,259	16.40	-	0.00	18,29,945	16.17
AAA Rated	6,05,948	24.94	24,95,204	35.66	2,28,534	12.10	33,29,686	29.43
AA+ and AA Rated	50,000	2.06	3,50,000	5.00	-	0.00	4,00,000	3.54
AA- and below Rated	-	0.00	2,47,269	3.53	-	0.00	2,47,269	2.19
Equity	1,06,603	4.39	1,80,921	2.59	13,89,167	73.57	16,76,691	14.82
Others	-	0.00	1,50,000	2.14	1,74,871	9.26	3,24,871	2.87
<b>Grand Total</b>	<b>24,29,261</b>	<b>100.0</b>	<b>69,97,230</b>	<b>100.00</b>	<b>18,88,328</b>	<b>100.00</b>	<b>1,13,14,819</b>	<b>100.00</b>

The portfolio mix of assets of the Company at March 31, 2015 is as follows:

Investment Category	Shareholder's Fund		PH - Non Linked Funds		PH - Unit Linked Funds		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
Government securities	8,75,928	40.42	21,97,796	34.48	1,34,344	4.95	32,08,068	28.50
Government Guaranteed & State Government Securities	5,89,776	27.22	11,50,296	18.05	3,59,669	13.25	20,99,741	18.65
AAA Rated	3,62,781	16.74	21,58,922	33.87	-	0.00	25,21,703	22.40
AA+ and AA Rated	50,000	2.31	3,96,820	6.23	-	0.00	4,46,820	3.97
AA- and below Rated	-	0.00	-	0.00	-	0.00	-	0.00
Equity	2,09,101	9.65	1,29,320	2.03	20,22,638	74.49	23,61,059	20.97
Others	79,397	3.66	3,41,153	5.35	1,98,688	7.32	6,19,238	5.50
<b>Grand Total</b>	<b>21,66,983</b>		<b>63,74,307</b>		<b>27,15,339</b>		<b>1,12,56,629</b>	

Note : Others include Fixed deposits, Units of mutual funds units and Net Current Assets



## 12.2 Fund performance

### Unit Linked Funds as on 31<sup>st</sup> March 2016

Sr No	Fund Name	AUM in '000	1 Year Fund Return	1 Year Benchmark Return
1	BALANCED FUND	2,81,692	0.02	1.05
2	GROWTH FUND	10,42,999	(10.56)	(9.87)
3	SECURED FUND	94,499	6.83	8.22
4	SMART FUND	1,42,643	(5.47)	3.82
5	PRIMA FUND	2,91,310	(13.97)	(9.87)
6	DISCONTINUANCE FUND	35,185	6.91	8.22

### Unit Linked Funds as on 31<sup>st</sup> March 2015

Sr No	Fund Name	AUM in '000	1 Year Fund Return	1 Year Benchmark Return
1	BALANCED FUND	3,62,355	16.13	16.70
2	GROWTH FUND	15,00,656	27.98	26.33
3	SECURED FUND	1,00,713	10.74	14.56
4	SMART FUND	2,30,743	21.58	14.30
5	PRIMA FUND	4,32,934	25.71	26.33
6	DISCONTINUANCE FUND	87,938	8.21	14.56

### Non-linked and Shareholders' funds

The fund performance of non-linked Policyholders' and Shareholders' funds are as follows:

Sr No	Fund Name	March 31, 2016	March 31, 2015
1	Policyholders' Funds		8.72%
2	Shareholders' Funds		6.82%

## 13. Schedule of Payments made for the financial year ended 31<sup>st</sup> March, 2016 to Individuals, Firms, Companies and Organization in which Directors are Interested

The Company has made the followings payments to the Individuals, firms, companies, and organization in which Directors are interested.

Firm/Company in which Partner/Director/s is/are Interested	Name of Partner/ Director/s	Interested as	Amount paid in the financial year ( In ₹ 000s )
Sahara India (Firm)	Shri. Subrata Roy Sahara Shri O.P. Srivastava	Partner	69,855
Sahara India Financial Corporation Ltd.	Shri. Subrata Roy Sahara Shri O.P. Srivastava	Director	1,321
Sahara India Commercial Corporation Limited	Smt. Rana Zia	Director	2,475
Sahara India Mass	M/s. Sahara India	Partner	464

Communication	Commercial Corporation Limited.		
Sahara Welfare Foundation	Shri. Subrata Roy Sahara Shri O.P. Srivastava	Director	11,527

#### 14. Responsibility Statement

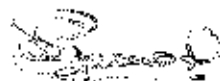
The Management certifies that:

- (a) In the preparation of the financial statements, the applicable accounting standards, principles and policies have been followed.
- (b) The accounting policies have been adopted and applied consistently and the judgments and estimate made 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 surplus under Revenue Account and of the profit in the Profit and Loss Account for the year ended **March 31, 2016**.
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance to the applicable provisions of the Insurance Act, 1938(amended by the Insurance Laws (Amendment) Act, 2015) 1938)/ Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) The financial statements are prepared on going concern basis;
- (e) An internal audit system commensurate with the size and nature of business exists and is operating effectively.

For Sahara India Life Insurance Company Limited



(O.P. Srivastava)  
Chairman & Director  
DIN: 00144000



(Sanjay Agarwal)  
CEO & Director  
DIN: 06555737

Place: Lucknow

Date: 28<sup>th</sup> September 2016



**SAHARA INDIA LIFE INSURANCE COMPANY LIMITED**  
CIN: U65999UP2000PLC025635 | Website: [www.saharalife.com](http://www.saharalife.com) | E-mail: [sahara.life@sahara.in](mailto:sahara.life@sahara.in)  
Registered Office: Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226024 India  
Phone: (0522) 2337777 Fax: (0522) 2332683

## **REPORT ON CORPORATE GOVERNANCE**

The Report on the Company's Corporate Governance for the financial year 2015-16, as per the applicable provisions of IRDA Guidelines on Corporate Governance is as under:

### **BOARD OF DIRECTORS AND COMMITTEES**

The composition of the Board of Directors and its Committees is governed by the Insurance Act, 1938 and Corporate Governance Guidelines mandated by IRDA and by the Companies Act 2013. The details under Corporate Governance are provided under the heading Corporate Governance in the Board's Report.

The details of Directors and Key Managerial Persons appointed / resigned during the financial year and the composition of Board of Directors and its Committees are provided under the heading Board of Directors and Committees in the Board's Report.

### **NUMBER OF MEETINGS HELD**

The details of number of Board and Committee meetings held during financial year 2015-16 are provided under the heading Number of Meetings held and attended in the Board's Report.

### **DIRECTORS REMUNERATION**

Detail of remuneration paid to the Directors for financial year 2015-16 are provided under the heading Directors Remuneration in the Board's Report.

**ADDITIONAL DISCLOSURES MANDATED BY CORPORATE GOVERNANCE GUIDELINES**

**A. FINANCIAL AND OPERATING RATIOS, NAMELY, INCURRED CLAIM, COMMISSION, AND EXPENSES RATIOS**

Particulars	Year ending March 2016	Year ending March 2015
<b>1) Claims Ratio:</b>		
a. Claims as % of Total Premium (Claims does not include Surrender, Maturity and Survival Benefits)	4.73%	4.07%
b. Surrender, Maturity and Survival benefits as % of Total Premium	80.07%	112.58%
<b>2) Commission Ratio:</b>		
a. New Business Commission as a % of New Business Premium	6.96%	6.32%
b. Total Commission as a % of Total Premium	5.13%	5.11%
<b>3) Expenses Ratio:</b>		
a. Policy holder expenses as a % of Total Premium (Policy holder expenses does not include service tax expense)	23.94%	21.58%
b. Ratio of expenses of management	29.07%	26.69%

**B. ACTUAL SOLVENCY MARGIN DETAILS VIS -A-VIS THE REQUIRED MARGIN**

Particulars	Year ending March 2016	Year ending March 2015
Actual Solvency Margin	8.04	7.55
Required Solvency Margin	1.50	1.50

**C. POLICY LAPSE RATIO**

Particulars	Year ending March 2016	Year ending March 2015
Lapse Ratio	28.13%	28.96%
Conservation Ratio = Current Year Pure Renewal / (Previous Year New business Premium+ Previous Year Pure Renewal)	81.88%	77.97%

**D. FINANCIAL PERFORMANCE INCLUDING GROWTH RATE AND CURRENT FINANCIAL POSITION OF THE INSURER**

This information is provided under Financial Results section of the Board's Report and in Annual Accounts.

**E. A DESCRIPTION OF THE RISK MANAGEMENT ARCHITECTURE**

This information forms part of the Board's Report.

**F. DETAILS OF NUMBER OF CLAIMS INTIMATED, DISPOSED OFF AND PENDING WITH DETAILS OF DURATION**

Total Death Claims Summary	Mar-16		Mar-15	
	Count	(₹ Cr)	Count	(₹ Cr)
Claims O/S at Start of Year	28	0.29	16	0.21
Claims Intimated	766	7.41	762	6.89
Claims Settled	717	6.95	700	6.38
Claims Repudiated	36	0.45	32	0.41
Claims Rejected	16	0.01	18	0.02
Claims Written Back				
Claims O/S from date of intimation	25	0.29	28	0.29
*Ageing for Claims O/S from date of inception at End of Year				
Less than 3 months	24	0.28	18	0.18
3 months and less than 6 months	1	0.01	10	0.11
6 months and less than 1 year				
1 year and above				
<b>Total</b>	<b>25</b>	<b>0.29</b>	<b>28</b>	<b>0.29</b>

**G. ALL PECUNIARY RELATIONSHIPS OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE INSURER**

This information is included in the Management Report.

**H. DISCLOSURE REQUIREMENTS OF THE PARTICIPATING AND UNIT LINKED POLICYHOLDERS'**

Disclosure requirements of the Participating and Unit Linked policyholders' has been furnished as a part of the financial statements, Significant accounting policies and notes forming part of the financial statements.

**Certification for compliance of the Corporate Governance Guidelines**

I, Ajay Kumar Trivedi, hereby certify that the Company has complied with the Corporate Governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

*Aj Trivedi*

Ajay Kumar Trivedi  
Company Secretary

Place: Lucknow  
Date: 28<sup>th</sup> September, 2016