



29-MAR-2016

No.SILICL/CS/MAR-16/44/66749

To,
Dr. (Ms.) Mamta Suri
Senior Joint Director
Head of Dept. (Finance & Accounts)
Insurance Regulatory & Development Authority of India,
3rd Floor, Parishram Bhavan,
Basheer Bagh,
Hyderabad – 500004.

Re: Review of performance of Sahara India Life Insurance Co. Ltd.

Dear Ma'am,

This is in reference to your Letter no. 113.4/F&A-Life/SLIC ARA/ 118/2014-15 dated 26th November, 2015. The response to the queries made in the said letter is provided hereunder:-

S.NO.	OBSERVATIONS OF THE AUTHORITY	REPLY OF THE OBSERVATIONS
1.	Governance Aspects	<p>Mr. Subrata Roy Sahara being Chairman of the Company had not attended any of the meetings of the Board & Investment Committee in the past Four Years. In the said context the Company would like to mention that the absence of Chairman had never affected the Board's decisions on all activities of SILICL. All the other members of the Board & Investment Committee had attended the meetings and fulfilled all responsibilities. Moreover, due prudence & circumspections were taken care of activities of the SILICL by other Members of the Board & Committee. However, he was always informed and made aware about the proceedings of the meetings of the Board & Investment Committee and as a whole the Board & Investment Committee had been very active about its roles and responsibilities during past four years.</p> <p>Moreover, Mr. Subrata Roy Sahara has been detained under Judicial Custody from past two years. So, he was incapable of attending the meetings of the Company.</p> <p>Furthermore, he had resigned from the Chairmanship of the Company w.e.f. 18-Aug-2015.</p>

Registered Office :

Sahara India Life Insurance Company Limited

Sahara India Centre, 2, Kapoorthala Complex, Lucknow-226 024

Phone : (0522) 2337777, Fax : (0522) 2332683, Website : www.saharalife.com, Email :

CIN : U55999UP2000PLC025635

sahara.life@sahara.in

2.	Decline in Business	In the said context, we will be shortly submitting the Business Plan, after getting it approved in the forthcoming Board Meeting latest by 15 th April, 2016. Moreover, working of the said Business Plan is in Process.																							
3	Review of Annual Report 2014-15	<p>3(1). Appointment of M/s S. S. Kothari Mehta & Co., Chartered Accountants as Statutory Auditor: - Since M/s S. S. Kothari Mehta & Co., Statutory Auditors, were appointed as Statutory Auditors for the financial year 2013-14 in the Annual General Meeting of the Company held on 14-August-2013, their one financial year of appointment had already been completed. Therefore they had to be appointed (only for four financial years and not for five financial years), as Statutory Auditors, from the conclusion of the ensuing Annual General Meeting (held on 14-July-2014) till the conclusion of fifth Annual General Meeting, with the ensuing Annual General Meeting (held on 14-July-2014) being counted as the first meeting. Hence, they had been appointed for four financial years only. The term of said appointment could be understood from the following table:</p> <table border="1" data-bbox="557 846 1393 1966"> <thead> <tr> <th data-bbox="557 846 706 1064">Date of AGM in which appointment was made</th> <th data-bbox="706 846 933 1064">Tenure of Appointment (Financial Year wise)</th> <th data-bbox="933 846 1055 1064">Type of AGM</th> <th data-bbox="1055 846 1242 1064">Periodicity</th> <th data-bbox="1242 846 1393 1064">Remarks</th> </tr> </thead> <tbody> <tr> <td data-bbox="557 1064 706 2027" rowspan="5">14-July-2014</td> <td data-bbox="706 1064 933 1243">2014-15</td> <td data-bbox="933 1064 1055 1243">First AGM</td> <td data-bbox="1055 1064 1242 1243">First Financial Year for Statutory Audit</td> <td data-bbox="1242 1064 1393 2027" rowspan="4">Total Term of appointment would be four years.</td> </tr> <tr> <td data-bbox="706 1243 933 1422">2015-16</td> <td data-bbox="933 1243 1055 1422">Second AGM</td> <td data-bbox="1055 1243 1242 1422">Second Financial Year for Statutory Audit</td> </tr> <tr> <td data-bbox="706 1422 933 1601">2016-17</td> <td data-bbox="933 1422 1055 1601">Third AGM</td> <td data-bbox="1055 1422 1242 1601">Third Financial Year for Statutory Audit</td> </tr> <tr> <td data-bbox="706 1601 933 1780">2017-18</td> <td data-bbox="933 1601 1055 1780">Fourth AGM</td> <td data-bbox="1055 1601 1242 1780">Fourth Financial Year for Statutory Audit</td> </tr> <tr> <td data-bbox="706 1780 933 1966">N/A</td> <td data-bbox="933 1780 1055 1966">Fifth AGM</td> <td data-bbox="1055 1780 1242 1966">N/A</td> <td data-bbox="1242 1780 1393 1966">Term of appointment would be expired.</td> </tr> </tbody> </table>	Date of AGM in which appointment was made	Tenure of Appointment (Financial Year wise)	Type of AGM	Periodicity	Remarks	14-July-2014	2014-15	First AGM	First Financial Year for Statutory Audit	Total Term of appointment would be four years.	2015-16	Second AGM	Second Financial Year for Statutory Audit	2016-17	Third AGM	Third Financial Year for Statutory Audit	2017-18	Fourth AGM	Fourth Financial Year for Statutory Audit	N/A	Fifth AGM	N/A	Term of appointment would be expired.
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	2016-17	Third AGM	Third Financial Year for Statutory Audit																						
	2017-18	Fourth AGM	Fourth Financial Year for Statutory Audit																						
	N/A	Fifth AGM	N/A	Term of appointment would be expired.																					

Appointment of M/s S. N. Kapur & Associates, Chartered Accountants as Statutory Auditor:

- The appointment of M/s S. N. Kapur & Associates, Chartered Accountants was scheduled first time. Therefore they had to be appointed for five financial years from the conclusion of the ensuing Annual General Meeting (held on 14-July-2014) till the conclusion of sixth Annual General Meeting, with the ensuing Annual General Meeting (held on 14-July-2014) being counted as the first meeting. The term of said appointment could be understood from the following table:

Date of AGM in which appointment was made	Tenure of Appointment (Financial Year wise)	Type of AGM	Periodicity	Remarks
14-July-2014	2014-15	First AGM	First Financial Year for Statutory Audit	Total Term of appointment would be five years.
	2015-16	Second AGM	Second Financial Year for Statutory Audit	
	2016-17	Third AGM	Third Financial Year for Statutory Audit	
	2017-18	Fourth AGM	Fourth Financial Year for Statutory Audit	
	2018-19	Fifth AGM	Fifth Financial Year for Statutory Audit	
	N/A	Sixth AGM	N/A	Term of appointment would be expired.

3(2). "Next Business Date" here represents for applications received or money received on 31st March. NAV is applied on the day when the premium is due & in case the NAV is already due then, the NAV of the immediately next Business Date is applied.

However, in case of New Business NAV is applied on the day on which the premium is adjusted.

		<p>3(3)(a)(i). We are in the process of expanding our Business by opening new offices. We have given Security Deposit of ₹71.25 Crores for opening of 646 offices PAN India.</p> <p>3(3)(a)(ii). We have deposited under protest Service Tax as demanded by Service Tax Department amounting ₹ 5.89 Crores. Appeal for the same has been made before Hon'ble Appellate Tribunal & the same is shown under Sundry Recoverable Head.</p> <p>3(b) (i) & (ii). Surrender Payable had been reduced from ₹4.63 crores to ₹2.30 crores and Expenses payable from ₹4.17 Crores to ₹2.29 Crores, as payments have been made before 31st March 2015.</p> <p>3(b)(iii). It is not a genuine Overdraft but a Book Overdraft. As, Bank Overdraft (as per books) is in respect of amount overdrawn as per the books and not as per the bank. The Company does not have any overdraft facility with any Bank. The actual balance as per the Bank Statement is ₹ 313 thousand (previous Year ₹1,27,681 thousand).</p> <p>3(c). As, our policyholders have taken Loan against their policies. Further, the Loan given to them was as per Product Features and as per File & Use Terms.</p> <p>Moreover, the account wise detail of each of the account head along with its present status thereof will be filled with the Authority shortly.</p> <p>Further, the Liability has been reduced while calculating Solvency Margin. Whereas, in the case of Assets only Security Deposit has been considered.</p>
4.	Adjustments under Revaluation Reserve	Revaluation Reserve has been reduced from ₹2.81 Lacs to ₹6 Lacs because of pro-rata depreciation charged on Building to Revaluation Reserve.
5.	Unclaimed Amounts	Unclaimed amount is below ₹ 100 per policy & as the cost of refunding is high, the amount is being adjusted in the next premium which is due or at the time of settlement of Claim we will be refunding the amount.

Thanking you,

Yours faithfully,

For Sahara India Life Insurance Co. Ltd.



(Ishwar Chand Rai)

CFO