

ए. वी. गिरिजाकुमार  
अध्यक्ष एवं प्रबन्ध निदेशक  
**A. V. GIRIJAKUMAR**  
Chairman-cum-Managing Director



दि ओरिएण्टल इश्योरेंस कम्पनी लिमिटेड  
"ओरिएण्टल हाउस" ए-25/27, आसफ अली रोड, नई दिल्ली-110002  
**THE ORIENTAL INSURANCE COMPANY LIMITED**  
"Oriental House" A-25/27, Asaf Ali Road, New Delhi - 110002  
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Dear OICians,

17<sup>th</sup> May, 2018

My greetings to each one of you and your families...

I hope all of you recall that at the beginning of the Financial Year 2017-18, we OICians had committed conscientiously to improve the quality of our Business and consolidate our Financial strength.

Now, it is my privilege to convey the Summary of Audited Financial Results for 2017-18 as approved by our Board of Directors, today.

GDP India:	Rs.11452 Crores	(Previous Year: Rs. 10803 Crores )
Growth:	6%	(Previous Year: 29.93 % )
GDP Global:	Rs.11737 Crores	(Previous Year: Rs. 11117 Crores )
Growth:	5.6%	(Previous Year: 29 % )
ICR to Earned Premium:	85%	(Previous Year: 112% )
ME to Earned Premium:	27%	(Previous Year: 33.6% )
Combined Ratio to EP:	118.5%	(Previous Year: 148%)
Underwriting Result:	(-) 1923 Crores	{Previous Year: (-) 4336 Crores}
Operating Profit:	1148 Crores	(Previous Year: Loss of 2400 Crores)
Profit Before Tax (PBT):	1383 Crores	[Previous Year: (-) 1987 Crores]
Profit After Tax (PAT):	1510 Crores	[Previous Year: (-) 1691 Crores]
Investment – Book Cost:	15169 Crores	(Previous Year: 13659 Crores)
Solvency Margin:	1.67	(Previous Year: 1.11 )

The above Solvency Margin reflects entirely our Inherent & Internal Financial Strength without any external dependency. My heartiest congratulations to each OICian on this occasion.

We took a conscious decision, while adopting our 2016-17 Financial Results, to provide for entire amount of Technical Liabilities (Liabilities towards Policyholders) in ONE-GO, without carrying forward any amount, based on Best Actuarial Estimates. This was done because it conforms to the norms of Best Corporate Governance Practices & Requirement of Transparency & Accountability. This measure, along with our decision to focus on the following elements of Corporate Strategy, has yielded the desired Results:-

1. Focus on increasing Number of Policies for better retail spread.
2. Careful monitoring and control of Management Expenses.
3. Cutting down on Growth in Unproductive Group (Commercial) Health Insurance and declining renewals of loss making GPAs & GMCs and other unviable accounts.
4. Effective Monitoring towards expeditious Claims Settlement and overall Claims Management.
5. Quoting for Crop Insurance on our own, with the help of HO Technical and Actuarial Team.
6. Proper Accounting & Close Monitoring of Recoveries, Co-insurance & Reinsurance including XL Recoveries.

We have set a 'Twin Target' for current year for the Company, which is "Business Growth of 20% and Combined Ratio of 110%". I am sure each OICian will rise to the occasion during 2018-19 in the same manner as they have demonstrated during the last year.

Let me reiterate here that the Key Elements of the strategy given above have to be consciously borne in mind in the current Financial Year also so that we ensure that Oriental marches from strength to strength.

On the occasion of the excellent Financial Results coinciding with Oriental's celebration of its 70<sup>th</sup> Foundation Year, I am pleased to inform you all that as a 'Token of Recognition' of the contribution of each OICian, we have decided to give a Memento to every OICian.

My best wishes.

Yours sincerely,

( A.V Girijakumar )

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