

INDEPENDENT AUDITORS' REPORT

To the Members of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

The financial statements have been drawn in accordance with the insurance act, 1938. The Insurance Regulatory and Development Authority Act, 1999. Insurance Regulatory And Development Authority (IRDA) (Preparation of Financial statements and Auditor's Report of Insurance companies) Regulations, 2002 read with Section 211 of the companies Act, 1956, to the extent applicable.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Receipts and Payments Statement of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211, provisions of sub sections (1), (2) and (5) of Section 211 and sub section (5) of Section 227 of the Companies Act, provisions of Section 11 of the Insurance Act read with the IRDA Regulations/Guidelines/Circulars/orders. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, The Insurance Regulatory and Development Act, 1999 and The Companies Act, 1956 to the extent applicable and give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of Revenue Accounts, of the operating loss for the year ended on that date;
- c) in the case of Profit and Loss Account, the loss for the year ended on that date;
- d) in the case of Receipts and Payments Statement, receipts and payments for the year ended on that date.
- e) Investments of the Company have been valued in accordance with the Provisions of the Insurance Act and the Regulations
- f) The Accounting policies selected by the insurer are appropriate and are in compliance with the applicable Accounting Standards and with the Accounting Principles, as prescribed in the regulations or any order or direction issued by the Authority in this behalf.

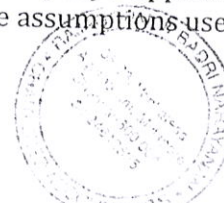
Emphasis of Matter

Without qualifying our report, we draw attention to Note No. 25 of the Financial Statements regarding amounts recoverable under contractual obligation of Rs 1,009,966 thousands, which has been considered good and recoverable by the company.

Report on Other Legal and Regulatory Requirements - As required under provisions Of Section 227(3) of the Companies Act, 1956 and IRDA regulations

We report that

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, the Revenue Accounts, Profit and Loss Account, and Receipts and Payments Statement dealt with by this Report are in agreement with the books of account.
- d) the financial accounting system of the Company is centralised and therefore accounting returns are not required to be submitted by branches
- e) in our opinion, the Balance Sheet, Profit and Loss Account, and Receipts and Payments Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read together with IRDA Regulations/Circulars/Orders
- f) The estimates of claims Incurred But Not Reported [IBNR] and claims Incurred But Not Enough Reported [IBNER] have been certified by the Company's appointed actuary. The appointed actuary has certified to the Company that the assumptions used for such are



appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority [IRDA] and Actuarial Society of India in concurrence with IRDA. We have relied on the appointed Actuary's certificate in this regard

- g) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Further, according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:

- i. We have reviewed the Management Report attached to the financial statements for the financial year ended March 31, 2013 and there is no apparent mistake or material inconsistency therein with the financial statements
- ii. The Company has complied with the terms and conditions of registration stipulated by IRDA vide their letter dated 16th March, 2006.
- iii. We have verified the cash balances at the corporate office of the Company and investments of the Company
- iv. The Company is not a trustee of any trust
- v. No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to application and investment of policyholders' funds
- vi. All expenses of management in respect of Miscellaneous Insurance Business have been fully debited to the Miscellaneous Revenue Accounts

For B. Purushottam & Co,
Chartered Accountants
Firm No: 002808S

B. S. Purushottam

B.S Purshotham
Partner
Membership No: 26785

Place: Chennai
Dated: 21.06.2013

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm No: 003024S

P.S. Prabhakar

P.S.Prabhakar
Partner
Membership No: 20909



Form B - RA
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDA : 129/16.03.2006

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013
FIRE BUSINESS

		(Rs.'000)			
Particulars	Schedule	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
1 Premiums earned (Net)	1 A	-	-	-	-
2 Profit/ (Loss) on sale/redemption of Investments		-	-	-	-
3 Others (to be specified)		-	-	-	-
4 Interest, Dividend & Rent - (Gross)		-	-	-	-
TOTAL (A)		-	-	-	-
1 Claims Incurred (Net)	2 A	-	-	-	-
2 Commission	3 A	-	-	-	-
3 Operating Expenses related to Insurance Business	4	-	-	-	-
4 Premium Deficiency		-	-	-	-
TOTAL (B)		-	-	-	-
Operating Profit/(Loss) from Fire Business C= (A - B)		-	-	-	-
APPROPRIATIONS					
Transfer to Shareholders' Account		-	-	-	-
Transfer to Catastrophe Reserve		-	-	-	-
Transfer to Other Reserves		-	-	-	-
TOTAL (C)		-	-	-	-
Significant accounting policies	16				
Notes to financial statements	17				

As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Fire Business have been fully debited in the Fire Revenue Account as expenses.

As Per Our Report of Even Date attached

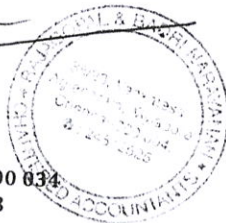
For B.Purushottam & Co.,
Chartered Accountants
Firm Reg No. 002808S

B. S. Purushottam
B.S.Purshotham
Partner.
M.No.26785



For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003024S

P.S Prabhakar
Partner
M.No.20909



Place: Chennai - 600 034
Date: 21-June-2013

For And On Behalf of Board of Directors

V. Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Form B - RA
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDA : 129/16.03.2006

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013
MARINE BUSINESS

		(Rs.'000)			
Particulars	Schedule	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
1 Premiums earned (Net)	1 B	-	-	-	-
2 Profit/ (Loss) on sale/redemption of Investments		-	-	-	-
3 Others (to be specified)		-	-	-	-
4 Interest, Dividend & Rent - (Gross)		-	-	-	-
TOTAL (A)		-	-	-	-
1 Claims Incurred (Net)	2 B	-	-	-	-
2 Commission	3 B	-	-	-	-
3 Operating Expenses related to Insurance Business	4	-	-	-	-
4 Premium Deficiency		-	-	-	-
TOTAL (B)		-	-	-	-
Operating Profit/(Loss) from Marine Business C= (A - B)		-	-	-	-
APPROPRIATIONS					
Transfer to Shareholders' Account		-	-	-	-
Transfer to Catastrophe Reserve		-	-	-	-
Transfer to Other Reserves		-	-	-	-
TOTAL (C)		-	-	-	-
Significant accounting policies	16				
Notes to financial statements	17				

As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Marine Business have been fully debited in the Marine Revenue Account as expenses.

As Per Our Report of Even Date attached

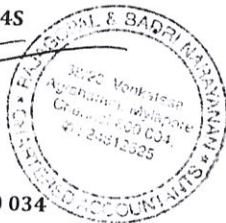
For B.Purushottam & Co.,
Chartered Accountants
Firm Reg No. 002808S

B. S. Purushottam
B.S.Purushottam
Partner.
M.No.26785



For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003024S

P. S. Prabhakar
P.S.Prabhakar
Partner
M.No.20909



Place: Chennai - 600 034
Date: 21-June-2013

For And On Behalf of Board of Directors

V. Jagannathan
V.Jagannathan
Chairman Cum Managing Director

V. P. Nagarajan
V.P.Nagarajan
Director

S. Ramaswamy
S.Ramaswamy
Chief Financial Officer

C. M. Kannan Unni
C.M.Kannan Unni
Company Secretary

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013
MISCELLANEOUS BUSINESS

		(Rs.'000)			
Particulars	Schedule	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
1 Premiums earned (Net)	1 D	1,376,943	5,112,286	1,859,770	8,085,078
2 Profit/ (Loss) on sale/redemption of Investments		(202)	(5,340)	(2,849)	(4,247)
3 Others (Refer Note No.24 of Sch 17)		5,731	5,731	-	-
4 Interest, Dividend & Rent - (Gross)		56,845	145,823	39,965	125,724
TOTAL (A)		1,439,317	5,258,500	1,896,886	8,206,555
1 Claims Incurred (Net)	2 D	734,279	3,229,733	1,557,900	7,742,322
2 Commission	3 D	36,322	137,542	44,302	46,471
3 Operating Expenses related to Insurance Business	4	1,107,080	3,186,352	609,321	2,027,846
4 Premium Deficiency		-	-	-	-
TOTAL (B)		1,877,681	6,553,627	2,211,523	9,816,639
Operating Profit/(Loss) from Miscellaneous Business C= (A - B)		(438,364)	(1,295,127)	(314,637)	(1,610,084)
APPROPRIATIONS					
Transfer to Shareholders' Account		(438,364)	(1,295,127)	(314,637)	(1,610,084)
Transfer to Catastrophe Reserve		-	-	-	-
Transfer to Other Reserves (to be specified)		-	-	-	-
TOTAL (C)		(438,364)	(1,295,127)	(314,637)	(1,610,084)
Significant accounting policies	16				
Notes to financial statements	17				

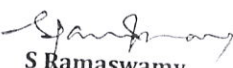
As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Miscellaneous Business have been fully debited in the Miscellaneous Revenue Account as expenses.

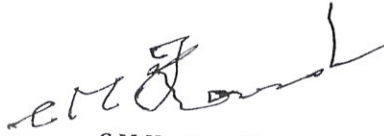
As Per Our Report of Even Date attached

For And On Behalf of Board of Directors

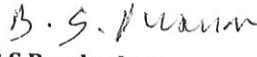

V. Jagannathan
Chairman Cum Managing Director


V.P. Nagarajan
Director

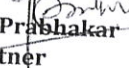

S. Ramaswamy
Chief Financial Officer


C.M. Kannan Unni
Company Secretary

For B. Purushottam & Co.,
Chartered Accountants
Firm Reg No. 002808S


B.S. Purushottam
Partner.
V.No.26785

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003024S


R.S. Prabhakar
Partner
V.No.20909

Place: Chennai - 600 034
Date: 21-June-2013

Form B - PL
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDA : 129/16.03.2006
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013

		(Rs.'000)			
Particulars	Schedule	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
1 OPERATING PROFIT/(LOSS)					
(a) Fire Insurance		-	-	-	-
(b) Marine Insurance		-	-	-	-
(c) Miscellaneous Insurance		-	-	-	-
		(438,363)	(1,295,127)	(314,637)	(1,610,084)
2 INCOME FROM INVESTMENTS					
(a) Interest, Dividend & Rent - (Gross)		10,664	38,762	318	67,699
(b) Profit on sale of investments		46	46	-	-
Less: Loss on sale of investments		157	(1,465)	(1,188)	(2,286)
3 OTHER INCOME (Refer Note No.24 of Sch 17)		1,524	1,524	-	-
TOTAL (A)		(425,972)	(1,256,260)	(315,508)	(1,544,671)
4 PROVISIONS (Other than taxation)					
(a) For diminution in the value of investments		-	-	-	-
(b) For doubtful debts		-	-	-	-
(c) Others		-	-	-	-
5 OTHER EXPENSES					
(a) Expenses other than those related to Insurance Business		-	-	-	-
(b) Bad debts written off		-	-	-	-
(c) Others		-	-	-	-
Amortisation Expenses		-	-	-	-
TOTAL (B)		47	(106)	24	(122)
Profit Before Tax (A-B)		47	(106)	24	(122)
Provision for Taxation		(426,019)	(1,256,154)	(315,532)	(1,544,549)
(a) Current Tax		-	-	-	-
(b) Deferred Tax		-	-	-	-
Profit After Tax		-	-	-	(69,145)
		(426,019)	(1,256,154)	(315,532)	(1,475,405)
APPROPRIATIONS					
(a) Interim dividends paid during the year		-	-	-	-
(b) Proposed final dividend		-	-	-	-
(c) Dividend distribution tax		-	-	-	-
(d) Transfer Contingency reserve for Unexpired Risk		-	-	-	-
Balance of profit/ (loss) brought forward from last year		-	(1,501,160)	-	(25,755)
Balance carried forward to Balance Sheet		(426,019)	(2,757,314)	(315,532)	(1,501,160)
Significant accounting policies	16				
Notes to financial statements	17				
Earnings per share - Basic		(4.47)	(4.47)	(6.78)	(6.78)
- Diluted		(4.47)	(4.47)	(6.78)	(6.78)

As Per Our Report of Even Date attached

For B.Purushottam & Co.,
Chartered Accountants
Firm Reg No. 002808S

B.S. Purushottam
B.S.Purshotham
Partner.
M.No.26785

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003024S

P.S. Prabhakar
Partner
M.No.20909
Place: Chennai - 600 034
Date: 21-June-2013

For And On Behalf of Board of Directors

V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Form B - BS
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDA : 129/16.03.2006
BALANCE SHEET AS AT 31st MARCH 2013

		(Rs.'000)	
Particulars	Schedule	31st March 2013	31st March 2012
SOURCES OF FUNDS			
SHARE CAPITAL	5	3,269,462	2,787,724
SHARE APPLICATION MONEY		-	-
RESERVES AND SURPLUS	6	2,220,757	1,630,538
FAIR VALUE CHANGE ACCOUNT		-	-
BORROWINGS	7	-	-
DEFERRED TAX LIABILITY		-	-
TOTAL		5,490,219	4,418,262
APPLICATION OF FUNDS			
INVESTMENTS	8	2,807,191	1,849,254
LOANS	9	-	-
FIXED ASSETS	10	530,835	645,843
CURRENT ASSETS			
Cash and Bank Balances	11	1,818,445	479,577
Advances and Other Assets	12	2,335,153	3,708,941
Sub-Total (A)		4,153,598	4,188,518
CURRENT LIABILITIES	13	1,346,446	1,385,653
PROVISIONS	14	3,412,273	2,380,860
Sub-Total (B)		4,758,719	3,766,513
NET CURRENT ASSETS (C) = (A - B)		(605,121)	422,005
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		2,757,314	1,501,160
TOTAL		5,490,219	4,418,262
Significant accounting policies	16		
Notes to financial statements	17		

As Per Our Report of Even Date Attached

For And On Behalf of Board of Directors

For B.Purushottam & Co.,
Chartered Accountants
Firm Reg No. 002808S

B.S. Purushottam
B.S.Purshotham
Partner.
M.No.26785



V.Jagannathan
Chairman Cum Managing Director

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003024S

P.S Prabhakar
Partner
M.No.20909



V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Place: Chennai - 600-034
Date: 21-June-2013

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1A

PREMIUM EARNED [NET]

FIRE BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Premium from direct business written	-	-	-	-
Add: Premium on reinsurance accepted	-	-	-	-
Less : Premium on reinsurance ceded	-	-	-	-
Net Premium	-	-	-	-
Adjustment for change in reserve for unexpired risks	-	-	-	-
Total Premium Earned (Net)	-	-	-	-

SCHEDULE - 1B

PREMIUM EARNED [NET]

MARINE CARGO BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Premium from direct business written	-	-	-	-
Add: Premium on reinsurance accepted	-	-	-	-
Less : Premium on reinsurance ceded	-	-	-	-
Net Premium	-	-	-	-
Adjustment for change in reserve for unexpired risks	-	-	-	-
Total Premium Earned (Net)	-	-	-	-



SCHEDULE - 1C
PREMIUM EARNED [NET]
MARINE HULL BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Premium from direct business written	-	-	-	-
Add: Premium on reinsurance accepted	-	-	-	-
Less : Premium on reinsurance ceded	-	-	-	-
Net Premium	-	-	-	-
Adjustment for change in reserve for unexpired risks	-	-	-	-
Total Premium Earned (Net)	-	-	-	-

SCHEDULE - 1D
PREMIUM EARNED [NET]
MISCELLANEOUS BUSINESS

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Premium from direct business written	2,701,264	8,602,135	2,274,585	10,850,567
Add: Premium on reinsurance accepted	6,847	6,847	-	41
Less : Premium on reinsurance ceded	297,693	2,470,617	346,299	2,751,470
Net Premium	2,410,418	6,138,365	1,928,286	8,099,138
Adjustment for change in reserve for unexpired risks	1,033,475	1,026,079	68,516	14,060
Total Premium Earned (Net)	1,376,943	5,112,286	1,859,770	8,085,078

All premium written, less reinsurance, is from business in India.



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 2A

CLAIMS INCURRED [NET]

FIRE BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the		(Rs.'000)	
	Quarter Jan to Mar '13	31st March 2013	Quarter Jan to Mar '12	31st March 2012
Claims paid				
Direct	-	-	-	-
Add :Re-insurance accepted	-	-	-	-
Less :Re-insurance Ceded	-	-	-	-
Net Claims paid	-	-	-	-
Add Claims Outstanding at the end of the year	-	-	-	-
Less Claims Outstanding at the beginning	-	-	-	-
Total Claims Incurred	-	-	-	-

SCHEDULE - 2B

CLAIMS INCURRED [NET]

MARINE CARGO BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13		For the Quarter Jan to Mar '12	
	31st March 2013		31st March 2012	
Claims paid				
Direct	-	-	-	-
Add :Re-insurance accepted	-	-	-	-
Less :Re-insurance Ceded	-	-	-	-
Net Claims paid	-	-	-	-
Add Claims Outstanding at the end of the year	-	-	-	-
Less Claims Outstanding at the beginning	-	-	-	-
Total Claims Incurred	-	-	-	-



SCHEDULE - 2C
CLAIMS INCURRED [NET]
MARINE HULL BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Claims paid				
Direct	-	-	-	-
Add :Re-insurance accepted	-	-	-	-
Less :Re-insurance Ceded	-	-	-	-
Net Claims paid	-	-	-	-
Add Claims Outstanding at the end of the year	-	-	-	-
Less Claims Outstanding at the beginning	-	-	-	-
Total Claims Incurred	-	-	-	-

SCHEDULE - 2D
CLAIMS INCURRED [NET]
MISCELLANEOUS BUSINESS

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Claims paid				
Direct	1,077,464	5,424,126	2,094,857	10,605,038
Add :Re-insurance accepted	89	541	-	-
Less :Re-insurance Ceded	526,689	2,073,818	576,815	3,164,772
Net Claims paid	550,864	3,350,849	1,518,042	7,440,266
Add Claims Outstanding at the end of the year	807,902	807,902	929,018	929,018
Less Claims Outstanding at the beginning	624,487	929,018	889,160	626,962
Total Claims Incurred	734,279	3,229,733	1,557,900	7,742,322

All claims paid, less reinsurance, are to claimants in India.



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE - 3A
COMMISSION
FIRE BUSINESS ACCOUNT**

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Commission paid				
Direct	-	-	-	-
Add: Re-insurance Accepted	-	-	-	-
Less: Commission on Re-insurance Ceded	-	-	-	-
Net Commission	-	-	-	-
Break-up of the expenses (Gross) incurred to procure business :				
Agents	-	-	-	-
Brokers	-	-	-	-
Corporate Agency	-	-	-	-
Referral	-	-	-	-
Others	-	-	-	-
TOTAL	-	-	-	-

**SCHEDULE- 3B
COMMISSION
MARINE CARGO BUSINESS ACCOUNT**

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Commission paid				
Direct	-	-	-	-
Add: Re-insurance Accepted	-	-	-	-
Less: Commission on Re-insurance Ceded	-	-	-	-
Net Commission	-	-	-	-
Break-up of the expenses (Gross) incurred to procure business :				
Agents	-	-	-	-
Brokers	-	-	-	-
Corporate Agency	-	-	-	-
Referral	-	-	-	-
Others	-	-	-	-
TOTAL	-	-	-	-



SCHEDULE- 3C
COMMISSION
MARINE HULL BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
Commission paid				
Direct	-	-	-	-
Add: Re-insurance Accepted	-	-	-	-
Less: Commission on Re-insurance Ceded	-	-	-	-
Net Commission	-	-	-	-
Break-up of the expenses (Gross) incurred to procure business :				
Agents	-	-	-	-
Brokers	-	-	-	-
Corporate Agency	-	-	-	-
Referral	-	-	-	-
Others	-	-	-	-
TOTAL	-	-	-	-

SCHEDULE- 3D
COMMISSION
MISCELLANEOUS BUSINESS

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
COMMISSION PAID				
Direct	277,878	787,781	189,905	519,163
Add: Re-insurance Accepted	1,712	1,712	-	-
Less: Commission on Re-insurance Ceded	243,268	651,951	145,603	472,692
Net Commission	36,322	137,542	44,302	46,471
Break-up of the expenses (Gross) incurred to procure Business :				
Agents	265,078	745,389	179,160	490,563
Brokers	12,644	41,849	10,382	26,979
Corporate Agency	158	543	362	1,619
Referral	-	-	-	-
Others	(1)	-	-	1
TOTAL	277,879	787,781	189,904	519,163



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs.'000)

Particulars	For the Quarter Jan to Mar '13	31st March 2013	For the Quarter Jan to Mar '12	31st March 2012
1 Employees' remuneration & welfare benefits (Refer Note No.15 of Sch 17)	598,323	1,781,520	412,033	1,297,289
2 Travel, conveyance and vehicle running expenses	17,815	75,466	12,455	43,293
3 Training expenses	4,961	17,883	2,210	7,856
4 Rents, rates & taxes	48,622	166,280	32,057	138,881
5 Repairs	19,065	70,012	1,169	31,785
6 Printing & Stationery	52,424	145,715	37,621	84,983
7 Communication	22,718	67,599	11,494	41,611
8 Legal & professional charges	15,750	56,151	(25,496)	33,818
9 Auditors' fees, expenses etc				
(a) as auditor	1,300	1,800	1,300	1,800
(b) as adviser or in any other capacity, in respect of				
(i) Taxation matters	700	700	700	700
(ii) Insurance matters	-	-	-	-
(iii) Management services; and	-	-	-	-
(c) in any other capacity	677	677	245	500
(d) Out of Pocket Expenses	215	573	40	194
10 Advertisement and publicity	194,612	359,081	49,128	94,174
11 Interest & Bank Charges	4,870	9,771	1,962	4,461
12 Others				
- Donation	170	1,012	205	2,480
- Director's Sitting Fees	80	320	80	320
- Software Expenses	39,507	108,814	18,395	42,132
- Miscellaneous Expenses	23,138	63,041	15,200	55,433
- Amortization Expenses (Refer Note No.21 of Sch 17)	88	(398)	(47)	(225)
13 Depreciation	62,045	260,335	38,571	146,362
TOTAL	1,107,080	3,186,352	609,321	2,027,846



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE - 5
SHARE CAPITAL**

(Rs.'000)

Particulars	31st March 2013	31st March 2012
1 Authorised Capital 350,000,000 (Previous Year - 350,000,000) Equity Shares of Rs10/- each	3,500,000	3,500,000
2 Issued Capital 333,730,402 (Previous Year - 278,772,350) Equity Shares of Rs10/- each	3,337,304	2,787,724
3 Subscribed Capital 326,946,161 (Previous Year - 278,772,350) Equity Shares of Rs10/- each	3,269,462	2,787,724
4 Called-up / paid up Capital 326,946,161 (Previous Year - 278,772,350) Equity Shares of Rs10/- each (Out of above 3,104,000 (previous year 2,100,000) equity shares of Rs.10/- each issued for consideration other than cash.)	3,269,462	2,787,724
Less : Calls unpaid	-	-
Add : Equity Shares forfeited (Amount originally paid up)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less : Preliminary Expenses Expenses including commission or brokerage on Underwriting or subscription of shares	-	-
TOTAL	3,269,462	2,787,724

SCHEDULE - 5A

SHARE CAPITAL

PATTERN OF SHAREHOLDING

[As certified by the Management]

Shareholder	Current Year		Previous Year	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian	245,677,852	75.14%	228,951,830	82.13%
Foreign	81,268,309	24.86%	49,820,520	17.87%
Others	-		-	
TOTAL	326,946,161	100%	278,772,350	100%



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 6

RESERVES AND SURPLUS

(Rs.'000)

Particulars	31st March 2013	31st March 2012
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	2,081,887	1,491,668
(Refer Note No:17 of Sch 17)		
4 General Reserves	-	-
Opening as on 01.04.12	138,870	64,959
Additions during the year		
Transfer from Contingency Reserve for Unexpired I	-	73,911
Deductions during the year		
Transfer from Profit & Loss a/c	-	-
Closing as on 31.03.13	138,870	138,870
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
5 Catastrophe Reserve	-	-
6 Other Reserves (Refer Note No: 7 of Sch 17)	-	-
Contingency Reserve for Unexpired Risk	-	-
Opening as on 01.04.12	-	73,911
Additions during the year		
Transfer from Profit & Loss a/c	-	-
Deductions during the year		
Transfer to General Reserve	-	73,911
Closing as on 31.03.13	-	-
7 Balance of Profit in Profit & Loss Account	-	-
TOTAL	2,220,757	1,630,538



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 7 BORROWINGS

Particulars	(Rs.'000)	
	31st March 2013	31st March 2012
1 Debentures/ Bonds	-	-
2 Banks	-	-
3 Financial Institutions	-	-
4 Others (to be specified)	-	-
TOTAL	-	-



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

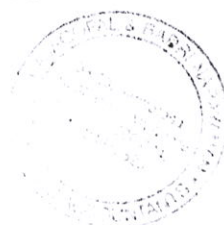
**Schedule -8
INVESTMENTS**

(Rs.'000)

Particulars		31st March 2013	31st March 2012
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills *	1,530,255	848,839
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	350,321	448,828
	(e) Other Securities (to be specified)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	76,926	51,818
4	Investments in Infrastructure and Social Sector	549,689	400,631
5	Other than Approved Investments	-	-
SHORT TERM INVESTMENTS			
6	Government securities and Government guaranteed bonds including Treasury Bills	-	-
7	Other Approved Securities	-	-
8	Other Investments		
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(a) Derivative Instruments	-	-
	(b) Debentures / Bonds	150,000	50,000
	(c) Other Securities	-	-
	(d) Subsidiaries	-	-
	(e) Investment Properties-Real Estate	-	-
9	Investments in Infrastructure and Social Sector	150,000	49,138
10	Other than Approved Investments	-	-
	TOTAL	2,807,191	1,849,254

* Includes Government Securities of B.V Rs.109,351 (Previous Year Rs.108,635) held under Sec.7 of Insurance Act, 1938.

Aggregate Market Value of Quoted Investments other than equity shares.	2,722,409	1,747,291
Aggregate Book Value of Quoted Investments other than equity shares	2,730,265	1,797,436
Aggregate Book Value of Un-Quoted Investments	76,926	51,818
Aggregate Market Value of Investment Properties	421,365	340,560
Historical cost of Mutual Funds valued on Fair Value basis	-	-



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9 LOANS

(Rs.'000)

Particulars	31st March 2013	31st March 2012
1 SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others (to be specified)	-	-
Unsecured	-	-
TOTAL	-	-
2 BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others (to be specified)	-	-
TOTAL	-	-
3 PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
TOTAL	-	-
4 MATURITY-WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	-	-
TOTAL	-	-



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE - 10
FIXED ASSETS

Particulars		Cost/ Gross Block				Depreciation				Net Block	
		Opening	Additions	Deductions	Closing	Upto Last Year	For The Year	On Sales/ Adjustments	To Date	As at year end	Previous Year
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles - IT Software	498,855	27,974	-	526,829	227,461	205,389	-	432,850	93,979	271,393
3	Land - Freehold	-	75,600	-	75,600	-	-	-	-	75,600	-
4	Leasehold Property	-	-	-	-	-	-	-	-	-	-
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	94,971	16,013	18	110,966	19,929	7,900	3	27,826	83,140	75,040
7	Information Technology Equipment	242,692	42,465	457	284,700	78,248	40,819	16	119,051	165,649	164,445
8	Vehicles	13,432	4,516	729	17,219	2,681	1,453	66	4,068	13,151	10,751
9	Office Equipment	73,139	21,271	25	94,385	11,676	4,774	5	16,445	77,940	61,463
	Total	923,089	187,839	1,229	1,109,699	339,995	260,335	90	600,240	509,459	583,093
	Capital work in progress	62,750	21,376	62,750	21,376	-	-	-	-	21,376	62,750
	Grand Total	985,839	209,215	63,979	1,131,075	339,995	260,335	90	600,240	530,835	645,843
	Previous Year	817,917	183,466	(15,545)	985,839	201,334	146,362	7,700	339,996	-	-

(Rs.'000)



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE- 11

CASH AND BANK BALANCES

		(Rs.'000)	
Particulars		31st March 2013	31st March 2012
1	Cash (including cheques, drafts and stamps)	211,041	96,541
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	1,415,934	242,310
	(bb) Others	-	-
	(b) Current Accounts	191,470	140,726
	(c) Others (to be specified)	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	TOTAL	1,818,445	479,577



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

(Rs.'000)

Particulars	31st March 2013	31st March 2012
A ADVANCES		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	80,654	26,821
4 Advances to Directors/Officers	-	1,213
5 Advance tax paid and taxes deducted at source (Net of Provisions for Tax amounting Rs.64,411; Previous Year 64,411)	49,222	49,222
6 Others		
- Travel Advance	790	185
- Rental Advance	101,212	79,664
- Telephone Deposit	279	261
- Staff Advance	30,017	15,216
- Other Advances	36,132	165,325
- Security Deposits (Refer Note No.23 of Sch 17)	8,409	5,363
TOTAL (A)	306,715	343,271
B OTHER ASSETS		
1 Income accrued on investments	102,764	64,942
2 Outstanding Premiums	176,493	-
3 Agents' Balances	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	726,117	2,234,721
6 Due from subsidiaries/ holding	-	-
7 Deposit with RBI	-	-
[Pursuant to section 7 of Insurance Act, 1938]		
8 Others		
- Amounts Recoverable under Contractual Obligations (Refer Note No.25 of Sch 17)	1,009,754	1,010,333
- Service Tax	13,309	55,674
TOTAL (B)	2,028,438	3,365,670
TOTAL (A+B)	2,335,153	3,708,941



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 13

CURRENT LIABILITIES

(Rs.'000)

Particulars	31st March 2013	31st March 2012
1 Agents' Balances	59,899	44,200
2 Balances due to other insurance companies	-	-
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	45,955	35,967
5 Unallocated Premium *	55,516	46,859
6 Sundry creditors	3,59,443	3,09,707
7 Due to subsidiaries/ holding company	-	-
8 Claims Outstanding	8,07,902	9,29,018
9 Due to Officers/ Directors	-	-
10 Others	-	-
- Excess Collection @	2,420	7,449
- Refund of Premium #	15,311	12,453
TOTAL	13,46,446	13,85,653

Agewise Analysis - Unallocated Premium *

	No.of cases	Amt in Rs.'000s
Upto 6 months **	15,890	48,442
Above 6 months to one year	7,729	5,280
Above one year to 3 year	4,196	1,794
Above 3 Years	-	-
Total	27,815	55,516

Agewise Analysis - Excess Collection @

	No.of cases	Amt in Rs.'000s
Upto 6 months **	578	2,488
Above 6 months to one year	185	(119)
Above one year to 3 year	26	50
Above 3 Years	-	-
Total	789	2,420

Agewise Analysis - Refund of premium

	No.of cases	Amt in Rs.'000s
Upto 6 months **	1,249	13,501
Above 6 months to one year	313	1,071
Above one year to 3 year	111	740
Above 3 Years	-	-
Total	1,673	15,311

** An Amount of Rs.3,73,74,421 pertaining to Risk adjustment entry (Notional entry) in premium control account had been reversed on 01.04.2013. Further this includes balances of various premium deposit account or "running account" maintained by Corporate policy holders for their Convenience.



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 14

PROVISIONS

(Rs.'000)

		(Rs. 000)	
Particulars		31st March 2013	31st March 2012
1	Reserve for Unexpired Risk	3,399,887	2,373,808
2	For taxation (less advance tax paid and taxes deducted at source NIL ; Previous Year Rs. NIL)	-	-
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others	-	-
	- Provision for Gratuity	12,386	7,052
	TOTAL	3,412,273	2,380,860



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(Rs.'000)

Particulars	31st March 2013	31st March 2012
1 Discount Allowed in issue of shares/ debentures	-	-
2 Others	-	-
TOTAL	-	-



SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting practices and accounting requirements prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Accounting Regulations') and amendments if any, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') and the requirements of the Companies Act, 1956 ('the Companies Act'), to the extent applicable.

The Company follows the mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

2. Use of Estimates

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

3. Revenue recognition for insurance business

3.1 Premium

Premium (net of Service tax) is recognized as income over the contract period or period of risk, as appropriate and for premium receivable on installment basis, it is recognized on installment due dates after adjusting for unearned premium (unexpired risk) and premium deficiency, if any. Subsequent revisions to or cancellations of premium are accounted for in the year in which they occur.

Premium deficiency is recognized whenever expected claims cost, related expenses and maintenance cost exceed related reserve for unexpired risk in Miscellaneous Revenue Accounts.

3.2 Investment Income

Interest income on investment is recognized on accrual basis.

Dividend income is recognized when the right to receive dividend is established.

Profit or Loss on sale of securities is recognized on trade date. Cost of securities is arrived on weighted average cost basis.



3.3 Income from reinsurance business

Commission on reinsurance business is recognized as income on accrual basis.

4. Reserve for Unexpired risk

Reserve for unexpired risks is created as the amount representing that part of the premium written which is attributable to and allocated to the succeeding accounting periods and shall not be less than 50% of the Net Premium as prescribed for Miscellaneous line (as the company is transacting only health insurance products) under Section 64(1)(ii)(b) of the Insurance Act or as per the directives issued by IRDA from time to time.

5. Premium received in advance

This represents premium received during the year, where the risk commences subsequent to the balance sheet date.

6. Reinsurance

Reinsurance is ceded in the year in which risk commences and recognized over the contract period or the period of risk, whichever is appropriate as per the treaty arrangements. Any subsequent revision to or cancellation of premium is recognized in the year in which they occur. Unearned premium on reinsurance ceded is carried forward to the period of risk and set off against related unearned premium.

Premium on excess of loss reinsurance cover is accounted as premium ceded as per the reinsurance arrangements.

7. Acquisition cost

Acquisition costs are those that vary with and are primarily cost that are related to acquisition of new and renewal contracts and are expensed in the year in which they are incurred.

8. Claims

Claims incurred represents claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER). It also includes claims settlement cost such as survey fee and other directly attributable costs.

Estimated liability for outstanding claims in respect of direct business is provided on the basis of claims reported till the end of the financial year. IBNR and IBNER represent that amount of claims that may have been incurred during the accounting period but have not been reported / not enough reported. The appointed actuary for the purpose has certified the said amount on the basis of available statistical data.

9. Investments

Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) (Amendment) Regulations, 2001.

Investments are recorded at cost on trade date including acquisition charges (such as brokerage, transfer stamps etc), if any, and exclude interest accrued upto the date of purchase. Investments maturing within or intended to be held for a period of less than twelve months from the balance sheet date are classified as 'Short term investments' while those maturing beyond or intended to be held for a period of twelve months or above from the balance sheet date are classified as 'Long term investments'.

Debt Securities

The net realized gains/losses on debt securities are the difference between the net sale consideration and the amortized cost, which is computed on weighted average basis.

Debt securities, which include government securities are considered as 'held-to-maturity' and are measured at historical cost. Accretion of discount and amortization of premium relating to debt securities is recognized over the holding or maturity period on a straight line basis.

Mutual Funds

All mutual fund investments are valued at realisable Net Asset Value and any unrealised gains or losses is accounted at each balance sheet date in "Fair Value Change Account" and carried forward to the Balance Sheet.

Profit / (loss) on actual sale of units of a particular mutual fund shall include the accumulated fair value change thereof and is recycled to the profit and loss account.

Investments though not separately classified in the accounts, are identified on aggregate basis with policy holders and share holders funds on same line as investment income.

Investment income is allocated to the Miscellaneous Revenue accounts and the Profit and Loss Account based on the ratio of average "Technical Funds" and "Shareholders' Funds" respectively (average of funds at the beginning and at the end of the year).

"Technical Funds" in relation to policyholders' funds are the aggregate of outstanding claims, estimates for IBNR, IBNER, Contingency reserve and reserve for unexpired risk. "Shareholders' Funds" are the aggregate of funds available to the Company's shareholders.

Fair value of investments is computed for quoted investments on the basis of the last available market price/yield-to-maturity valuation.

Investment properties are recorded at historical cost.

10.Fixed Assets and Intangibles

Fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and any incidental expenses relating to acquisition and installation.

Depreciation is provided on a straight line basis ~~pro-rata~~ for the period of use at the rates prescribed in the Schedule XIV to the Companies Act, 1956 except in the case of networking equipments included in Information Technology Equipments, where

depreciation is provided at 20% which is higher than those prescribed in the schedules to Companies Act, 1956.

Depreciation on assets purchased/disposed off during the year is provided on pro-rata basis with reference to the date of purchase/disposal.

Intangibles assets representing computer software are stated at cost less amortization. Computer software including improvements is amortized over a period of five years, being the management's estimate of the useful life of such intangibles.

All assets including intangibles individually costing less than Rs,5000/- are fully depreciated/amortized in the year in which it is acquired.

Impairment of Assets

The company assess at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is recognized in the Profit & Loss Account. The recoverable amount is higher of the net selling price of the assets and their value in use.

11. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period available to equity shareholders by the weighted average number of equity shares outstanding during the period.

12. Operating expenses

Operating expenses relating to insurance business is net off co-insurers administration fee received and are allocated to the miscellaneous revenue account, since the company is transacting only Health insurance products.

13. Retirement Benefits

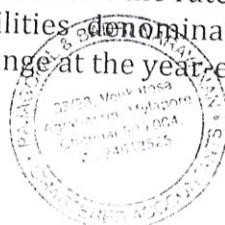
Provident fund contributions and ESI contributions are made to the respective authorities at the prescribed rates and charged to Miscellaneous Revenue account and Profit & Loss account.

Defined Benefit Plan – Retirement gratuity liability is funded with Insurance Company through contributions to an approved gratuity trust. Liability therefore at each Balance sheet date is arrived at by external actuarial valuation by the fund manager using the projected unit credit method. Differential liability therefore is recognized in the accounts each year.

The Actuarial gains/losses are recognized in the Revenue accounts.

14. Foreign Currency transactions

Transactions in foreign currency are recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the year end.



Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

15. Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income-tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is a virtual certainty that such deferred tax assets can be realised against future taxable profits. Other deferred tax assets of earlier years are reassessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which, such deferred tax assets can be realised.

Deferred tax asset is reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably/certain to be realized.

16. Contingencies

In accordance with Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets issued by ICAI, to the extent applicable to the company, provisions are created in respect of obligations as a result of past events and it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These will be reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.



SCHEDULE 17

NOTES TO FINANCIAL STATEMENTS

1. Star Health and allied Insurance Company limited ('the Company') was incorporated under the Companies Act, 1956 on 17th June 2005. The Company received its Certificate of Registration from the Insurance Regulatory and Development Authority to transact General Insurance Business from 16th March 2006.
2. The Company has no contingent liabilities in respect of the following as at 31st March, 2013 as well as in the previous financial year:
 - Partly paid investments;
 - Underwriting commitments relating to investment activities;
 - Claims, other than those under policies, not acknowledged as debts;
 - Guarantees given by or issued on behalf of the Company;
 - Statutory demands/liabilities in dispute, not provided for;
 - During the financial year 2009-10, the company has received a Show Cause notice from Income Tax Authorities for non deduction of Tax at Source under section 194J of the Income Tax Act- 1961, in respect of cashless claims for payments made to the hospitals. A Stay Order has been obtained by the company from the Honorable High Court of Madras restraining further proceedings in this matter. The company has also obtained a legal opinion in its favor on this matter.
 - During the financial year 2011-12, the company received the Income Tax Assessment Order for the Assessment Year 2009-2010 with a demand of Rs. 245,820 thousands, applying the provisions of Sec 115 JB of the Income Tax Act-1961. The Company has filed a writ petition with the Honorable High Court of Madras which has granted the interim stay. In the opinion of the company the said demand is not sustainable and hence no provision is considered necessary in the books.
 - During the financial year 2012-13, the company received the Income Tax Assessment Order for the Assessment Year 2010-2011 with a demand of Rs. 133,724 thousands, applying the provisions of Sec 115 JB of the Income Tax Act-1961. The Company has filed a writ petition with the Honorable High Court of Madras which has granted the interim stay. In the opinion of the company the said demand is not sustainable and hence no provision is considered necessary in the books.
 - Reinsurance obligations to the extent not provided for in the accounts.
3. Commitment made for Investment and Fixed Asset.

Particulars	Amount (Rs ' 000)	
	31st March 2013	31st March 2012
Commitments made and outstanding for loans and investments	NIL	NIL

Estimated Amount of contracts remaining to be executed on capital account and not provided for (net of advances)	77,382	182,250
--	--------	---------

4. The assets of the Company are free from encumbrances.

5. Investments:

Particulars	Amount (Rs ' 000)	
	31st March 2013	31st March 2012
Contracts for sale where payments are overdue	NIL	NIL
Contracts for purchases due for delivery on the balance sheet date. (since received)	NIL	NIL
Non-Performing Investment	NIL	NIL

6. Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments for the non-cancellable period of the operating leases are recognized as an expense over the lease term. Lease payments debited to the profit and loss account during the year amounts to Rs. 157,568 thousands (Previous Year: Rs. 138,881).

Minimum Lease Payments	Amount (Rs ' 000)	
	31st March 2013	31st March 2012
Not later than one year	144,910	119,748
Later than 1 year but not later than 5 years	238,402	178,755
Later than 5 years	21,527	12,368

7. The Company has created the Reserve for Unexpired Risk as at the end of the Accounting period based on the 1/365 method in the health segment as per IRDA Circular No. IRDA/.F&I/CIR/015/02/2011 dated February 02, 2011. However, no amount has been transferred to Contingency Reserve for Unexpired Risk during the year as per the referred circular since the company has incurred loss for the current financial year.

8. The Company is required to maintain solvency ratio on the basis of premium or claims whichever is higher. However, during the current financial year the Company has calculated the Required Solvency margin (RSM) on the basis of premium (RSM 1) as per the dispensation given by IRDA vide their letter ref. no. FNA/HSH/LR/002/2012-13 dated 6th Feb, 2013. Considering this, the Available Solvency Margin as at 31-03-2013 is 1.91 times.

9. Disclosure as per AS – 15 “Employee Benefits”

Gratuity

Particulars	Amount (Rs'000)	
	31-03-2013	31-03-2012
Assumptions		
Discount Rate	8.00%	8.00%
Salary Escalation	5.00%	5.00%
Attrition rate	1-3%	1-3%
Expected Return on Plan Assets	8%	8%
Mortality Rate Table	LIC (1994-1996)	LIC (1994-1996)

11. In accordance with the Company's Accounting policy for Deferred Taxation, the net deferred tax asset of Rs. 788,473 thousands (Previous Year: Rs. 400,842) as per the calculation given below has not been recognized for want of virtual certainty.

The details of Net Deferred Tax Asset / Liability are as under:

(Rs.'000)

Timing Difference on Account of	As At 31st March 2013		As At 31st March 2012	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Carried Forward Loss	-	-	-	-
• On Depreciation Loss	115,354	-	71,442	-
• On Business Loss	727,420	-	420,391	-
Depreciation differences	-	54,301	-	90,991
Total	842,774	54,301	491,833	90,991
Net Deferred Tax Asset / (Liability)	788,473		400,842	
Deferred Tax Expense / (Income) recognized in Profit & Loss Account	-		(69,145)	

12. The sector wise gross written premium is as follows:

Sector	For the year ended 31 st March 2013				For the year ended 31 st March 2012			
	No. of policies	No. of Lives	GWP Rs. '000	%	No. of policies	No. of Lives	GWP Rs. '000	%
Rural	451,285	1,943,905	3,180,605	37.0	405,325	50,971,771	5,781,817	53.3
Social	300,239	4,121,154	2,220,059	26.0	266,236	22,809,024	2,760,364	25.4
Others	565,093	1,412,827	3,201,471	37.0	600,946	5,914,871	2,308,386	21.3
Total	1,316,617	7,477,886	8,602,135	100	1,272,507	79,695,666	10,850,567	100

13. Premium Income recognized based on varying risk pattern is Nil (Previous year - Nil).

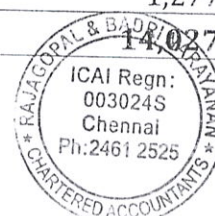
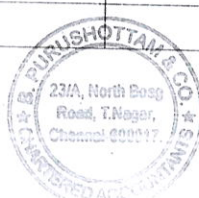
14. Extent of Risk retained and Re-insured

Particulars	31 st March 2013	31 st March 2012
Risk Retained (%)	71.36%	74.64%
Risk Re-insured (%)	28.64%	25.36%

15. Managerial Remuneration (as per applicable statutes) paid to the Managing Director and Whole time Director are included in the Employee benefits and details are as follows:

(Rs '000)

Particulars	31 st March 2013	31 st March 2012
Salary	11,847	12,476
Allowances and Perquisites *	20,868	274
Gratuity	1,669	1,277
Total	34,384	14,027



* Includes 1,004,000 equity shares having face value of Rs.10 per share amounting to Rs. 10,040,000/- (Previous Year Nil) allotted to Chairman cum Managing Director as sweat equity shares along with related tax liability amounting to Rs. 1,04,69,904/-.

16. Related Party Disclosure:

A) HOLDING COMPANY (Promoter)

Star Health Investments (P) Ltd., till 21/03/2013

B) KEY MANAGERIAL PERSONNEL (With whom transactions have taken place)

Mr. V Jagannathan & Mr.Mohammed Hassan

Nature of transaction	Holding Company		Key Managerial Personnel (KMP)		(Rs '000) Total	
	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012	31 st March 2013	31 st March 2012
Lease rentals paid	-	-	2,419	2,537	2,419	2,537
Remuneration paid	-	-	34,384	14,027	34,384	14,027
Share Application Money Received	-	176,845	-	-	-	176,845
Share Capital Allotted	-	355,041	10,040	-	10,040	355,041
Share Premium on Allotment	-	440,632	-	-	-	440,632
Balance Outstanding at the end of the year						
Share Application Money	-	-	-	-	-	-
Share Capital	-	1,623,037	68,225	58,185	68,225	1,681,222
Rental Deposits Paid	-	-	-	-	-	-
Remuneration paid to relatives of KMP	-	-	513	322	513	322

There are no amounts written off/written back during the year, relating to the above transactions.

17. During the year, the company has incurred share issue expenses of Rs. 38,082 thousands on account of private placement of equity shares, which has been adjusted against Share Premium. The balance of Share Premium account as on 31.3.2013 is Rs. 2,081,887 thousands.

18. Disclosure as per AS - 20 " Earnings Per Share "

S.No.	Particulars	(Rs '000)	
		31 st March 2013	31 st March 2012
1	Net Profit /(Loss) Attributable to Shareholders	(1,256,150)	(1,475,405)
2	Weighted Average No. of Equity Shares Issued for Basic EPS	281,069	221,363
3	Weighted Average No. of Equity Shares Issued for Diluted EPS	281,069	221,363

4	Basic Earnings Per Share of Rs.10/- each	Rs.(4.47)	Rs.(6.78)
5	Diluted Earnings Per Share of Rs.10/- each	Rs.(4.47)	Rs.(6.78)

19. Segment Reporting :

The Company carries on non-life insurance business in India. The Company has provided primary segmental information, in Annexure 1, as required by Accounting Standard 17 - 'Segment Reporting' issued by ICAI, read with Accounting Regulations.

20. Summary of Financial Statements and Accounting Ratios:

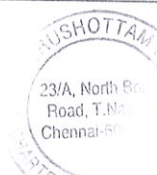
A summary of financial statements and Accounting Ratios as per the formats prescribed by the IRDA in its circular dated 29th April, 2003 is provided in Annexure 2 and Annexure 3.

21. Amortizations of premium / (Accretion of discount) on investments details are as follows: (Rs '000)

Particulars	31 st March 2013	31 st March 2012
Revenue Account		
Fire	NIL	NIL
Marine	NIL	NIL
Miscellaneous	(398)	(225)
Profit & Loss Account		
Share Holders	(106)	(122)
Total	(504)	(347)

22. Penal actions by various Statutory Authorities:

S.No.	Authority	Non-Compliance / Violation	Amount in Rs.'000		
			Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority		NIL		
2	Service Tax Authorities		NIL		
3	Income Tax Authorities		NIL		
4	Any other Tax Authorities		NIL		
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA		NIL		
6	Registrar of Companies / NCLT / CLB / Department of Corporate Affairs or any Authority under Companies Act, 1956		NIL		



7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation		NIL
8	Securities and Exchange Board of India *		NIL
9	Competition Commission of India		NIL
10	Any other Central / State / Local Government / Statutory Authority		NIL

Note: Previous Year Figures for the above items are also "Nil".

23. Security deposit includes Rs.3,235 thousands being amount deposited by the company with the courts against disputed claims. Pending disposal of the case, in the opinion of the company the said amount is considered good and recoverable.
24. Other income represents amount received towards compensation arising out of contractual obligations.
25. Pending acknowledgement of balance of Rs. 1,009,966 thousands by the Aarogyasri Trust, the same is considered good and recoverable based on the legal opinion obtained and the same is considered for solvency margin vide IRDA letter Ref: FNA/SHS/LR/003/2012-13 dated 21st Feb, 2013.
26. For the current Financial year the company has exceeded the limits prescribed under section 40C of The Insurance Act 1938, read with Rule 17E, with respect to limits on management expenses. Based on the facts submitted by the company, IRDA vide their letter ref no. FNA/SHS/LR/005/2012-13 dated 17th May, 2013 has exempted the company from complying the provisions of Section 40C of The Insurance Act 1938, for the current as well as for the next financial year.
27. Certain Balances included under Advances and Other Assets are subject to yearend confirmation. However, in the opinion of the management, all the balances are good and recoverable.
28. Previous Year figures have been reclassified / regrouped, wherever necessary, to confirm to the current year's classification.

Particulars	31 st March 2013	31 st March 2012		Reason
	Grouping	Grouping	Amount (Rs. '000)	
Housing Securities - Long Term	Schedule 8: Debentures / Bonds	Schedule 8: Other Approved Securities	448,828	For Better Presentation
Housing Securities - Short Term	Schedule 8: Debentures / Bonds	Schedule 8: Other Approved Securities	50,000	For Better Presentation
Flexi Deposit	Schedule 11: Deposit Account Short Term (due with in 12 months)	Schedule 11: Current Accounts	21,810	For Better Presentation

Agents Commission	Schedule 13: Agents Balances	Schedule 13: Sundry Creditors	45,617	For Better Presentation
Agents Commission	Schedule 13: Agents Balances	Schedule 12: Agents Balances	1,417	For Better Presentation
Balances due to other insurance companies	Schedule 12: Due from other entities carrying on insurance business	Schedule 13: Balances due to other insurance companies	4,256	For Better Presentation
Others - Amounts Recoverable under Contractual Obligations	Schedule 12: Due from other entities carrying on insurance business	Schedule 12: Others - Amounts Recoverable under Contractual Obligations	4,907	For Better Presentation
Provision for Gratuity	Schedule 14: Others - Provision for Gratuity	Schedule 13: Sundry Creditors	7,052	For Better Presentation

As per our Report of even date
attached

For B.Purushottam & Co.,
Chartered Accountants
Firm Reg No: 002808S

B. S. Purushottam

B.S.Purshotham
Partner
M.No: 26785



For And On
Behalf of Board of
Directors

V. Jagannathan
V.Jagannathan
Chairman Cum
Managing
Director

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No: 003024S

P. S. Prabhakar
P.S.Prabhakar
Partner
M.No:20909



V. P. Nagarajan
V.P.Nagarajan
Director

S. Ramaswamy
S.Ramaswamy
Chief Financial
Officer

C. M. Kannan Unni
C.M.Kannan Unni
Company
Secretary

Place : Chennai - 600 034
Date : 21st June, 2013

20. Segment reporting

Annexure 1

The Company's business is organised on a National basis and caters to the non-life insurance business. Accordingly, the Company has provided primary segmental information, as per Accounting Standard 17 - 'Segment Reporting' issued by ICAI.

Since the business operations of the Company are entirely in India, the same is considered as one geographical segment.

(For the year ended 31st March 2013)

Particulars	Fire	Marine Cargo	Marine Hull / Aviation	Motor	Workmen's Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Investment of Shareholders funds	Total
Gross Direct Premium	-	-	-	-	-	-	-	164,995	8,443,987	-	-	8,608,982
Premium Inward	-	-	-	-	-	-	-	-	-	-	-	-
Net Written Premium	-	-	-	-	-	-	-	98,562	6,039,804	-	-	6,138,366
Premium earned (net)	-	-	-	-	-	-	-	109,004	5,003,282	-	-	5,112,286
Profit on sale / redemption of investments	-	-	-	-	-	-	-	(86)	(5,254)	-	(1,419)	(6,759)
Others	-	-	-	-	-	-	-	92	5,639	-	1,524	7,255
Interest (net of amortisation)	-	-	-	-	-	-	-	2,348	143,873	-	38,868	185,089
Total segmental revenue	-	-	-	-	-	-	-	111,359	5,147,540	-	38,973	5,297,871
Claims incurred (net)	-	-	-	-	-	-	-	50,055	3,179,678	-	-	3,229,733
Commission received / (paid), net	-	-	-	-	-	-	-	2,208	135,334	-	-	137,542
Operating expenses related to insurance business	-	-	-	-	-	-	-	-	-	-	-	-
Total segmental expenses	-	-	-	-	-	-	-	67,948	3,118,802	-	-	3,186,750
Segmental (loss) / profit	-	-	-	-	-	-	-	120,211	6,433,814	-	-	6,554,025
Other income	-	-	-	-	-	-	-	(8,852)	(1,286,274)	-	38,973	(1,256,154)
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-
Provision for income, FBT, Deferred Tax Asset and wealth tax MAT	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	-	-	-	-	(1,256,154)

(Rs. '000)



(For the year ended 31st March 2012)

Particulars	Fire	Marine Cargo	Marine Hull	Aviation	Motor	Workmen's Compensation / Employers Liability				Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Investment of Shareholders funds	Total
Gross Direct Premium	-	-	-	-	-	-	-	-	-	-	-	175,380	10,675,187	-	-	10,850,567
Premium Inward	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Written Premium	-	-	-	-	-	-	-	-	-	-	-	107,444	7,991,694	-	-	8,099,138
Premium earned (net)	-	-	-	-	-	-	-	-	-	-	-	103,592	7,981,486	-	-	8,085,078
Profit on sale / redemption of investments	-	-	-	-	-	-	-	-	-	-	-	(56)	(4,191)	-	(2,286)	(6,533)
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (net of amortisation)	-	-	-	-	-	-	-	-	-	-	-	1,671	124,278	-	67,821	193,770
Total segmental revenue	-	-	-	-	-	-	-	-	-	-	-	105,206	8,101,574	-	65,535	8,272,315
Claims incurred (net)	-	-	-	-	-	-	-	-	-	-	-	38,140	7,704,182	-	-	7,742,322
Commission received / (paid), net	-	-	-	-	-	-	-	-	-	-	-	616	45,855	-	-	46,471
Operating expenses related to insurance business	-	-	-	-	-	-	-	-	-	-	-	25,985	2,002,086	-	-	2,028,071
Total segmental expenses	-	-	-	-	-	-	-	-	-	-	-	64,741	9,752,123	-	-	9,816,864
Segmental (loss) / profit	-	-	-	-	-	-	-	-	-	-	-	40,465	(1,650,549)	-	65,535	(1,544,549)
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for income, FBT, Deferred Tax Asset and wealth tax, MAT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(69,144)
																(1,475,405)



Summary of Financial Statements								Annexure - 2
Sl No	Particulars	2012-2013	2011-2012	2010-2011	2009-2010	2008-09	2007-08	2006-07
OPERATING RESULTS								
1	Gross Premiums Written							
2	Net Premium Income#	86,021	108,506	122,755	96,164	50,986	16,819	2,251
3	Income from investments (net)@	61,384	80,991	91,168	67,155	35,983	11,953	978
4	Other income -Transfer fee etc	1,405	1,215	1,251	717	584	172	20
5	Total Income	57	-	-	-	-	-	-
6	Commissions (Net)	62,846	82,206	92,420	67,872	36,567	12,125	998
7	Brokerage	1,375	465	(883)	(1,267)	(1,228)	(814)	(303)
8	Operating Expenses	-	-	-	-	-	-	-
9	Claims, increase in Unexpired Risk Reserve and Other outgoes	31,864	20,278	9,077	9,311	6,269	3,477	179
10	Operating Profit/loss	(12,951)	(16,101)	383	543	(158)	(392)	483
NON OPERATING RESULTS								
11	Total income shareholders' account	390	655	784	479	686	708	697
12	Profit/(loss) before tax	(12,562)	(15,445)	1,167	1,022	527	316	(439)
13	Provision for tax	-	(691)	428	496	403	188	(180)
14	Profit/(loss) after tax	(12,562)	(14,754)	739	526	124	128	(259)
MISCELLANEOUS								
15	Policyholders' Account							
	Total funds							
	Total investments	38,663	32,709	28,323	19,601	8,633	2,410	297
	Yield on investments	24,859	13,453	20,173	16,536	3,919	2,100	264
16	Shareholders' Account	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%
	Total funds							
	Total investments	10,383	17,344	18,108	16,757	10,699	10,359	10,244
	Yield on investments	6,608	7,244	12,898	14,087	4,790	8,955	9,076
17	Paid up equity capital	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%
18	Net worth	32,695	27,877	20,299	16,433	10,930	10,860	10,500
19	Total assets	74,959	66,893	71,765	59,121	24,956	15,378	10,821
20	Yield on total investments	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%
21	Basic Earnings per share (Rs.)*	(4.47)	(6.78)	0.40	0.42	0.11	0.12	(0)
22	Diluted Earnings per share (Rs.)*	(4.47)	(6.78)	0.31	0.25	0.11	0.12	(0)
23	Book Value per share (Rs.)	8.36	10.46	12.81	9.84	9.77	9.90	9.63
24	Total Dividend	-	-	-	-	-	-	-
25	Dividend per share (Rs.)	-	-	-	-	-	-	-
#	Net of reinsurance							
@	Net of losses							
*	EPS has been calculated in accordance with AS-20 Basic & Diluted (Face Value Rs.10/- Profit / (Loss) for the year	(12,562)	(14,754)	739	526	124	128	(259)
	Share capital & Reserves	27,329	29,171	26,011	16,175	10,673	10,602	10,115
	Weighted Average Number of Shares at the end of the year	281,068,674	221,363,160	186,035,508	124,689,370	109,183,333	107,100,000	105,000,000

Note: The Company continues to determine the Policyholders' Fund and the Shareholders' Fund on the same basis as determined in the earlier years (Refer Point 9 of Schedule 16 relating to Accounting Policy), due to practical difficulty in determining the Policyholders' Fund in accordance with IRDA Circular INV/CIR/008/2008-09 dated 22.08.09 (annexure II) and hence have allocated the Investment and associated income on the same basis.



Ratios for Non-life Insurance Companies

Sl No	Performance Ratio	2012-13	2011-12
1	Gross premium growth rate (segment wise) (Gross premium for the current year divided by gross premium for the previous year)	Schedule 1	Schedule 1
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	3.15	3.72
3	Growth rate of shareholders' funds: (Shareholders' funds as at the current balance sheet date divided by the shareholders' funds at the previous balance sheet date)	-6%	-20%
4	Net retention ratio (segment wise) (Net premium divided by gross premium)	Schedule 2	Schedule 2
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium)	Schedule 3	Schedule 3
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	0.46	0.23
7	Combined ratio: (Claims paid plus expenses divided by gross premium)*	1.09	1.21
8	Technical reserves to net premium ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	0.69	0.41
9	Underwriting balance ratio (segment wise) (Underwriting profit divided by net premium for the respective class of business)	Schedule 4	Schedule 4
10	Operating profit ratio (Underwriting profit plus investment income divided by net premium)	-0.20	-0.19
11	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.50	0.18
12	Net earnings ratio (Profit after tax divided by net premium)	-0.20	-0.18
13	Return on networth (Profit after tax divided by net worth)	-0.46	-0.51
14	Reinsurance ratio (Risk reinsured divided by gross premium)	0.29	0.25



Accounting Ratios - Schedule 1

Gross premium growth rate

Segment	Growth (%)	
	2012-13	2011-12
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	-6%	7%
Health Insurance	-21%	-12%
Others	-	-
Total	-21%	-12%

Accounting Ratios - Schedule 2

Net retention ratio

Segment	% to GP	
	2012-13	2011-12
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	60%	61%
Health Insurance	72%	75%
Others	-	-
Total	71%	75%

Accounting Ratios - Schedule 3

Net commission ratio

Segment	% to NP	
	2012-13	2011-12
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	2%	1%
Health Insurance	2%	1%
Others	-	-
Total	2%	1%

Accounting Ratios - Schedule 4

Underwriting balance ratio

Segment	% to NP	
	2012-13	2011-12
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	-9%	36%
Health Insurance	-21%	-22%
Others	-	-
Total	-21%	-21%



MANAGEMENT REPORT

In accordance with part IV Schedule B of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted:

1. The Company received the Certificate of Registration under the provisions of sub-section (2A) of section 3 of the Insurance Act, 1938 from the Insurance Regulatory and Development Authority, to transact the business of general insurance, from 16th March 2006 and continues to be valid. The fee for renewal of the Certificate of Registration has been paid for 2013-14 and the company has received the Certificate of Renewal of Registration.
2. All dues payable to the Statutory Authorities have been duly paid.
3. The shareholding pattern and the transfer of shares during the period ended 31st March 2013 are in accordance with the statutory or regulatory requirements.
4. No funds of the policyholders have been invested directly or indirectly outside India.
5. The Company has maintained the required Solvency Margin, on the basis of premium (RSM 1) as per the dispensation given by IRDA vide their letter ref. no. FNA/HSH/LR/002/2012-13 dated 6th Feb, 2013.
6. The values of all the assets have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the headings – “Loans”, “Investments”, “Agents Balances”, “Interest, Dividends and Rents accruing but not due”, “Outstanding premiums”, “Interest, Dividends and Rents outstanding”, “Amounts due from other persons or Bodies carrying on insurance business”, “Advances”, “Cash” and the several items specified under “Other Accounts.” except Debt Securities which are shown at amortized cost.
7. Company is exposed to a variety of risks, such as quality of risks underwritten, fluctuations in the value of assets and higher expenses in the initial years of operation etc. The Company monitors these risks closely and takes effective remedial steps to address these risks. The Company through an appropriate reinsurance programme has kept its risk exposure at a level commensurate with its capacity.
8. The Company does not have operations outside India and therefore does not have any country/currency fluctuation risks.
9. Number of claims settled during the period is 220,151. The details pertaining to other regular business are as below:

NO. OF DAYS TO SETTLE CLAIMS (DATE OF INTIMATION VS DATE OF SETTLEMENT)	CLAIM SETTLED D WITHIN 30 DAYS	CLAIMS SETTLED WITHIN 31 TO 90 DAYS	CLAIMS SETTLED WITHIN 91-180 DAYS	CLAIMS SETTLED WITHIN 181 TO 365 DAYS	CLAIMS SETTLED AFTER ONE YEAR
15	205,309	9,767	3,964	880	231

10. Investments in Government Securities and other Debt Securities have been considered as "Held to Maturity (HTM)" and have been measured at historical cost subject to amortization.

The market value of investments in Debt Securities including Government Securities have been ascertained by reference to the quotations published on the last working day of the financial year by FIMMDA. The market value of Debt Securities including Government Securities which were not quoted on the last working day of the Financial year have been ascertained on the basis of prevailing Yield to Maturity provided by FIMMDA. The aggregate investments as per Schedule 8 annexed to the Balance Sheet and the Fixed Deposits held with Banks (included in Schedule 11) stood at Rs. 4,223,126 thousands as at 31st March 2013. The investment income, net of amortization including profit on sale of investments was Rs. 177,825 thousands for the year ended 31st March 2013. The weighted average yield on the investments was 7.53%. The weighted average yield on the income bearing investments was 8.10%.

Market Value of Investment in Property is ascertained on the basis of valuation report.

11. The Company has adopted a prudent investment policy with emphasis on optimizing return with minimum risk. Significant weighing of the assets has been made towards low risk investments such as Government Securities, Treasury bills and other good quality Debt instruments.

All the investments have been duly serviced and there are no non-performing assets as on the Balance Sheet date.

12. Director's Responsibility Statements:

- I. In the preparation of financial statements, the applicable Accounting Standards, principles and policies have been followed along with proper explanations relating to material departures, if any.
- II. The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2013 and of the operating Loss of the Company for the financial year ended 31st March 2013 and of the Net Loss of the Company for the financial year ended 31st March 2013.
- III. The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

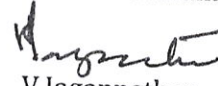
IV. The Management has prepared the financial statements on a going concern' basis.

V. The Management has put in place an internal audit system commensurate with the size and nature of the business and it is operating efficiently.

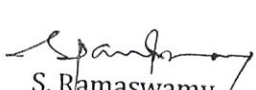
13. Particulars of payment other than those arising in the normal course of the Company's Insurance business, made to individuals, firms, companies and organizations in whom / which the directors of the company are interested is as under:

S.No	Entity in which Director is interested	Name of the Director	Interested as	Amount (Rs'000)	Nature of Payments
1	MKM Chambers, No:42 (Old No 154&155) Kodambakkam High Road, Chennai - 600034	Mohammed Hassan	Director	663.83	Rent
2	Khalid AK Buhary and Others	Mohammed Hassan	Partner	535.45	Rent
3	Mrs.Zarina Hassan	Mohammed Hassan	Wife	1,755.19	Rent

For And On Behalf Of Management


V.Jagannathan

Chairman cum Managing Director


S. Ramaswamy
CFO


C.M.Kannan Unni
Company Secretary


V.P.Nagarajan
Director

Place : Chennai

Date : 21st June, 2013.

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED		
Registration No. and Date of Registration with the IRDA: 129/16.03.2006		
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013		
PARTICULARS	31st March, 2013 (Rs.'000)	31st March, 2012 (Rs.'000)
Cash flows from operating activities		
Premium received from policyholders, including advance receipts		
Other receipts	8,442,116	11,039,718
Receipts/(Payments) to the re-insurers, net of commissions and claims	-	-
Payments to co-insurers, net of claims recovery	1,768,351	99,846
Payments of claims	-	-
Payments of commission and brokerage	(5,444,807)	(10,621,205)
Payments of other operating expenses	(772,082)	(475,307)
Preliminary and pre-operative expenses	(2,786,152)	(1,916,060)
Deposits, advances and staff loans	-	-
Income taxes refund/(paid)	5,325	(29,708)
Service tax paid	-	25,292
Other payments	-	-
Cash flows before extraordinary items	-	-
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	1,212,751	(1,877,425)
Cash flows from investing activities		
Purchase of fixed assets	(139,211)	(183,466)
Proceeds from sale of fixed assets	843	4,474
Purchases of investments	(4,710,572)	(7,832,765)
Loans disbursed	-	-
Sales of investments	2,592,755	9,042,120
Repayments received	-	-
Rents/Interests/Dividends received	146,882	209,076
Investments in money market instruments and in liquid mutual funds (Net)	-	-
Expenses related to investments	(121)	(124)
Net cash flow from investing activities	(2,109,423)	1,239,316
Cash flows from financing activities		
Proceeds from issuance of share capital	1,061,917	686,700
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	1,061,917	686,700
Effect of Foreign exchange rates on Cash and Cash Equivalents, net		
	-	-
Net increase/ (decrease) in cash and cash equivalents:		
Cash and Cash equivalents at the beginning of the year	165,244	44,336
	237,267	192,931
Cash and cash equivalents at the end of the year *	402,511	237,267
Note * Fixed Deposit of Rs.1,415,934 thousands (Previous year- Rs.242,310 thousands) shown under schedule 11 of financial statements considered under investing activities.		

As per our report of even date attached

For B.Purshottam & Co.,
Chartered Accountants
Firm Reg No. 002808S

B.S. Purshottam
B.S.Purshottam
Partner.
M.No.26785

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003024S

P.S. Prabhakar
Partner
M.No.20909

Place: Chennai - 34
Date: 21-June-2013



V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary