

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, 2015, and Revenue Account, the Profit and Loss Account and Receipts and Payments Account of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

In accordance with the provisions of Section 11 of the Insurance Act, 1938 ("the Insurance Act") read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and the provision of section 129 of the Companies Act 2013 ("the Act"), the Balance Sheet, the Revenue Accounts and the Profit and Loss Account are not required to be, and are not, drawn up in accordance with Schedule III of The Act. The Balance Sheet, the Revenue Accounts and the Profit and Loss Account, are, therefore, drawn up in conformity with the Regulations.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Receipts and Payments Statement of the Company in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of Sub section (1) of Section 129 of The Act, provisions of Section 11 of the Insurance Act read with the IRDAI Regulations/Guidelines/Circulars/orders. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

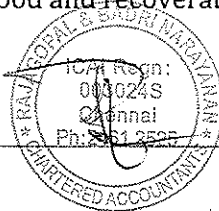
Opinion

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 Authority Act, 1999 and The Companies Act, 2013 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, 2015;
- b) in the case of Revenue Account, 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 Account, 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. 27 of the Financial Statements regarding amounts recoverable under contractual obligation of Rs 830,326 thousands, which has been considered good and recoverable by the company.



**Report on Other Legal and Regulatory Requirements - As required under provisions
Of Section 143(3) of the Companies Act, 2013 and IRDAI 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 Account, Profit and Loss Account, and Receipts and Payments Account 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 Account comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014 read together with IRDAI 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 of India [IRDAI] and Actuarial Society of India in concurrence with IRDAI. 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, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
- h) in our opinion and to the best of our information and according to the explanations given to us
 - i) The Company has disclosed the impact of pending litigations on its financial position in Note No.2 of Schedule 17 to the Financial statements
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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, 2015 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 IRDAI 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.

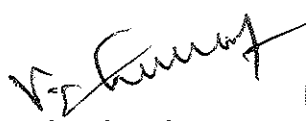


N.C.Rajagopal & Co.,
Chartered Accountants.

Rajagopal & Badri Narayanan
Chartered Accountants

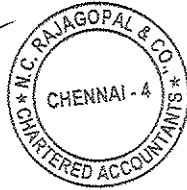
- iv. The Company is not a trustee of any trust
- v. No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to application and investment of policyholders' funds
- vi. All expenses of management in respect of Miscellaneous Insurance Business have been fully debited to the Miscellaneous Revenue Accounts

For N.C. Rajagopal & Co.,
Chartered Accountants
Firm No: 003398S



V Chandrasekaran
Partner

Membership No: 24844



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



P.S. Prabhakar
Partner

Membership No: 20909



Place: Chennai
Dated: 28.05.2015

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

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015
FIRE BUSINESS

(Rs.'000)

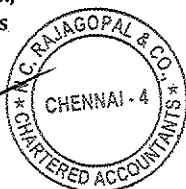
Particulars	Schedule	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
1 Premiums earned (Net)	1 A	-	-	-	-
2 Profit/ (Loss) on sale/redemption of Investments		-	-	-	-
3 Others (to be specified)		-	-	-	-
4 Interest, Dividend & Rent - (Gross)		-	-	-	-
TOTAL (A)		-	-	-	-
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

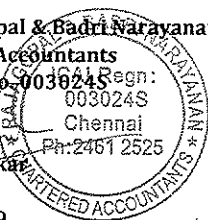
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

V.Chandrasekaran
Partner
M.No.24844



For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003624S

P.S. Prabhakar
Partner
M.No.20909



Place: Chennai - 600 034
Date: 28-May-2015

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 IRDAI : 129/16.03.2006

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015
MARINE BUSINESS

(Rs.'000)

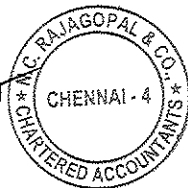
Particulars	Schedule	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
1 Premiums earned (Net)	1 B	-	-	-	-
2 Profit/ (Loss) on sale/redemption of Investments		-	-	-	-
3 Others (to be specified)		-	-	-	-
4 Interest, Dividend & Rent - (Gross)		-	-	-	-
TOTAL (A)		-	-	-	-
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

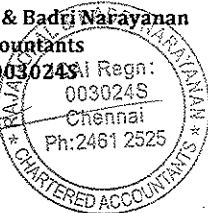
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

V.Chandrasekaran
Partner
M.No.24844



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

P.S.Prabhakar
Partner
M.No.20909



Place: Chennai - 600 034
Date: 28-May-2015

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

**REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015
MISCELLANEOUS BUSINESS**

(Rs.'000)

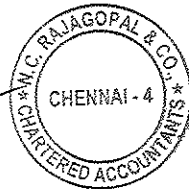
Particulars	Schedule	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
1 Premiums earned (Net)	1 D	2,812,230	10,179,295	1,732,710	6,753,950
2 Profit/ (Loss) on sale/redemption of Investments		5,208	15,223	712	8,329
3 Others		-	-	161,606	161,606
4 Interest, Dividend & Rent - (Gross)		119,823	404,736	81,700	255,188
TOTAL (A)		2,937,261	10,599,254	1,976,728	7,179,073
1 Claims Incurred (Net)	2 D	1,716,474	6,510,591	1,198,050	4,539,456
2 Commission	3 D	357,306	1,010,122	66,358	366,602
3 Operating Expenses related to Insurance Business	4	1,492,633	4,558,341	935,106	3,318,646
4 Premium Deficiency		-	-	-	-
TOTAL (B)		3,566,413	12,079,054	2,199,514	8,224,704
Operating Profit/(Loss) from Miscellaneous Business C= (A - B)		(629,152)	(1,479,800)	(222,786)	(1,045,631)
APPROPRIATIONS					
Transfer to Shareholders' Account		(629,152)	(1,479,800)	(222,786)	(1,045,631)
Transfer to Catastrophe Reserve		-	-	-	-
Transfer to Other Reserves (to be specified)		-	-	-	-
TOTAL (C)		(629,152)	(1,479,800)	(222,786)	(1,045,631)
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

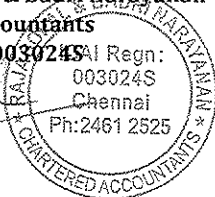
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

V.Chandrasekaran
Partner
M.No.24844



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

P.S.Prabhakar
Partner
M.No.20909



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

Place: Chennai - 600 034
Date: 28-May-2015

Form B - PL
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDAI : 129/16.03.2006
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015

(Rs.'000)

Particulars	Schedule	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
1 OPERATING PROFIT/(LOSS)					
(a) Fire Insurance		-	-	-	-
(b) Marine Insurance		-	-	-	-
(c) Miscellaneous Insurance		(629,152)	(1,479,800)	(222,786)	(1,045,631)
2 INCOME FROM INVESTMENTS					
(a) Interest, Dividend & Rent - (Gross)		26,303	88,845	11,781	109,366
(b) Profit on sale of investments		1,143	3,342	-	3,829
Less: Loss on sale of investments		-	-	(715)	(259)
3 OTHER INCOME		-	-	-	-
TOTAL (A)		(601,706)	(1,387,613)	(211,720)	(932,695)
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 (Refer Note No.22 of Sch 17)		196	250	(70)	541
Sweat Equity Shares Pending Allotment (Refer Note No.15 (b) of Sch 17)		12,646	12,646	-	-
TOTAL (B)		12,842	12,896	(70)	541
Profit Before Tax (A-B)		(614,548)	(1,400,509)	(211,650)	(933,236)
Provision for Taxation					
(a) Current Tax		-	-	-	-
(b) Deferred Tax		-	-	-	-
Profit After Tax		(614,548)	(1,400,509)	(211,650)	(933,236)
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		-	(3,551,680)	-	(2,618,443)
Balance carried forward to Balance Sheet		(614,548)	(4,952,189)	(211,650)	(3,551,680)
Significant accounting policies	16				
Notes to financial statements	17				
Earnings per share - Basic		-	(4.13)	-	(2.82)
- Diluted		-	(4.13)	-	(2.82)

As Per Our Report of Even Date attached

For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

V.Chandrasekaran
Partner
M.No.24844

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003024S
Regn: 003024S
Chennai
Ph:2461 2525
P.S.Prabhakar
Partner
M.No.20909
Place: Chennai - 600 034
Date: 28-May-2015

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 IRDAI : 129/16.03.2006
BALANCE SHEET AS AT 31st MARCH 2015

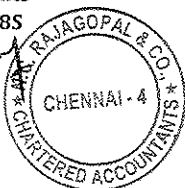
Particulars	Schedule	31st March 2015	31st March 2014
(Rs.'000)			
SOURCES OF FUNDS			
SHARE CAPITAL	5	3,621,441	3,338,605
SHARE APPLICATION MONEY		-	-
RESERVES AND SURPLUS	6	2,749,276	2,108,852
FAIR VALUE CHANGE ACCOUNT		-	-
BORROWINGS	7	-	-
DEFERRED TAX LIABILITY		-	-
TOTAL		6,370,717	5,447,457
APPLICATION OF FUNDS			
INVESTMENTS	8	5,018,372	3,513,295
LOANS	9	-	-
FIXED ASSETS	10	584,654	598,676
CURRENT ASSETS			
Cash and Bank Balances	11	3,277,917	2,155,038
Advances and Other Assets	12	2,076,885	2,310,828
Sub-Total (A)		5,354,802	4,465,866
CURRENT LIABILITIES	13	2,097,218	1,579,352
PROVISIONS	14	7,442,082	5,102,708
Sub-Total (B)		9,539,300	6,682,060
NET CURRENT ASSETS (C) = (A - B)		(4,184,498)	(2,216,194)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		4,952,189	3,551,680
TOTAL		6,370,717	5,447,457
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

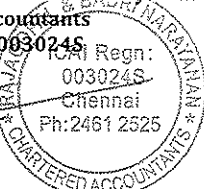
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 0033985

V.Chandrasekaran
Partner
M.No.24844



For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 0030245

P.S.Prabhakar
Partner
M.No.20909



V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Place: Chennai - 600 034
Date: 28-May-2015

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1A

PREMIUM EARNED [NET]

FIRE BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
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)	-	-	-	-

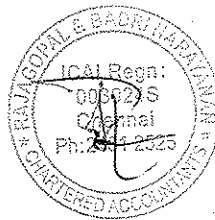
SCHEDULE - 1B

PREMIUM EARNED [NET]

MARINE CARGO BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
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)

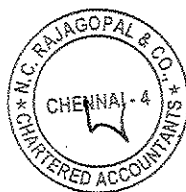
Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
Premium from direct business written	-	-	-	-
Add: Premium on reinsurance accepted	-	-	-	-
Less : Premium on reinsurance ceded	-	-	-	-
Net Premium	-	-	-	-
Adjustment for change in reserve for unexpired risks	-	-	-	-
Total Premium Earned (Net)	-	-	-	-

SCHEDULE - 1D**PREMIUM EARNED [NET]****MISCELLANEOUS BUSINESS**

(Rs.'000)

Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
Premium from direct business written	5,224,991	14,691,941	3,576,286	10,910,784
Add: Premium on reinsurance accepted	1,462	3,871	12,526	228,883
Less : Premium on reinsurance ceded	408,085	2,157,756	416,067	2,704,384
Net Premium	4,818,368	12,538,056	3,172,745	8,435,283
Adjustment for change in reserve for unexpired risks	2,006,138	2,358,761	1,440,035	1,681,333
Total Premium Earned (Net)	2,812,230	10,179,295	1,732,710	6,753,950

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 Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
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	-	-	-	-

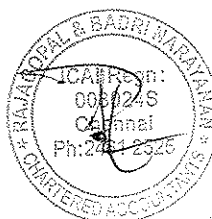
SCHEDULE - 2B

CLAIMS INCURRED [NET]

MARINE CARGO BUSINESS ACCOUNT

(Rs.'000)

Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
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 '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
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

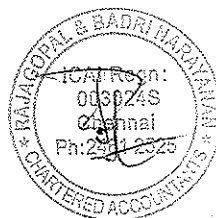
CLAIMS INCURRED [NET]

MISCELLANEOUS BUSINESS

(Rs.'000)

Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
Claims paid				
Direct (Refer Note No.23 of Sch 17)	2,085,029	7,443,345	1,493,288	5,836,419
Add :Re-insurance accepted	331	666	(9,946)	161,846
Less :Re-insurance Ceded	475,892	1,173,956	586,328	1,651,703
Net Claims paid	1,609,468	6,270,055	897,014	4,346,562
Add Claims Outstanding at the end of the year	1,241,332	1,241,332	1,000,796	1,000,796
Less Claims Outstanding at the beginning	1,134,326	1,000,796	699,760	807,902
Total Claims Incurred	1,716,474	6,510,591	1,198,050	4,539,456

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



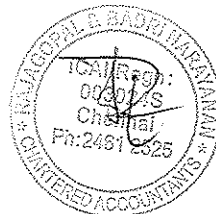
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

	(Rs.'000)			
Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
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 '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
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

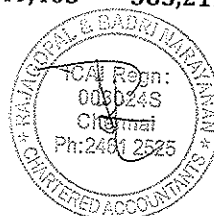
(Rs.'000)

Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
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 '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
COMMISSION PAID				
Direct	565,343	1,549,405	385,211	1,103,112
Add: Re-insurance Accepted	365	968	1,383	5,711
Less: Commission on Re-insurance Ceded	208,402	540,251	320,236	742,221
Net Commission	357,306	1,010,122	66,358	366,602
Break-up of the expenses (Gross) incurred to procure Business :				
Agents	552,232	1,495,505	371,996	1,056,467
Brokers	12,220	50,311	12,664	45,729
Corporate Agency	891	3,589	551	916
Referral	-	-	-	-
Others	-	-	-	-
TOTAL	565,343	1,549,405	385,211	1,103,112



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs.'000)

Particulars	For the Quarter Jan to Mar '15	31st March 2015	For the Quarter Jan to Mar '14	31st March 2014
1 Employees' remuneration & welfare benefits (Refer Note No.15 (a) of Sch 17)	817,273	2,669,925	598,857	2,068,383
2 Travel, conveyance and vehicle running expenses	15,616	84,092	25,880	76,856
3 Training expenses	7,391	34,078	7,207	28,556
4 Rents, rates & taxes	71,521	244,892	69,211	199,563
5 Repairs	27,295	102,837	(3,646)	63,425
6 Printing & Stationery	43,216	247,021	40,387	198,044
7 Communication	29,395	85,243	28,874	89,234
8 Legal & professional charges	22,935	59,389	(27)	41,124
9 Auditors' fees, expenses etc				
(a) as auditor	2,250	2,250	2,250	2,250
(b) as adviser or in any other capacity, in respect of				
(i) Taxation matters	750	750	750	750
(ii) Insurance matters	-	-	-	-
(iii) Management services; and	-	-	-	-
(c) in any other capacity	180	780	-	500
(d) Out of Pocket Expenses	326	802	461	879
10 Advertisement and publicity	284,775	569,968	52,979	180,745
11 Interest & Bank Charges	4,907	12,110	9,293	11,754
12 Others				
- Donation	170	6,119	76	971
- Director's Sitting Fees	250	930	120	360
- Software Expenses	43,630	155,248	42,427	154,668
- Miscellaneous Expenses	31,692	93,878	34,295	99,886
- Amortization Expenses (Refer Note No.22 of Sch 17)	894	1,139	175	1,263
13 Depreciation (Refer Note No.21 of Sch 17)	88,171	186,889	25,536	99,435
TOTAL	1,492,635	4,558,341	935,106	3,318,646



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 5

SHARE CAPITAL

(Rs.'000)

Particulars	31st March 2015	31st March 2014
1 Authorised Capital 450,000,000 (Previous Year - 350,000,000) Equity Shares of Rs10/- each	4,500,000	3,500,000
2 Issued Capital 362,732,365 (Previous Year - 333,860,522) Equity Shares of Rs10/- each	3,627,324	3,338,605
3 Subscribed Capital 362,732,365 (Previous Year - 333,860,522) Equity Shares of Rs10/- each	3,627,324	3,338,605
4 Called-up / paid up Capital 362,144,067 (Previous Year - 333,860,522) Equity Shares of Rs10/- each (Out of above 3,234,100 (previous year 3,234,100) equity shares of Rs.10/- each issued for consideration other than cash.)	3,621,441	3,338,605
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	3,621,441	3,338,605

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	269,736,976	74.48%	248,069,372	74.30%
Foreign	92,407,091	25.52%	85,791,150	25.70%
Others	-	-	-	-
TOTAL	362,144,067	100%	333,860,522	100%



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 6

RESERVES AND SURPLUS

(Rs.'000)

Particulars	31st March 2015	31st March 2014
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium (Refer Note No:17 of Sch 17)	2,749,276	2,108,852
4 General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
5 Catastrophe Reserve	-	-
6 Other Reserves	-	-
7 Balance of Profit in Profit & Loss Account	-	-
TOTAL	2,749,276	2,108,852

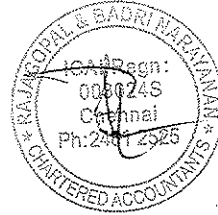


SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 7 BORROWINGS

(Rs.'000)

Particulars	31st March 2015	31st March 2014
1 Debentures/ Bonds	-	-
2 Banks	-	-
3 Financial Institutions	-	-
4 Others (to be specified)	-	-
TOTAL	-	-



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule -8

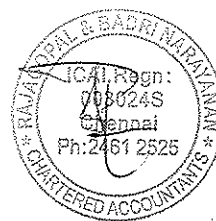
INVESTMENTS

(Rs.'000)

Particulars	31st March 2015	31st March 2014
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills *	3,019,736	1,685,541
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	951,133	650,137
(e) Other Securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	81,905	76,926
4 Investments in Infrastructure and Social Sector	865,600	599,861
5 Other than Approved Investments	-	-
SHORT TERM INVESTMENTS		
6 Government securities and Government guaranteed bonds including Treasury Bills	-	150,597
7 Other Approved Securities	-	-
8 Other Investments		
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(a) Derivative Instruments	-	-
(b) Debentures / Bonds	-	50,000
(c) Other Securities	-	-
(d) Subsidiaries	-	-
(e) Investment Properties-Real Estate	-	-
9 Investments in Infrastructure and Social Sector	99,998	300,233
10 Other than Approved Investments	-	-
TOTAL	5,018,372	3,513,295

* Includes Government Securities of B.V Rs. 210,603 (Previous Year Rs.449,694) held under Sec.7 of Insurance Act, 1938.

Aggregate Market Value of Quoted Investments other than equity shares.	4,999,247	3,364,753
Aggregate Book Value of Quoted Investments other than equity shares	4,936,467	3,436,369
Aggregate Book Value of Un-Quoted Investments - Investment Properties	81,905	76,926
Aggregate Market Value of Investment Properties	160,468	421,365
Historical cost of Mutual Funds valued on Fair Value basis	-	-



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

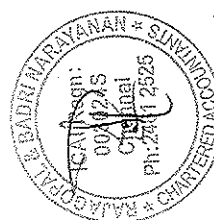
SCHEDULE - 9 LOANS

(Rs.'000)

Particulars	31st March 2015	31st March 2014
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 (Inter Corporate Deposit)	-	-
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	-	-



		Particulars	Cost/ Gross Block			Depreciation			Net Block		(Rs.'000)
		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	543,030	38,449	-	581,479	465,406	29,236	-	494,642	86,837	77,624
3	Land - Freehold (Refer Note No.8 of Sch 17)	75,600	-	-	75,600	-	-	-	-	75,600	75,600
4	Leasehold Property	-	-	-	-	-	-	-	-	-	-
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	135,351	17,020	3,978	148,393	38,279	7,997	3,978	42,308	106,085	97,072
7	Information Technology Equipment	353,759	42,009	-	395,756	167,177	97,814	-	264,981	130,775	186,582
8	Vehicles	17,336	61	944	16,453	5,707	2,816	433	8,089	8,364	11,629
9	Office Equipment	108,704	13,706	-	122,410	21,831	48,810	-	70,641	51,769	86,872
10	Others	-	2,567	-	2,567	-	216	-	216	2,351	-
	Temporary Construction	-	-	-	-	-	-	-	-	-	-
	Total	1,233,780	113,812	4,922	1,342,658	698,400	186,889	4,411	880,877	461,781	535,379
	Capital work in progress	63,297	59,576	-	122,873	-	-	-	-	122,873	63,297
	Grand Total	1,297,077	173,388	4,922	1,465,531	698,400	186,889	4,411	880,877	584,654	598,676
	Previous Year	1,131,075	172,135	6,133	1,297,077	600,240	99,435	1,275	698,400	-	-



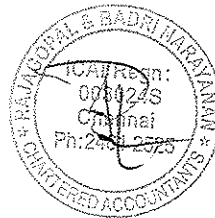
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE- 11

CASH AND BANK BALANCES

(Rs.'000)

Particulars	31st March 2015	31st March 2014
1 Cash (including cheques, drafts and stamps)	371,559	388,559
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	1,702,626	1,403,145
(bb) Others	771,000	185,500
(b) Current Accounts	432,732	177,834
(c) Others (to be specified)	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
TOTAL	3,277,917	2,155,038



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

(Rs.'000)

Particulars	31st March 2015	31st March 2014
A ADVANCES		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	50,523	84,594
4 Advances to Directors/Officers	-	-
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	421	1,011
- Rental Advance	125,259	110,617
- Telephone Deposit	326	300
- Staff Advance	38,947	45,266
- Other Advances	50,309	166,519
- Security Deposits (Refer Note No.26 of Sch 17)	13,724	11,235
TOTAL (A)	328,731	468,764
B OTHER ASSETS		
1 Income accrued on investments	234,007	126,676
2 Outstanding Premiums (Refer Note No.28 of Sch 17)	351,155	196,458
3 Agents' Balances	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	295,046	655,792
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.27 of Sch 17)	830,089	830,104
- Service Tax	37,857	33,034
TOTAL (B)	1,748,154	1,842,064
TOTAL (A+B)	2,076,885	2,310,828



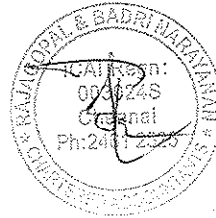
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 13

CURRENT LIABILITIES

(Rs.'000)

Particulars	31st March 2015	31st March 2014
1 Agents' Balances	141,739	86,747
2 Balances due to other insurance companies	1,048	9,402
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	119,237	56,780
5 Unallocated Premium	117,901	66,726
6 Sundry creditors	452,860	333,602
7 Due to subsidiaries/ holding company	-	-
8 Claims Outstanding	1,241,332	1,000,796
9 Due to Officers/ Directors	-	-
Sweat Equity Shares Pending Allotment	12,646	-
10 Unclaimed Amount of policyholders (Refer Note No.24 of Sch 17)	10,455	25,299
11 Others	-	-
TOTAL	2,097,218	1,579,352



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 14 PROVISIONS

(Rs.'000)

Particulars	31st March 2015	31st March 2014
1 Reserve for Unexpired Risk	7,439,980	5,081,220
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	2,102	21,488
TOTAL	7,442,082	5,102,708



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(Rs.'000)

Particulars	31st March 2015	31st March 2014
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, 2013 ('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.

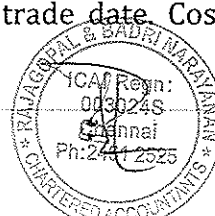
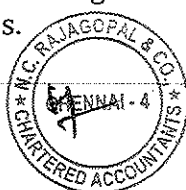
Premium deficiency is recognized whenever expected claims cost, related expenses and maintenance cost exceed related reserve for unexpired risk in Miscellaneous Revenue Accounts.

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 IRDAI 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.

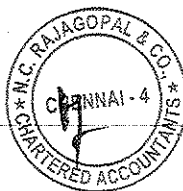
7. Acquisition cost

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 legal and investigation fees and exclusive expenditure incurred in claim processing and settlement.

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).

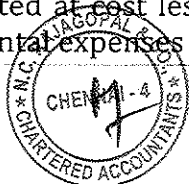
'Technical Funds' in relation to policyholders' funds are the aggregate of outstanding claims, estimates for IBNR, IBNER, Contingency reserve and reserve for unexpired risk. "Shareholders' Funds" are the aggregate of funds available to the Company's shareholders.

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 based on the useful life prescribed in the Schedule II to the Companies Act, 2013 except in the case of networking equipments included in Information Technology Equipments, where the useful life is estimated to be 5 years based on the internal technical evaluations.

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.

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

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

Capital Work-in-progress represents in-house development of Computer Software which is not ready for its intended use.

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.

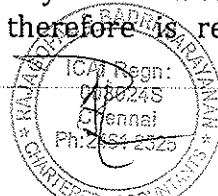
12. Operating expenses

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

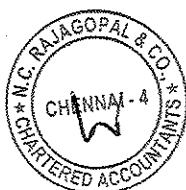
Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income-tax reflects the impact of current year timing difference between taxable income and accounting income for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

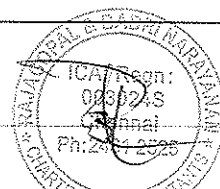
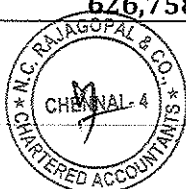


SCHEDULE 17

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 of India 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, 2015 as well as in the previous financial year:
 - Partly paid investments - NIL
 - Underwriting commitments relating to investment activities - NIL
 - Claims, other than those under policies, not acknowledged as debts - NIL
 - Guarantees given by or issued on behalf of the Company - NIL
 - 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. In the absence of any demand from the Income tax authorities the amount is not quantifiable. 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.
 - The Company has received Income Tax Assessment Orders for various Assessment Years with demands aggregating to Rs.626,758 thousands as per the details given below, on account of applying the provisions of Sec 115 JB of Income Tax Act, 1961 and other disallowances under the Income Tax Act- 1961. The Company has filed individual writ petitions, for each of the Assessment years, before the Honorable High Court of Madras which has granted interim stay. In the opinion of the company, strengthened by judicial decisions, the said demands are not sustainable and hence no provision is considered necessary in the books.

Assessment Year	Amount(Rs.'000)	Receipt of Order in the F.Year
2009-10	245,820	2011-12
2010-11	133,724	2012-13
2011-12	247,214	2013-14
Total	626,758	



- 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 2015	31st March 2014
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)	27,127	20,000

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

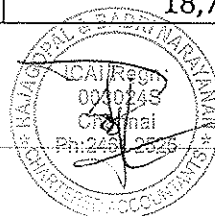
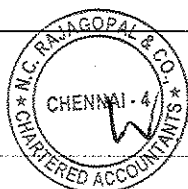
5. As per the dispensation given by IRDAI vide their letter ref. no. IRDA/439/F&A/URR/2011-12/LR/01/83 dated 26th Feb, 2015 the company is required to maintain solvency margin as per the provisions of 64VA of the Insurance Laws (Amendments) Ordinance 2014. Considering this, the Available Solvency Margin as at 31-03-2015 is 2.40 times.

6. Investments:

Particulars	Amount (Rs ' 000)	
	31st March 2015	31st March 2014
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

7. 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. 198,290 thousands (Previous Year: Rs. 171,600 thousands).

Minimum Lease Payments	Amount (Rs ' 000)	
	31st March 2015	31st March 2014
Not later than one year	180,386	171,333
Later than 1 year but not later than 5 years	236,483	235,159
Later than 5 years	18,701	35,163

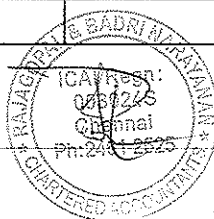
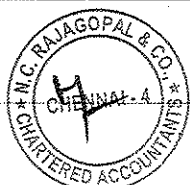


8. Land in Fixed Assets schedule represents freehold landed property of 1.4 acres with a book value of Rs.75,600 thousands. On this land, one of the public sector undertaking is staking a claim of right of way on an extent of 0.39 acres (having book value Rs.21,060 thousands) based on a statutory right. This issue was brought to the notice of the vendor of land, who has agreed to substitute the land or compensate any loss to the company. Hence, no provision is considered necessary for impairment.

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

Gratuity

Particulars	Amount (Rs'000)	
Assumptions	31-03-2015	31-03-2014
Discount Rate	8.00%	8.00%
Salary Escalation	3.00%	5.00%
Attrition rate	1-3%	1-3%
Expected Return on Plan Assets	8%	8%
Mortality Rate Table	LIC (1994-1996)	LIC (1994-1996)
Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	54,164	34,987
Interest cost	4,333	2,799
Current Service Cost	12,077	6,621
Benefits Paid	(2,995)	(2,386)
Actuarial (gain) / loss on obligation	(8,766)	11,462
Present value of obligations as at end of year	58,813	53,482
Table showing changes in the fair value of plan assets - LIC Fund		
Fair value of plan assets at beginning of year	35,588	23,195
Expected return on plan assets	4,935	2,795
Contributions	22,134	11,984
Benefits paid	(2,995)	(2,386)
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at the end of year	59,662	35,588
Table showing changes in the fair value of plan assets - LIC Fund		
Fair value of plan assets at beginning of year	35,588	-
Actual return on plan assets	4,935	-
Contributions	22,134	-
Benefits paid	(2,995)	-
Fair value of plan assets at the end of year	59,662	-



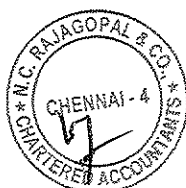
Funded Status	849	-
Excess of actual over estimated return on plan assets	-	-
Actuarial (Gain)/Loss recognized		
Actuarial (gain) /loss on obligation	8,766	11,462
Actuarial (gain) / loss on plan assets	-	-
Actuarial (gain) / loss recognized in the year	(8,766)	11,462
The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	58,813	53,482
Fair value of plan assets as at the end of the year	59,662	35,588
Funded status	849	(17,894)
Net (Liability) Recognized in the Balance Sheet	849	(17,894)
Expenses Recognized in statement of Profit & loss		
Current Service cost	12,077	6,621
Interest Cost	4,333	2,799
Expected return on plan assets	(4,935)	(2,795)
Net Actuarial (gain) / loss recognized in the year	(8,766)	11,462
Expenses to be recognized in the profit & loss	2,709	18,086

10. Claims Outstanding:

Pending for	No. of Claims	Amount (Rs.'000)
Less than 6 months	33,088	1,047,873
More than 6 months	485	43,632
More than 1 year	129	25,340
More than 2 years	157	22,694
Total	33,859	1,139,539

The claims were outstanding predominantly due to non-submission of essential documents by the insured. As at the year end, there are Nil Claims (Previous year – Nil claims) outstanding for a period exceeding six months from the date when settlement has been agreed.

11. In accordance with the Company's Accounting policy for Deferred Taxation, the net deferred tax asset of Rs. 981,482 thousands (Previous Year: Rs. 553,673 thousands) as per the calculation given below has not been recognized in the absence 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 2015		As At 31st March 2014	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Carried Forward Loss	-	-	-	-
• On Depreciation Loss	145,347	-	110,151	-
• On Business Loss	513,336	-	237,466	-
• URR Differences	361,824	-	266,846	-
Depreciation differences	-	39,025	-	60,790
Total	1,020,507	39,025	614,463	60,790
Net Deferred Tax Asset / (Liability)	981,482		553,673	
Deferred Tax Expense / (Income) recognized in Profit & Loss Account	-		-	

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

Sector	For the year ended 31 st March 2015				For the year ended 31 st March 2014			
	No. of policies	No. of Lives	GWP Rs. '000	%	No. of policies	No. of Lives	GWP Rs. '000	%
Rural	255,508	751,092	1,660,278	11.0	198,627	639,209	1,171,851	11.0
Social	372,172	3,670,777	3,107,434	21.0	343,206	5,478,180	2,709,305	25.0
Others	1,238,817	4,005,059	9,924,230	68.0	973,697	3,069,632	7,029,628	64.0
Total	1,866,497	8,426,928	14,691,941	100	1,515,530	9,187,021	10,910,784	100

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

14. Extent of Risk retained and Re-insured



Particulars	31 st March 2015	31 st March 2014
Risk Retained (%)	85.32%	75.21%
Risk Re-insured (%)	14.68%	24.79%

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

(Rs '000)

Particulars	31 st March 2015	31 st March 2014
Salary	9,873	9,873
Allowances and Perquisites *	548	2,932
Gratuity	-	-
Total	10,421	12,805

* Previous year Includes 130,100 equity shares having face value of Rs.10 per share amounting to Rs. 1,301,000/- allotted to Chairman cum Managing Director as sweat equity shares along with related tax liability amounting to Rs. 983,475/-

(b) During the current financial year, the company has charged an amount of Rs. 12,646 thousands in the Profit & Loss Account towards Sweat Equity Shares issued to Chairman Cum Managing Director. This consists of Rs. 5,883 thousands by way of 5,88,298 equity shares at face value of Rs. 10/- each and the balance towards the related tax liability. These shares were allotted vide Board Meeting held on 10/04/2015 after the financial year on receipt of approval from the Insurance Regulatory & Development Authority of India on 08/04/2015.

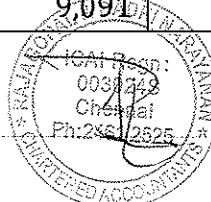
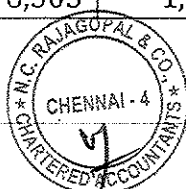
16. Related Party Disclosure:

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

Mr. V Jagannathan & Mrs. Vasanthi Jagannathan

(Rs '000)

Transactions during the year	Key Managerial Personnel (KMP)		Relative of Key Managerial Personnel (KMP)		Total	
Transactions during the year	31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014
Lease Rentals paid	-	-	-	-	-	-
Remuneration paid	10,421	12,805	-	-	10,421	12,805
Share Capital Allotted	6,303	1,301	9,091	-	15,394	1,301



Balance Outstanding at the end of the year						
Share Capital	75,746	69,443	9,091	-	84,837	69,443
Remuneration paid to relatives of KMP	-	-	-	-	-	-

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. 10,100 thousands (Previous Year 5,192 thousands) on account of issue of equity shares, which has been adjusted against the Share Premium. The balance of Share Premium account as on 31.3.2015 is Rs. 2,749,275 thousands (Previous Year Rs. 2,108,852 thousands)

18. Disclosure as per AS – 20 “ Earnings Per Share “

(Rs '000)			
S.No.	Particulars	31 st March 2015	31 st March 2014
1	Net Profit /(Loss) Attributable to Shareholders	(1,400,509)	(933,235)
2	Weighted Average No. of Equity Shares Issued for Basic EPS	339,129,785	331,202,579
3	Weighted Average No. of Equity Shares Issued for Diluted EPS	339,129,785	331,202,579
4	Basic Earnings Per Share of Rs.10/- each	Rs.(4.13)	Rs.(2.82)
5	Diluted Earnings Per Share of Rs.10/- each	Rs.(4.13)	Rs.(2.82)

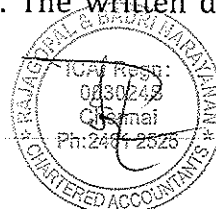
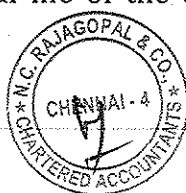
19. Segment Reporting :

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 IRDAI in its circular dated 29th April, 2003 is provided in Annexure 2 and Annexure 3.

21. Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives of assets as specified in Schedule II, except in respect of Networking Equipments included in Information Technology Equipments which is being depreciated based on internal technical evaluations. Accordingly, the balance carrying amount of assets is being depreciated over the revised/remaining useful life of the asset. The written down value of fixed assets



whose remaining useful life is NIL as at 1st April, 2014 amounting to Rs. 31,250 thousands have been charged to the profit and loss account under the head Depreciation in line with the transitional provisions. Had the company applied the provision of Schedule XIV to the Companies Act 1956, the depreciation would have been lower by Rs. 89,842 thousands. Accordingly, the charge to the statement of the profit and loss account is higher to this extent in the current year. Further the company has also changed the method of amortization of Intangible assets with retrospective effect in the current financial year. Consequently, Rs.16,353 thousands has been written back to the profit and loss account under the head Depreciation.

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

Particulars	31 st March 2015	31 st March 2014
Revenue Account		
Fire	NIL	NIL
Marine	NIL	NIL
Miscellaneous	1,139	1,263
Profit & Loss Account		
Share Holders	250	541
Total	1,389	1,804

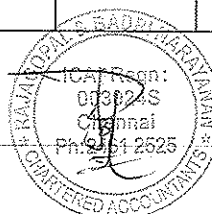
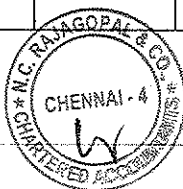
23. In line with the accounting policy on claims, the company has classified Rs. 257,410 thousands (Previous year Rs. 202,625 thousands) in claims cost representing exclusive expenditure incurred towards processing and settlement of health claims. Consequently this has resulted in increase of incurred claims by Rs. 218,798 thousands (Previous year Rs. 151,969 thousands) (net of re-insurance recovery) and decrease of Rs. 257,410 thousands (Previous year Rs. 202,625 thousands) in operating expenses related to insurance business.

24. Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders

(For the Year ended 31st March 2015)

(Rs '000)

Particulars	Total Amount	AGE-WISE ANALYSIS						
		1-6 months	7-12 months	13-18 months	19- 24 months	25 - 30 months	31 - 36 months	Beyond 36 Months
claims settled but not paid to the policyholders	-	-	-	-	-	-	-	-
sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-



Excess Premium / Refunds (Due to the Insured)	10,455	10,455	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured	-	-	-	-	-	-	-	-

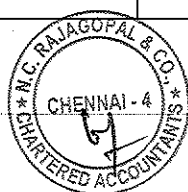
(For the Year ended 31st March 2014)

(Rs '000)

Particulars	Total Amount	AGE-WISE ANALYSIS						
		1-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 Months
claims settled but not paid to the policyholders	-	-	-	-	-	-	-	-
sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
Excess Premium / Refunds (Due to the Insured)	25,299	22,375	2,843	76	5	-	-	-
Cheques issued but not encashed by the policyholder/ insured	-	-	-	-	-	-	-	-

25. 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 of India				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".

26. Security deposit includes Rs. 2,887 thousands (Previous Year 3,417 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.
27. Pending acknowledgement of balance of Rs. 830,326 thousands (Previous Year Rs. 830,104 thousands) by the Aarogyasri Trust, the same is considered good and recoverable based on the legal opinion obtained and the follow up efforts which are under way by the Management.
28. An amount of Rs. 351,155 thousands being outstanding premiums recoverable towards RSBY Scheme is considered good and recoverable.
29. 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, IRDAI vide their letter ref no. FNA/HSH/LR/003/2014-15/57 dated 15th October, 2014 has exempted the company from complying the provisions of Section 40C of The Insurance Act 1938, for the current financial year.
30. 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.
31. Previous Year figures have been reclassified / regrouped, wherever necessary, to confirm to the current year's classification.

✓

Particulars	31 st March 2015	31 st March 2014		Reason
	Grouping	Grouping	Amount (Rs. '000)	
Excess Collection	Schedule 13: Unclaimed amount of policy holders	Schedule 13: Excess Collection	7,547	As per IRDAI's Disclosure Requirement
Refund of Premium	Schedule 13: Unclaimed amount of policy holders	Schedule 13: Refund of Premium	17,752	As per IRDAI's Disclosure Requirement
Electricity Deposit	Schedule 12:Security Deposit	Schedule 12:Other Advances	503	For Better Presentation

As per our Report of even date
attached

For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No: 003398S

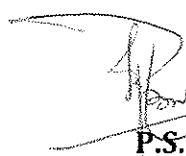

V. Chandrasekaran
Partner
M.No: 24844



For And On
Behalf of Board of
Directors


V. Jagannathan
Chairman Cum
Managing
Director

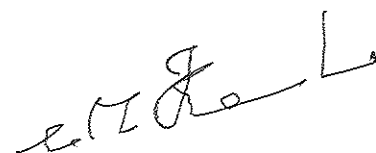
For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No: 003024S


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 : 28th May, 2015

20. Segment reporting

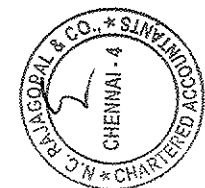
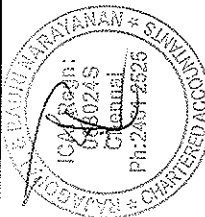
Annexure 1

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 2015)

Particulars	Fire	Marine Cargo	Marine/Hull	Aviation	Motor	Workmen's Compensation/ Employers Liability	Public/ Product Liability	Engineering	Personal Accident	Health Insurance	Others	Investment of Shareholder's funds	Total
Gross Direct Premium	-	-	-	-	-	-	-	-	326,847	14,365,094	-	-	14,691,941
Premium Inward	-	-	-	-	-	-	-	-	-	3,871	-	-	3,871
Net Written Premium	-	-	-	-	-	-	-	-	221,281	12,316,775	-	-	12,538,056
Premium earned (net)	-	-	-	-	-	-	-	-	179,022	10,000,273	-	-	10,179,295
Profit on sale / redemption of investments	-	-	-	-	-	-	-	-	339	14,884	-	3,341	18,564
Others - Sweat Equity Shares	-	-	-	-	-	-	-	-	-	-	-	(12,646)	(12,646)
Pending Allotment	-	-	-	-	-	-	-	-	-	-	-	88,594	88,594
Interest (net of amortisation)	-	-	-	-	-	-	-	-	8,979	394,618	-	-	403,597
Total segmental revenue	-	-	-	-	-	-	-	-	188,340	10,409,775	-	79,291	10,677,404
Claims incurred (net)	-	-	-	-	-	-	-	-	80,339	6,430,252	-	-	6,510,591
Commission received / (paid), net	-	-	-	-	-	-	-	-	22,472	987,650	-	-	1,010,122
Operating expenses related to insurance business	-	-	-	-	-	-	-	-	101,383	4,455,817	-	-	4,557,200
Total segmental expenses	-	-	-	-	-	-	-	-	204,194	11,873,719	-	-	12,077,913
Segmental (loss) / profit	-	-	-	-	-	-	-	-	(15,854)	(1,463,944)	-	79,291	(1,400,509)
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for income, FBT, Deferred Tax Asset and wealth tax, MAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,400,509)



(For the year ended 31st March 2014)

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	-	-	-	-	-	-	-	-	239,240	10,671,544	-	-	10,910,784
Premium Inward	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Written Premium	-	-	-	-	-	-	-	-	163,163	8,043,237	-	-	8,206,400
Premium earned (net)	-	-	-	-	-	-	-	-	132,751	6,621,200	-	-	6,753,951
Profit on sale / redemption of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	183	8,146	-	3,570	11,899
Interest (net of amortisation)	-	-	-	-	-	-	-	-	3,544	158,062	-	-	161,606
Total segmental revenue	-	-	-	-	-	-	-	-	5,567	248,357	-	108,825	362,749
Claims incurred (net)	-	-	-	-	-	-	-	-	142,045	7,035,765	-	112,395	7,290,205
Commission received / (paid), net	-	-	-	-	-	-	-	-	58,275	4,481,181	-	-	4,539,456
Operating expenses related to insurance business	-	-	-	-	-	-	-	-	8,038	358,564	-	-	366,602
Total segmental expenses	-	-	-	-	-	-	-	-	72,740	3,244,643	-	-	3,317,383
Segmental (loss) / profit	-	-	-	-	-	-	-	-	139,053	8,084,388	-	-	8,223,441
Other income	-	-	-	-	-	-	-	-	2,992	(1,048,623)	-	112,395	(933,236)
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for income, FBT, Deferred Tax Asset and wealth tax, MAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	(933,236)

(Rs. '000)



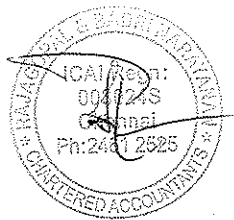
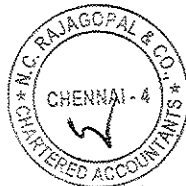
Summary of Financial Statements				Rs. in Lakhs							Annexure - 2
Sl No	Particulars	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-09	2007-08	2006-07	
	OPERATING RESULTS										
1	Gross Premiums Written	146,919	109,108	86,021	108,506	122,755	96,164	50,986	16,819	2,251	
2	Net Premium Income#	125,381	84,353	61,384	80,991	91,168	67,155	35,983	11,953	978	
3	Income from investments (net)@	4,200	2,635	1,405	1,215	1,251	717	584	172	20	
4	Other income -Transfer fee etc	-	1,616	57	-	-	-	-	-	-	
5	Total Income	129,580	88,604	62,846	82,206	92,420	67,872	36,567	12,125	998	
6	Commissions (Net)	10,101	3,666	1,375	465	(883)	(1,267)	(1,228)	(814)	(303)	
7	Brokerage	-	-	-	-	-	-	-	-	-	
8	Operating Expenses	45,586	33,192	31,864	20,278	9,077	9,311	6,269	3,477	179	
9	Claims, increase in Unexpired Risk Reserve and Other outgoes	88,694	62,208	42,558	77,564	83,843	59,286	31,684	9,854	639	
10	Operating Profit/loss	(14,801)	(10,462)	(12,951)	(16,101)	383	543	(158)	(392)	483	
	NON OPERATING RESULTS										
11	Total income shareholders' account	795	1,129	390	655	784	479	686	708	697	
12	Profit/(loss) before tax	(14,005)	(9,332)	(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	(14,005)	(9,332)	(12,562)	(14,754)	739	526	124	128	(259)	
	MISCELLANEOUS										
15	Policyholders' Account										
	Total funds	75,799	52,789	38,663	32,709	28,323	19,601	8,633	2,410	297	
	Total investments	51,673	32,638	24,859	13,453	20,173	16,536	3,919	2,100	264	
	Yield on investments	8.86%	8.86%	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%	
16	Shareholders' Account										
	Total funds	16,572	23,143	10,383	17,344	18,108	16,757	10,699	10,359	10,244	
	Total investments	11,297	13,988	6,608	7,244	12,898	14,087	4,790	8,955	9,076	
	Yield on investments	8.86%	8.86%	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%	
17	Paid up equity capital	36,214	33,386	32,695	27,877	20,299	16,433	10,930	10,860	10,500	
18	Net worth	14,185	18,958	27,329	29,171	26,011	16,175	10,673	10,602	10,115	
19	Total assets	109,578	85,778	74,959	66,893	71,765	59,121	24,956	15,378	10,821	
20	Yield on total investments	8.86%	8.86%	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%	
21	Basic Earnings per share (Rs.)*	(4.13)	(2.82)	(4.47)	(6.78)	0.40	0.42	0.11	0.12	(0)	
22	Diluted Earnings per share (Rs.)*	(4.13)	(2.82)	(4.47)	(6.78)	0.31	0.25	0.11	0.12	(0)	
23	Book Value per share (Rs.)	3.92	5.68	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/- each)											
	Profit / (Loss) for the year	(14,005)	(9,332)	(12,562)	(14,754)	739	526	124	128	(259)	
	Share capital & Reserves	14,185	18,958	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	339,129,785	331,202,579	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 IRDAI 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	2014-15	2013-14
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)	10.36	5.76
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)	-25%	-31%
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)	0.42	0.41
7	Combined ratio: (Claims paid plus expenses divided by gross premium)	0.92	0.94
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	0.72
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)	-0.11	-0.11
11	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.39	0.44
12	Net earnings ratio (Profit after tax divided by net premium)	-0.11	-0.11
13	Return on networth (Profit after tax divided by net worth)	-0.99	-0.49
14	Reinsurance ratio (Risk reinsured divided by gross premium)	0.15	0.25



Accounting Ratios - Schedule 1

Gross premium growth rate

Segment	Growth (%)	
	2014-15	2013-14
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	37%	45%
Health Insurance	35%	26%
Others	-	-
Total	35%	27%

Accounting Ratios - Schedule 2

Net retention ratio

Segment	% to GP	
	2014-15	2013-14
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	68%	68%
Health Insurance	86%	75%
Others	-	-
Total	85%	75%

Accounting Ratios - Schedule 3

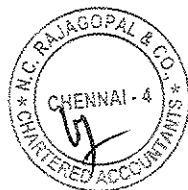
Net commission ratio

Segment	% to NP	
	2014-15	2013-14
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	8%	4%
Health Insurance	8%	4%
Others	-	-
Total	8%	4%

Accounting Ratios - Schedule 4

Underwriting balance ratio

Segment	% to NP	
	2014-15	2013-14
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	-19%	-18%
Health Insurance	-15%	-15%
Others	-	-
Total	-15%	-16%



MANAGEMENT REPORT

In accordance with part IV Schedule B of the Insurance Regulatory and Development Authority of India (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 of India, 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 2015-16.
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 2015 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, as per the dispensation given by IRDAI vide their letter ref. no. IRDA/439/F&A/URR/2011-12/LR/01/83 dated 26th Feb, 2015.
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”, “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. Ageing of claims indicating the trends in average claim settlement during the preceding five years are as follows:

FINANCIAL YEAR	NO. OF DAYS TO SETTLE CLAIMS (DATE OF INTIMATION VS DATE OF SETTLEMENT)	CLAIM SETTLED WITHIN 30 DAYS	CLAIM SETTLED WITHIN 31 TO 90 DAYS	CLAIM SETTLED WITHIN 91 TO 180 DAYS	CLAIM SETTLED WITHIN 181 TO 365 DAYS	CLAIM SETTLED AFTER ONE YEAR
2014-2015	15	254,420	4,801	252	68	26

2013-2014	15	230,180	17,843	975	144	645
2012-2013	15	205,309	9,767	3,964	880	231
2011-2012	8	26,847	54,944	22,140	11,048	0
2010-2011	47	20,527	25,874	28,896	17,745	5,835

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. 7,491,998 thousands as at 31st March 2015. The investment income, net of amortization including profit on sale of investments was Rs. 510,755 thousands for the year ended 31st March 2015. The weighted average yield on all the income bearing Investments (Excluding Real Estate) was 8.99%. The weighted average yield on all Investments (Including Real Estate) was 8.86%.

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.

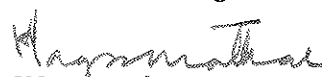
All the investments have been duly serviced and there are no non-performing assets as on the Balance Sheet date.

12. Director's Responsibility Statements:

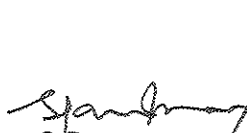
- I. In the preparation of financial statements, the applicable Accounting Standards, principles and policies have been followed along with proper explanations relating to material departures, if any.
- II. The management has adopted accounting policies and applied them consistently and made judgments 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 2015 and of the operating Loss of the Company for the financial year ended 31st March 2015 and of the Net Loss of the Company for the financial year ended 31st March 2015.
- 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 and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

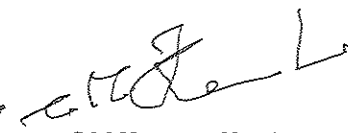
- IV. The Management has prepared the financial statements on a going concern' basis.
- V. The Management has put in place an internal audit system commensurate with the size and nature of the business and it is operating efficiently.
13. There are no payments other than those arising in the normal course of the Company's Insurance business, made to individuals, firms, companies and organizations in whom / which the directors of the company are interested.

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

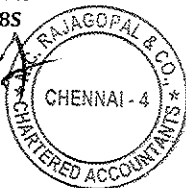
Place : Chennai

Date : 28th May, 2015.

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 2015		
PARTICULARS	31st March, 2015 (Rs.'000)	31st March, 2014 (Rs.'000)
Cash flows from operating activities		
Premium received from policyholders, including advance receipts	14,639,903	11,149,306
Other receipts	-	161,606
Receipts/(Payments) to the re-insurers, net of commissions and claims	(91,157)	(232,277)
Payments to co-insurers, net of claims recovery	-	-
Payments of claims	(7,431,510)	(5,986,634)
Payments of commission and brokerage	(1,488,915)	(1,079,187)
Payments of other operating expenses	(4,241,036)	(3,245,429)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	105,977	21,541
Income taxes refund/(paid)	-	-
Service tax paid	(18,900)	(19,725)
Other payments	-	-
Cash flows before extraordinary items	1,474,362	769,200
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	1,474,362	769,200
Cash flows from investing activities		
Purchase of fixed assets	(173,388)	(172,135)
Proceeds from sale of fixed assets	300	87
Purchases of investments	(3,959,304)	(5,644,135)
Loans disbursed	-	-
Sales of investments	1,586,421	4,775,416
Repayments received	-	-
Rents/Interests/Dividends received	386,492	340,861
Investments in money market instruments and in liquid mutual funds (Net)	-	-
Expenses related to investments	(242)	(220)
Net cash flow from investing activities	(2,159,723)	(700,126)
Cash flows from financing activities		
Proceeds from issuance of share capital	923,259	94,808
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	923,259	94,808
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	-	-
Net increase/ (decrease) in cash and cash equivalents:	237,898	163,882
Cash and Cash equivalents at the beginning of the year	566,393	402,511
Cash and cash equivalents at the end of the year *	804,291	566,393
Note * Fixed Deposit of Rs.2,473,626 thousands (Previous year- Rs.15,88,645 thousands) shown under schedule 11 of financial statements considered under investing activities.		

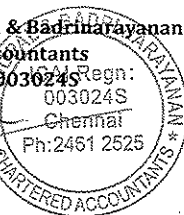
As per our report of even date attached
For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 0033985

V.Chandrasekaran
Partner
M.No.24844



For Rajagopal & Badrinarayanan
Chartered Accountants
Firm Reg No. 0030245

P.S.Prabhakar
Partner
M.No.20909



V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Place: Chennai - 34
Date: 28-05-2015