Brahmayya & Co.
Chartered Accountants
48, Masilamani Road,
Balaji Nagar,
Royapettah,
Chennai - 600014

V. Sankar Aiyar & Co
Chartered Accountants
41, Circular Road ,
United India Colony
Kodambakkam
Chennai - 600024

Independent Auditors' Report

To the Members of Star Health And Allied Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

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, 2021, the Revenue accounts of miscellaneous insurance, the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed there to, including a summary of the significant accounting policies and notes forming part of the financial statements, thereon (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Insurance Act, 1938, as amended by Insurance Laws(Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the IRDA Financial Statements Regulations"), Circulars / Orders / Directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI" / "Authority") in this regard, and the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Accounting Standards) Rules, 2006, as amended, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2021;

b. in the case of Revenue Accounts, of the operating Loss in Miscellaneous business for the year ended on that date;

c. in the case of Profit and Loss Account, of the Loss for the year ended on that date; and

d. in case of Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Insurance Act, the IRDA Act and the IRDA Financial Statements Regulations, the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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

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41, Circular Road ,
United India Colony
Kodambakkam
Chennai - 600024

Emphasis of Matter

We invite attention to the following notes to the financial statements, which have significant impact on the financial results:

a. Note No. 5.2.17(a) to Schedule 16 to the financial statements regarding the change in accounting policy for provisioning of Unearned Premium Reserve (UPR) from 50% percentage method to 1/365 method effective 31 March 2021. The change in accounting policy will necessitate a reduction in Total Premium Earned (net) by Rs. 57,61,142 Thousand. Consequently, this results in creation of an incremental UPR Reserve by Rs. 57,61,142 Thousand with a corresponding increase in loss before tax and reduction in Reserves and Surplus.

b. Note No. 5.2.17(b) to Schedule 16 of the financial statements regarding the discontinuance of Reinsurance Voluntary quota share treaty (VQST) on a clean-cut basis with effect from April 1, 2021. Discontinuing the said reinsurance treaty has an one-time impact of reduction of net premium of Rs.48,32,739 Thousands, on account of portfolio entry without corresponding portfolio withdrawal. Further, discontinuing the said reinsurance treaty also resulted in creation of additional UPR of Rs. 43,71,225 Thousand with a corresponding increase in loss before tax and reduction in Reserves and Surplus as on 31 March 2021.

Our opinion is not modified in respect of above matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Corporate Governance Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those charged with governance for the financial statements.

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements to give a true and fair view of the financial position, financial performance and Receipts and Payments of the Company in accordance with and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Accounting Standards) Rules, 2006, as amended, to the extent applicable and in the manner so required and the provisions of Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHENNAI-24 CHARTERED ACCOUNTANTS

Act, 1999 (as amended) (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), Circulars / Orders / Directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"/ "Authority") in this regard.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

<u>Auditor's Responsibilities for the Audit of the financial statements</u>

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but it is not a guarantee that an audit conducted in accordance with Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR), including claims Incurred But Not Enough Reported (IBNER) and provisioning for Premium Deficiency and Free Look Reserve as at March 31, 2021 is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms, if any, issued by the IRDAI and the Actuarial Society of India in concurrence with IRDAI. We have relied upon the Actuary's certificate in this regard for forming our opinion on the financial statements of the Company. Our opinion is not modified in this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated 30th April 2021 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statement Regulations.

2. As required by the paragraph 2 of Schedule C to the IRDAI Financial Statement Regulations and the provisions of Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) As the Company's accounts are centralized and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company as required under Section 143(8) of the Act;

   d) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account;

   e) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Accounting Standards) Rules, 2006, as amended, to the extent applicable

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

and with the accounting principles prescribed by the Regulations and Orders/Directions prescribed by IRDAI in this regard;

f) Investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders/directions issued by IRDAI in this regard.

g) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 its financial statements – Refer Note no. 5.1.1 (A), (B) &(C) of Schedule 16 to the financial statements;

   ii. the Company did not have any material foreseeable losses under long-term contracts for which provision is required on the balance sheet date (Refer Note 5.2.15 of Schedule 16). There are no derivative contracts.

   iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

3. With respect to the other matters to be included in the Auditor's report, in terms of the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act and Section 34 of the IRDAI Act.

For M/s. Brahmayya & Co.	For M/s. V Sankar Aiyar & Co.
Chartered Accountants	Chartered Accountants
Firm Registration No: 000511S	Firm Registration No: 109208W
K. Jitendra Kumar	S Venkataraman
Partner	Partner
Membership No: 201825	Membership No: 023116
Date: 30 April 2021	Date: 30 April 2021
Place: Chennai	Place: Chennai
UDIN No: 21201825AAAAFE1361	UDIN No: 21023116AAAAIH3121

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' forming part of the Independent Auditors' Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Star Health And Allied Insurance Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 and to the extent applicable with the accounting principles prescribed by the Regulations and Orders/Directions prescribed by IRDAI in this regard.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR), including claims Incurred But Not Enough Reported (IBNER) and provisioning for Premium Deficiency and Free Look Reserve as at March 31, 2021 is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary, as mentioned in "Other Matter" paragraph of our audit report on the financial statements of the Company as at and for the year ended March 31, 2021. In view of this, we did not perform any procedures relating to internal financial controls over financial reporting in respect of the valuation and accuracy of the actuarial valuation of estimate of claims IBNR and claims IBNER.

For M/s. Brahmayya & Co.
Chartered Accountants
Firm Registration No: 000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

K. Jitendra Kumar
Partner
Membership No: 201825
Date: 30 April 2021
Place: Chennai
UDIN No: 21201825AAAAFE1361

For M/s. V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No: 109208W

S Venkataraman
Partner
Membership No: 023116
Date: 30 April 21
Place: Chennai
UDIN No: 21023116AAAAIH3121

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

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Chartered Accountants
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Chennai - 600024

INDEPENDENT AUDITORS' CERTIFICATE

To the Members of Star Health And Allied Insurance Company Limited

(Referred to in our 'Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report of even date)

This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C to be read with Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "Regulations") read with Regulation 3 of IRDA Financials Statements Regulations and may not be suitable for any other purpose.

Management Responsibility

The Company's Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/FA/059/03/2015 dated March 31, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, circulars, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA"), which includes the preparation of the Management Report. This includes collecting, collating, and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Auditors' Responsibility

Our responsibility, for the purpose of this certificate, is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the Regulations. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the "ICAI"), which include the concepts of test checks and materiality.

The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform audits and reviews of historical financial information and other assurance and related services engagements issued by the ICAI.

Opinion

Based on our audit of financial statements for the year ended March 31, 2021 and in accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by Star Health And Allied Insurance Company Limited ("the Company") for the year ended March 31, 2021, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2021, and on the basis of our review, there are no apparent mistakes in or material inconsistencies with the financial statements;
2. Based on the management representation and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

by the Board, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDA;

3. We have verified the cash balance at the selective branches at Chennai and Delhi as at March 31, 2021, in respect of branches not visited by us, we have performed alternate procedures to audit the existence of cash as per the guidance provided by in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue the certificate. We have verified the securities relating to the Company's investments as at March 31, 2021, by on the basis of certificates/ confirmations received from the Custodian and/or Depository Participants appointed by the Company, as the case may be;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds have been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

For M/s. Brahmayya & Co.
Chartered Accountants
Firm Registration No: 000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

K. Jitendra Kumar
Partner
Membership No: 201825
Date: 30 April 2021
Place: Chennai
UDIN No: 21201825AAAAFE1361

For M/s. V Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No: 109208W

S Venkataraman
Partner
Membership No: 023116
Date: 30 April 2021
Place: Chennai
UDIN No: 21023116AAAAIH3121

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

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 MARCH 31, 2021

FIRE BUSINESS

(Rs.'000)

	Particulars	Schedule	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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 & Notes to financial statements	16		

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.

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

As Per Our Report of Even Date attached

For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

Jitendra Kumar K
Partner
M.No.: 201825

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

For M/s. V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg No.: 109208W

S. Venkataraman
Partner
M.No.: 023116

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

Place: Chennai – 600 034
Date: April 30, 2021

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 MARCH 31, 2021

MARINE BUSINESS

(Rs.'000)

Particulars	Schedule	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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 & Notes to financial statements	16		

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.

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

R. Deepak

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

As Per Our Report of Even Date attached

For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

Jitendra Kumar K
Partner
M.No.: 201825

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Place: Chennai – 600 034
Date: April 30, 2021

For M/s. V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg No.: 109208W

S. Venkataraman
Partner
M.No.: 023116

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

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 MARCH 31, 2021

(Rs.'000)

	Particulars	Schedule	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
1	Premiums earned (Net)	1 D	4,62,66,309	4,68,40,922
2	Profit/ (Loss) on sale/redemption of Investments (Refer note 5.2.11 of Schedule 16)		19,856	37,527
3	Others		-	-
4	Interest, Dividend & Rent – (Gross) (Refer note 5.2.11 of Schedule 16)		24,85,409	16,58,627
	TOTAL (A)		**4,87,71,574**	**4,85,37,076**
1	Claims Incurred (Net)	2 D	4,36,94,549	3,08,74,267
2	Commission	3 D	58,57,620	34,04,137
3	Operating Expenses related to Insurance Business	4	1,40,30,512	1,10,13,224
4	Premium Deficiency		-	-
5	Others			
	Provision for Impairment of Investments		-	(57,525)
	TOTAL (B)		**6,35,82,681**	**4,52,34,103**
	Operating Profit/(Loss) from Miscellaneous Business C= (A - B)		**(1,48,11,107)**	**33,02,973**
	APPROPRIATIONS			
	Transfer to Shareholders' Account		(1,48,11,107)	33,02,973
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves (to be specified)		-	-
	TOTAL (C)		**(1,48,11,107)**	**33,02,973**
	Significant accounting policies & Notes to financial statements	16		

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.

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

As Per Our Report of Even Date attached

For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

Jitendra Kumar K
Partner
M.No.: 201825

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Place: Chennai – 600 034
Date: April 30, 2021

For M/s. V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg No.: 109208W

S. Venkataraman
Partner
M.No.: 023116

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

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 MARCH 31, 2021

(Rs.'000)

	Particulars	Schedule	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
1	OPERATING PROFIT/(LOSS)			
	(a) Fire Insurance		-	-
	(b) Marine Insurance		-	-
	(c) Miscellaneous Insurance		(1,48,11,107)	33,02,973
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent – (Gross)		17,17,845	12,11,759
	(b) Profit on sale of investments		13,724	27,417
	Less: Loss on sale of investments		-	-
	(Refer note 5.2.11 of Schedule 16)			
3	OTHER INCOME		3,214	1,640
	TOTAL (A)		**(1,30,76,324)**	**45,43,789**
4	PROVISIONS (Other than taxation)			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		3,43,532	5,100
	(c) Others			
	- Provision for Impairment of Investments		-	(39,975)
5	OTHER EXPENSES			
	(a) Expenses other than those related to Insurance Business		-	-
	(b) Investments written off		-	1,95,214
	(c) Others			
	i) Key Management Personnel Remuneration (Refer note 5.1.11 of Schedule 16)		6,85,259	25,701
	ii) Management expenses allocated		-	-
	iii) Donation		600	600
	iv) Interest on NCD		2,56,000	2,56,000
	v) Remuneration To Non-Executive Directors - Profit Related Commission (Refer note 5.2.14 of Schedule 16)		1,902	5,000
	vi) Late Fees (Refer note 5.1.14 of Schedule 16)		1,149	-
	vii) CSR Expenses (Refer note 5.2.18 of Schedule 16)		56,209	34,078
	viii) Consultancy fees		2,792	-
	ix) Bad Debts Written Off		1,934	-
	x) Loss/(Gain) on sale / Discard of Fixed Assets		32,354	-
	TOTAL (B)		**13,81,731**	**4,81,718**
	Profit/(Loss) Before Tax (A-B)		**(1,44,58,055)**	**40,62,071**
	Provision for Taxation			
	(a) Current Tax		6,24,009	9,95,352
	Add: MAT Credit Utilized		-	4,80,357
	Less: Reversal of MAT Credit relating to earlier years		-	(19,838)
	(b) Deferred Tax		(41,43,129)	(72,455)
	(c) Tax relating to earlier years		(81,798)	5,929
	Profit/(Loss) After Tax		**(1,08,57,137)**	**26,33,050**
	APPROPRIATIONS			
	(a) Interim dividends paid during the year		-	-
	(b) Proposed final dividend		-	-
	(c) Dividend distribution tax		-	-
	(d) Transfer Contingency reserve for Unexpired Risk		-	-
	(e) Debenture redemption reserve		-	(25,000)
	Balance of profit/ (loss) brought forward from last year		36,11,775	10,03,726
	Balance carried forward to Balance Sheet		**(72,45,362)**	**36,11,775**
	Significant accounting policies & Notes to financial statements	16		
	Earnings per share - Basic		(21.75)	5.49
	- Diluted		(21.75)	5.38
	(Refer note 5.2.8 of Schedule 16)			

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

Jitendra Kumar K
Partner
M.No.: 201825

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

For M/s. V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg No.: 109208W

S.Venkataraman
Partner
M.No.: 023116

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

Place: Chennai – 600 034
Date: April 30, 2021

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 MARCH 31, 2021

(Rs.'000)

Particulars	Schedule	As At March 31, 2021	As At March 31, 2020
SOURCES OF FUNDS			
SHARE CAPITAL	5	54,80,869	49,06,380
EMPLOYEE STOCK OPTION OUTSTANDING		2,929	-
RESERVES AND SURPLUS	6	3,67,57,852	1,41,31,603
FAIR VALUE CHANGE ACCOUNT - SHAREHOLDERS		(31,031)	13,037
FAIR VALUE CHANGE ACCOUNT - POLICYHOLDERS		(44,897)	17,845
BORROWINGS	7	25,00,000	25,00,000
TOTAL		**4,46,65,722**	**2,15,68,866**
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS	8	2,79,41,129	1,81,10,413
INVESTMENTS - POLICYHOLDERS	8A	4,04,25,732	2,47,89,099
LOANS	9	-	-
FIXED ASSETS	10	9,89,672	10,18,613
DEFERRED TAX ASSET (Refer note 5.2.9 of Schedule 16)		42,13,143	70,014
CURRENT ASSETS			
Cash and Bank Balances	11	1,87,89,939	61,14,361
Advances and Other Assets	12	1,26,50,186	98,27,456
Sub-Total (A)		**3,14,40,125**	**1,59,41,817**
CURRENT LIABILITIES	13	1,56,43,045	1,21,63,717
PROVISIONS	14	5,19,46,396	2,61,97,373
Sub-Total (B)		**6,75,89,441**	**3,83,61,090**
NET CURRENT ASSETS (C) = (A - B)		**(3,61,49,316)**	**(2,24,19,273)**
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		**72,45,362**	-
TOTAL		**4,46,65,722**	**2,15,68,866**
Significant accounting policies & Notes to financial statements	16		

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

R. Deepak
Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Jayashree Sethuraman
Company Secretary

As Per Our Report of Even Date attached

For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

Jitendra Kumar K
Partner
M.No.: 201825

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

For M/s. V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg No.: 109208W

S.Venkataraman
Partner
M.No.: 023116

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

Place: Chennai – 600 034
Date: April 30, 2021

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 MARCH 31, 2021

Particulars	March 31, 2021	March 31, 2020
Premium received from policyholders, including advance receipts & payables to policy holders	111,215,345	79,791,456
Other receipts	-	-
Receipts/(Payments) from other entities carrying on insurance business (including reinsurers)	(8,598,870)	(4,750,116)
Payments of claims	(53,324,281)	(38,852,517)
Payments of commission and brokerage	(12,657,523)	(8,926,082)
Payments of other operating expenses	(14,441,536)	(11,083,009)
GST (Net off GST-ITC)	(12,249,763)	(8,630,026)
Income Tax	(912,502)	(967,897)
Deposits, advances and staff loans	(127,092)	(107,591)
Cash flows from Operating Activities	**8,903,777**	**6,474,218**
Purchase of fixed assets	(460,857)	(337,242)
Proceeds from sale of fixed assets	146	1,373
Purchases of investments	(348,678,713)	(75,865,591)
Sales of investments	321,267,087	63,536,311
Rents/Interests/Dividends received	3,697,784	2,610,180
Expenses related to investments	(7,711)	(4,684)
Loans disbursed	-	-
Repayments received	-	-
Cash flows from Investment Activities	**(24,182,264)**	**(10,059,651)**
Proceeds from issuance of share capital	26,390,564	1,474,855
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	(256,000)	(256,000)
Cash flows from Financing Activities	**26,134,564**	**1,218,854**
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	-	-
Net increase/ (decrease) in cash and cash equivalents	10,856,077	(2,366,579)
Cash and Cash equivalents at the beginning of the year	5,134,961	7,501,540
Cash and cash equivalents at the end of the year	**15,991,038**	**5,134,961**

Fixed Deposits of Rs.27,98,900 thousands (Previous year: 9,79,400 thousands) shown under schedule 11 of financial statements is not considered as part of Cash and Cash Equivalent but under the investing activities.

Closing Cash balance includes Proceeds from issuance of share capital of Rs.1,21,63,500 thousands towards share allotted on March 31, 2021.
Payments of other operating expenses includes payment towards Corporate Social Responsibility of Rs. 56,400 thousands (Previous year FY20: Rs.34,078 thousands)
Proceeds from issuance of share capital is after adjusting for share issue expenses Rs. 55,473 thousands (Previous year FY20 : Rs 25,154
Receipt and Payment Account is prepared under 'Direct Method'

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

R. Deepak

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

As Per Our Report of Even Date attached

For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

Jitendra Kumar K
Partner
M.No.: 201825
Place: Chennai - 600 034
Date: April 30, 2021

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

For M/s. V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg No.: 109208W

S. Venkataraman
Partner
M.No.: 023116

V.SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 1A
PREMIUM EARNED [NET]
FIRE BUSINESS ACCOUNT

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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)	-	-

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V.SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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 Year Ended March 31, 2021	For the Year Ended March 31, 2020
Premium from direct business written (Refer note 5.1.5 & 5.1.6 of Schedule 16)	9,38,85,387	6,86,51,418
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded (Refer note 5.1.7 & 5.2.17 of Schedule 16)	2,20,91,117	1,62,56,672
Net Premium	**7,17,94,270**	**5,23,94,746**
Adjustment for change in reserve for unexpired risks (Refer note 5.2.17 of Schedule 16)	2,55,27,961	55,53,824
Total Premium Earned (Net)	**4,62,66,309**	**4,68,40,922**

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

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 2A
CLAIMS INCURRED [NET]
FIRE BUSINESS ACCOUNT

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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	-	-

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS CHENNAI INDIA

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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 Year Ended March 31, 2021	For the Year Ended March 31, 2020
Claims paid		
Direct (Refer note 5.1.4 & 5.1.9 of Schedule 16)	5,34,07,194	3,88,78,782
Add :Re-insurance accepted	-	-
Less :Re-insurance Ceded	1,32,61,906	94,26,237
Net Claims paid	**4,01,45,288**	**2,94,52,545**
Add Claims Outstanding at the end of the year (Refer note 5.1.4 & 5.2.16 of Schedule 16)	85,93,857	50,44,596
Less Claims Outstanding at the beginning of the year	50,44,596	36,22,874
Total Claims Incurred	**4,36,94,549**	**3,08,74,267**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 3A
COMMISSION
FIRE BUSINESS ACCOUNT

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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	-	-

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

SCHEDULE- 3C
COMMISSION
MARINE HULL BUSINESS ACCOUNT

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
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 Year Ended March 31, 2021	For the Year Ended March 31, 2020
COMMISSION PAID		
Direct	1,31,07,407	91,72,514
Add :Re-insurance accepted	-	-
Less: Commission on Re-insurance Ceded	72,49,787	57,68,377
Net Commission	**58,57,620**	**34,04,137**
Break-up of the expenses (Gross) incurred to procure Business :		
Agents	1,20,11,911	84,51,524
Brokers	4,99,772	3,80,307
Corporate Agency	3,36,486	1,85,091
Referral	-	-
Others	2,59,238	1,55,592
TOTAL	**1,31,07,407**	**91,72,514**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

SCHEDULE – 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs.'000)

	Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
1	Employees' remuneration & welfare benefits	11,765,028	8,526,457
2	Travel, conveyance and vehicle running expenses	192,969	284,429
3	Training expenses	36,911	54,828
4	Rents, rates & taxes	661,674	559,851
5	Repairs and Maintenance	193,679	227,114
6	Printing & Stationery	150,157	157,557
7	Communication	228,020	208,477
8	Legal & professional charges	303,816	215,379
9	Auditors' fees, expenses etc		
	(a) as auditor	6,700	6,700
	(b) as adviser or in any other capacity, in respect of		
	(i) Taxation matters	2,000	2,000
	(ii) Insurance matters	-	-
	(iii) Management services; and	-	-
	(c) in any other capacity	695	2,785
	(d) Out of Pocket Expenses	238	659
10	Advertisement and publicity	1,359,140	1,298,401
11	Interest & Bank Charges	27,661	27,964
12	Others		
	- Director's Sitting Fees	9,900	850
	- Software Expenses	530,900	373,515
	- Outsourcing Expenses (Refer note 5.1.13 of Schedule 16)	770,758	648,394
	- Miscellaneous Expenses	97,000	132,268
	- In House Claim Processing Cost	(2,808,375)	(2,042,053)
	- Managerial remuneration (Refer note 5.1.11 of Schedule 16)	44,344	33,245
13	Depreciation (Refer note 4.9 of Schedule 16)	457,297	294,404
	TOTAL	**14,030,512**	**11,013,224**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V.SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 5
SHARE CAPITAL

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
1	Authorised Capital 600,000,000 (Previous Year - 600,000,000) Equity Shares of Rs10/- each	6,000,000	6,000,000
2	Issued Capital 54,80,86,885 (Previous Year - 49,06,38,013) Equity Shares of Rs10/- each	5,480,869	4,906,380
3	Subscribed Capital 54,80,86,885 (Previous Year - 49,06,38,013) Equity Shares of Rs10/- each	5,480,869	4,906,380
4	Called-up / paid up Capital 54,80,86,885 (Previous Year - 49,06,38,013) Equity Shares of Rs10/- each (Out of above 57,14,199 equity shares (previous year 57,14,199 equity shares) of Rs.10/- each issued for consideration other than cash.), (Refer note 5.1.12 of Schedule 16)	5,480,869	4,906,380
	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	**5,480,869**	**4,906,380**

SCHEDULE – 5A
SHARE CAPITAL
PATTERN OF SHAREHOLDING
[As certified by the Management]

Shareholder	As At		As At	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian	325,490,442	59.39%	322,958,826	65.82%
Foreign	-	-	-	-
Others				
Indian	38,892,006	7.10%	15,797,613	3.22%
Foreign	183,704,437	33.52%	151,881,574	30.96%
TOTAL	**548,086,885**	**100.00%**	**490,638,013**	**100.00%**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 6
RESERVES AND SURPLUS

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium at the beginning of the year	1,03,69,828	57,45,592
	Add: Share premium due to issue of share capital	2,62,93,497	46,49,381
	Less: Utilized for share issue expenses	(55,473)	(25,145)
	Share premium at the end of the Year	3,66,07,852	1,03,69,828
	(Refer note 5.1.12 of Schedule 16)		
4	General Reserves	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy-back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves		
	Debenture Redemption Reserve at the beginning of the year	1,50,000	1,25,000
	Add: Debenture redemption reserve created	-	25,000
	Debenture redemption reserve at the end of the year	1,50,000	1,50,000
	(Refer note 5.2.10 of Schedule 16)		
7	Balance of Profit in Profit & Loss Account	-	36,11,775
	TOTAL	**3,67,57,852**	**1,41,31,603**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 7
BORROWINGS

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
1	Debentures/ Bonds (Refer note 5.2.10 of Schedule 16)	25,00,000	25,00,000
2	Banks	-	-
3	Financial Institutions	-	-
4	Others (to be specified)	-	-
	TOTAL	**25,00,000**	**25,00,000**

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule –8 - SHAREHOLDERS INVESTMENTS

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	1,13,77,395	70,41,701
2	Other Approved Securities	47,01,856	32,63,239
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	31,487	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities (to be specified)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate		
	(aa) REIT	4,22,549	34,411
4	Investments in Infrastructure and Social Sector	87,41,992	57,97,328
5	Other than Approved Investments	4,36,214	21,372
	SHORT TERM INVESTMENTS		
6	Government securities and Government guaranteed bonds including Treasury Bills	-	-
7	Other Approved Securities	92,568	1,35,068
8	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	6,27,371	16,54,734
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities (to be specified)	11,75,171	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
9	Investments in Infrastructure and Social Sector	3,34,525	1,62,561
10	Other than Approved Investments	-	-
	TOTAL	**2,79,41,129**	**1,81,10,413**
	Aggregate Market Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	2,73,68,047	1,70,25,729
	Aggregate Book Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	2,67,09,132	1,64,21,268
	Historical cost of Investment property valued on Fair Value basis	5,57,929	28,466
	Historical cost of Mutual Funds valued on Fair Value basis	6,58,578	16,47,642
	Historical cost of ETF (included in Other than Approved Investments) valued on Fair Value basis	46,521	-

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Schedule -8A - POLICYHOLDERS INVESTMENTS

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	1,64,61,021	96,38,512
2	Other Approved Securities	68,02,731	44,66,643
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	45,557	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities (to be specified)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate		
	(aa) REIT	6,11,351	47,101
4	Investments in Infrastructure and Social Sector	1,26,48,073	79,35,243
5	Other than Approved Investments	6,31,122	29,253
	SHORT TERM INVESTMENTS		
6	Government securities and Government guaranteed bonds including Treasury Bills	-	-
7	Other Approved Securities	1,33,929	1,84,877
8	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	9,07,692	22,64,960
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities (to be specified)	17,00,259	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
9	Investments in Infrastructure and Social Sector	4,83,997	2,22,510
10	Other than Approved Investments	-	-
	TOTAL	**4,04,25,732**	**2,47,89,099**
	Aggregate Market Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	3,95,96,588	2,33,04,411
	Aggregate Book Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	3,86,43,257	2,24,77,039
	Historical cost of Investment property valued on Fair Value basis	8,07,223	38,963
	Historical cost of Mutual Funds valued on Fair Value basis	9,52,842	22,55,252
	Historical cost of ETF (included in Other than Approved Investments) valued on Fair Value basis	67,308	-

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9
LOANS

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
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	-	-

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE – 10
FIXED ASSETS

(Rs.'000)

	Particulars	Cost/ Gross Block				Depreciation				Net Assets As At March 31, 2021	Net Assets As At March 31, 2020
		Opening As At April 1, 2020	Additions	Deductions	Closing As At March 31, 2021	Opening As At April 1, 2020	For The Year	On Sales/ Adjustments	Closing As At March 31, 2021		
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles - IT Software	13,54,123	2,25,971	-	15,80,094	9,82,873	3,10,007	-	12,92,880	2,87,214	3,71,250
3	Land - Freehold	11,600	-	-	11,600	-	-	-	-	11,600	11,600
4	Leasehold Property	-	-	-	-	-	-	-	-	-	-
5	Buildings	65,170	-	-	65,170	1,062	1,031	-	2,093	63,077	64,109
6	Furniture & Fittings	2,93,541	12,607	46,320	2,59,828	1,49,935	22,696	18,984	1,53,647	1,06,181	1,43,606
7	Information Technology Equipment	8,49,404	1,18,963	390	9,67,977	6,43,695	90,614	274	7,34,035	2,33,942	2,05,709
8	Vehicles	35,648	66	-	35,714	9,138	4,187	-	13,325	22,389	26,510
9	Office Equipment	2,39,330	28,085	24,133	2,43,282	1,60,917	28,762	19,085	1,70,594	72,688	78,413
10	Others	-	-	-	-	-	-	-	-	-	-
11	Temporary Construction	2,567	-	-	2,567	2,438	-	-	2,438	129	128
	Total	**28,51,383**	**3,85,692**	**70,843**	**31,66,232**	**19,50,058**	**4,57,297**	**38,343**	**23,69,012**	**7,97,220**	**9,01,325**
12	**Capital work in progress**	1,17,288	1,48,054	72,890	1,92,452	-	-	-	-	1,92,452	1,17,288
	Grand Total	**29,68,671**	**5,33,746**	**1,43,733**	**33,58,684**	**19,50,058**	**4,57,297**	**38,343**	**23,69,012**	**9,89,672**	**10,18,613**
	Previous Year	**27,27,627**	**3,94,631**	**1,53,587**	**29,68,671**	**17,46,997**	**2,94,404**	**91,343**	**19,50,058**	**10,18,613**	

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE- 11
CASH AND BANK BALANCES

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
1	Cash (including cheques, drafts and stamps)	16,86,556	8,66,498
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	23,49,000	4,00,000
	(bb) Others	4,49,900	5,79,400
	(b) Current Accounts	1,43,04,483	42,68,463
	(c) Others (to be specified)	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	TOTAL	**1,87,89,939**	**61,14,361**

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 12
ADVANCES AND OTHER ASSETS

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
A	**ADVANCES**		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	1,76,455	2,50,438
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (net of provision for tax)	4,75,790	1,05,499
6	Others		
	Travel Advance	30	157
	Rental Advance	3,28,302	2,73,940
	Less: a)Provision for Doubtful Debts	(1,224)	-
	Telephone Deposit	227	658
	Staff Advance	1,33,806	1,77,051
	Other Advances	54,870	88,058
	Less: b)Provision for Doubtful Debts	(5,550)	-
	Security Deposits	55,621	18,002
	Postal Deposits	7,901	4,453
	Advances - Deposit with Statutory Authorities	17,311	17,473
	(Refer note 5.1.2 of Schedule 16)		
	TOTAL (A)	**12,43,539**	**9,35,728**
B	**OTHER ASSETS**		
1	Income accrued on investments	16,92,834	11,30,919
2	Outstanding Premiums	13,24,249	19,58,192
	Less: c)Provision for Doubtful Debts	(3,09,435)	(5,100)
3	Agents' Balances - recoverable	14,929	12,252
	Less: d)Provision for Doubtful Debts	(6,625)	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	79,55,314	51,32,599
	Less: e)Provision for Doubtful Debts	(25,797)	-
6	Due from subsidiaries/ holding	-	-
7	Deposit with RBI	-	-
	[Pursuant to section 7 of Insurance Act, 1938]		
8	Others		
	GST Input Credit	4,55,951	5,12,478
	Service Tax on Collection	-	65,209
	(Refer note 5.1.1C of Schedule 16)		
	GST Refund	1,38,989	-
	Fixed Deposit for Unclaimed amount of Policy Holders	1,50,807	76,949
	Fixed Deposit Interest accrued on unlciamed amount of policyholders	3,317	2,897
	Gratuity Balances	12,114	5,331
	TOTAL (B)	**1,14,06,647**	**88,91,726**
	TOTAL (A+B)	**1,26,50,186**	**98,27,455**

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 13
CURRENT LIABILITIES

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
1	Agents' Balances	6,58,259	4,70,696
2	Balances due to other insurance companies	25,474	2,07,508
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	4,69,481	7,30,633
5	Unallocated Premium	1,17,791	93,989
6	Sundry creditors	26,21,185	21,58,700
7	Due to subsidiaries/ holding company	-	-
8	Claims Outstanding	85,93,857	50,44,596
9	Due to Officers/ Directors	-	-
10	Unclaimed Amount of policyholders (Refer note 5.2.7 of Schedule 16)	1,48,016	78,498
11	Others		
	- Premium Deposit on Corporate Accounts	4,96,305	4,10,976
	- Interest on Non Convertible Debentures	2,13,216	2,14,732
	- Statutory dues payable	21,18,313	24,19,070
	- Payable to employees	1,77,418	3,27,692
	- Risk based cancelled policies	-	3,985
	- Other payables	3,730	2,641
	TOTAL	**1,56,43,045**	**1,21,63,717**

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 14
PROVISIONS

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
1	Reserve for Unexpired Risk	5,17,25,334	2,61,97,373
2	For taxation (net of Advance Tax paid)	-	-
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others		
	- Provision for Goodwill Gesture Scheme	2,21,062	-
	TOTAL	**5,19,46,396**	**2,61,97,373**

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 15
MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)

(Rs.'000)

	Particulars	As At March 31, 2021	As At March 31, 2020
1	Discount Allowed in issue of shares/ debentures	-	-
2	Others	-	-
	TOTAL	-	-

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SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. BACKGROUND

Star Health and Allied Insurance Co. Ltd ("The Company") was incorporated on 17th June, 2005, under the Companies Act, 1956.

The Company obtained Regulatory approval to undertake Health Insurance business on 16th March, 2006 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration. The company commenced its operations on 16th March, 2006.

2. Basis of preparation of financial statements

The financial statements have been prepared and presented on a going concern basis, under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting and in accordance with the applicable provisions of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations'), the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority Act, 1999, and orders/directions, circulars/notifications and guidelines issued by IRDAI in this behalf from time to time, and comply with the applicable Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013 (the "Act"), read with Companies (Accounting Standards) Rules 2006, as amended, to the extent applicable and the relevant provisions of the Companies Act, 2013 and in the manner so required and Generally Accepted Accounting Principles followed in India and current practices prevailing within the insurance industry in India. Accounting policies have been consistently applied to the extent applicable and in case of any change, the same is disclosed appropriately in the manner so required. The Financial Statements are presented in Indian Rupees rounded off to the nearest Thousand.

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3. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance sheet date, reported amount of 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

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evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from those estimates. Any revision to an accounting estimate is recognized prospectively in current and future periods.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Revenue

Premium

Premium (net of Goods and Services Tax) is recognized as income over the contract period or period of risk, on the commencement of risk after adjusting for unearned premium (unexpired risk). Any subsequent revisions to or cancellations of premium as and when they occur are accounted for in the year in which they occur. The premium on insurance policies on instalment basis is recognised upfront on commencement of the risk.

Income from reinsurance business

Commission on reinsurance ceded is recognised as income in the period of ceding the risk.

Profit commission under reinsurance treaties, wherever applicable, is recognized in the 'year of determination of the profits as per the terms of reinsurance treaty.

Investment Income

Interest income on investment is recognized on accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a straight line basis.

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

Realised gain/loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company, is recognised on the trade date. In determining the realised gain/loss, cost of securities is arrived at on 'Weighted average cost' basis. Further, in case of listed equity shares, Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REIT's), Infrastructure Investment Trusts (InvITs) and mutual fund units, the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the "Fair Value Change Account".

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Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

4.2 Unearned premium reserve

Unearned premium reserve (UPR) is the amount representing the premium written (net of reinsurance ceded) which is attributable to and is to be allocated to the succeeding accounting periods. In the current year, UPR has been calculated on "Day Basis" ($1/365^{th}$ method) in terms of IRDAI Circular No. IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013 on the basis of the Net Written Premium on all unexpired policies on the Balance Sheet date. Upto the previous year, UPR is calculated on 50% basis method and there has been a change in the accounting policy during the year.

4.3 Premium received in advance

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

4.4. Reinsurance premium

Reinsurance premium on ceding of risk is accounted in the year in which the risk commences and is recognized over the contract period or the period of risk, 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.

4.5. Acquisition cost

Acquisition costs are those costs that vary with, and are primarily related to acquisition of new and renewal contracts. Acquisition cost is charged off in the year of Commencement of risk.

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4.6. Claims

Claims incurred represents claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER). It also includes legal and investigation fees and In-House claims processing expenditure calculated at the rate of 3% of Gross Premium pertaining to Health (Retail & Group) Segment.

Claims (net of amounts receivable from reinsurers/co-insurers) are recognised on the date of intimation based on internal management estimates or on estimates from insured/Third Party Administrator (TPA) in the revenue account.

Estimated liability for outstanding claims is provided net of claims recoverable from reinsurance/co-insurers on the basis of claims reported.

Estimated liability for outstanding claims is determined by the management on the basis of ultimate amounts likely to be paid on each claim based on the past experience and in cases where claim payment period exceeds four years based on actuarial valuation. These estimates are progressively re-validated on availability of further information

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 provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the Company.

4.7 Premium Deficiency

Premium deficiency is recognized whenever expected claims cost, related expenses and maintenance cost (related to claims handling) exceed related reserve for unexpired risks. The premium deficiency is calculated and duly certified by the Appointed Actuary.

4.8 Investments

Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) (Amendment) Regulations, 2016.

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Investments are recorded at cost on trade date including acquisition charges (such as brokerage, transfer stamps etc.), if any, and exclude interest accrued up to the date of purchase.

(A) Classification

- Investments maturing within twelve months from balance sheet date and investments intended to be held for a period of less than twelve months from the balance sheet date are classified as 'Short term investments'.
- Other investments are classified as 'Long term investments'.

Investments that are earmarked, are allocated separately to policyholder's or shareholder's, as applicable; Investments other than earmarked, are segregated at Shareholder's level and Policyholder's level notionally based on policyholder's funds and shareholder's funds as of year end, as prescribed by IRDAI.

(B) Valuation

Debt Securities

All debt securities, which include Government securities are considered as 'held-to-maturity' and are measured at cost, adjusted for accretion of discount and amortization of premium which is recognized on a straight line basis over the holding or maturity period.

Equity shares / ETF's / REiTs / INViT

Listed equity shares, Equity Exchange traded Funds (ETF's), Real Estate Investment Trust (REiTs) Infrastructure Investments Trust (INViT), are stated at fair value, being the last quoted closing price on the National Stock Exchange and in case these are not listed on National Stock Exchange, then based on the last quoted closing price on the Bombay Stock Exchange.

Investment in units of REiTs and INViT are valued at market value as per the last quoted price in National stock exchange. Where the market quote is not available in the last 30 days, the units shall be valued as per the latest NAV of the units, not more than 6 months old, as published by the trust.

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Triparty Repo Dealing and settlements (TREPs):

TREPs are 'held-to-maturity' and are measured at cost, adjusted for accretion of discount which is recognized on a straight-line basis over the holding or maturity period.

Mutual Funds

All mutual fund investments are stated at fair value and valued at closing Net Asset Value at the balance sheet date.

Fair Value Change Account

In accordance with the Regulations, unrealised gain/loss arising due to changes in fair value of listed equity shares, Units of ETF's / REiTs / INViT and mutual fund investments are taken to the 'fair value change account'. This balance in the fair value change account is not available for distribution, pending realisation.

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

Impairment of Investments

The Company assesses at each Balance Sheet date whether any impairment has occurred in respect of investment in equity, Units of ETF's / REiTs / INViT, units of mutual fund, and investment properties. The impairment loss, other than considered temporary, if any, is recognised in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the profit & loss account and the investment is restated to that extent.

4.9 Fixed Assets, Intangibles and Impairments

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price, taxes (other than those recoverable from tax authorities) and any cost directly attributable to bringing the asset to its working condition for its intended use.

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Depreciation on fixed assets is provided on a straight-line method using the rates based on the economic useful life as prescribed in the Schedule II to the Companies Act, 2013/estimated by the management as below:

Nature of Fixed assets	Management estimate of Useful Life in years	Useful life as per the limits prescribed in Schedule II of the Companies Act, 2013 in Years
Land – Freehold	-	-
Buildings	60	60
Furniture & Fittings	10	10
Information Technology Equipment		
- Servers & Network	5	6
- Other	3	3
Vehicles	8	8
Office Equipment	5	5

In the case of Information Technology Equipments (networking) the management estimate of the useful life is lower than that prescribed in Schedule II of the Companies Act, 2013. The useful life for Information technology equipments (networking) is estimated to be 5 years based on the internal technical evaluations.

Depreciation on 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.

Management reviews its estimate of useful life at each Balance sheet date.

Intangibles assets

Intangibles assets representing computer software are stated at cost less amortization. Computer software including improvements is amortized over a period of 3 years on pro-rata basis with reference to the date of purchase/discard, being the management's estimate of the useful life of such intangibles.

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Capital work in progress

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

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. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent. The recoverable amount is higher of the net selling price of the assets and their value in use.

4.10 Earnings per share

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

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic earnings per share and also weighted average number equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

4.11 Operating Lease

Payments made towards assets/premises taken on operating lease are recognised as an expense in the revenue account(s). Initial direct costs incurred specifically for an operating lease are charged to the revenue account(s) and profit and loss account.

4.12 Employee Benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognized in the period in which the employee renders the related service. These benefits include salaries, bonus, compensated absences.

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Long term employee benefits

Provident fund

This is a defined contribution scheme and contributions are made to the respective authorities at the prescribed rates and charged to Miscellaneous Revenue account and Profit & Loss account.

Gratuity

Defined Benefit Plan – Retirement gratuity liability is funded with an Insurance Company through contributions to an approved gratuity trust. Gratuity is provided on the basis of actuarial valuation including actuarial gains/losses at balance sheet date and is recognised in the revenue account(s) and profit and loss account. The actuarial valuation has been carried out using the Projected Unit Credit Method.

Other long term employee benefits - Goodwill Gesture

The company has defined benefit plan for eligible employees as per the Goodwill Gesture scheme. The eligible employees will be entitled to a lump sum payment, on the basis of last drawn salary, which will be paid during the period of employment and on retirement. The liability towards the same is valued based on actuarial valuation determined using the projected unit credit method.

4.13 Foreign Currency transactions

Transactions denominated in foreign currencies are recorded at the rates prevailing 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.

The gains/losses on account of restatement and settlement are recognised in the revenue account(s) and profit and loss account.

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4.14 Taxation

Current Tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.

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Deferred tax

Deferred 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 charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets against future taxable profits.

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

4.15 Employee Stock Option Plan ("ESOP")

Measurement and disclosure of the employee share-based payment plan is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountant of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expenses are amortised over the vesting period of the option on a straight-line basis.

4.16 Share issue expenses

Share issue expenses are adjusted against share premium account.

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4.17 Provisions and Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets issued by The Institute of Chartered Accountants of India (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

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS CHENNAI INDIA date. These will be reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

Show Cause Notices issued by various Government Authorities are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified as disputed obligations.

Contingent Assets are neither recognised nor disclosed in the Financial Statements.

4.18 Borrowing Cost:

Borrowing costs are charged to Profit and Loss Account in the period in which they are incurred.

4.19 Receipts and Payments Account:

(i) Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with Para 2.2 of the Master Circular on Preparation of Financial Statements - General Insurance Business dated October 5, 2012, issued by the IRDAI.

(ii) Cash and cash equivalents comprises cash on hand and demand deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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5. **NOTES TO ACCOUNTS:**

5.1 Statutory disclosures as required by IRDAI

5.1.1 Contingent Liabilities

Particulars	As At March 31, 2021	As At March 31, 2020
Partly paid investments	NIL	NIL
Underwriting commitments outstanding	NIL	NIL
Claims, other than those under policies, not acknowledged as debt	NIL	NIL
Guarantees given by or on behalf of the Company	NIL	NIL
Statutory demands/liabilities in dispute, not provided for (Refer note – A, B & C below)	NIL	NIL
Reinsurance obligations to the extent not provided for in accounts	NIL	NIL
Others	NIL	NIL

A. The Company had challenged, by way of Writ Petitions before the Hon'ble High Court of Madras, the Income Tax Assessment Orders for Assessment Years 2009-10, 2010-11 & 2011-12 with demands aggregating to Rs. 6,26,758 thousands (PY Rs. 6,26,758 thousands) on account of applying the provisions of Sec 115 JB of Income Tax Act, 1961. The Hon'ble High Court of Madras, accepting the pleas of the Company set aside the impugned orders with the directions that the Income tax department could pass appropriate orders after the Hon'ble Supreme Court gives its direction on the Special Leave petition pending with the Hon'ble Supreme court. As there are no subsisting demands as on date, no provision is considered necessary in the books.

Assessment Year	(Rs.'000)
2009-10	245,820
2010-11	133,724
2011-12	247,214
Total	**626,758**

B. During the Financial year 2019-20, the Company has received an order dated December 27, 2019 from the Office of Assistant Commissioner of Income tax raising a demand of Rs. 4,24,355 thousands towards Income tax and Interest payable towards amount of unexpired risk reserve not being appropriated in the Profit and Loss account. The Company has challenged the order before Commissioner of income tax (Appeals), while having taken a stay for the demand from Hon'ble High Court of Madras subject to payment of 10% tax amounting to Rs. 25,110 thousands. In the opinion of the company, both on law and facts, the said demands are not sustainable and hence no provision is considered necessary in the books.

C. Against the refund claim of Service Tax, the Company received refund vide order dated December 10, 2020. Further on March 19, 2021 the Company has received intimation from tax authority that Service tax refund order has been taken up for review by the Principal Commissioner, Chennai North Commissionerate, who contemplates filing an appeal with Commissioner (Appeals) for Rs. 3,787 thousands.

D. The Payment of Bonus Act was amended with retrospective effect and resulted in increasing the bonus liabilities. The Company is of the view that retrospective payment of Bonus is not appropriate and accordingly for bonus computation such retrospective amendment has not been taken in consideration. The additional liability on account of retrospective amendment is Rs. 14,831 thousands (PY: Rs. 14,831 thousands). The retrospective amendment is being challenged by various parties in the High Court and based on the final outcome on determination of the court cases would be accounted for on that date.

5.1.2 The assets of the Company, other than deposits of Rs. 17,311 thousands (PY Rs. 17,473 thousands), are free from all encumbrances. The deposits with statutory authorities are 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.

5.1.3 Commitment made for Investment, Loans and Fixed Asset

Particulars	Amount (Rs ' 000)	
	As At March 31, 2021	As At March 31, 2020
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)	2,19,825	36,391

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5.1.4 Claims

Claims paid to claimants in/outside India are as under:

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
In India	5,05,80,528	3,68,08,085
Outside India	18,288	28,645

Ageing of gross claims outstanding is set out in the table below:

Pending for	As At March 31, 2021		As At March 31, 2020	
	No. of Claims	Amount (Rs.'000)	No. of Claims	Amount (Rs.'000)
Less than or equal to 6 months	89,097	58,17,046	61,683	37,22,630
More than 6 months Less than or equal to 1 year	4,103	2,45,140	2,096	2,34,481
More than 1 year Less than or equal to 2 year	209	86,572	345	76,662
More than 2 years	95	62,644	98	45,151
Total	**93,504**	**62,11,402**	**64,222**	**40,78,924**

The given claims outstanding data is excluding IBNR. The claims were outstanding predominantly due to non-submission of essential documents by the insured. Claims settled and remaining unpaid for more than six months is Rs. Nil (PY: Rs. Nil).

Claims where the claim payment period exceeds four years:

As per circular F&A/CIR/017/May-04, the claims made in respect of contracts where claims payment period exceeds four years, are required to be recognised on actuarial basis. Accordingly, the Appointed Actuary has certified the fairness of the liability assessment, assuming 'NIL' discount rate.

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5.1.5 Premium

Change in recognition of Premium of Long-term Insurance contracts

Until March 31, 2020, in respect of long-term insurance contracts, premium income was proportionately recognised over the period of insurance contract. However, due to the change in accounting UPR to 1/365 days method, from financial Year 2020-21 onwards, premium is accounted in the year of commencement of risk. Consequently, the corresponding re-insurance premium ceded and re- insurance commission income are recognised in the year in which risk commences.

Consequently, acquisition costs, which were proportionately charged off in the period in which the premium is recognised are now fully charged to revenue in the year of commencement of risk.

Premium on insurance policies on instalment basis

The Company has been underwriting insurance policies on instalment basis. During the previous year, based on the correspondence with IRDAI, the premium receivable during the tenure of the policy has been accrued at the of commencement of the risk.

All premiums net of Re-insurance are written and received in India.

No premium income is recognized on varying risk pattern.

5.1.6 Sector wise gross written premium is as follows:

Sector	For the year ended March 31, 2021				For the year ended March 31, 2020			
	No. of policies	No. of Lives	GWP Rs. '000	%	No. of policies	No. of Lives	GWP Rs. '000	%
Rural	14,62,402	38,23,780	1,60,42,469	17.09	10,51,392	28,22,068	1,11,11,825	16.19
Social	5,78,314	19,62,015	87,88,874	9.36	5,27,945	16,81,716	73,62,654	10.72
Others	49,49,619	1,47,08,530	6,90,54,044	73.55	34,79,307	1,11,54,467	5,01,76,939	73.09
Total	**69,90,335**	**2,04,94,325**	**9,38,85,387**	**100**	**50,58,644**	**1,56,58,251**	**6,86,51,418**	**100**

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5.1.7 Extent of Risk retained and Re-insured

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Health*	PA	Health*	PA
Risk Retained (%)	76.51%	74.54%	76.42%	71.31%
Risk Re-insured (%)	23.49%	25.46%	23.58%	28.69%

* Health includes Travel

5.1.8 Investments

A) Value of contracts in relation to investments for:

Particulars	Amount (Rs ' 000)	
	As At March 31, 2021	As At March 31, 2020
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

B) Historical cost of investments that are valued on fair value basis is

Particulars	Amount (Rs ' 000)	
	As At March 31, 2021	As At March 31, 2020
Mutual Funds (Short term)	15,30,951	39,02,894
Real Estate Investment Trusts (REIT's)/ Infrastructure Investment Trusts (InvITs)	13,65,152	67,429
Exchange Traded Funds (ETFs)	1,94,298	-
Total	**30,90,401**	**39,70,323**

Fair value of Investments

Particulars	Amount (Rs ' 000)	
	As At March 31, 2021	As At March 31, 2020
Mutual Funds (Short term)	15,35,063	39,19,693
Real Estate Investment Trusts (REIT's)/ Infrastructure Investment Trusts (InvITs)*	12,93,900	81,512
Exchange Traded Funds (ETFs)	1,85,510	-
Total	**30,14,473**	**40,01,205**

*Investment in Infrastructure investment trusts of Rs. 2,60,000 thousands is not determined on the basis of NAV in absence of information from the Trust as it was not traded for the last 6 months. Consequently, the same is valued at cost.

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C) All investments are made in accordance with Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 and are performing investments.

D) Allocation of investment income:

Investment income has been allocated on the basis of the ratio of average policyholder's investments to average shareholder's investments, average being the balance at the beginning of the year and at the end of the reporting year.

E) REPO / Reverse repo / TREPS Lending / Borrowing transactions REPO / Reverse repo transaction:

Particulars	**Minimum outstanding during the year ended March 31, 2021**	**Maximum outstanding during the year ended March 31, 2021**	**Daily average outstanding during the year ended March 31, 2021**	**Outstanding at March 31, 2021**
	Amount (Rs ' 000)			
Securities sold under repo (At cost)				
TREPS Lending	49,996	38,49,666	9,20,364	28,75,430
Securities purchased under reverse repo (At cost)				
TREPS Lending	-	-	-	-

Particulars	**Minimum outstanding during the year ended March 31, 2020**	**Maximum outstanding during the year ended March 31, 2020**	**Daily average outstanding during the year ended March 31, 2020**	**Outstanding at March 31, 2020**
	Amount (Rs ' 000)			
Securities sold under repo (At cost)				
TREPS Lending	-	-	-	-
Securities purchased under reverse repo (At cost)				
TREPS Lending	-	-	-	-

5.1.9 Allocation of expenses

The company has allocated expenses of management as per the policy approved by the Board of Directors. Expenses such as Commission payable to Agents, Brokerage, etc. which are based on premium procurement for different segments are directly allocated to each segment on actual incurred basis. Other Administrative expenses, net of transfer to claims cost and incentive payable to field staff which cannot be directly attributed and allocated to any segment are apportioned on the basis of Gross Premium written for each segment.

During the year Company has transferred from Operating Expenses (Ref: Schedule 4 of the Financial Statements under "Others - In House Claims Processing Cost") to Claims cost an amount of Rs. 28,08,375 thousands (PY: Rs. 20,42,053 thousands) being 3% of the gross premium (excluding co-insurance inward) pertaining to Health & PA segment towards In House Claims processing expenditure based on the Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016.

5.1.10 Employee benefit plan

A) Defined Contribution Plan – Contribution to Employees Provident Fund

During the year, the Company has recognised below amount under defined contribution plan:

(Rs '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to Employees Provident Fund	3,24,776	2,77,458

B) Defined Benefit Plan – Gratuity

The Company has a defined gratuity benefit plan payable to every employee on separation from employment. The Company makes the contribution to an approved gratuity fund which is maintained and managed by Life Insurance Corporation of India.

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Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits of the Company is given below:

Particulars		Amount (Rs'000)
Assumptions	**As At March 31, 2021**	**As At March 31, 2020**
Discount Rate	6.70%	6.50%
Salary Escalation	3.00% (for first 5 yrs) 1.50% (thereafter)	3.00% (for first 5 yrs) 1.50% (thereafter)
Attrition rate	2.00%	2.00%
Expected Return on Plan Assets	6.70%	6.50%
Mortality Rate Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Table showing changes in present value of obligations- LIC Fund		
Present value of obligations as at beginning of year	2,69,469	2,43,364
Interest cost	17,516	18,885
Current Service Cost	37,729	34,071
Prior service cost	-	-
Benefits Paid	(18,025)	(17,252)
Actuarial (gain) / loss on obligation	47,735	(9,598)
Present value of obligations as at end of year	3,54,424	2,69,469
Table showing changes in the fair value of plan assets- LIC Fund		
Fair value of plan assets at beginning of year	2,74,800	2,23,533
Expected return on plan assets	17,862	17,279
Contributions	99,768	68,669
Benefits paid	(18,025)	(17,252)
Actuarial gain / (loss) on plan assets	(7,867)	(17,429)
Fair value of plan assets at the end of year	3,66,538	2,74,800
Actuarial (Gain)/Loss recognized		
Actuarial (gain) /loss on obligation	47,735	(9,598)
Actuarial (gain) / loss on plan assets	7,867	17,429
Actuarial (gain) / loss recognized in the year	55,602	7,831
Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets		
Present value of obligations as at the end of year	3,54,424	2,69,469
Fair value of plan assets as at the end of the year	3,66,538	2,74,800
Funded status	12,114	5,331

Net (Liability) Recognized in the Balance Sheet	12,114	5,331
Investment details of plan assets		
100% Insurer Managed Funds	3,66,538	2,74,800
Expenses Recognized in statement of Profit & loss		
Current Service cost	37,729	34,071
Past service cost	-	-
Interest Cost	17,516	18,885
Expected return on plan assets	(17,862)	(17,279)
Net Actuarial (gain) / loss recognized in the year	55,602	7,831
Expenses to be recognized in the profit &loss	92,985	43,508

Amounts for the current and previous four periods are as follows:

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Defined Benefit Obligations	3,54,424	2,69,469	2,43,364	1,73,251	1,24,500
Plan Assets	3,66,538	2,74,800	2,23,533	1,52,579	1,07,130
Surplus/(Deficit)	12,114	5,331	(19,831)	(20,672)	(17,370)
Experience adjustments on Plan assets	-	-	-	125	-
Experience adjustments on Plan Liabilities	-	-	17,373	67,598	-

C) Defined Benefit Plan - Employee Goodwill Gesture scheme

The Company has introduced new other long term employee benefits - Goodwill gesture scheme payable to employee above certain grade which will enable them to draw a lump sum amount in particular time period and balance when they leave the Company at retirement. The Scheme is purely a Goodwill Gesture from the Company and it cannot be claimed as a matter of right by an employee. The Company has absolute discretion to alter, amend or withdraw the scheme at any time without notice. The Company has determined the liability on the basis of Actuarial valuation.

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Basis of Valuation

	Amount (Rs'000)	
Particulars	**As At March 31, 2021**	**As At March 31, 2020**
Opening Balance	-	-
Addition during the year	2,21,062	-
Closing Balance	2,21,062	-
Assumptions		
Discount Rate	6.80%	-
Salary Escalation	3.00% (for first 5 yrs) 1.50% (thereafter)	-
Attrition rate	2.00%	-
Expected Return on Plan Assets	0%	-

Valuation Liability

	Amount (Rs'000)
Particulars	**As At March 31, 2021**
Current Liability	51,034
Non-Current Liability	1,70,027
Net Liability	2,21,062

D) Employee Stock Option plan (ESOP)

The Company has introduced Employee Stock Option plan (ESOP 2019) in the financial year 2019-20 effective from 06th August 2019 (date of grant). Under the ESOP 2019, the company has given options to eligible employees to acquire equity share in the Company. The options have been granted under various tranches.

During the Financial year 2020-21, the company had granted 12,68,005 options (PY: 1,71,31,339) which will vest over a period of 5 years in the ratio 20:20:20:20:20 starting at the end of one 1 year from the date of grant.

The Company has adopted intrinsic value method for computing the compensation cost of options granted. Where ever the exercise price is equal to the fair value of share on the date of grant, the value of options is Nil and hence no compensation cost is recognized in the books.

Out of the options issued during the year, 970,776 no. of Options (PY: Nil), were issued for exercise price which is less than the fair value of the option. Therefore, the corresponding compensation cost of Rs 2,929 thousands (PY: Nil) is charged to profit and loss account.

Movement in the Options under ESOP **(Nos)**

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding at the beginning of the year	1,71,31,339	Nil
Add : Granted during the year	12,68,005	1,71,31,339
Less : Forfeited / Lapsed during the year	1,98,500	Nil
Less : Exercised during the year	13,53,949	Nil
Outstanding at the end of the year	1,68,46,895	1,71,31,339
Details of outstanding options at the end of the year	1,68,46,895	1,71,31,339
Yet to be vested at the end of the year	1,47,94,276	1,71,31,339
Yet to be exercised at the end of the year	20,52,619	Nil

Fair Value method (Black Scholes method)

The fair value of options used to compute Proforma net profit / (loss) and the earnings per Equity Share have been estimated on the date of the grant using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value as on the date of the grant are:

Sl.No.	Particulars	As at March 31, 2021	As at March 31, 2020
1..	Annual Risk Free Interest Rate	6.37%	6.26%
2.	Expected Life	5 years	5 years
3.	Expected Annualized Volatility	13.65%	11.30%
4.	Dividend Yield	Nil	Nil
5.	Price of the Underlying Share at the time of Option Grant (Rs.)	142.43	142.43
6.	Fair Value of Options (Rs.)	41.67	39.86

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Had the compensation for the stock options granted under the scheme been determined based on fair value approach the company's net profit / (loss) and earnings per share would have been as per the Pro-forma amounts indicated herein:

(Rs '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit /(loss) (as reported)	(1,08,57,136)	26,33,049
Add: Stock Based Employee Compensation Expenses included in Net Profit	2,929	-
Less: Stock Based Employee Compensation Determined under Fair Value based Method (Pro-forma)	51,599	682,910
Net Profit (pro-forma)	**(1,09,05,806)**	**19,51,139**

(Rs '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic Earnings per Share of Rs. 10 each (as reported) (Rs.)	(21.75)	5.49
Basic Earnings per Share of Rs. 10 each (Pro-forma) (Rs.)	(21.85)	4.07

5.1.11 Remuneration to Managerial and Key Management Persons

A) The details of remuneration of CEO & two MD's as per the terms of appointment are as under:

(Rs '000)

Remuneration paid to	Designation	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. V.Jagannathan	Chairman & CEO	6,32,040	40,701
Dr. S. Prakash	Managing Director (w.e.f. 16th Dec 2019)	49,031	9,266
Mr. Anand Roy	Managing Director (w.e.f. 16th Dec 2019)	48,531	8,979
Total		**7,29,602**	**58,946**

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B) The details of remuneration of Key Management Persons as per guidelines issued by IRDAI vide Ref. no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016 and as per the terms of appointment of Company are as under:

(Rs '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary - Disclosed in P&L	6,84,602	25,701
Salary - Disclosed in Schedule 4	44,344	32,544
Allowances and Perquisites - Disclosed in P&L / Schedule 4	656	701
Total	**729,602**	**58,946**

Note: The managerial remuneration mentioned above does not include the perquisite value as per Income Tax Act, 1961 of employee stock options exercised and the actuarially valued employee benefits that are accounted as per Accounting Standard (AS) 15 (Revised), "Employee Benefits", that are determined on an overall Company basis. Managerial remuneration in excess of the prescribed limits by IRDAI has been charged to the Shareholder's Profit and Loss Account and disclosed under the head "Key Management Personnel Remuneration". During the current financial year, 24,53,190 shares were issued as sweat equity to Chairman & CEO at face value of Rs. 10 per share. As per valuation report, fair value is Rs. 182/- per share. The issue price of Rs. 10/- was received. The difference between the fair value and the issue price of Rs. 4,21,949 thousands (PY: Rs. Nil) is accounted as Compensation Cost in the Profit & Loss account and credited to Share premium in Schedule 6 – Reserves and Surplus. The said difference is taxable as perquisites in the hands of the Chairman and as authorised by the Shareholders, the income tax paid thereon of Rs. 1,81,395 thousands (PY: Rs. Nil) have been accounted as Compensation Cost in the Profit & Loss account.

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5.1.12 Share Capital and Share Application

The company received share application money on preferential issue / ESOP / Sweat Equity as mentioned below from existing / New shareholders.

Allotment made during the year	For the year ended March 31, 2021		For the year ended March 31, 2020	
	No. of shares	Price per share	No. of shares	Price per share
Preferential issue to existing investors	2,87,65,445	488.96	-	-
Preferential issue to new investors	2,48,76,288	488.96	2,45,30,418	142.68
Rights issue	-	-	1,05,31,489	142.43
Sweat Equity	24,53,190	182.00	-	-
Employees Stock Options (ESOP)	13,53,949	142.43	-	-
Total	**5,74,48,872**		**3,50,61,907**	

5.1.13 Outsourcing, business development and marketing support expenses.

Expenses relating to outsourcing, business development and marketing support are:

(Rs '000)

Nature of Outsourcing Expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
Manpower Expenses	3,01,100	2,59,770
Online & Tele Marketing Expenses	4,69,658	3,88,624
Claims Investigation & Related Expenses (included in Sch-2)	1,827	5,290
Other Outsourcing Expenses	-	-
Total	**7,72,585**	**6,53,684**

Outsourcing expenses has been calculated based on the Outsourcing guidelines issued by IRDAI.

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5.1.14 Details of penal actions taken by various Govt. authorities during year ended March 31, 2021:

(Rs '000)

S.No	Authority	Non-Compliance/ Violation	For the year ended 31.03.2021			For the year ended 31.03.2020		
			Penalty Awarded	Penalty Paid	Penalty Waived / Reduced	Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority of India	Renewal fee not paid before due date	687	687	NIL	NIL	NIL	
2	Service Tax Authorities		NIL	NIL		NIL	NIL	
3	Income Tax Authorities		NIL	NIL		NIL	NIL	
4	Any other Tax Authorities		NIL	NIL		NIL	NIL	
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	Late submission fee (LSF) for filing Form FC-GPR / Delay in allotment of Shares, under FEMA	462	462	NIL	1,575	1,575	NIL
6	Registrar of Companies / NCLT / CLB / Department of Corporate Affairs or any Authority under Companies Act, 1956		NIL	NIL		NIL	NIL	
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation		NIL	NIL		NIL	NIL	
8	Securities and Exchange Board of India		NIL	NIL		NIL	NIL	
9	Competition Commission of India		NIL	NIL		NIL	NIL	
10	Any other Central / State / Local Government / Statutory Authority		NIL	NIL		NIL	NIL	

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5.1.15 Summary of Financial Statements for five years & Ratio Analysis:

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

B) Solvency Margin

Rs in 000s

Solvency Margin	As At March 31, 2021	As At March 31, 2020
Required solvency margin under IRDAI Regulations (A)	1,43,58,854	1,04,78,949
Available solvency margin (B)	3,19,07,886	1,97,43,466
Solvency ratio actual (times) (B/A)	**2.22**	**1.88**
Solvency ratio prescribed by Regulation	1.50	1.50

5.2 Other disclosures:

5.2.1 Basis used by the Actuary for determining provision required for IBNR (including IBNER) liability as at March 31, 2021 for all lines of business has been estimated by the Appointed Actuary in compliance with the guidelines issued by IRDAI from time to time and the applicable provisions of the Guidance Note 21 issued by the Institute of Actuaries of India.

Pursuant to IRDAI regulation of Asset, Liabilities, and Solvency margin of General Insurance Business Regulations 2016 (IRDAI/Reg/7/119/2016 dated April 7, 2016); claim reserves are determined as the aggregate amount of Outstanding Claim Reserve and Incurred but Not Reported (IBNR) claim reserve for 28 stipulated lines of business.

5.2.2 Provision for Free Look period

The provision for Free Look period of Rs. 3,500 thousands (PY: Rs. 1,500 thousands) is duly certified by the Appointed Actuary.

5.2.3 Operating Lease

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. 4,91,650 thousands (PY: 4,48,906 thousands).

Minimum Lease Payments	Amount (Rs ' 000)	
	As At March 31, 2021	As At March 31, 2020
Not later than one year	79,417	55,416
Later than 1 year but not later than 5 years	81,952	96,251
Later than 5 years	-	-

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5.2.4 Micro and Small scale business entities

There is no Micro, Small & Medium enterprise to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2021 (PY: NIL). This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

5.2.5 Segmental reporting

Primary reportable segments

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.

Secondary reportable segments

There are no reportable geographical segments since the Company provides services only to customers in the Indian market or Indian interests abroad and does not distinguish any reportable regions within India.

5.2.6 Related party

A. List of Related Parties and nature of relationship

Entities & Individuals with their relatives, having significant influence:

a. Safecrop Investments India LLP
b. Westbridge AIF I
c. Mr.Rakesh Jhunjhunwala
d. Mrs.Rekha Jhunjhunwala.

i. Fellow Subsidiaries/Associates/Other related entities:

Nil

ii. Key Management Personnel (KMP):

Mr. V Jagannathan, Chairman & Chief Executive Officer
Dr S Prakash, Managing Director (W.e.f. December 16, 2019)
Mr. Anand Roy, Managing Director (W.e.f. December 16, 2019)

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iii. Relatives of KMP with whom transactions have taken place during the year:

Dr Sai Satish (S/o Mr. V Jagannathan)

B. Transactions with Related Parties

				(Rs ' 000)
Name of the related party	**Description / Designation**	**Transactions**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Westbridge AIF I	Promoter	Existing shares transferred to Safecrop Investments India LLP	-	22,15,000
		Reimbursement of expenses paid	3,900	-
Mr.Rakesh Jhunjhunwala	Promoter	Preferential Allotment	15,00,008	7,00,000
		Rights Issue	-	2,24,888
		Reimbursement of expenses	1,859	-
Safecrop Investments India LLP	Promoter	Rights Issue	-	7,07,841
		Preferential Allotment	81,31,912	-
Mrs. Rekha Jhunjhunwala	Relative of Promoter	Rights Issue	-	54,636
		Reimbursement of expenses	452	-
Mr. V Jagannathan	Chairman & CEO	Rights Issue	-	50,000
		Remuneration	28,696	40,701
		Sweat Equity-issued for Cash & Other than for Cash	4,46,481	-
		Perquisite tax Paid for Sweat equity	1,81,395	-
		Sale of Assets	137	-
Dr Sai Satish	Relative of KMP	Rights Issue	-	89,301
Dr S Prakash	Managing Director	Remuneration	49,031	9,266
Mr.Anand Roy	Managing Director	Remuneration	48,531	8,979

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5.2.7 **(a) Details of age-wise analysis of the unclaimed amount of the policyholders (excluding Income from Investment) for the year ended March 31, 2021.**

(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)	271	-	269	2	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured	1,32,105	47,830	12,686	8,395	5,125	58,069	-	-
Total	**1,32,376**	**47,830**	**12,955**	**8,397**	**5,125**	**58,069**	-	-

(For the Year ended March 31, 2020) (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)	16,281	16,281	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured	54,263	10,352	4,290	27,017	12,604	-	-	-
Total	**70,544**	**26,633**	**4,290**	**27,017**	**12,604**	-	-	-

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(b) Details of Unclaimed Amount and Investment Income (Rs. In 000s)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance of Unclaimed Amount Fund	78,498	67,637
Add: Amount transferred to Unclaimed Fund	271	15,925
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the Cheques are stale)	80,496	12,762
Add: Investment Income on Unclaimed Fund	7,686	6,293
Less: Amount of claims paid during the year	18,935	24,119
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	-	-
Closing Balance of Unclaimed Amount Fund	**1,48,016**	**78,498**

5.2.8 Details of earning per share for the year ended March 31, 2021

S.No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Net Profit / (Loss) Attributable to Shareholders (Rs.in thousands)	(1,08,57,136)	26,33,049
2	Weighted Average No. of Equity Shares Issued for Basic EPS (in numbers)	49,91,90,903	47,93,86,971
3	Weighted Average No. of Equity Shares Issued for Diluted EPS (in numbers)	51,53,90,982	48,94,62,708
4	Basic Earnings Per Share (in Rs.)	(21.75)	5.49
5	Diluted Earnings Per Share (in Rs.)*	(21.75)	5.38
6	Nominal Value Per Share (in Rs.)	10.00	10.00

*As the Company has incurred loss during the year ended March 31, 2021, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

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5.2.9 Income Tax

Income Tax provision for the year ended March 31, 2021 has been determined by applying lower tax rate of 25.168% u/s 115BAA of Income Tax Act, 1961.Similarly, deferred Tax is also determined applying the same rate.

Deferred Tax

In accordance with the Company's Accounting policy for Deferred Taxation, the net deferred tax Asset of Rs. 42,13,143 thousands has been recognized (PY: Deferred tax Asset: Rs. 70,014 thousands).

(Rs.'000)

Timing Difference on Account of	As At March 31, 2021		As At March 31, 2020	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Carried Forward Loss	-	-	-	-
On Depreciation Loss	-	-	-	-
On Business Loss	-	-	-	-
Unexpired Risk Reserve – Income Tax Rule 6E differences	39,83,641	-	-	-
Provision for doubtful debts	87,744	-	1,782	-
Depreciation differences	31,289	-	5,081	-
Provision for Goodwill Gesture	55,637	-	-	-
Provision for Interest on GST	11,945			
Provision for Bonus – Sec. 43B of IT Act,1961 Disallowance	37,752	-	53,469	-
Provision for Stamps affixable – Sec. 43B of IT Act,1961 Disallowance	5,135	-	9,681	-
Total	**42,13,143**	-	**70,014**	-
Net Deferred Tax Asset / (Liability)		**42,13,143**		**70,014**
Deferred Tax Expense / (Income) recognized in Profit & Loss A/c		**(41,43,129)**		**(72,455)**

5.2.10 Terms of Borrowings

Non- Convertible debentures

The Company had issued Non-convertible debentures for Rs. 2,500,000 thousands on private placement basis during the financial year 2017-18 in two tranches of Rs. 2000,000 thousands and Rs. 5,00,000 thousands at an interest rate of 10.25% and 10.20% respectively redeemable in 7 years.

During the year ended March 31, 2021 the Company has incurred interest on non-convertible debentures to the extent of Rs. 2,56,000 thousands (PY: 2,56,000 thousands).

Pursuant to IRDAI circular no. IRDA/F&A/OFC/01/2014-15/115 dated August 4, 2017, and as required by Companies (Share Capital and Debentures) Rules, 2014, read with Notification F.No. 01/04/2013-CL-V-Prt-III dated 16th August,2019 issued by the Ministry of Corporate Affairs, Company has created Debenture Redemption Reserve (DRR) of Rs. Rs. 1,50,000 thousands (PY: Rs. 1,50,000 thousands) upto date.

5.2.11 Amortization of premium / (Accretion of discount) on investments details are as follows:

(Rs '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue Account		
Fire	NIL	NIL
Marine	NIL	NIL
Miscellaneous	89,154	63,349
Profit & Loss Account		
Share Holders	61,622	46,281
Total	**1,50,776**	**1,09,630**

Amortization of premium pertaining to revenue a/c and the profit & loss a/c have been adjusted against Interest, Dividend & Rent credited to the respective accounts.

5.2.12 During the financial year under review, the company has not exceeded the sub segment limits prescribed under section 40C of The Insurance Act 1938, read with Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016.

5.2.13 Staff advances includes Rs. NIL thousands (PY: Rs. 38,027 thousands) adjustable from the marketing employees based on the performance analysis as per the terms of their employment.

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5.2.14 Profit related remuneration and Sitting fees paid to following directors:

(Rs ' 000)

Designation	Name of the Director	Commission paid		Sitting fees paid	
		For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Independent Director	Mr. D R Kaarthikeyan	656	1,000	1,900	200
Independent Director	Mr. Berjis Desai	415	-	1,300	50
Independent Director	Mr. Rohit Bhasin	415	-	2,000	50
Independent Director	Ms. Anisha Motwani	415	-	2,000	100
Non-Executive Director (Resigned w.e.f. April 25, 2019)	Mr. V. P. Nagarajan	-	1,000	-	-
Independent Director (Retired w.e.f. August 6, 2019)	Dr. M Y Khan	-	1,000	-	150
Independent Director (Retired w.e.f. August 6, 2019)	Mr. D C Gupta	-	1,000	-	150
Non-Executive Director (Retired w.e.f. September 29, 2019)	Ms. Justice (Retd.) K B K Vasuki	-	1,000	-	150

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5.2.15 The company does not have any long term contracts (other than long term insurance contracts) wherein the company is required to make provision towards any foreseeable losses. In respect of long-term insurance contracts, actuarial valuation of the liability as at March 31, 2021 is Rs. Nil (PY: Rs. Nil) There are no derivative contracts.

5.2.16 Foreign currency exposure

Foreign currency exposure as at March 31, 2021 and March 31, 2020 that has not been hedged by any derivative instrument or otherwise is estimated as follows:

Rs. (000's)

Particulars	As At March 31, 2021	As At March 31, 2020
Foreign Currency Exposure on outstanding claims	62,458	1,02,926

5.2.17 Effect of Change in Accounting Policies / Reinsurance – Withdrawal of Voluntary Quota Share treaty & Surplus treaties on Clean Cut basis / Effect of Change in Accounting Estimate

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a. Change in Unexpired premium reserve (UPR)

The Company was following 50% UPR method up to the financial year ended March 31,2020, and shifted to 1/365 day method of accounting UPR as on March 31, 2021, for the financial year 2020-21, with the prior approval of IRDAI. In this method, the UPR is determined on the basis of the number of days from the expiry of the financial year to the expiry date of the policy. The rationale for the change in the accounting policy is that the 1/365 day method is more logical and accurate method of calculating UPR since each policy is considered on the basis of its tenure, whereas the 50% method considers all policies issued in a particular financial year on an uniform basis. In view of the accuracy of 1/365 day method in differentiating each policy on the basis of its expiry and not treating all the policies issued in a particular financial year at a similar level, it leads to uniform reporting of results and avoids effects of Seasonality in the premium income.

The change in accounting policy results in a reduction in Total Premium Earned (net) and creation of an incremental UPR Reserve by Rs. 57,61,142 thousands with a corresponding increase in loss before tax and reduction in Reserves and Surplus.

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b. Impact of Discontinuance of Reinsurance – Voluntary Quota Share treaty

The company has entered into a Voluntary quota share treaty (VQST) for Health with the reinsurer - General Insurance Corporation of India (GIC), where the Company has ceded 20% of its risk to the reinsurer. The treaty has provision for clean cut as at the year end, when the Company decides to withdraw from the treaty, the settlement amount paid by the reinsurer as per the treaty terms is 90% of the outstanding reinsurance claims (excluding IBNR) and 35% of the total reinsurance premium.

In normal course, the Company enters into a reinsurance treaty portfolio as at April 1 of the subsequent year in the same portfolio proportion of premium and claims that were withdrawn on March 31 of the previous year, so that all the claims are settled by the reinsurer. The Company has decided to discontinue this reinsurance treaty (VQST) for business written under Health Insurance on a clean-cut basis with effect from April 1, 2021 (i.e. w.e.f. from FY 2021-22) based on the IRDAI circular No.: IRDA/F&A/CIR/MISC/ 076/03/2020 dated March 28, 2020.

The implications of treaty discontinuance in respect of VQST are as under:

a. This will result in additional capital infusion as the computation of Required Solvency Margin (RSM) is Factor based on the Premium and Claims. This change is expected to have an impact in increasing the RSM since it is higher of the capital requirements using gross and net amounts.

b. The timing of revenue recognition may get impacted as Commission on Reinsurance is booked upfront as against premium from direct business which is credited to Revenue Account over the tenure of the policy

The impact of discontinuing the reinsurance treaty has a one-time impact on account of the portfolio withdrawal of Rs. 48,32,739 thousands in the last year of the Clean cut treaty (i.e., FY 2020-21). The Company will maintain reserves to the extent of 35% of the reinsurance premium ceded and 90% of the outstanding reinsurance claims (excluding IBNR) in line with the reinsurance terms and conditions.

IRDAI has issued Circular No. IRDA/F&A/CIR/MISC/081/05/2019 dated May 20, 2019 which requires companies that have one-year reinsurance treaty on clean-cut basis to maintain provisions in accordance with IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulation, 2016. As per ALSM Regulations, an insurance

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company is required to hold UPR (using 50% or 1/365 method). This will require additional reserve creation of Rs. 43,71,225 thousands with a corresponding increase in loss before tax and reduction in Reserves and Surplus as at March 31, 2021.

c. Change in Accounting estimate:

The Company has evaluated the estimated useful life of software (intangible assets) considering the obsolescence factor in view of technological developments. The Company has decided to revise the estimated useful life of the software (intangible assets) from 5 years to 3 years, with effect from 01st April 2020. This revision has been accounted prospectively and is considered as a change in accounting estimates. As a result, the amortization charge and the loss for the year ended March 31, 2021 are higher by Rs. 1,51,516 thousands.

5.2.18 Corporate Social Responsibility (CSR)

The Gross amount required to be spent by the Company on CSR initiatives is Rs. 56,400 thousands (Previous year Rs. 37,082 thousands). The amount spent during the year is as follows:

(Rs '000)

S.No.	Particulars	Incurred and Paid For the year ended March 31, 2021	Incurred and Paid For the year ended March 31, 2020
1	Construction / acquisition of any asset	-	-
2	On purposes other than (1) above*	56,400	37,082

*including GST input credit availed.

5.2.19 Exceptional Items under Revenue Account and Profit & Loss Account

The Company has incurred following expenses which are considered as exceptional items since they are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

(Rs '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue Account		
Change in UPR to 1-365 days method (Refer note 5.2.17 of Schedule 16)	57,61,142	-
Impact of Reinsurance - Portfolio entry (Refer note 5.2.17 of Schedule 16)	48,32,739	-
Impact of Reinsurance - Clean Cut UPR (Refer note 5.2.17 of Schedule 16)	43,71,225	-
Intangibles - IT Software – Change in Estimated life from 5 years to 3 years (Refer para 4.9 of Schedule 16)	1,51,516	-
Goodwill Gesture – Non current liability Non recurring expenses at the initiation of scheme (Refer note 5.1.10 C) of Schedule 16)	1,70,027	-
Provision for impairment of Investments in Infrastructure Leasing and Financial Services Ltd.	-	(57,525)
Profit & Loss Account		
Provision for impairment of Investments in Infrastructure Leasing and Financial Services Ltd.	-	(39,975)
Bad Debts written off - Investments in Infrastructure Leasing and Financial Services Ltd, being non-performing assets (NPA) written off	-	1,95,214
Outstanding Premium - Provision for Doubtful Debts - Rashtriya Swasthya Bima Yojana (RSBY), Jharkhand	3,09,435	-
Sweat Equity - Shares issued for consideration other than cash including perquisite tax (Refer note 5.1.11, 5.1.12 and 5.2.6 of schedule 16)	6,03,344	-
Total	**1,61,99,428**	**97,714**

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5.2.19 The Indian Parliament had approved the Code on Social Security, 2020 which could impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft Rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will complete its evaluation once the Rules are notified and will give appropriate impact in the financial statements in the period in which the Code and related Rules becomes effective. The implementation of the said code has been postponed by the Government of India as on date.

5.2.21 COVID 19 - Pandemic

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government. Due to second wave of COVID-19, regional lockdowns continue to be implemented in areas where significant number of COVID-19 cases exists. The impact of second wave of COVID-19 may lead to a rise in the claims.

The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the pandemic on the Financial Statements. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The company has been collecting premium, settling claims and providing service to policy holders, post initial lockdown across the country. The Company will continue to closely monitor any changes to the estimates based on future economic conditions.

The Company has considered the possible effects of second wave of COVID 19 on the carrying amounts of Fixed Assets, Investments, Advances & Other Assets, policy liabilities and solvency. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of the financial results, has used external and internal sources of information/indicators to estimate the future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets to be recovered. Further the impact assessment does not indicate any adverse impact on the ability of the company to continue as a going concern, as on the date of the balance sheet. The impact of the second wave of COVID 19 on the Company's financial results may differ from that estimate as at the date of approval of these results.

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5.2.22. Previous Year (PY) figures have been regrouped in the respective schedule and notes wherever necessary, to conform to current year groupings. The change has no effect on the statement of financial position. The details of changes are as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	Amount (Rs. '000)	Reason
	Grouping	Grouping		
Channel of procurement of business	Sch 3D Commission – Break up of procurement of business: Agents	Sch 3D Commission – Break up of procurement of business: Others	91,330	Presentation reclass based on business procured

Particulars	As At March 31, 2021	As At March 31, 2020	Amount (Rs. '000)	Reason
	Grouping	Grouping		
Debit Balance in Statutory Dues Account	Sch 12 Advances and Other Assets – Other Advance	Sch 13 Current Liabilities – Statutory Dues payable	13	Presentation reclass based on nature of balance
Salary Payables	Sch 13 Current Liabilities – Payable to Employees	Sch 13 Current Liabilities – Sundry Creditors	7,353	Presentation reclass based on nature of balance
Provision for Doubtful Debts	Sch 12 Advances and Other Assets – – Agents' Balances - recoverable	Sch 14 Provisions – Others - Provision for Doubtful Debts	5,100	Presentation reclass based on nature of balance

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr.S. Prakash
Managing Director
DIN: 08602227

R. Deepak

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

As Per Our Report of Even Date attached

For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

Jitendra Kumar K
Partner
M.No.: 201825

For M/s. V. Sankar Aiyar & Co.,
Chartered Accountants
Firm Reg No.: 109208W

S. Venkataraman
Partner
M.No.: 023116

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

Date: April 30, 2021
Place: Chennai

5.2.5 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 read with Accounting Regulations

Segment Revenues are either directly attributed to or, in the case of bundled products, allocated to individual segments. There are no inter segment revenues.

Operating Expenses are attributed to the business segments in line with note 5.1.9 in schedule 16.

Investments, Other Assets and Liabilities are identified with the respective segments in the ratio of Share Holders and Policy Holders Funds as defined in Accounting Policy 4.8 in Schedule 16.

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

(For The Year Ended March 31, 2021) (Rs.'000)

Particulars	Fire	Marine Cargo	Marine Hull	Aviation	Motor	Workmens Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Income Credited / Exp Debited to P & L Account	Total
Gross Direct Premium	-	-	-	-	-	-	-	-	1,692,614	92,192,774	-	-	93,885,387
Premium Inward	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Written Premium	-	-	-	-	-	-	-	-	1,261,705	70,532,565	-	-	71,794,270
Premium Earned (net)	-	-	-	-	-	-	-	-	698,508	45,567,801	-	-	46,266,309
Profit on Sale / Redemption of Investments	-	-	-	-	-	-	-	-	358	19,498	-	13,724	33,580
Others - provision for impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (Net of Amortisation)	-	-	-	-	-	-	-	-	44,808	2,440,601	-	1,717,845	4,203,254
Total Segmental Revenue	-	-	-	-	-	-	-	-	743,675	48,027,900	-	1,731,569	50,503,143
Claims Incurred (Net)	-	-	-	-	-	-	-	-	207,535	43,487,011	-	-	43,694,546
Commission Received/(Paid), Net	-	-	-	-	-	-	-	-	31,851	5,825,768	-	-	5,857,619
Operating Expenses Related To Insurance Business	-	-	-	-	-	-	-	-	252,949	13,777,562	-	1,378,517	15,409,028
Total Segmental Expenses	-	-	-	-	-	-	-	-	492,336	63,090,341	-	1,378,517	64,961,193
Segmental (Loss)/Profit	-	-	-	-	-	-	-	-	251,339	(15,062,441)	-	353,052	(14,458,050)
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision For Income Tax, FBT, Deferred Tax Asset And Wealth Tax, MAT	-	-	-	-	-	-	-	-	-	-	-	(3,600,918)	(3,600,918)
Add: Reversal of MAT Credit Entitlement of Previous Years	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: MAT Credit	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Loss For The Year	-	-	-	-	-	-	-	-	251,339	(15,062,441)	-	3,953,970	(10,857,132)
Segment Assets	-	-	-	-	-	-	-	-	1,119,443	60,973,481	-	42,916,878	105,009,801
Segment Liabilities	-	-	-	-	-	-	-	-	1,164,969	63,453,165	-	2,971,308	67,589,441
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization Of Premium And Discount	-	-	-	-	-	-	-	-	1,650	89,866	-	63,253	154,768
Depreciation	-	-	-	-	-	-	-	-	4,875	265,528	-	186,895	457,297
Non - Cash Expenditure Other Than Depreication And Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-

(For The Year Ended March 31, 2020) (Rs.'000)

Particulars	Fire	Marine Cargo	Marine Hull	Aviation	Motor	Workmens Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Income Credited / Exp Debited to P & L Account	Total
Gross Direct Premium	-	-	-	-	-	-	-	-	1,337,277	67,314,141	-	-	**68,651,418**
Premium Inward	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Written Premium	-	-	-	-	-	-	-	-	953,655	51,441,090	-	-	**52,394,746**
Premium Earned (net)	-	-	-	-	-	-	-	-	892,747	45,948,175	-	-	**46,840,921**
Profit on Sale / Redemption of Investments	-	-	-	-	-	-	-	-	731	36,796	-	27,417	**64,944**
Others - provision for impairment of investments	-	-	-	-	-	-	-	-	1,899	95,601	-	-	**97,500**
Interest (Net of Amortisation)	-	-	-	-	-	-	-	-	32,309	1,626,318	-	1,211,759	**2,870,386**
Total Segmental Revenue	-	-	-	-	-	-	-	-	**927,686**	**47,706,890**	-	**1,239,176**	**49,873,751**
Claims Incurred (Net)	-	-	-	-	-	-	-	-	504,274	30,369,992	-	-	**30,874,267**
Commission Received/(Paid), Net	-	-	-	-	-	-	-	-	40,022	3,364,115	-	-	**3,404,137**
Operating Expenses Related To Insurance Business	-	-	-	-	-	-	-	-	214,529	10,798,695	-	520,053	**11,533,278**
Total Segmental Expenses	-	-	-	-	-	-	-	-	**758,826**	**44,532,802**	-	**520,053**	**45,811,682**
Segmental (Loss)/Profit	-	-	-	-	-	-	-	-	**168,860**	**3,174,088**	-	**719,122**	**4,062,070**
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision For Income Tax, FBT, Deferred Tax Asset And Wealth Tax, MAT	-	-	-	-	-	-	-	-	-	-	-	1,409,182	**1,409,182**
Add: Reversal of MAT Credit Entitlement of Previous Years	-	-	-	-	-	-	-	-	-	-	-	(19,838)	**(19,838)**
Less: MAT Credit Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit For The Year	-	-	-	-	-	-	-	-	**168,860**	**3,174,088**	-	**(709,898)**	**2,633,049**
Segment Assets	-	-	-	-	-	-	-	-	674,565	33,955,424	-	25,299,967	**59,929,957**
Segment Liabilities	-	-	-	-	-	-	-	-	688,702	34,666,987	-	3,005,401	**38,361,090**
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization Of Premium And Discount	-	-	-	-	-	-	-	-	1,287	64,768	-	48,258	**114,313**
Depreciation	-	-	-	-	-	-	-	-	3,314	166,805	-	124,285	**294,404**
Non - Cash Expenditure Other Than Depreication And Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

Annexure - 2

Summary of Financial Statements		Rs. in Lakhs				
Sl No	**Particulars**	**2020-2021**	**2019-2020**	**2018-2019**	**2017-2018**	**2016-2017**
	OPERATING RESULTS					
1	Gross Premiums Written	9,38,854	6,86,514	5,40,129	4,16,111	2,96,005
2	Net Premium Income#	7,17,943	5,23,947	4,12,871	3,19,604	2,28,316
3	Income from investments (net)@	25,053	16,962	11,531	8,876	6,240
4	Other income -Transfer fee etc	-	-	-	-	-
5	**Total Income**	**7,42,995**	**5,40,909**	**4,24,401**	**3,28,480**	**2,34,556**
6	Commissions (Net)	58,576	34,041	25,691	13,658	9,529
7	Brokerage	-	-	-	-	-
8	Operating Expenses	1,40,305	1,09,557	98,792	86,135	62,535
9	Claims, increase in Unexpired Risk Reserve and Other outgoes	6,92,225	3,64,281	2,76,968	2,14,845	1,52,842
10	**Operating Profit/(loss)**	**(1,48,111)**	**33,030**	**22,951**	**13,841**	**9,650**
	NON OPERATING RESULTS					
11	Total income shareholders' account	17,348	12,408	8,013	5,917	3,824
12	Expenses charged to Profit and Loss A/c	13,817	4,817	4,255	2,639	1,680
13	**Profit/(loss) before tax**	**(1,44,581)**	**40,621**	**26,709**	**17,120**	**11,794**
14	Provision for tax	(36,009)	14,290	8,367	105	-
15	**Profit/(loss) after tax**	**(1,08,571)**	**26,330**	**18,342**	**17,015**	**11,794**

	MISCELLANEOUS					
16	**Policyholders'Account**					
	Total funds	3,88,697	2,30,591	1,78,092	1,31,124	94,410
	Total investments	4,04,257	2,47,891	1,78,776	1,29,883	88,566
	Yield on investments	7.13%	7.55%	7.54%	8.36%	8.68%
17	**Shareholders' Account**					
	Total funds	2,68,657	1,68,465	1,22,005	87,451	57,477
	Total investments	2,79,411	1,81,104	1,24,234	86,589	54,282
	Yield on investments	7.13%	7.55%	7.54%	8.36%	8.68%
18	Paid up equity capital	54,809	49,064	45,558	45,558	45,558
19	Net worth	3,48,463	1,88,880	1,48,051	95,959	78,944
20	Total assets	10,50,098	5,99,350	4,73,282	3,34,717	2,21,261
21	Yield on total investments	7.13%	7.55%	7.54%	8.36%	8.68%
22	Basic Earnings per share (Rs.)*	(21.75)	5.49	3.75	3.73	2.77
23	Diluted Earnings per share (Rs.)*	(21.75)	5.38	3.70	3.73	2.77
24	Book Value per share (Rs.)	63.58	38.50	24.81	21.06	17.33
25	Total Dividend	-	-	-	-	-
26	Dividend per share (Rs.)	-	-	-	-	-

\# *Net of reinsurance*

@ *Net of losses*

* *Basic & Diluted EPS have been calculated in accordance with AS-20 issued by ICAI (Face Value Rs.10/- each). As the Company has incurred loss during the year ended March 31, 2021, dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered and Diluted EPS remains same as Basic EPS.*

	Profit / (Loss) for the year	(1,08,571)	26,330	18,342	17,015	11,794
	Share capital & Reserves	3,48,463	1,88,880	1,48,051	95,959	78,944
	Weighted Average Number of Equity Shares at the end of the year for Basic EPS	49,91,90,903	47,93,86,971	45,55,76,106	45,55,76,106	42,59,91,214
	Weighted Average Number of Equity Shares at the end of the year for Diluted EPS	51,53,90,982	48,94,62,708	46,17,76,973	45,55,76,106	42,59,91,214

CHENNAI INDIA

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

Annexure 3

5.1.15 Ratios for Non-life Insurance Companies

Sl No	Performance Ratio	FY 2020-2021	FY 2019-2020
1	Gross premium growth rate (segement wise) (Increase in Gross premium for the current year when compared to last year divided by gross premium for the previous year)	Ratios Schedule 1	Ratios Schedule 1
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	2.69	3.63
3	Growth rate of shareholders' funds: (Increase in Shareholders' funds as at the current balance sheet date compared to previous year divided by the shareholders' funds at the previous balance sheet date)	84.49%	27.58%
4	Net retention ratio (segment wise) (Net premium divided by gross premium)	Ratios Schedule 2	Ratios Schedule 2
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium)	Ratios Schedule 3	Ratios Schedule 3
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	28.91%	29.40%
7	Expenses of Management to net written premium ratio (Expenses of Management divided by the net written premium)	27.70%	27.52%
8	Net Incurred Claims to Net Earned Premium	94.44%	65.91%
9	Combined ratio: (Net Incurred Claims divided by net earned premium + Expenses of Management divided by Net written premium)	122.14%	93.43%
10	Technical reserves to net premium ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	84.02%	59.63%
11	Underwriting balance ratio (segment wise) (Underwriting profit divided by net earned premium for the respective class of business)	Ratios Schedule 4	Ratios Schedule 4
12	Operating profit ratio (Underwriting profit plus investment income divided by net earned premium)	-32.01%	7.05%
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	40.20%	34.37%
14	Net earnings ratio (Profit after tax divided by net premium)	-15.12%	5.03%
15	Return on networth (Profit after tax divided by net worth)	-31.16%	13.94%
16	Reinsurance ratio (Risk reinsured divided by gross premium)	23.53%	23.68%

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V. SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

Accounting Ratios - Schedule 1

Gross premium growth rate

Segment	Growth (%)	
	FY 2020-21	FY 2019-20
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	26.57%	15.08%
Health Insurance	36.96%	27.37%
Others	-	-
Total	**36.76%**	**27.10%**

Accounting Ratios - Schedule 2

Net retention ratio

Segment	% to GP	
	FY 2020-21	FY 2019-20
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	74.54%	71.31%
Health Insurance	76.51%	76.42%
Others	-	-
Total	**76.47%**	**76.32%**

Accounting Ratios - Schedule 3

Net commission ratio

Segment	% to NP	
	FY 2020-21	FY 2019-20
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	2.52%	4.20%
Health Insurance	8.26%	6.54%
Others	-	-
Total	**8.16%**	**6.50%**

Accounting Ratios - Schedule 4

Underwriting balance ratio

Segment	% to NP	
	FY 2020-21	FY 2019-20
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	29.51%	15.00%
Health Insurance	-38.46%	3.08%
Others	-	-
Total	**-37.43%**	**3.31%**

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 for the year ended March 31, 2021 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.

2. To the best of our knowledge and belief, all material sums payable to the statutory authorities, other than contested claims, have been duly paid.

3. The shareholding pattern and the transfer of shares during the year ended March 31, 2021 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 margins laid down by Insurance Regulatory and Development Authority of India.

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 aggregate at amounts not exceeding their realizable or market value under the headings – "Loans", 'Investments", "Agents balances", "Interest, "Dividends and Rents accruing but not due", "Outstanding premiums", "Interest, Dividends and Rents outstanding", "Amounts due from other persons or Bodies carrying on insurance business", "Advances", "Cash" and the several items specified under "Other Accounts".

7. Company is exposed to a variety of risks, such as quality of risks underwritten, fluctuations in the value of assets etc. The Company monitors these risks closely and takes effective remedial steps to address these risks. The Company, through an appropriate reinsurance program has kept its risk exposure at a level commensurate with its capacity.

8. The COVID-19 has been declared a pandemic by the World Health Organization on March 11, 2020. The pandemic has led to a significant impact on the Indian Financial markets and an overall decline in the economic activities all across the world.

9. The Company does not have operations outside India and therefore does not have any material country/currency fluctuation risks.

10.

I. The ageing of outstanding claims for the preceding 5 years is as follows:

Health (Including Travel) (Rs in 000s)

PARTICULARS	2020-21		2019-20		2018-19		2017-18		2016-17	
	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount
CLAIM OUTSTANDING WITHIN 30 DAYS	62139	4174999	47,241	23,33,707	31,821	19,45,352	23,410	8,57,132	23,425	10,50,535
CLAIM OUTSTANDING WITHIN 31 TO 90 DAYS	19734	1090017	11,546	9,73,388	7,139	4,59,635	4,687	3,71,842	4,266	1,81,589
CLAIM OUTSTANDING WITHIN 91 TO 180 DAYS	6556	383785	2,196	1,78,677	1,832	1,11,295	1,562	76,524	863	46,564
CLAIM OUTSTANDING WITHIN 181 TO 365 DAYS	4020	202343	1,982	1,29,268	1,408	99,318	1,263	48,734	475	21,048
CLAIM OUTSTANDING AFTER ONE YEAR	220	101032	402	89,921	468	68,103	132	55,270	131	39,077

Personal Accident

PARTICULARS	2020-21		2019-20		2018-19		2017-18		2016-17	
	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount	No of claims	Amount
CLAIM OUTSTANDING WITHIN 30 DAYS	316	55,441	284	40,539	273	39,481	424	1,01,898	416	64,277
CLAIM OUTSTANDING WITHIN 31 TO 90 DAYS	270	68,257	276	1,13,520	267	70,182	126	24,126	139	15,884
CLAIM OUTSTANDING WITHIN 91 TO 180 DAYS	82	44,548	140	82,798	114	62,733	8	96	2	22
CLAIM OUTSTANDING WITHIN 181 TO 365 DAYS	83	42,797	114	1,05,213	73	57,765	6	97	2	2,000
CLAIM OUTSTANDING AFTER ONE YEAR	84	48,184	41	31,892	9	4,161	-	-	1	8

II. The number of claims settled & average claims settlement time for the preceding 5 years is as follows:

PRODUCT	2020-21		2019-20		2018-19		2017-18		2016-17		2015-16	
	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)
Health (including Travel)	8,47,139	11	8,92,520	6	6,35,044	6	5,51,117	7	3,79,140	11	3,17,526	
Personal Accident	1,818	12	2,376	11	2,343	9	2,240	8	1,943	10	1,749	

Note: Average settlement time is taken from the date of last document receipt till date of settlement of claims.

III. Details of claims intimated is given below:

(Rs. 000s)

PRODUCT	2019-20		2019-20	
	No of claims Intimated	Amount	No of claims Intimated	Amount
Health (including Travel)	10,42,386	6,42,02,509	10,93,317	4,16,43,898
Personal Accident	4,781	12,74,316	6,540	10,89,880

Note: Claims intimated inclusive for reported claims and reopened claims

11. As at March 31, 2021, the investments of the Company comprise of investments in Government securities (both Central & State Govt. securities), housing, infrastructure and other corporate bonds, mutual fund, REiTs, INViT, ETF, TREPS and fixed deposits with banks.

    The investments in Government securities are considered as "Held to Maturity (HTM)" and are measured at historical cost subject to amortization and investments in fixed deposits of banks are measured at face value. Similarly, Investments in mutual funds are measured at Net Asset Value and investment in REIT is reported at Market Value as on March 31, 2021 and the unrealized gain / loss is debited / credited to Fair Value Change Account.

    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 market value of investments, other than equity shares, mutual funds, ETFs, investments in REiTS & INViT, as per Schedule 8 & 8A annexed to the Balance Sheet stood at Rs. 6,69,64,635 thousands as at March 31, 2021 as against the book value of Rs 6,53,52,389 thousands. The investment income, net of amortization including profit on sale of investments was Rs. 42,36,834 thousands for the year ended March 31, 2021. The weighted average yield on all the Fixed Income bearing Investments (including Profit on sale) was 7.13%.

12. 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.

13. **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 March 31, 2021 and of the Operating Loss of the Company for the financial year ended March 31, 2021 and of the Net Loss of the Company for the financial year ended March 31, 2021. During the year the Company has changed its accounting policy related to Unexpired premium reserve (UPR) creation. The Company has shifted from 50% method to 1-365 day method for calculation of UPR. The impact of this change in the Current Financials is Rs. 57,61,142 thousands.

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. The observations of the internal auditors are being addressed by the Company and the Company will ensure that all the requirements will be fully complied with.

14. 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

Nilesh Kambli
Chief Financial Officer

V. Jagannathan
Chairman & CEO

Place : Chennai
Date : April 30, 2021