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, 2022, 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, (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, 2021, 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, 2022;

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.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Key Audit Matter	How our Audit Address the Key Audit Matter
1) Claim Settlement	
• Claims are a significant expense for the company. • Provisioning of Outstanding Claims including Claims Incurred but Not Reported (IBNR) and Incurred but Not Enough Reported (IBNER) are significant in magnitude and requires use of judgements and estimates. • With regards to the claims provision, the Company makes a provision for claims upon intimation, on receipt of documents, communication from co-insurer leader in cases of incoming co-insurance business etc. The estimates undergo a revision based on further information and the settlement amount could vary from the provision created. • The estimate of the claim involves a high degree of judgement.	• We tested the design operative effectiveness of controls around the due and intimated claims recording process. We additionally carried out the following substantive testing. • Assessed and tested the operating effectiveness of key controls relating to the claims handling and reserving process, including controls over completeness and accuracy of the claim estimates recorded; • Substantive tests were performed on the amounts recorded for a sample of Outstanding Claims, which are material to assess whether claims are appropriately estimated and recorded; • The actuarial valuation of liability in respect of Claims Incurred but Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) is as certified by the Company's Appointed Actuary and we have relied upon on the appointed actuary's certificate in this regard; • Tested the completeness and accuracy of underlying data provided by the Management to the Appointed Actuary on a sample basis; • Results of our test has provided audit evidence which we have used to draw conclusions including our reporting.

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Key Audit Matter	How our Audit Address the Key Audit Matter
2) Valuation of Investments	
• Investments represent a substantial portion of the assets of the Company which are valued in accordance with accounting policies and the regulatory guidelines. • The Company has a policy framework for Valuation of Investments. • The Company performs an impairment review of its investments periodically and recognizes impairment charge, whenever required.	To ensure that the valuation of investments in the financial statements is as per the policy of the Company and the IRDAI regulations. We have performed the following procedures: • Reviewed the manner in which the investments have been made by the Company to ensure that the investments are in accordance with the IRDAI guidelines. • Tested the management oversight and controls over valuation of investments. • We have obtained the Confirmation of Balances for the Investments. • Independently verified the valuation of quoted investments. • Reviewed the Fair Value Change Account for specific investments. • Reviewed the compliance with the IRDAI guidelines on recording of Income on non-performing investments

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.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

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, 2021, 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 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.

Auditor's Responsibilities for the Audit of the financial statements

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.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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- 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, 2022 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.

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Report on Other Legal and Regulatory Requirements

1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated 29th April 2022 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 (Cash Flow Statement) 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, 2021, as amended, to the extent applicable 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 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 5.2.14 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.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

iv. Since the information required under paragraph L-(xvi) of Schedule III to the Act, is not applicable to the Company, being an Insurance Company. the Company has not disclosed the same.

a. However, the management has represented to us that to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the Company to or I any other persons or entity(ies) including foreign entity with the understanding whether recorded or understanding whether the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities on behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

b. Further, the management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

c. Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (a) and (b) above, contain any material misstatement

v. The Company has not declared or paid dividend during the year.

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. We also refer to note no 5.1.11(A) of Schedule 16 to the Financial Statements with regard to status of IRDAI approval under section 34A of the IRDAI Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be reported upon by us.

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

K. Jitendra Kumar
Partner
Membership No: 201825
Date: 29 April 2022
Place: Chennai
UDIN No: 22201825AIKDMH5342

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

S Venkataraman
Partner
Membership No: 023116
Date: 29 April 2022
Place: Chennai
UDIN No: 22023116AIKAEH8201

Brahmayya & Co.
Chartered Accountants
48, Masilamani Road,
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"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, 2022 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, 2022, 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, 2022 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, 2022. 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: 29 April 2022
Place: Chennai
UDIN No: 22201825AIKDMH5342

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

S Venkataraman
Partner
Membership No: 023116
Date: 29 April 2022
Place: Chennai
UDIN No: 22023116AIKAEH8201

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

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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, 2022 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, 2022, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2022, and on the basis of our review, there are no apparent mistakes in or material inconsistencies with the financial statements;

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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 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 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, 2022, 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

K. Jitendra Kumar
Partner
Membership No: 201825
Date: 29 April 2022
Place: Chennai
UDIN No: 22201825AIKDMH5342

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

S Venkataraman
Partner
Membership No: 023116
Date: 29 April 2022
Place: Chennai
UDIN No: 22023116AIKAEH8201

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, 2022

FIRE BUSINESS

(Rs.'000)

	Particulars	Schedule	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
1	Premiums earned (Net)	1 A	-	-
2	Profit/ (Loss) on sale/redemption of Investments		-	-
3	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		

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & Chief Executive Officer
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

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

Place: Chennai – 600 034
Date: April 29, 2022

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, 2022

MARINE BUSINESS

(Rs.'000)

	Particulars	Schedule	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
1	Premiums earned (Net)	1 B	-	-
2	Profit/ (Loss) on sale/redemption of Investments		-	-
3	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		

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & Chief Executive Officer
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

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

Place: Chennai – 600 034
Date: April 29, 2022

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, 2022
MISCELLANEOUS BUSINESS

(Rs.'000)

	Particulars	Schedule	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
1	Premiums earned (Net)	1 D	9,80,91,622	4,62,66,309
2	Profit/ (Loss) on sale/redemption of Investments (Refer note 5.2.11 of Schedule 16)		9,81,984	58,690
3	Interest, Dividend & Rent – (Gross) (Refer note 5.2.11 of Schedule 16)		38,13,642	24,46,575
	TOTAL (A)		**10,28,87,248**	**4,87,71,574**
1	Claims Incurred (Net)	2 D	8,53,99,875	4,36,94,549
2	Commission	3 D	1,49,21,804	58,57,620
3	Operating Expenses related to Insurance Business	4	1,83,85,276	1,40,30,512
4	Premium Deficiency		-	-
	TOTAL (B)		**11,87,06,955**	**6,35,82,681**
	Operating Profit/(Loss) from Miscellaneous Business C= (A - B)		**(1,58,19,707)**	**(1,48,11,107)**
	APPROPRIATIONS			
	Transfer to Shareholders' Account		(1,58,19,707)	(1,48,11,107)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves (to be specified)		-	-
	TOTAL (C)		**(1,58,19,707)**	**(1,48,11,107)**
	Significant accounting policies & Notes to financial statements	16		

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & Chief Executive Officer
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

Place: Chennai – 600 034
Date: April 29, 2022

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, 2022

(Rs.'000)

	Particulars	Schedule	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
1	OPERATING PROFIT/(LOSS)			
	(a) Fire Insurance		-	-
	(b) Marine Insurance		-	-
	(c) Miscellaneous Insurance		(1,58,19,707)	(1,48,11,107)
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent – (Gross)		24,91,157	16,91,003
	(b) Profit on sale of investments		6,41,454	40,566
	Less: Loss on sale of investments		-	-
	(Refer note 5.2.11 of Schedule 16)			
3	OTHER INCOME			
	(a) Interest on Income Tax Refund		67,320	-
	(b) Others		13,708	3,214
	TOTAL (A)		**(1,26,06,068)**	**(1,30,76,324)**
4	PROVISIONS (Other than taxation)			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		18,374	3,43,532
	(c) Others			
5	OTHER EXPENSES			
	(a) Expenses other than those related to Insurance Business		-	-
	(b) Investments written off		-	-
	(c) Others		-	-
	i) Key Management Personnel Remuneration		8,44,197	6,85,259
	(Refer note 5.1.11 of Schedule 16)		-	
	ii) Management expenses allocated		-	-
	iii) Donation		10,600	600
	iv) Interest on NCD		4,56,620	2,56,000
	v) Remuneration To Non-Executive Directors - Profit Related Commission		-	1,902
	(Refer note 5.2.13 of Schedule 16)			
	vi) Late Fees / Penalty		378	1,149
	(Refer note 5.1.14 of Schedule 16)			
	vii) CSR Expenses		6,413	56,209
	(Refer note 5.2.17 of Schedule 16)			
	viii) Consultancy fees		2,284	2,792
	ix) Bad Debts Written Off		7,794	1,934
	x) Loss/(Gain) on sale / Discard of Fixed Assets		13,628	32,354
	TOTAL (B)		**13,60,288**	**13,81,731**
	Profit/(Loss) Before Tax (A-B)		**(1,39,66,356)**	**(1,44,58,055)**
	Provision for Taxation			
	(a) Current Tax		-	6,24,009
	(b) Deferred Tax		(34,69,530)	(41,43,129)
	(c) Tax relating to earlier years		(90,139)	(81,798)
	Profit/(Loss) After Tax		**(1,04,06,687)**	**(1,08,57,137)**
	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		-	-
	Balance of profit/ (loss) brought forward from last year		(72,45,362)	36,11,775
	Balance carried forward to Balance Sheet		**(1,76,52,049)**	**(72,45,362)**
	Significant accounting policies & Notes to financial statements	16		
	Earnings per share - Basic		(18.65)	(21.75)
	- Diluted		(18.65)	(21.75)
	(Refer note 5.2.8 of Schedule 16)			

For And On Behalf of Board of Directors

V.Jagannathan **Chairman & Chief Executive Officer** **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**	**For M/s. V. Sankar Aiyar & Co.,** **Chartered Accountants** **Firm Reg No.: 109208W**
Jitendra Kumar K **Partner** **M.No.: 201825**	**S.Venkataraman** **Partner** **M.No.: 023116**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

Place: Chennai – 600 034
Date: April 29, 2022

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, 2022

(Rs.'000)

Particulars	Schedule	As At March 31, 2022	As At March 31, 2021
SOURCES OF FUNDS			
SHARE CAPITAL	5	57,55,222	54,80,869
EMPLOYEE STOCK OPTION OUTSTANDING		7,56,793	2,929
RESERVES AND SURPLUS	6	5,71,80,594	3,67,57,852
FAIR VALUE CHANGE ACCOUNT - SHAREHOLDERS		1,05,437	(31,031)
FAIR VALUE CHANGE ACCOUNT - POLICYHOLDERS		1,61,412	(44,897)
BORROWINGS	7	72,00,000	25,00,000
DEFERRED TAX LIABILITY		-	-
TOTAL		**7,11,59,458**	**4,46,65,722**
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS	8	4,49,38,790	2,79,41,129
INVESTMENTS - POLICYHOLDERS	8A	6,87,95,509	4,04,25,732
LOANS	9	-	-
FIXED ASSETS	10	11,71,287	9,89,672
DEFERRED TAX ASSET (Refer note 5.2.9 of Schedule 16)		77,67,106	42,13,143
CURRENT ASSETS			
Cash and Bank Balances	11	56,35,438	1,87,89,939
Advances and Other Assets	12	68,28,182	1,26,50,186
Sub-Total (A)		**1,24,63,620**	**3,14,40,125**
CURRENT LIABILITIES	13	1,96,07,240	1,56,43,045
PROVISIONS	14	6,20,21,663	5,19,46,396
Sub-Total (B)		**8,16,28,903**	**6,75,89,441**
NET CURRENT ASSETS (C) = (A - B)		**(6,91,65,283)**	**(3,61,49,316)**
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		**1,76,52,049**	**72,45,362**
TOTAL		**7,11,59,458**	**4,46,65,722**

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & Chief Executive Officer
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

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

S.Venkataraman
Partner
M.No.: 023116

Place: Chennai – 600 034
Date: April 29, 2022

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, 2022

(Rs '000)

Particulars	March 31, 2022	March 31, 2021
Premium received from policyholders, including advance receipts & payables to policy holders	13,39,21,304	11,12,15,345
Receipts/(Payments) from other entities carrying on insurance business (including reinsurers)	80,40,831	(89,12,230)
Receipts/(Payments) to co-insurers, net of claims recovery	(2,66,830)	(3,85,513)
Payments of claims	(8,88,05,307)	(5,26,25,409)
Payments of commission and brokerage	(1,58,72,683)	(1,26,57,523)
Payments of other operating expenses	(1,92,36,856)	(1,44,41,536)
GST (Net off GST-ITC)	(1,70,17,326)	(1,22,49,763)
Income Tax	55,656	(9,12,502)
Deposits, advances and staff loans	(2,63,173)	(1,27,092)
Cash flows from Operating Activities	**5,55,617**	**89,03,777**
Purchase of fixed assets	(6,31,284)	(4,60,857)
Proceeds from sale of fixed assets	3,050	146
Purchases of investments	(1,56,62,74,049)	(34,86,78,713)
Sales of investments	1,52,24,01,168	32,12,67,087
Rents/Interests/Dividends received	66,59,756	36,97,784
Expenses related to investments	(19,048)	(7,711)
Cash flows from Investment Activities	**(3,78,60,408)**	**(2,41,82,264)**
Proceeds from issuance of share capital	2,09,48,132	2,64,46,037
Share issue Expenses	(2,92,351)	(55,473)
Proceeds from borrowing	47,00,000	-
Repayments of borrowing	-	-
Interest/dividends paid	(2,65,188)	(2,56,000)
Cash flows from Financing Activities	**2,50,90,593**	**2,61,34,564**
Net increase/(decrease) in cash and cash equivalents	(1,22,14,199)	1,08,56,077
Cash and cash equivalents at the beginning of the year	1,59,91,038	51,34,961
Cash and cash equivalents at end of the period	37,76,840	1,59,91,038

Fixed Deposits of Rs. 18,58,600 thousands (Year ended Mar 31,2021: Rs. 27,98,900 thousands) shown under schedule 11 of financial statements is not considered as part of Cash and Cash Equivalent but under the investing activities.

Payments of other operating expenses includes payment towards Corporate Social Responsibility of Rs. 6,413 thousands (Previous year FY21: Rs.56,400 thousands)

Closing Cash balance includes Proceeds from issuance of share capital of Rs.1,21,63,500 thousands towards share allotted on March 31, 2021.

Receipt and Payment Account is prepared under 'Direct Method'

For And On Behalf of Board of Directors

V.Jagannathan
Chairman & Chief Executive Officer
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. ★ CHARTERED ACCOUNTANTS ★ CHENNAI INDIA

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

Place: Chennai – 600 034
Date: April 29, 2022

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
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, 2022	For the Year Ended March 31, 2021
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, 2022	For the Year Ended March 31, 2021
Premium from direct business written (Refer note 5.1.5 & 5.1.6 of Schedule 16)	11,46,34,715	9,38,85,387
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded (Refer note 5.1.7 & 5.2.16 of Schedule 16)	65,39,834	2,20,91,117
Net Premium	**10,80,94,881**	**7,17,94,270**
Adjustment for change in reserve for unexpired risks (Refer note 5.2.16 of Schedule 16)	1,00,03,259	2,55,27,961
Total Premium Earned (Net)	**9,80,91,622**	**4,62,66,309**

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

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

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

Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
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, 2022	For the Year Ended March 31, 2021
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, 2022	For the Year Ended March 31, 2021
Claims paid		
Direct	8,92,99,185	5,34,07,194
(Refer note 5.1.4 & 5.1.9 of Schedule 16)		
Add :Re-insurance accepted	-	-
Less :Re-insurance Ceded	47,06,013	1,32,61,906
Net Claims paid	**8,45,93,172**	**4,01,45,288**
Add Claims Outstanding at the end of the year	94,00,560	85,93,857
(Refer note 5.1.4 & 5.2.16 of Schedule 16)		
Less Claims Outstanding at the beginning of the year	85,93,857	50,44,596
Total Claims Incurred	**8,53,99,875**	**4,36,94,549**

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, 2022	For the Year Ended March 31, 2021
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, 2022	For the Year Ended March 31, 2021
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, 2022	For the Year Ended March 31, 2021
COMMISSION PAID		
Direct	1,61,41,604	1,31,07,407
Add :Re-insurance accepted	-	-
Less: Commission on Re-insurance Ceded	12,19,800	72,49,787
Net Commission	**1,49,21,804**	**58,57,620**
Break-up of the expenses (Gross) incurred to procure Business :		
Agents	1,46,75,130	1,19,08,298
Brokers	9,14,549	6,02,881
Corporate Agency	5,12,161	3,36,486
Referral	-	-
Others	39,764	2,59,741
TOTAL	**1,61,41,604**	**1,31,07,407**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs.'000)

	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
1	Employees' remuneration & welfare benefits	1,34,35,954	1,17,65,028
2	Travel, conveyance and vehicle running expenses	3,05,200	1,92,969
3	Training expenses	47,039	36,911
4	Rents, rates & taxes	7,46,448	6,61,674
5	Repairs and Maintenance	2,88,132	1,93,679
6	Printing & Stationery	1,88,831	1,50,157
7	Communication	2,98,995	2,28,020
8	Legal & professional charges	4,01,900	3,03,816
9	Auditors' fees, expenses etc		
	(a) as auditor	8,640	6,700
	(b) as adviser or in any other capacity, in respect of		
	(i) Taxation matters	2,400	2,000
	(ii) Insurance matters	-	-
	(iii) Management services; and	-	-
	(c) in any other capacity	1,805	695
	(d) Out of Pocket Expenses	593	238
10	Advertisement and publicity	13,42,160	13,59,140
11	Interest & Bank Charges	27,224	27,661
12	Others		
	- Director's Sitting Fees	20,700	9,900
	- Software Expenses	7,76,894	5,30,900
	- Outsourced Manpower Expenses (Refer note 5.1.13 of Schedule 16)	10,26,482	7,70,758
	- Miscellaneous Expenses	1,31,148	97,000
	- In House Claim Processing Cost	(11,43,258)	(28,08,375)
	- Managerial remuneration (Refer note 5.1.11 of Schedule 16)	45,000	44,344
13	Depreciation (Refer note 4.9 of Schedule 16)	4,32,989	4,57,297
	TOTAL	**1,83,85,276**	**1,40,30,512**

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, 2022	As At March 31, 2021
1	Authorised Capital 80,00,00,000 (For Mar 21 - 60,00,00,000) Equity Shares of Rs10/- each	80,00,000	60,00,000
2	Issued Capital 57,55,22,174 (For Mar 21 - 54,80,86,885) Equity Shares of Rs10/- each	57,55,222	54,80,869
3	Subscribed Capital 57,55,22,174 (For Mar 21 - 54,80,86,885) Equity Shares of Rs10/- each	57,55,222	54,80,869
4	Called-up / paid up Capital 57,55,22,174 (For Mar 21 - 54,80,86,885) Equity Shares of Rs10/- each (Out of above 5,714,199 (previous period 5,714,199) equity shares of Rs.10/- each issued for consideration other than cash.) (Refer note 5.1.12 of Schedule 16)	57,55,222	54,80,869
	Less : Calls unpaid	-	-
	Underwriting or subscription of shares	-	-
	TOTAL	**57,55,222**	**54,80,869**

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

Shareholder	As At March 31, 2022		As At March 31, 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian	31,99,22,521	55.59%	32,54,90,442	59.39%
Foreign	-	0.00%	-	0.00%
Others				
Indian	5,30,59,283	9.22%	3,88,92,006	7.10%
Foreign	20,25,40,370	35.19%	18,37,04,437	33.52%
TOTAL	**57,55,22,174**	**100.00%**	**54,80,86,885**	**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, 2022	As At March 31, 2021
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium at the beginning of the year	3,66,07,852	1,03,69,828
	Add: Share premium due to issue of share capital	2,06,73,780	2,62,93,497
	Less: Utilized for share issue expenses	(2,51,038)	(55,473)
	Share premium at the end of the Quarter	5,70,30,594	3,66,07,852
	(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	1,50,000
	Add: Debenture redemption reserve created	-	-
	Debenture redemption reserve at the end of the quarter	1,50,000	1,50,000
	(Refer note 5.2.10 of Schedule 16)		
7	Balance of Profit in Profit & Loss Account	-	-
	TOTAL	**5,71,80,594**	**3,67,57,852**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 7
BORROWINGS

(Rs.'000)

	Particulars	As At March 31, 2022	As At March 31, 2021
1	Debentures/ Bonds (Refer note 5.2.10 of Schedule 16)	72,00,000	25,00,000
2	Banks	-	-
3	Financial Institutions	-	-
4	Others (to be specified)	-	-
	TOTAL	**72,00,000**	**25,00,000**

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

Schedule -8 - SHAREHOLDERS INVESTMENTS

(Rs.'000)

	Particulars	As At March 31, 2022	As At March 31, 2021
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	1,58,34,998	1,13,77,395
2	Other Approved Securities	1,24,94,681	47,01,856
3	Other Investments		
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	31,487
	(c) Investment Properties-Real Estate		
	(aa) REIT	5,14,429	4,22,549
4	Investments in Infrastructure and Social Sector	62,90,100	86,35,731
5	Other than Approved Investments	20,79,578	5,42,474
	SHORT TERM INVESTMENTS		
6	Government securities and Government guaranteed bonds including Treasury Bills	12,45,447	-
7	Other Approved Securities	6,42,378	92,568
8	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(b) Mutual Funds	22,72,119	6,27,371
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities (Triparty Repo)	27,66,169	11,75,171
9	Investments in Infrastructure and Social Sector	7,98,891	3,34,525
10	Other than Approved Investments	-	-
	TOTAL	**4,49,38,790**	**2,79,41,129**

Aggregate Market Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	4,19,52,146	2,73,68,046
Aggregate Book Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	4,20,38,848	2,67,09,130
(REIT's)/Infrastructure Investment Trusts (InvITs) valued on Fair Value basis	5,32,850	5,57,929
Historical cost of Mutual Funds valued on Fair Value basis	22,61,656	6,58,578
Historical cost of ETF (included in Other than Approved Investments) valued on Fair Value basis	-	46,521

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule -8A - POLICYHOLDERS INVESTMENTS

(Rs.'000)

	Particulars	As At March 31, 2022	As At March 31, 2021
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	2,42,41,346	1,64,61,021
2	Other Approved Securities	1,91,27,749	68,02,732
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	45,557
	(c) Investment Properties-Real Estate		
	(aa) REIT	7,87,524	6,11,351
4	Investments in Infrastructure and Social Sector	96,29,335	1,24,94,334
5	Other than Approved Investments	31,83,566	7,84,862
	SHORT TERM INVESTMENTS		
6	Government securities and Government guaranteed bonds including Treasury Bills	19,06,619	-
7	Other Approved Securities	9,83,398	1,33,929
8	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(b) Mutual Funds	34,78,323	9,07,692
	(c) Derivative Instruments	-	-
	(d) Debentures / Bonds	-	-
	(e) Other Securities (Triparty Repo)	42,34,650	17,00,259
9	Investments in Infrastructure and Social Sector	12,22,999	4,83,997
10	Other than Approved Investments	-	-
	TOTAL	**6,87,95,509**	**4,04,25,732**
	Aggregate Market Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	6,42,23,340	3,95,96,589
	Aggregate Book Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	6,43,56,069	3,86,43,258
	Historical cost of Real Estate Investment Trusts (REIT's)/Infrastructure Investment Trusts (InvITs) valued on Fair Value basis	8,15,724	8,07,223
	Historical cost of Investment property valued on Fair Value basis	34,62,304	9,52,842
	Historical cost of ETF (included in Other than Approved Investments) valued on Fair Value basis	-	67,308

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9
LOANS

(Rs.'000)

	Particulars	As At March 31, 2022	As At March 31, 2021
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	-	-

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS CHENNAI INDIA

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
SCHEDULE – 10
FIXED ASSETS

(Rs.'000)

	Particulars	Cost/ Gross Block				Depreciation				Net Assets As On 31.03.2022	Net Assets As On 31.03.2021
		Opening As On 01.04.2021	Additions	Deductions / Adjustments	Closing As On 31.03.2022	Opening As On 01.04.2021	For The Period	On Sales/ Adjustments	Closing As On 31.03.2022		
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles - IT Software	15,80,094	4,95,560	-	20,75,654	12,92,880	2,53,344	-	15,46,224	5,29,430	2,87,214
3	Land - Freehold	11,600	-	-	11,600	-	-	-	-	11,600	11,600
4	Leasehold Property	-	-	-	-	-	-	-	-	-	-
5	Buildings	65,170	-	-	65,170	2,093	1,031	-	3,124	62,046	63,078
6	Furniture & Fittings	2,59,828	54,498	51,134	2,63,192	1,53,647	26,918	46,966	1,33,599	1,29,593	1,06,181
7	Information Technology Equipment	9,67,977	1,56,278	1,14,096	10,10,159	7,34,035	1,11,037	1,07,599	7,37,473	2,72,686	2,33,942
8	Vehicles	35,714	3,522	682	38,554	13,325	4,160	341	17,144	21,410	22,389
9	Office Equipment	2,43,282	74,256	66,731	2,50,807	1,70,594	36,478	60,582	1,46,490	1,04,317	72,688
10	Others	-	-	-	-	-	-	-	-	-	-
11	Temporary Construction	2,567	80	-	2,647	2,438	21	-	2,459	188	128
	Total	**31,66,232**	**7,84,194**	**2,32,643**	**37,17,783**	**23,69,012**	**4,32,989**	**2,15,489**	**25,86,513**	**11,31,270**	**7,97,220**
12	**Capital work in progress**	1,92,452	1,44,630	2,97,065	40,017	-	-	-	-	40,017	1,92,452
	Grand Total	**33,58,684**	**9,28,824**	**5,29,708**	**37,57,801**	**23,69,012**	**4,32,989**	**2,15,489**	**25,86,513**	**11,71,287**	**9,89,672**
	Previous Period - March 2021	**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**	

BRAHMAYYA & CO. ★ CHARTERED ACCOUNTANTS ★ CHENNAI INDIA

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE- 11
CASH AND BANK BALANCES

(Rs.'000)

	Particulars	As At March 31, 2022	As At March 31, 2021
1	Cash (including cheques, drafts and stamps)	10,38,010	16,86,556
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	18,58,600	23,49,000
	(bb) Others	-	4,49,900
	(b) Current Accounts	27,38,828	1,43,04,483
	(c) Others (to be specified)	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	TOTAL	**56,35,438**	**1,87,89,939**

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 12
ADVANCES AND OTHER ASSETS

(Rs.'000)

	Particulars	As At March 31, 2022	As At March 31, 2021
A	**ADVANCES**		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	2,37,623	1,76,455
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (net of provision for tax)	4,15,526	3,03,309
6	Others		-
	Travel Advance	-	30
	Rental Advance	3,54,034	3,28,302
	Less: a)Provision for Doubtful Debts	(1,224)	(1,224)
	Telephone Deposit	229	227
	Staff Advance	1,61,798	1,33,806
	Other Advances	42,430	54,870
	Less: b)Provision for Doubtful Debts	-	(5,550)
	Security Deposits	1,77,045	55,621
	Postal Deposits	8,923	7,901
	Advances - Deposit with Statutory Authorities (Refer note 5.1.2 of Schedule 16)	20,657	17,311
	TOTAL (A)	**14,17,041**	**10,71,058**
B	**OTHER ASSETS**		
1	Income accrued on investments	27,82,066	16,92,834
2	Outstanding Premiums	23,46,510	13,24,249
	Less: c)Provision for Doubtful Debts	(3,09,435)	(3,09,435)
3	Agents' Balances - recoverable	25,245	14,929
	Less: d)Provision for Doubtful Debts	(8,003)	(6,625)
4	Due from other entities carrying on insurance business (including reinsurers)	31,780	79,55,314
	Less: e)Provision for Doubtful Debts	(29,578)	(25,797)
5	Due from subsidiaries/ holding	-	-
6	Others		
	GST Input Credit	54,427	4,55,951
	GST Refund	1,31,337	1,38,989
	Income Tax Refund Receivable	1,62,067	1,72,480
	Fixed Deposit for Unclaimed amount of Policy Holders	2,18,396	1,50,807
	Fixed Deposit Interest accrued on unclaimed amount of policyholders	4,335	3,317
	Other Receivables	20,760	-
	Less: f)Provision for Doubtful Debts	(18,766)	-
	Gratuity Balances	-	12,114
	TOTAL (B)	**54,11,141**	**1,15,79,128**
	TOTAL (A+B)	**68,28,182**	**1,26,50,186**

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 13
CURRENT LIABILITIES

(Rs.'000)

	Particulars	As At March 31, 2022	As At March 31, 2021
1	Agents' Balances	7,72,759	6,58,259
2	Balances due to other insurance companies	7,76,256	25,474
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	4,79,706	4,69,481
5	Unallocated Premium	6,80,237	6,14,096
6	Sundry creditors	30,69,183	26,21,185
7	Due to subsidiaries/ holding company	-	-
8	Claims Outstanding	94,00,560	85,93,857
9	Due to Officers/ Directors	-	-
10	Unclaimed Amount of policyholders (Refer note 5.2.7 of Schedule 16)	2,17,483	1,48,016
11	Others		
	- Interest on Non Convertible Debentures	4,14,537	2,13,216
	- Statutory dues payable	34,29,657	21,18,313
	- Payable to employees	3,14,278	1,77,418
	- Other payables	52,584	3,730
	TOTAL	**1,96,07,240**	**1,56,43,045**

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 14
PROVISIONS

(Rs.'000)

	Particulars	As At March 31, 2022	As At March 31, 2021
1	Reserve for Unexpired Risk	6,17,28,594	5,17,25,334
2	For taxation (net of Advance Tax paid)	-	-
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others	-	-
	- Provision for Gratuity	28,391	-
	- Provision for Goodwill Gesture Scheme	2,64,678	2,21,062
	TOTAL	**6,20,21,663**	**5,19,46,396**

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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, 2022	As At March 31, 2021
1	Discount Allowed in issue of shares/ debentures	-	-
2	Others	-	-
	TOTAL	-	-

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Notes to Financial Statements for the year ended 31 March 2022

(All amounts are in Indian Rupees in Thousands, except for share data and where otherwise stated)

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

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 March 16, 2006 from the Insurance Regulatory and Development Authority of India ('IRDAI') and holds a valid certificate of registration. The company commenced its operations on March 16, 2006.

During the year, the Company completed the Initial Public offer (IPO) of equity shares of face value Rs. 10 each at a price of Rs 900 per equity share, comprising of fresh issue of 2,22,32,230 shares (including 92,144 equity shares issued to employees at a price of Rs. 820 per equity share) and offer for sale of 4,46,50,231 shares by 'selling share holders'.The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on December 10, 2021.

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 2021, 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.

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 period and disclosure of contingent liabilities as of the balance sheet date. The estimates and assumptions used in these financial statements are based upon management's evaluation of the relevant facts and circumstances as 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.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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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 period 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".

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. UPR has been calculated on "Day Basis" (1/365th method) in terms of IRDAI Circular No. IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013 on the Net Written Premium on all unexpired policies on the Balance Sheet date.

4.3 Premium received in advance

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

4.4. Reinsurance premium

Reinsurance premium on ceding of risk is accounted in the period 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 period in which they occur.

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

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4.5. Acquisition cost

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

4.6. Claims

Claims incurred represents (i) claims paid, (ii) estimated liability for outstanding claims made following a loss occurrence reported and (iii) estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER). Further, it also includes legal and investigation fees and in House claims processing expenditure estimated at 1 % (3% till March 31, 2021) of Gross Premium pertaining to Health & Personnal Accident (Retail & Group) Segment based on management estimate.

Claims (net of amounts receivable from reinsurers/co-insurers) are recognised on the date of intimation/ on the date of receipt of documents, 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, accounted and classified in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended and various other circulars/notifications issued by the IRDAI in this context from time to time.

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 quarter /half year/year end, as prescribed by IRDAI.

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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(B) Valuation

Debt Securities

All debt securities Including government securities, Additional Tier I Bonds and non-convertible preference shares are considered as 'held to maturity' and accordingly stated at historical 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.

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 investments 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 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 to 10	8 to 10
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 capitalised 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.

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.

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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. Initial direct costs incurred specifically for an operating lease are charged to the revenue account 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.

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 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.

Marketing Cost in excess of incentive payable is recovered in the subsequent period if there is any incentive payable arises.

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Employee Stock Option Plan ("ESOP")

The Company follows the intrinsic method for computing the compensation cost, for options granted under the scheme(s). The difference if any, between the intrinsic value being the fair market price and the grant price, is the compensation cost which is amortised over the vesting period of the options.

In case of ESOP issued prior to listing, The fair market price is the Fair value determined by Independent Valuer or Initial Public offer (IPO) issue price ; in case of ESOP issued post listing,the fair market price is the latest closing price on the stock exchange on which the shares of the company are listed, immediately prior to the grant date. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

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.

4.14 Taxation

Income tax expense comprises current tax (i.e. amount of tax payable on the taxable income for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the period). Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income-tax Act, 1961. The 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 by 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 to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realised.

4.15 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.16 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 date. These will be reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

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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 under contingent liability

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

4.17 Borrowing Cost:

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

4.18 Receipts and Payments Account (Cash flow statement):

(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, 2022	As at March 31, 2021
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	Rs. 6,95,000	NIL
Statutory demands/liabilities in dispute, not provided for	Rs. 39,522	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 thousand (Year Ended Mar 31, 2021: 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. The company has received an order from the Joint Commissioner of Income tax (OSD) on 16.08.2021 for the Assessment Year 2009-2010, granting a refund of Rs. 2,22,411 thousands (during the year an interest of Rs. 55,736 thousands has been accounted as income based on a assessment order received for the Assessment year 2009-10). As per above mentioned order the company is not liable to pay tax under provision of section 115JB and Income tax demand of Rs. 2,45,820 thousand is nullified, however the said order is subject to the decision by the Honourable supreme court on SLP filed by the Income tax department in another similar case. The company has received Rs. 78,097 thousand during the financial year 2021-22 out of Rs 2,22,411 thousands refund sanctioned as per the order and is taking steps to obtain the balance due. As there are no subsisting demands as on date, no provision is considered necessary in the books.

Assessment Year	Amount – Rs.
2009-10*	2,45,820
2010-11	1,33,724
2011-12	2,47,214
Total	**6,26,758**

* Giving effect order received

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B. The Company has received an order dated December 27, 2019 for the Assessment year 2014 – 15 from the Office of Assistant Commissioner of Income tax raising a demand of Rs. 4,24,355 thousand 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 thousand. 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. The Company had received GST Audit Report from Uttar Pradesh GST department for the financial year 2017-2018 on 23rd March 2022 and intimated liability of Rs 39,122 thousand along with Interest and penalty for excess input availed and short payment of output tax liability by the company. The department had issued demand order on suo moto basis without giving opportunity to be heard to company. Company did not avail excess input and short payment of output tax liability. Company will submit a suitable reply against the contention made in the audit report and also submit all relevant documents to prove that no excess credit was availed and short payment of tax liability

Show Cause Notice:

A. 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 thousand. The Commissioner (Appeals) has set aside the review appeal filed and remanded the case to the original adjudicating authority. The Assistant Commissioner also had issued a protective Show Cause Notice, asking the company to show cause as to why the refund sanctioned to them to the extent of Rs 3,787 thousands should not be demanded/recovered along with interests. Company has submitted its reply to Service tax department in September 2021.

B. The Company had received a Show cause notice(SCN) No.99/2021-Audit-1 dated 28.05.2021 from the Office of the Principal Commissioner of CGST and Central Excise, alleging taking of excess CENVAT credit of service tax paid on the input's services to the extent of Rs. 55,377 thousand for the year 2016-2017 and 2017-2018. It appears that the notice was issued based on the GST Audit team findings of certain discrepancy between the amount of credit declared in the ST 3 returns filed and the amount entered in the books of accounts maintained during the relevant period. Company had submitted a suitable reply against the contention made in the show cause notice and also submitted all relevant documents to prove that no excess credit was availed. The adjudication process has started and awaiting the final order.

C. 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 (Year Ended Mar 31, 2021: 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 woulds be accounted for on that date.

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5.1.2 The assets of the Company are free from all encumbrances except for

(a) a fixed deposit of Rs 6,95,000 thousand (previous year: Rs. NIL) placed with Axis Bank Limited (Included in short term deposit account in Schedule – 11) for issuing bank guarantee in favour of National stock Exchange Limited as part of listing obligation.

(b) Deposits of Rs. 20,657 thousand (Year Ended Mar 31, 2021: Rs. 17,311 thousands) 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	
	As at March 31, 2022	As at March 31, 2021
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)	2,41,430	2,19,825

5.1.4 Claims

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

Particulars	Amount - Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
In India	8,81,48,321	5,05,80,528
Outside India	7,606	18,288

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

Pending for	As at March 31, 2022		As at March 31, 2021	
	No. of Claims	Amount Rs.	No. of Claims	Amount Rs.
Less than or equal to 6 months	94,520	52,91,040	89,097	58,17,046
More than 6 months Less than or equal to 1 year	13,336	5,22,707	4,103	2,45,140
More than 1 year Less than or equal to 2 year	2,516	1,33,222	209	86,572
More than 2 years	232	1,05,723	95	62,644
Total	**1,10,604**	**60,52,692**	**93,504**	**62,11,402**

Claims outstanding data excludes IBNR. The claims were outstanding predominantly due to non-submission of essential documents by the insured/Hospitals. Claims settled and remaining unpaid for more than six months is Rs. Nil (Year Ended Mar 31, 2021 Rs. Nil).

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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 assuming 'NIL' discount rate.

5.1.5 Premium

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:

For the year ended	Sector	No. of policies	No. of Lives	GWP Rs.	%
March 31, 2022	Rural	17,21,391	46,18,372	2,13,12,387	18.59%
	Social	5,55,177	19,65,641	95,15,151	8.30%
	Others	52,97,055	1,59,86,666	8,38,07,177	73.11%
	Total	**75,73,623**	**2,25,70,679**	**11,46,34,715**	**100%**
March 31, 2021	Rural	14,62,402	38,23,780	1,60,42,469	17.09%
	Social	5,78,314	19,62,015	87,88,874	9.36%
	Others	49,49,619	1,47,08,530	6,90,54,044	73.55%
	Total	**69,90,335**	**2,04,94,325**	**9,38,85,387**	**100%**

5.1.7 Extent of Risk retained and Re-insured

Particulars	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Health	PA	Health	PA
Risk Retained (%)	94.69%	67.86%	76.51%	74.54%
Risk Re-insured (%)	5.31%	32.14%	23.49%	25.46%

* Health includes Travel

5.1.8 Investments

A) Value of contracts in relation to investments for:

Particulars	Amount- Rs	
	As at March 31, 2022	As at March 31, 2021
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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Historical Cost (Amt-Rs)	At Fair Value (Amt-Rs)	Historical Cost (Amt-Rs)	At Fair Value (Amt-Rs)
Mutual Funds	57,23,959	57,50,442	15,30,951	15,35,063
Real Estate Investment Trusts (REIT's)/ Infrastructure Investment Trusts (InvITs)*	13,48,574	15,88,941	13,65,152	12,93,900
Exchange Traded Funds (ETFs)	-	-	1,94,298	1,85,510
Total	**70,72,533**	**73,39,383**	**30,90,401**	**30,14,473**

* For the year ended as at March 31,2022 the company has valued the investment at fair value .As at March 31, 2021 Investment in Infrastructure investment trusts of Rs. 2,60,000 thousand 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.

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 Funds to average shareholder's Funds, average being the balance at the beginning of the year and at the end of the reporting period.

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

Particulars	Minimum outstanding during the Year ended March 31, 2022	Maximum outstanding during the Year ended March 31, 2022	Daily average outstanding during the Year ended March 31, 2022	Outstanding as at March 31, 2022
	Amount- Rs			
Securities sold under repo (At cost)				
TREPS Lending	-	-	-	-
Securities purchased under reverse repo (At cost)				
TREPS Lending	17,54,000	1,58,90,000	60,03,547	70,00,819

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 as at March 31, 2021
	Amount- Rs			
Securities sold under repo (At cost)				
TREPS Lending	-	-	-	-
Securities purchased under reverse repo (At cost)				
TREPS Lending	49,996	38,49,666	9,20,364	28,75,430

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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, the 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. 11,43,258 thousands (Year Ended March 31, 2021: Rs. 28,08,375 thousands) being 1% of the gross premium (3% of the gross premium for year ended March 31, 2021) (excluding co-insurance inward) pertaining to Health & Personal Accident (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/period, the Company has recognised below amount under defined contribution plan

Particulars (Rs '000)	Year Ended March 31, 2022 – Rs.	Year Ended March 31, 2021 – Rs.
Contribution to Employees Provident Fund	3,64,286	3,24,776

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.

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 Assumptions	As at March 31, 2022 – Rs.	As at March 31, 2021 – Rs.
Discount Rate	7.10%	6.70%
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	7.10%	6.70%
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	3,54,424	2,69,469
Interest cost	23,746	17,516
Current Service Cost	43,334	37,729
Prior service cost	-	-
Benefits Paid	(37,682)	(18,025)
Actuarial (gain) / loss on obligation	48,268	47,735
Present value of obligations as at end of year	4,32,091	3,54,424

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Particulars Assumptions	Amount (Rs'000)	
	As at March 31, 2022 - Rs	As at March 31, 2021 – Rs.
Table showing changes in the fair value of plan assets- LIC Fund		
Fair value of plan assets at beginning of year	3,66,538	2,74,800
Expected return on plan assets	24,558	17,862
Contributions	22,747	99,768
Transfer in/(out) Plan Assets	-	-
Expenses deducted from the fund	-	-
Benefits paid	(37,681)	(18,025)
Actuarial gain / (loss) on plan assets	27,538	(7,867)
Fair value of plan assets at the end of year	4,03,700	3,66,538
Actuarial (Gain)/Loss recognized		
Actuarial (gain) /loss on obligation	48,268	47,735
Actuarial (gain) / loss on plan assets	(27,538)	7,867
Actuarial (gain) / loss recognized in the year	20,730	55,602
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	4,32,091	3,54,424
Fair value of plan assets as at the end of the year	4,03,700	3,66,538
Funded status	(28,391)	12,114
Net (Liability) Recognized in the Balance Sheet	(28,391)	12,114
Investment details of plan assets		
100% Insurer Managed Funds	4,03,700	3,66,538
Expenses Recognized in statement of Profit & loss		
Current Service cost	43,334	37,729
Past service cost	-	-
Interest Cost	23,746	17,516
Expected return on plan assets	(24,558)	(17,862)
Net Actuarial (gain) / loss recognized in the year	20,730	55,602
Expenses to be recognized in the profit &loss	63,252	92,985
Bifurcation of Current and Non Current Liability :		
Current Liability	56,714	46,990
Non-Current Liability	3,75,377	3,07,434
Fair Value of Plan Assets	4,03,700	3,66,538
Net Liability	**(28,391)**	**12,114**

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

Particulars (Rs)	2021-22	2020-21	2019-20	2018-19	2017-18
Defined Benefit Obligations	4,32,091	3,54,424	2,69,469	2,43,364	1,73,251
Plan Assets	4,03,700	3,66,538	2,74,800	2,23,533	1,52,579
Surplus/(Deficit)	(28,391)	12,114	5,331	(19,831)	(20,672)
Experience adjustments on Plan assets	-	-	-	-	125
Experience adjustments on Plan Liabilities	-	-	-	17,373	67,598

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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.

Basis of Valuation

Particulars	Amount (Rs)	
	As at March 31, 2022	As at March 31, 2021
Opening Balance	2,21,062	-
Addition during the period:		
Current Service Cost	17,590	2,21,062
Interest Cost	15,032	-
Actuarial Loss (Gain)	55,345	-
Less: Benefit Paid	(44,351)	-
Closing Balance	**2,64,678**	**2,21,062**
Assumptions		
Discount Rate	7.20%	6.80%
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	0%	0%

Valuation Liability

Particulars	Amount (Rs)	
	As at March 31, 2022	As at March 31, 2021
Current Liability	45,500	51,034
Non-Current Liability	2,19,178	1,70,027
Net Liability	**2,64,678**	**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 August 6, 2019(date of grant). The Company has granted Stock Options to employees in compliance with the Securites and Exchange Board of INDIA (Share Based Employee Benefits and Sweat Equity) Regulations 2021. The ESOP Plan 2019 was modified pursuant to the resolutions passed by the Board of Directors of the company in the meeting held on May 23, 2021, September 28, 2021 and January 25, 2022 and by the Shareholders of the Company in an extra ordinary general meeting held on July 16, 2021 , October 4, 2021 and March 03,2022. 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 year ended as at March 31, 2022 the company had granted 41,39,713 No. of options (Year Ended March 31, 2021: 12,68,005 Options) 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.

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During the financial year 2020-21, the Company has obtained approval from IRDA via Ref 75/IRDAI/HLT/A&R/SHAI and introduced Employee Stock Option plan, 2021 (ESOP 2021) from December 02, 2021 pursuant to the resolution passed by the Board of director in the meeting held on November 11, 2021 and by shareholder of the company in Extra ordinary general meeting held on November 11, 2021 . Under the ESOP Plan 2021, the company had granted 25,00,000 Numbers of Option to Mr. Jaganathan, Chairman and Chief Executive Officer which will vest at the end of 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 ESOP 2019 options issued up-to the Year ended March 31, 2022: 7,95,189 No. of Options (Net of Withdrawn Option) (Year Ended March 31, 2021: 9,70,776 Options), were issued for exercise price which is less than the fair value of the option. Therefore, the corresponding compensation cost of Rs 22,357 thousands (Year Ended March 31, 2021: Rs 2,929 thousands) is charged to profit and loss accounts. Out of the ESOP 2021 options issued up-to the Year ended March 31, 2022: 25,00,000 No. of Options (Net of Withdrawn Option) (Year Ended March 31, 2021: Nil Options), were issued for exercise price which is less than the fair value of the option. Therefore, the corresponding compensation cost of Rs 7,31,507 thousands (Year Ended March 31, 2021: Rs Nil thousands) is charged to profit and loss accounts.

Movement in the Options under ESOP:

Particulars	As at March 31, 2022- Rs.		As at March 31, 2021 – Rs.	
	ESOP 2019	ESOP 2021	ESOP 2019	ESOP 2021
Outstanding at the beginning of the year	1,68,46,895	-	1,71,31,339	-
Add : Granted during the period	41,39,713	25,00,000	12,68,005	-
Less : Forfeited / Lapsed during the period	7,23,700	-	1,98,500	-
Less : Exercised during the period	46,10,177	-	13,53,949	-
Outstanding at the end of the period	**1,56,52,731**	**25,00,000**	**1,68,46,895**	**-**
Details of outstanding options at the end of the period:				
Yet to be vested at the end of the period	1,45,92,820	25,00,000	1,47,94,276	-
Yet to be exercised at the end of the period	10,59,911	-	20,52,619	-

Fair Value method (Black Scholes method)

The fair value of options used to compute Pro-forma 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, 2022 – Rs.		As at March 31, 2021 – Rs.	
		ESOP 2019	ESOP 2021	ESOP 2019	ESOP 2021
1	Annual Risk Free Interest Rate	6.79%	6.79%	6.37%	-
2	Expected Life	5 years	1 years	5 years	-
3	Expected Annualized Volatility	14.35%	14.35%	13.65%	-
4	Dividend Yield	Nil	Nil	Nil	-
5	Weighted Avg Price of the Underlying Share at the time of Option Grant (Rs.)	483.39	10.00	142.43	-
6	Weighted Avg Fair Value of Options Rs.)	155.29	890.66	41.67	-

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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:

Particulars	Year ended March 31, 2022-Rs.	Year ended March 31, 2021 - Rs
Net Profit /(loss) (as reported)	(1,04,06,686)	(1,08,57,136)
Add: Stock Based Employee Compensation Expenses included in Net Profit - ESOP Plan 2019 - ESOP Plan 2021	 22,357 7,31,507	 2,929 -
Less: Stock Based Employee Compensation Determined under Fair Value based Method (Pro-forma) - ESOP Plan 2019 - ESOP Plan 2021	 (3,82,800) (7,32,046)	 (51,599) -
Net Profit/(loss) (pro-forma)	**(1,07,67,668)**	**(1,09,05,806)**
Basic Earnings per Share of Rs. 10 each (as reported) (Rs.)	(18.65)	(21.75)
Basic Earnings per Share of Rs. 10 each (Pro-forma) (Rs.)	(19.3)	(21.85)

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:

Remuneration paid to	Designation	Year ended March 31, 2022 -Rs	Year ended March 31, 2021 -Rs
Mr. V.Jagannathan	Chairman & CEO	7,56,945	6,32,040
Dr. S. Prakash	Managing Director	66,165	49,031
Mr. Anand Roy	Managing Director	66,086	48,531
Total		**8,89,196**	**7,29,602**

The managerial remuneration to Managing Directors includes Rs 26,597 thousands (PY : Rs. Nil) being incremental remuneration, which has been approved by Board, for which approval by IRDAI is under process.

During the Year ended March 31,2022, 25,00,000 shares were issued as ESOP to Chairman & CEO at face value of Rs. 10 per share to be vested over a period of 12 months. As per Initial public offer issue price, fair value is Rs. 900/- per share and the issue price is Rs. 10 and the difference value of Rs 22,25,000 is accounted on a proporationate basis till March 31, 2022, of Rs 7,31,507 thousands as 'Compensation Cost' in the Profit & Loss account and remaning balance will be charges to Profit and loss Account in the subsequent period.

The company has not issued any sweat equity share for the Year Ended March 31, 2022. During the Year ended March 31,2021, 2,453,190 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 difference between the fair value and the issue price of Rs. 4,21,949 thousands (Year Ended March 31, 2022: 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 have been accounted as Compensation Cost in the Profit & Loss account.

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Managerial remuneration upto Rs. 15,000 thousand, for each Managerial personnel, is disclosed under Schedule 4 " Operating Expenses" and Rs 8,44,197 being in excess of Rs. 15,000 thousands, for each Managerial personnel, is disclosed under the Shareholder's Profit and Loss Account under the head "Key management Personnel Remuneration".

B. The details of remuneration paid to other 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:

Particulars	Year ended March 31, 2022 – Rs.	Year ended March 31, 2021 – Rs.
Salaries and allowances	1,48,260	91,329
Contribution to provident and other fund	4,281	3,340
ESOP Expenses	1,73,306	14,485
Total	**3,25,847**	**109,154**

Note: The managerial remuneration mentioned above does not include the perquisite value as per Income Tax Act, 1961 for the employee stock options exercised and the actuarially valued employee benefits that are accounted as per Accounting Standard (AS) 15 (Revised), "Employee Benefits", which is determined on an overall Company basis.

5.1.12 Share Capital and Share Application

During the Year ended March 31,2022, the company has raised capital through initial public offer and received share application money on preferential issue / ESOP / Sweat Equity as mentioned below from existing / New shareholders

Allotment made during the year	Year ended March 31, 2022		Year ended March 31, 2021	
	No. of shares	Price per share (in Rs)	No. of shares	Price per share (in Rs)
Initial public offer				
- Employees	92,144	820	-	-
- QIB,MF,NIB,Retail investor & Others	2,21,40,086	900	-	-
Preferential issue to existing investors	13	488.96	2,87,65,445	488.96
Preferential issue to new investors	5,92,869	488.96	2,48,76,288	488.96
Sweat Equity	-	-	24,53,190	182.00
Employees Stock Options (ESOP)	46,10,177	142.43	13,53,949	142.43
Total	**2,74,35,289**		**5,74,48,872**	

The Company has incurred Rs 10,09,209 thousands (net of GST) as IPO related expenses and allocated such expenses between the Company Rs. 3,35,469 thousands (net of income tax impact Rs. 2,51,038 thosuands) and selling shareholders Rs. 6,73,740 thousands. Such amounts were allocated based on agreement between the various parties and in proportion to the total proceeds in the IPO. The Company's share of expenses of Rs. 3,35,469 thousands has been adjusted to securities premium.

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5.1.13 Outsourcing, business development and marketing support expenses.

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

Nature of Outsourcing Expenses	Year ended March 31, 2022	Year ended March 31, 2021
Manpower Expenses	3,95,279	3,01,100
Online & Tele Marketing Expenses	6,31,203	4,69,658
Claims Investigation & Related Expenses (included in Sch-2)	143	1,827
Total	**10,26,624**	**7,72,585**

Outsourcing expenses has been calculated based on the Outsourcing regulation issued by IRDAI

5.1.14 Details of penal actions taken by various Govt. authorities during year ended March 31, 2022:

S. No	Authority	Non-Compliance/ Violation	Year ended March 31, 2022 (Rs.)		
			Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority of India		Nil	Nil	Nil
2	Service Tax Authorities		Nil	Nil	Nil
3	Income Tax Authorities	Late Submission of Document for Assessment	30	30	Nil
4	Any other Tax Authorities		Nil	Nil	Nil
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA		Nil	Nil	Nil
6	Registrar of Companies / NCLT / CLB / Department of Corporate Affairs or any Authority under Companies Act, 1956		Nil	Nil	Nil
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation		Nil	Nil	Nil
8	Securities and Exchange Board of India		Nil	Nil	Nil
9	Competition Commission of India		Nil	Nil	Nil
10	Any other Central / State / Local Government / Statutory Authority	Late fees for ESI Late Contribution	348	348	Nil

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Rs.

S. No	Authority	Non-Compliance/ Violation	Year ended March 31, 2021		
			Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority of India	Renewel Fee Not paid before due date	687	687	Nil
2	Service Tax Authorities		Nil	Nil	Nil
3	Income Tax Authorities		Nil	Nil	Nil
4	Any other Tax Authorities		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
6	Registrar of Companies / NCLT / CLB / Department of Corporate Affairs or any Authority under Companies Act, 1956		Nil	Nil	Nil
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation		Nil	Nil	Nil
8	Securities and Exchange Board of India		Nil	Nil	Nil
9	Competition Commission of India		Nil	Nil	Nil
10	Any other Central / State / Local Government / Statutory Authority		Nil	Nil	Nil

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

Solvency Margin	As at March 31, 2022 – Rs.	As at March 31, 2021 – Rs
Required solvency margin under IRDAI Regulations (A) **(Rs 000)**	2,56,19,962	1,43,58,854
Available solvency margin (B) **(Rs 000)**	4,28,74,264	3,19,07,886
Solvency ratio actual (times) (B/A)	**1.67**	**2.22**
Solvency ratio prescribed by Regulation	1.50	1.50

The income tax refund receivable of Rs.1,62,067 thousands (refer note no. 5.1.1 A) has been considered as part of eligible assets for the purpose of the calculation of Available Solvency Margin (ASM).

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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, 2022 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 the lines of business as applicable to the company.

5.2.2 Provision for Free Look period

The provision for Free Look period of Rs. 3,500 thousands (Year Ended March 31, 2021: Rs. 3,500 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 debited to the profit and loss account during the year ended March 31, 2022 amounts to Rs. 5,75,490 thousands (Year ended March 31, 2021: 4,91,650 thousands).

Minimum Lease Payments	Amount (Rs ' 000)	
	As at March 31, 2022	As at March 31, 2021
Not later than one year	1,09,465	79,417
Later than 1 year but not later than 5 years	1,04,714	81,952
Later than 5 years	-	-

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, 2022 (Year Ended on March 31, 2021 is 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.

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5.2.6 Related party

A. List of Related Parties and nature of relationship

Entities & Individuals with their relatives, having significant influence:

1. Safecrop Investments India LLP
2. Westbridge AIF I
3. Mr.Rakesh Jhunjhunwala
4. Mrs.Rekha Jhunjhunwala.
5. Airpay Payment Service Private Limited.
6. Trust Investment Advisors Pvt. Ltd.
7. Trust Capital Services (India) Pvt. Ltd.
8. Trust Asset Management Pvt Ltd
9. Rare Enterprises
10. Konark Trust
11. MMPL Trust
12. Cyllid Technologies Private Limited
13. EBO MART PRIVATE LIMITED
14. INVENTURUS KNOWLEDGE SOLUTIONS PRIVATE LTD
15. Pegasus Assets Reconstruction Pvt. Ltd.
16. UTPAL HEMENDRA SHETH

i. **Key Management Personnel (KMP):**

1. Mr. V Jagannathan, Chaiman & CEO
2. Dr S Prakash, Managing Director
3. Mr. Anand Roy, Managing Director

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

1. Dr Sai Satish (Son of Mr. V Jagannathan)
2. Ms. Vasanthi Jagannathan (Wife of Mr.V Jagannathan)
3. Ms. Sunanda Jagannathan (Daughter of Mr. V Jagannathan)

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B. Transactions with Related Parties

Name of the related party	Description / Designation	Transactions	Year ended March 31, 2022 – Rs..	Year ended March 31, 2021 – Rs.
Westbridge AIF I	Promoter	Reimbursement of expenses paid	4,106	3,900
Mr.Rakesh Jhunjhunwala	Promoter	Preferential Allotment	-	15,00,008
		Reimbursement of expenses paid		1,859
Safecrop Investments India LLP	Promoter	Preferential Allotment	-	81,31,912
		Reimbursement of expenses received	-	35,363
		IPO Expenses Recovered	4,11,384	-
Mrs. Rekha Jhunjhunwala	Relative of Promoter	Reimbursement of expenses paid	-	452
Mr. V Jagannathan	Chairman & CEO	Remuneration	25,438	28,696
		ESOP Cost	7,31,507	-
		Sweat Equity-issued for Cash & Other than for Cash	-	4,46,481
		Perquisite tax Paid for Sweat equity	-	1,81,395
		Sale of Assets	437	137
		Interest Paid on NCD	5,111	-
		IPO Expenses Recovered	13,780	-
		Insurance Premium Received	137	-
Dr Sai Satish	Relative of Chairman &CEO	Preferential Allottment of Equity Shares	2,15,000	-
		IPO Expenses Recovered	6,890	-
Dr S Prakash	Managing Director	Remuneration	66,165	49,031
		Share Alloted under ESOP Scheme	1,24,414	67,054
Mr.Anand Roy	Managing Director	Remuneration	66,086	48,531
		Insurance Premium Received	127	
		Share Alloted under ESOP Scheme	1,75,679	15,790
Ms.Sunanda Jagannathan	Relative of Chairman &CEO	Preferential Allottment of Equity Shares	50,000	-
		Insurance Premium Received	22	-

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Name of the related party	Description / Designation	Transactions	Year ended March 31, 2022 – Rs.	Year ended March 31, 2021 – Rs.
Ms. Vasanthi Jagannathan	Relative of Chairman &CEO	Preferential Allotment of Equity Shares	20,000	-
M/s. Cyllid Technologies Private Limited	Promoter Group Entity	Insurance Premium Received	192	-
M/s. Konark Trust	Promoter Group Entity	IPO Expenses Recovered	1,845	-
M/s. MMPL Trust	Promoter Group Entity	IPO Expenses Recovered	127	-
M/S.Ebo Mart Private Limited	Promoter Group Entity	Insurance Premium Received	390	-
M/S.Inventurus Knowledge Solutions Private Ltd	Promoter Group Entity	Claim Paid	103	-
M/S.Pegasus Assets Reconstruction Pvt. Ltd.	Promoter Group Entity	Insurance Premium Received	1,229	-
M/S.Trust Capital Services (India) Private Limited	Promoter Group Entity	Primary Issue of NCD	50,000	-
		Interest Paid on NCD	20,444	-
		Insurance Premium Received	44	-
M/S.Rare Enterprises	Promoter Group Entity	Insurance Premium Received	444	-
		Primary Issue of NCD	5,00,000	-
Airpay Payment Service Private Limited	Promoter Group Entity	Advisory Services	18	-

During the year, the Company completed the Initial Public Offering (IPO) by way of an offer for sale of 4,46,50,231 equity shares of Rs. 10 each at a price of Rs. 900 per equity share, aggregating to Rs. 4,01,85,208 thousand, by Safecrop Investments India LLP,Konark Trust ,MMPL Trust and other selling shareholders.

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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, 2022.

Particulars	Total Amount	AGE-WISE ANALYSIS - Rs.						
		0-6 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)	29,336	-	9,843	6,072	5,104	2,254	689	5,375
Cheques issued but not encashed by the policyholder/ insured	1,63,924	66,624	30,722	35,698	8,460	3,281	2,165	16,973
Total	**1,93,261**	**66,624**	**40,565**	**41,770**	**13,564**	**5,535**	**2,854**	**22,348**

For the year ended March 31, 2021

Particulars	Total Amount	AGE-WISE ANALYSIS - Rs.						
		0-6 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**	**-**	**-**

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(b) Details of Unclaimed Amount and Investment Income.

Particulars	Year ended March 31, 2022 – Rs	Year ended March 31, 2021-Rs.
Opening Balance	**1,48,016**	**78,498**
Add: Amount transferred to Unclaimed Fund	29,085	271
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the Cheques are stale)	69,809	80,496
Add: Investment Income on Unclaimed Fund	8,582	7,686
Less: Amount of claims paid during the year	38,009	18,935
Less: Amount transferred to SCWF* (net of claims paid in respect of amounts transferred earlier)	-	-
Closing Balance of Unclaimed Amount Fund	**2,17,483**	**1,48,016**

*SCWF

5.2.8 Details of earning per share for the Period ended as follow

S.No.	Particulars	Year ended March 31, 2022-Rs.	Year ended March 31, 2021-Rs.
1	Net Profit / (Loss) Attributable to Shareholders (Rs.in thousands)	(1,04,06,686)	(1,08,57,136)
2	Weighted Average No. of Equity Shares Issued for Basic EPS (in numbers)	55,79,75,230	49,91,90,903
3	Weighted Average No. of Equity Shares Issued for Diluted EPS (in numbers)	57,50,11,559	51,53,90,982
4	Basic Earnings Per Share (in Rs.)	(18.65)	(21.75)
5	Diluted Earnings Per Share (in Rs.)	(18.65)	(21.75)
6	Nominal Value Per Share (in Rs.)	10.00	10.00

*As the Company has incurred loss during the year ended March 31, 2022 and Year Ended March 31, 2021 dilutive effect on weighted average number of shares would have an anti-dilutive impact and hence, not considered.

5.2.9 Income Tax

Income Tax provision for the year ended March 31, 2022 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.

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Deferred Tax

In accordance with the Company's Accounting policy for Deferred Taxation, the net deferred tax Asset of Rs. 77,67,106 thousands has been recognized (Year Ended on March 31 2021 Deferred tax assets is Rs. 42,13,143 thousands).

Timing Difference on Account of	Year Ended March 31, 2022		Year Ended March 31, 2021	
	Deferred Tax Asset Rs.	Deferred Tax Liability Rs.	Deferred Tax Asset Rs.	Deferred Tax Liability Rs.
Carried Forward Loss				
- On Business Loss	55,13,656	-	-	-
Unexpired Risk Reserve – Income Tax Rule 6E differences	19,33,193	-	39,83,641	-
Provision for doubtful debts	92,368	-	87,744	-
Depreciation differences	21,927	-	31,289	-
Provision for Goodwill Gesture	66,614	-	55,637	-
Provision for Provision	7,145	-	-	-
Provision for Interest on GST	-	-	11,945	-
Provision for Bonus – Sec. 43B of IT Act,1961 Disallowance	43,599	-	37,752	-
Provision for Stamps affixable – Sec. 43B of IT Act,1961 Disallowance	4,171	-	5,135	-
Total	**76,82,673**	-	**42,13,143**	-
Net Deferred Tax Asset / (Liability)		**76,82,673**		**42,13,143**
Deferred Tax Expense / (Income) recognized in Profit & Loss A/c		**(34,69,530)**		**(41,43,129)**
Deferred Tax Income on IPO Expenses recognized in Share Premium A/c		**(84,431)**		-
Net Deferred Tax Asset / (Liability)		**77,67,106**		**42,13,143**

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 payable annually and redeemable in 7 years.

As on September 29, 2021, the Company had issued Listed Non-convertible debentures for Rs. 4,000,000 thousands on private placement basis at an interest rate of 8.75% payable annually and redeemable in 7 years.

As on October 28, 2021, the Company had issued Listed Non-convertible debentures for Rs. 700,000 thousands on private placement basis at an interest rate of 8.75% payable annually and redeemable in 7 years.

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS CHENNAI INDIA

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(All amounts are in Indian Rupees in Thousands, except for share data and where otherwise stated)

During the year ended on March 31, 2022 the Company has incurred interest on non-convertible debentures to the extent of Rs. 4,56,620 thousands (Year Ended March 31, 2021: 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. 1,50,000 thousands (Year Ended March 31, 2021: 1,50,000 thousands) upto date.

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

Particulars	Year ended March 31, 2022 - Rs.	Year ended March 31, 2021 – Rs.
Revenue Account		
Fire		-
Marine		-
Miscellaneous	1,10,408	89,154
Profit & Loss Account		
Share Holders	72,121	61,622
Total	**1,82,529**	**1,50,776**

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, in respect of Expenses of Management, 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 Profit related remuneration and Sitting fees paid to following directors:

A) Profit Related Remuneration

Designation	Name of the Director	Commission paid - Rs	
		Year ended March 31, 2022	Year ended March 31, 2021
Independent Director	Mr. D R Kaarthikeyan	-	656
Independent Director	Mr. Berjis Desai	-	415
Independent Director	Mr. Rohit Bhasin	-	415
Independent Director	Ms. Anisha Motwani	-	415

B) Sitting Fees Paid

Designation	Name of the Director	Sitting Fees Paid - Rs	
		Year ended March 31, 2022	Year ended March 31, 2021
Independent Director	Mr. D R Kaarthikeyan	2,900	2,600
Independent Director	Mr. Berjis Desai	2,400	1,800
Independent Director	Mr. Rohit Bhasin	4,300	2,700
Independent Director	Ms. Anisha Motwani	4,500	2,800
Independent Director	Mr. Rajeev Krishnamuralilal Agarwal	3,200	-
Independent Director	Ms. Rajni Sekhri Sibal	3,400	-

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(All amounts are in Indian Rupees in Thousands, except for share data and where otherwise stated)

5.2.14 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, 2022 is Rs. Nil (Year Ended March 31, 2021: Rs. Nil) There are no derivative contracts.

5.2.15 Foreign currency exposure

Foreign currency exposure as at March 31, 2022 and March 31, 2021 that has not been hedged by any derivative instrument or otherwise is estimated as follows:

Particulars	Year ended March 31, 2022- Rs.	Year ended March 31, 2021 – Rs.
Foreign Currency Exposure on outstanding claims	7,376	62,458

5.2.16 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

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 in financial year 2020-21 with a corresponding increase in loss before tax and reduction in Reserves and Surplus for the financial year 2020-21.

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.

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(All amounts are in Indian Rupees in Thousands, except for share data and where otherwise stated)

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

I. 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.

II. 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 sIBNR) in line with the reinsurance terms and conditions.

c. Change in Accounting estimate:

The Company has reassessed the cost incurred in respect of in-house claim processing expenditure, (which is classified as part of Claims incurred as per IRDAI circular) and has considered that 1% of the premium to be representative of actual cost. Based on such re-assessment, the company has revised the estimate of in -house claim processing expenditure from 3% of premium to 1% of premium with effect from April 1, 2021. Such change in estimate has been considered prospectively while recording the Claims incurred. Consequent to the accounting estimates, the Operating expenses transferred to Claims Incurred for the year ended on March 31, 2022 will be lower by Rs. 11,08,960 thousands.

5.2.17 Corporate Social Responsibility (CSR)

The Gross amount required to be spent by the Company on CSR initiatives is Rs. Nil, (Year Ended March 31, 2021 is Rs. 56,400 thousands).

The amount spent during the year is as follows:

S.No.	Particulars	Incurred and Paid For the year ended March 31, 2022 – Rs.	Incurred and Paid For the year ended March 31, 2021 – Rs.
1	Construction / acquisition of any asset	-	-
2	On purposes other than (1) above	6,413	56,400*

*including GST input credit availed.

5.2.18 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.

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Notes to Financial Statements for the year ended 31 March 2022

(All amounts are in Indian Rupees in Thousands, except for share data and where otherwise stated)

Particulars	Year ended March 31, 2022 Rs.	Year ended March 31, 2021-Rs.
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
- Rashtriya Swasthya Bima Yojana (RSBY), Jharkhand	-	3,09,435
- 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
- Compensation cost as per ESOP Scheme 2021	7,31,507	
Total	**7,31,507**	**1,61,99,428**

5.2.19 Disclosures on other work given to auditors:

Pursuant to Corporate Governance Guidelines issued by IRDAI on May 18, 2016, the additional work entrusted to the statutory auditor is given below:

Services rendered	Year ended March 31, 2022 – Rs.	Year ended March 31, 2021 – Rs.
Report on restated financial statements, the related certificates and the comfort letters in relation to the initial public offering of the Company's equity shares by certain selling.	6,981	-

In accordance with SEBI rules, the remuneration disclosed above has been reimbursed by the selling shareholders and hence does not reflect as charge in Company's Profit and Loss Account. Out of the total fees of Rs. 21,000 thousands, Rs 14,019 thousands have been reimbursed by the selling shareholders to the Company.

5.2.20 Investor Education & Protection Fund:

For the year ended March 31, 2022, the company has transered Rs. NIL (previous year Rs. NIL) to the Investor Education & Protection Fund.

5.2.21 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 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.

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:

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

Notes to Financial Statements for the year ended 31 March 2022

(All amounts are in Indian Rupees in Thousands, except for share data and where otherwise stated)

Particulars	Year ended March 31, 2022 Grouping	Year ended March 31, 2021 Grouping	Amount Rs	Reason
Income Tax Refund Receivable	Sch 12 - Income Tax Refund Receivable	Sch 12 - Advance tax paid and taxes deducted at source (net of provision for tax)	1,72,480	Presentation reclass based on nature of Asset
Income from Mutual Funds	Profit on sale of investments	Interest, Dividend & Rent – (Gross)	94,498	Presentation reclass based on nature of income
Income from Triparty Repo(TREPS)	Interest, Dividend & Rent – (Gross)	Profit on sale of investments	28,822	Presentation reclass based on nature of income
Infrastructure Investment Trust	Sch 8- Investment in Other than Approved Securities	Sch 8- Investment in Infra structure and Social Sector	2,60,000	Presentation reclass based on nature of Asset
Premium Cash Deposit	Sch 13 Advance and other assets –Unallocated Premium	Sch 13 Advance and other assets – Premium Deposit on Corporate Account	4,96,305	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

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
UDIN:

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

S. Venkataraman
Partner
M.No.: 023116
UDIN:

Date: April 29, 2022
Place: Chennai

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

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

20. Segment reporting **Annexure 1**

The Company's business is organised on a National basis and caters to the non-life insurance business. Accordingly, the Company has provided primary segmental information,as per Accounting Standard 17 - 'Segment Reporting' issued by ICAI 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 Accounting Policy 12 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 9 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 31st March 2022) **(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	-	-	-	-	-	-	-	-	16,89,252	11,29,45,463	-	-	**11,46,34,715**
Premium Inward	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Written Premium	-	-	-	-	-	-	-	-	**11,46,299**	**10,69,48,582**	-	-	**10,80,94,881**
Premium Earned (net)	-	-	-	-	-	-	-	-	**11,71,592**	**9,69,20,030**	-	-	**9,80,91,622**
Profit on Sale / Redemption of Investments	-	-	-	-	-	-	-	-	14,470	9,67,513	-	6,41,454	**16,23,438**
Others - provision for impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (Net of Amortisation)	-	-	-	-	-	-	-	-	56,198	37,57,444		24,91,157	**63,04,799**
Total Segmental Revenue	-	-	-	-	-	-	-	-	**12,42,260**	**10,16,44,987**	-	**31,32,612**	**10,60,19,859**
Claims Incurred (Net)	-	-	-	-	-	-	-	-	8,25,777	8,45,74,097	-	-	**8,53,99,875**
Commission Received/(Paid), Net	-	-	-	-	-	-	-	-	1,46,628	1,47,75,176	-	-	**1,49,21,804**
Operating Expenses Related To Insurance Business	-	-	-	-	-	-	-	-	2,70,925	1,81,14,351	-	12,79,260	**1,96,64,536**
Total Segmental Expenses	-	-	-	-	-	-	-	-	**12,43,330**	**11,74,63,625**	-	**12,79,260**	**11,99,86,215**
Segmental (Loss)/Profit	-	-	-	-	-	-	-	-	**(1,070)**	**(1,58,18,638)**	-	**18,53,352**	**(1,39,66,356)**
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision For Income Tax, FBT, Deferred Tax Asset And Wealth Tax. MAT	-	-	-	-	-	-	-	-	-	-	-	(35,59,669)	**(35,59,669)**
Add: Reversal of MAT Credit Entitlement of Previous Years	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: MAT Credit Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit For The Year	-	-	-	-	-	-	-	-	**(1,070)**	**(1,58,18,638)**	-	**54,13,021**	**(1,04,06,687)**
Segment Assets	-	-	-	-	-	-	-	-	12,04,534	8,05,36,607	-	5,33,95,172	13,51,36,313
Segment Liabilities	-	-	-	-	-	-	-	-	11,41,746	7,63,38,487	-	41,48,670	8,16,28,903
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization Of Premium And Discount	-	-	-	-	-	-	-	-	1,728	1,15,563	-	76,617	1,93,909
Depreciation	-	-	-	-	-	-	-	-	3,859	2,58,047	-	1,71,083	4,32,989
Non - Cash Expenditure Other Than Depreication And	-	-	-	-	-	-	-	-	-	-	-	-	-

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(For The Year Ended 31st March 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	-	-	-	-	-	-	-	-	16,92,614	9,21,92,774	-	-	9,38,85,387
Premium Inward	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Written Premium	-	-	-	-	-	-	-	-	12,61,705	7,05,32,565	-	-	7,17,94,270
Premium Earned (net)	-	-	-	-	-	-	-	-	6,98,508	4,55,67,801	-	-	4,62,66,309
Profit on Sale / Redemption of Investments	-	-	-	-	-	-	-	-	1,058	57,632	-	40,566	99,256
Others - provision for impairment of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (Net of Amortisation)	-	-	-	-	-	-	-	-	44,108	24,02,467	-	16,91,003	41,37,578
Total Segmental Revenue	-	-	-	-	-	-	-	-	7,43,675	4,80,27,900	-	17,31,569	5,05,03,143
Claims Incurred (Net)	-	-	-	-	-	-	-	-	2,07,535	4,34,87,011	-	-	4,36,94,546
Commission Received/(Paid), Net	-	-	-	-	-	-	-	-	31,851	58,25,768	-	-	58,57,619
Operating Expenses Related To Insurance Business	-	-	-	-	-	-	-	-	2,52,949	1,37,77,562	-	13,78,517	1,54,09,028
Total Segmental Expenses	-	-	-	-	-	-	-	-	4,92,335	6,30,90,341	-	13,78,517	6,49,61,193
Segmental (Loss)/Profit	-	-	-	-	-	-	-	-	2,51,339	(1,50,62,442)	-	3,53,052	(1,44,58,050)
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision For Income Tax, FBT, Deferred Tax Asset And Wealth Tax, MAT	-	-	-	-	-	-	-	-	-	-	-	(36,00,918)	(36,00,918)
Add: Reversal of MAT Credit Entitlement of Previous Years	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: MAT Credit Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit For The Year	-	-	-	-	-	-	-	-	2,51,339	(1,50,62,442)	-	39,53,971	(1,08,57,132)
Segment Assets	-	-	-	-	-	-	-	-	11,19,443	6,09,73,481	-	4,29,16,877	10,50,09,801
Segment Liabilities	-	-	-	-	-	-	-	-	11,64,969	6,34,53,165	-	29,71,308	6,75,89,441
Capital Expenditure	-	-	-	-			-	-	-	-	-	-	-
Amortization Of Premium And Discount	-	-	-	-	-	-	-	-	1,650	89,866	-	63,253	1,54,768
Depreciation	-	-	-	-	-	-	-	-	4,875	2,65,528	-	1,86,895	4,57,297
Non - Cash Expenditure Other Than Depreication And Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS CHENNAI INDIA

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

Annexure - 2

Summary of Financial Statements		Rs. in Lakhs				
Sl No	**Particulars**	**2021-22**	**2020-21**	**2019-2020**	**2018-2019**	**2017-2018**
	OPERATING RESULTS					
1	Gross Premiums Written	11,46,347	9,38,854	6,86,514	5,40,129	4,16,111
2	Net Premium Income#	10,80,949	7,17,943	5,23,947	4,12,871	3,19,604
3	Income from investments (net)@	47,956	25,053	16,962	11,531	8,876
4	Other income -Transfer fee etc	-	-	-	-	-
5	**Total Income**	**11,28,905**	**7,42,995**	**5,40,909**	**4,24,401**	**3,28,480**
6	Commissions (Net)	1,49,218	58,576	34,041	25,691	13,658
7	Brokerage	-	-	-	-	-
8	Operating Expenses	1,83,853	1,40,305	1,09,557	98,792	86,135
9	Claims, increase in Unexpired Risk Reserve and Other outgoes	9,54,031	6,92,225	3,64,281	2,76,968	2,14,845
10	**Operating Profit/loss**	**(1,58,197)**	**(1,48,111)**	**33,030**	**22,951**	**13,841**
	NON OPERATING RESULTS					
11	Total income shareholders' account	32,136	17,348	12,408	8,013	5,917
12	Expenses charged to Profit and Loss A/c	13,603	13,817	4,817	4,255	2,639
13	**Profit/(loss) before tax**	**(1,39,664)**	**(1,44,581)**	**40,621**	**26,709**	**17,120**
14	Provision for tax	(35,597)	(36,009)	14,290	8,367	105
15	**Profit/(loss) after tax**	**(1,04,067)**	**(1,08,571)**	**26,330**	**18,342**	**17,015**

MISCELLANEOUS

16	**Policyholders'Account**					
	Total funds	6,14,097	3,88,697	2,30,591	1,78,092	1,31,124
	Total investments	6,87,956	4,04,257	2,47,891	1,78,776	1,29,883
	Yield on investments	8.25%	7.13%	7.55%	7.54%	8.36%
17	**Shareholders' Account**					
	Total funds	4,01,141	2,68,657	1,68,465	1,22,005	87,451
	Total investments	4,49,387	2,79,411	1,81,104	1,24,234	86,589
	Yield on investments	8.25%	7.13%	7.55%	7.54%	8.36%
18	Paid up equity capital	57,552	54,809	49,064	45,558	45,558
19	Net worth	4,51,338	3,48,434	1,88,880	1,48,051	95,959
20	Total assets	13,51,363	10,50,098	5,99,350	4,73,282	3,34,717
21	Yield on total investments	8.25%	7.13%	7.55%	7.54%	8.36%
22	Basic Earnings per share (Rs.)*	(18.65)	(21.75)	5.49	3.75	3.73
23	Diluted Earnings per share (Rs.)*	(18.65)	(21.75)	5.38	3.70	3.73
24	Book Value per share (Rs.)	78.42	63.57	38.50	24.81	21.06
25	Total Dividend	-	-	-	-	-
26	Dividend per share (Rs.)	-	-	-	-	-

\# *Net of reinsurance*

@ *Net of losses*

* *EPS has been calculated in accordance with AS-20 Basic & Diluted (Face Value Rs.10/- each)*

	Profit / (Loss) for the year	(1,04,067)	(1,08,571)	26,330	18,342	17,015
	Share capital & Reserves	4,51,338	3,48,434	1,88,880	1,48,051	95,959
	Weighted Average Number of Shares at the end of the year	55,79,75,230	49,91,90,903	47,93,36,971	45,55,76,106	45,55,76,106
	Weighted Average Number of Equity Shares at the end of the year for Diluted EPS	57,50,11,559	51,53,90,982	48,94,62,708	46,17,76,973	45,55,76,106

BRAHMAYYA & CO. CHENNAI INDIA CHARTERED ACCOUNTANTS

V SANKAR AIYAR & CO. CHARTERED ACCOUNTANTS CHENNAI-24

Annexure 3

Ratios for Non-life Insurance Companies

Sl No	Performance Ratio	UPTO Q4 FY22	UPTO Q4 FY21
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)	Schedule 1	Schedule 1
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	2.54	2.69
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)	29.53%	84.47%
4	Net retention ratio (segment wise) (Net premium divided by gross premium)	Schedule 2	Schedule 2
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium)	Schedule 3	Schedule 3
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	30.12%	28.91%
7	Expenses of Management to net written premium ratio (Expenses of Management divided by the net written premium)	30.81%	27.70%
8	Net Incurred Claims to Net Earned Premium	87.06%	94.44%
9	Combined ratio: (Net Incurred Claims divided by net earned premium + Expenses of Management divided by Net written premium)	117.87%	122.14%
10	Technical reserves to net premium ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	65.80%	84.02%
11	Underwriting balance ratio (segment wise) (Underwriting profit divided by net earned premium for the respective class of business)	Schedule 4	Schedule 4
12	Operating profit ratio (Underwriting profit plus investment income divided by net earned premium)	-16.13%	-32.01%
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	35.41%	40.20%
14	Net earnings ratio (Profit after tax divided by net premium)	-9.63%	-15.12%
15	Return on networth (Profit after tax divided by net worth)	-23.06%	-31.16%
16	Reinsurance ratio (Risk reinsured divided by gross premium)	5.70%	23.53%
17	Gross NPA Ratio	0.00	0.00
18	Net NPA Ratio	0.00	0.00
19	Solvency Ratio	1.67	2.22

BRAHMAYYA & CO. CHARTERED ACCOUNTANTS CHENNAI INDIA

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

Accounting Ratios - Schedule 1

Gross premium growth rate

Segment	Growth (%)	
	FY 2021-22	FY 2020-21
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	(0.20%)	26.57%
Health Insurance	22.51%	36.96%
Others	-	-
Total	**22.10%**	**36.76%**

Accounting Ratios - Schedule 2

Net retention ratio

Segment	% to GP	
	FY 2021-22	FY 2020-21
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	67.86%	74.54%
Health Insurance	94.69%	76.51%
Others	-	-
Total	**94.30%**	**76.47%**

Accounting Ratios - Schedule 3

Net commission ratio

Segment	% to NP	
	FY 2021-22	FY 2020-21
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	12.79%	3.79%
Health Insurance	13.82%	8.24%
Others	-	-
Total	**13.80%**	**8.16%**

Accounting Ratios - Schedule 4

Underwriting balance ratio

Segment	% to NP	
	FY 2021-22	FY 2020-21
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	(6.12%)	27.23%
Health Insurance	(21.20%)	(38.42%)
Others	-	-
Total	**(21.02%)**	**(37.43%)**

BRAHMAYYA & CO. ★ CHARTERED ACCOUNTANTS ★ CHENNAI INDIA

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

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, 2022 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, 2022 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	2021-22		2020-21		2019-20		2018-19		2017-18	
	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	55737	30,70,255	62139	4174999	47,241	23,33,707	31,821	19,45,352	23,410	8,57,132
CLAIM OUTSTANDING WITHIN 31 TO 90 DAYS	24887	13,62,853	19734	1090017	11,546	9,73,388	7,139	4,59,635	4,687	3,71,842
CLAIM OUTSTANDING WITHIN 91 TO 180 DAYS	13109	5,48,691	6556	383785	2,196	1,78,677	1,832	1,11,295	1,562	76,524
CLAIM OUTSTANDING WITHIN 181 TO 365 DAYS	13219	4,03,036	4020	202343	1,982	1,29,268	1,408	99,318	1,263	48,734
CLAIM OUTSTANDING AFTER ONE YEAR	2701	1,78,599	220	101032	402	89,921	468	68,103	132	55,270

Personal Accident

PARTICULARS	2021-22		2020-21		2019-20		2018-19		2017-18	
	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	357	60,022	316	55,441	284	40,539	273	39,481	424	1,01,898
CLAIM OUTSTANDING WITHIN 31 TO 90 DAYS	270	1,50,333	270	68,257	276	1,13,520	267	70,182	126	24,126
CLAIM OUTSTANDING WITHIN 91 TO 180 DAYS	160	98,887	82	44,548	140	82,798	114	62,733	8	96
CLAIM OUTSTANDING WITHIN 181 TO 365 DAYS	117	1,19,671	83	42,797	114	1,05,213	73	57,765	6	97
CLAIM OUTSTANDING AFTER ONE YEAR	47	60,345	84	48,184	41	31,892	9	4,161	-	-

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

PRODUCT	2021-22		2020-21		2019-20		2018-19		2017-18		2016-17	
	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)	1470447	11.7	8,47,139	11	8,92,520	6	6,35,044	6	5,51,117	7	3,79,140	11
Personal Accident	2170	12	1,818	12	2,376	11	2,343	9	2,240	8	1,943	10

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	2021-22		2020-21	
	No of claims Intimated	Amount	No of claims Intimated	Amount
Health (including Travel)	17,99,469	14,44,50,229	10,42,386	6,42,02,509
Personal Accident	6,216	23,69,986	4,781	12,74,316

Note: Claims intimated inclusive for reported claims and reopened claims

11. As at March 31, 2022, 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, 2022 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. 10,61,75,486 thousands as at March 31, 2022 as against the book value of Rs 10,63,94,917 thousands. The investment income, net of amortization including profit on sale of investments was Rs. 79,28,237 thousands for the year ended March 31, 2022. The weighted average yield on all the Fixed Income bearing Investments (including Profit on sale) was 8.25%.

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, 2022 and of the Operating Loss of the Company for the financial year ended March 31, 2022 and of the Net Loss of the Company for the financial year ended March 31, 2022.

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

N Kambli

Nilesh Kambli
Chief Financial Officer

V. Jagannathan
Chairman & CEO

Place : Chennai
Date : April 29, 2022