M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
602 Floor 6, Raheja Titanium,
Western Express Highway, Geetanjali,
Railway Colony, Ram Nagar,
Goregaon (E), Mumbai - 400 063

T R Chadha & Co. LLP
Chartered Accountants
5D, 5th Floor, Mount Chambers,
758, Anna Salai, Chennai - 600002.

Independent Auditors' Review Report on the Unaudited Condensed Interim Ind AS Financial Statements of Star Health & Allied Insurance Company Limited

To,
The Board of Directors
Star Health & Allied Insurance Company Limited

1. We have reviewed the accompanying Unaudited Condensed Interim Ind AS Financial Statements of Star Health & Allied Insurance Company Limited ('the Company'), comprising the Balance Sheet as at 30 June, 2026; the Statement of Profit and Loss (comprising Profit or Loss and Other Comprehensive Income), the Revenue Account, Statement of Changes in Equity and the Receipts and Payments Account for the quarter ended 30 June 2026; and other statements including a summary of material accounting policies and other explanatory notes (hereinafter referred to as the 'Unaudited Condensed Interim Ind AS Financial Statements'. Our responsibility is to express a conclusion on this condensed interim financial statement based on our review.

2. The Unaudited Condensed Interim Ind AS Financial Statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ('Ind AS'), in conformity with Ind AS 34, 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India, the provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 (the 'IRDA Act'), the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, ('the Financial Statements Regulations') read with the Master Circular on Actuarial, Finance and Investment Functions of Insurers Ref No. IRDAI/ACTL/CIR/MISC/80/05/2024 dated May 17, 2024, ('the Master Circular'), as amended by the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) (Amendment) Regulations, 2026, read with Circular No. IRDAI/IFRS/CIR/MISC/45/4/2026 dated 1st April, 2026. The Unaudited Condensed Interim Ind AS Financial Statements are the responsibility of the Company's Management and have been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Unaudited Condensed Interim Ind AS Financial Statements based on our review.

3. We conducted our review of the Condensed Unaudited Interim Ind AS Financial Statements in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Condensed Interim Financial Statements are prepared in accordance with recognition and measurement principles in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of Companies Act, 2013 and other recognized accounting principles as prescribed in the relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act") and IRDAI (Actuarial, Finance and Investment Functions of Insurers) Regulations 2024; orders / directions /circulars issued by

M S K A & ASSOCIATES LLP Chartered Accountants

T R CHADHA & CO. LLP CHENNAI Chartered Accountants

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602 Floor 6, Raheja Titanium,
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T.R Chadha & Co. LLP
Chartered Accountants
5D, 5th Floor, Mount Chambers,
758, Anna Salai, Chennai - 600002.

the Insurance Regulatory and Development Authority of India ("IRDAI"/"the Authority") as amended from time to time, to the extent applicable and other recognized accounting practices and policies, has not disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No:
105047W/W101187

MSKA & ASSOCIATES LLP Chartered Accountants

Vaibhav Naik
Partner
Membership No: 138302
UDIN: 26138302GWSRAK7067
Place: Chennai
Date: 29 July 2026

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration No:
006711N/N5000280

TR CHADHA & CO. LLP CHENNAI Chartered Accountants

Sheshu Samudrala
Partner
Membership No: 235031
UDIN: 26235031DWIXMG2180
Place: Chennai
Date: 29 July 2026

Amounts in lakhs

Balance Sheet				
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED Registration No. and Date of Registration with the IRDAI : 129/16.03.2006				
Particulars	**Schedule**	**As at 30 June 2026**	**As at 31 March 2026**	**As at 1 April 2025**
Assets				
Cash and cash equivalents	1	43,013	82,156	66,843
Investments	2	21,89,315	21,00,776	18,29,557
Loans	3	-	-	-
Other Financial Assets	4	37,081	37,407	25,572
Investment property	5	-	-	-
Insurance contract assets	6a	-	-	-
Reinsurance contract assets	6b	55,300	61,540	82,816
Property, Plant and Equipment	7	22,391	20,157	26,663
Goodwill	8	-	-	-
Other Intangible Assets	9	8,549	8,496	5,611
Current tax assets		1,621	3,106	4,706
Deferred tax assets		-	-	-
Other assets	10	20,734	17,666	11,750
Assets classified as held for sale		-	-	-
Total Assets		**23,78,004**	**23,31,304**	**20,53,517**
Liabilities				
Insurance contract liabilities	6a	10,92,199	10,99,870	9,14,960
Reinsurance contract liabilities	6b	-	-	-
Investment contract liabilities	6c	-	-	-
Borrowings	11	50,019	48,992	48,974
Other Financial liabilities	12	1,39,928	1,57,011	1,36,002
Current tax liabilities		5,357	-	-
Deferred tax liabilities		37,466	31,285	20,164
Other liabilities	13	35,933	32,651	64,840
Provisions	14	2,679	3,683	1,840
Total Liabilities (A)		**13,63,581**	**13,73,492**	**11,86,780**
Equity				
Equity				
Share Capital		58,858	58,840	58,779
Assigned Capital		-	-	-
Other Financial Instruments classified as Equity		-	-	-
Other Equity		9,55,565	8,98,972	8,07,958
Total Equity (B)		**10,14,423**	**9,57,812**	**8,66,737**
Total Liabilities & Equity (C) = (A) + (B)		**23,78,004**	**23,31,304**	**20,53,517**

For And On Behalf of Board of Directors

Anand Roy
Managing Director & Chief Executive Officer
DIN: 08602245

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Ashwani Kumar Arora
Appointed Actuary

Jayashree Sethuraman
Company Secretary

Place: Chennai
Date: July 29, 2026

STATEMENT OF CHANGES IN EQUITY (30-Jun-26) Amounts in lakhs

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

Registration No.: 129

Date of Registration: 16.03.2006

A. Equity

Particulars	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Share Capital	58,840	17	58,858
Assigned Capital	-	-	-
Other Financial Instruments classified as Equity	-	-	-

B. Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Securities Premium Account	Reserves and Surplus: Retained Earnings	Reserves and Surplus: Other Reserves (Share Based Payment Reserve)	Debt Instruments through Other Comprehensive Income	Insurance Finance Reserve	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of foreign operation	Non-distributable Retained Earnings	Other Comprehensive Income - Defined Benefit Plan	Total
Balance at the beginning of the year	-	-	-	6,08,446	2,87,873	5,485	-	-	-	-	-	-	-	-2,833	8,98,972
Changes in accounting policy or prior period errors/ Adoption of Ind AS															-
Tax impact due to change in Accounting Policy/ Adoption of Ind AS															-
Restated balance at the beginning of the reporting period	-	-	-	6,08,446	2,87,873	5,485	-	-	-	-	-	-	-	-2,833	8,98,972
Profit for the year					54,973										54,973
Other Comprehensive Income for the year					-										-
Total Comprehensive Income for the year	-	-	-	-	54,973	-	-	-	-	-	-	-	-	-	54,973
Dividends															-
Transfer to Retained Earnings															-
Other changes: Movement in Revaluation Reserve															-
Deferred Tax on Revaluation Reserves movement															-
Others changes (to be specified)															-
Movement in SBP Reserve					103	1,134									1,237
Share premium due to issue of share capital				383											383
Balance at the end of the year	-	-	-	6,08,829	3,42,949	6,619	-	-	-	-	-	-	-	-2,833	9,55,565

STATEMENT OF CHANGES IN EQUITY (31-Mar-26)

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

Registration No.: 129

Date of Registration: 16.03.2006

A. Equity

Particulars	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
Share Capital	58,779	62	58,840
Assigned Capital	-	-	-
Other Financial Instruments classified as Equity	-	-	-

B. Other Equity

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus: Capital Reserve	Reserves and Surplus: Securities Premium Account	Reserves and Surplus: Retained Earnings	Reserves and Surplus: Other Reserves (Share Based Payment Reserve)	Debt Instruments through Other Comprehensive Income	Insurance Finance Reserve	Equity Instruments through Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of foreign operation	Non-distributable Retained Earnings	Other Comprehensive Income - Defined Benefit Plan	Total
Balance at the beginning of the year	-	-	-	6,07,498	1,96,330	4,130	-	-	-	-	-	-	-	-	8,07,958
Changes in accounting policy or prior period errors/ Adoption of Ind AS															-
Tax impact due to change in Accounting Policy/ Adoption of Ind AS															-
Restated balance at the beginning of the reporting period	-	-	-	6,07,498	1,96,330	4,130	-	-	-	-	-	-	-	-	8,07,958
Profit for the year					91,104										91,104
Other Comprehensive Income for the year														-2,833	-2,833
Total Comprehensive Income for the year	-	-	-	-	91,104	-	-	-	-	-	-	-	-	-2,833	88,271
Dividends															-
Transfer to Retained Earnings															-
Other changes: Movement in Revaluation Reserve															-
Deferred Tax on Revaluation Reserves movement															-
Others changes (to be specified)															-
Movement in SBP Reserve					439	1,355									1,794
Share premium due to issue of share capital				948											948
Balance at the end of the year	-	-	-	6,08,446	2,87,873	5,485	-	-	-	-	-	-	-	-2,833	8,98,972

For And On Behalf of Board of Directors

Anand Roy
Managing Director & Chief Executive Officer
DIN: 08602245

R. Deepak
Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Ashwani Kumar
Ashwani Kumar Arora
Appointed Actuary

Jayashree Sethuraman
Jayashree Sethuraman
Company Secretary

STAR HEALTH AND ALLIED INSURANCE CO. LTD. CORPORATE OFFICE CHENNAI-34

MSKA & ASSOCIATES LLP Chartered Accountants

T R CHADHA & CO. LLP CHENNAI Chartered Accountants

Place: Chennai
Date: July 29, 2026

Amounts in lakhs

Statement of Profit and Loss of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED for the quarter ended 30th June 2026						
Particulars		**Schedule**	**Three Months ended - 30 June 2026**	**Three Months ended - 31 March 2026**	**Three Months ended - 30 June 2025**	**Year to end dated - 31 March 2026**
Insurance Revenue		15	4,91,720	4,67,110	4,33,642	17,99,856
Insurance Service Expenses		16	4,47,140	4,13,639	3,98,964	16,51,436
Net expenses/income from reinsurance contracts			2,070	3,010	5,894	15,381
Insurance Service Result	**(A)**		**42,510**	**50,461**	**28,784**	**1,33,039**
Investment revenue on financial assets not measured at FVTPL		17	30,614	29,000	28,653	1,14,957
Other Investment revenue		18	33,758	(52,170)	30,045	(6,004)
Impairment loss on financial assets		19	(3)	208	(53)	123
Investment Income			**64,369**	**(22,962)**	**58,644**	**1,09,076**
Finance income/ expenses from insurance contracts (net)		20a	4,148	2,183	6,431	11,643
Finance income/ expenses from reinsurance contracts (net)		20b	(266)	(452)	(2,185)	(2,166)
Insurance Finance Income/Expenses			**3,882**	**1,731**	**4,246**	**9,477**
Movement in investment contract liabilities		6c	-	-	-	-
Net Finance Result	**(B)**		**60,487**	**(24,693)**	**54,398**	**99,599**
Revenue from investment management services		6c	-	-	-	-
Other income		21	751	(182)	38	(48)
Other expenses		16	28,296	30,198	22,991	1,03,689
Other finance costs		22	1,282	1,360	1,420	5,502
Other Revenue/expenses (net)	**(C)**		**(28,827)**	**(31,740)**	**(24,373)**	**(1,09,239)**
Profit /(Loss) before Exceptional Items	**(D)=(A)+(B)+(C)**		**74,170**	**(5,972)**	**58,808**	**1,23,400**
Exceptional Items			-	-	-	-
Profit / (Loss) before tax			**74,170**	**(5,972)**	**58,808**	**1,23,400**
Current tax			13,016	3,983	10,860	20,221
Deferred tax			6,181	(4,415)	4,130	12,075
Profit/ (Loss) from continuing operations			**54,973**	**(5,540)**	**43,818**	**91,104**
Profit/ (Loss) from discontinued operations			-	-	-	-
Tax expense of discontinued operations			-	-	-	-
Profit / (Loss) from discontinued operations (after tax)			-	-	-	-
Profit/(loss) for the period	**(E)**		**54,973**	**(5,540)**	**43,818**	**91,104**
Other Comprehensive Income						
1 (i) Items that will not be reclassified to profit or loss (specify items and amounts)						
Remeasurement loss of Defined Benefit Plan			-	(1,107)	-	(3,786)
(ii) Income tax relating to items that will not be reclassified to profit or loss			-	279	-	953
Sub-total			-	**(828)**	-	**(2,833)**
2 (i) Items that will be reclassified to profit or loss (specify items and amounts)			-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss			-	-	-	-
Sub-total			-	-	-	-
Total Other Comprehensive Income	**(F)**		-	**(828)**	-	**(2,833)**
Total Comprehensive Income	**(G) = (E) + (F)**		**54,973**	**(6,368)**	**43,818**	**88,271**
Tansfer of profit						
Transfer to Retained earning			54,973	(6,368)	43,818	88,271
Non-distributable Retained Earnings			-	-	-	-
Earnings per Equity Share (for continuing operations) (1) Basic (2) Diluted			9.34 9.33	(0.94) (0.94)	7.45 7.45	15.49 15.48
Earnings per Equity Share (for discontinued operations) (1) Basic (2) Diluted			- -	- -	- -	- -
Earnings per Equity Share for profit/(loss) of the period (for discontinued and continuing operations) (1) Basic (2) Diluted			9.34 9.33	(0.94) (0.94)	7.45 7.45	15.49 15.48

For And On Behalf of Board of Directors

Anand Roy
Managing Director & Chief Executive Officer
DIN: 08602245

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Ashwani Kumar Arora
Appointed Actuary

Jayashree Sethuraman
Company Secretary

Place: Chennai
Date: July 29, 2026

Amounts in lakhs

Receipts and Payments Account (Cash Flow statement)
for the quarter ended 30th June 2026
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDAI : 129/16.03.2006

Particulars	Three months ended dated - 30 June 2026	Year to end dated - 31 March 2026	Three months ended dated - 30 June 2025
Cash Flows from the Operating Activities:			
Premium received from policyholders, including advance receipts	4,73,568	21,87,565	4,56,647
Payments to the re-insurers, net of commissions and claims	(2,315)	(14,899)	35
Payments to co-insurers, net of claims recovery	(7,302)	(6,427)	(7,146)
Payments of claims	(3,06,077)	(11,82,935)	(2,84,036)
Payments of commission and brokerage	(85,492)	(3,23,258)	(69,604)
Payments of other operating expenses	(64,486)	(2,85,858)	(69,172)
Deposits, advances and staff loans	(526)	152	(129)
Income taxes paid (Net)	(6,173)	(18,466)	(6,036)
Good & Service tax paid	(11,160)	(1,60,574)	(74,354)
Cash flows before extraordinary items	**(9,963)**	**1,95,300**	**(53,795)**
Cash flow from extraordinary operations	-	-	-
Net cash flow from operating activities	**(9,963)**	**1,95,300**	**(53,795)**
Cash Flows from Investing Activities:			
Purchase of fixed assets	(3,551)	(7,811)	(2,394)
Proceeds from sale of fixed assets	26	116	3
Purchases of investments	(64,01,481)	(2,00,45,457)	(32,14,732)
Sales of investments	63,48,092	1,97,72,845	32,12,221
Rents/Interests/ Dividends received	29,232	1,11,619	27,962
Expenses related to investments	(55)	(197)	(34)
Net cash flow from investing activities	**(27,737)**	**(1,68,885)**	**23,026**
Cash flows from financing activities:			
Proceeds from issuance of share capital	370	965	36
Interest/dividends paid	(0)	(4,113)	0
Others: Lease rent paid	(1,813)	(7,954)	(2,051)
Net cash flow from financing activities	**(1,443)**	**(11,102)**	**(2,015)**
Effect of foreign exchange rates on cash and cash equivalents, net			
Net increase/Decrease in cash and cash equivalents:	(39,143)	15,313	(32,784)
Cash and cash equivalents at the beginning of the year	82,156	66,843	66,843
Cash and cash equivalents at the end of the year	43,013	82,156	34,059

Receipt and Payment Account is prepared under 'Direct Method'
For And On Behalf of Board of Directors

Anand Roy
Managing Director & Chief Executive Officer
DIN: 08602245

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Ashwani Kumar Arora
Appointed Actuary

Jayashree Sethuraman
Company Secretary

Place: Chennai
Date: July 29, 2026

Amounts in lakhs

Statement of Profit and Loss of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
for the quarter ended 30th June 2026

Particulars		Schedule	Three months ended - 30 June 2026			Year to end dated - 31 March 2026		
			Health	Shareholder	Total	Health	Shareholder	Total
Insurance Revenue		15	4,91,720	-	4,91,720	17,99,856	-	17,99,856
Insurance Service Expenses		16	4,47,140	-	4,47,140	16,51,436	-	16,51,436
Net expenses/income from reinsurance contracts			2,070	-	2,070	15,381	-	15,381
Insurance Service Result	**(A)**		**42,510**	-	**42,510**	**1,33,039**	-	**1,33,039**
Investment revenue on financial assets not measured at FVTPL		17	19,402	11,212	30,614	71,813	43,144	1,14,957
Other Investment revenue		18	21,394	12,364	33,758	(3,751)	(2,254)	(6,004)
Impairment loss on financial assets		19	(2)	(1)	(3)	77	46	123
Investment Income			**40,794**	**23,575**	**64,369**	**68,139**	**40,937**	**1,09,076**
Finance income/ expenses from insurance contracts (net)		20a	4,148	-	4,148	11,643	-	11,643
Finance income/ expenses from reinsurance contracts (net)		20b	(266)	-	(266)	(2,166)	-	(2,166)
Insurance Finance Income/Expenses			**3,882**	-	**3,882**	**9,477**	-	**9,477**
Movement in investment contract liabilities		6c	-			-		-
Net Finance Result	**(B)**		**36,912**	**23,575**	**60,487**	**58,662**	**40,937**	**99,599**
Revenue from investment management services		6c	-		-	-	-	-
Other income		21	69	682	751	(168)	120	(48)
Other expenses		16	27,696	600	28,296	1,01,457	2,232	1,03,689
Other finance costs		22	255	1,027	1,282	1,371	4,131	5,502
Other Revenue/expenses (net)	**(C)**		**(27,882)**	**(945)**	**(28,827)**	**(1,02,996)**	**(6,243)**	**(1,09,239)**
Profit /(Loss) before Exceptional Items	**(D)=(A)+(B)+(C)**		**51,540**	**22,630**	**74,170**	**88,706**	**34,694**	**1,23,400**
Exceptional Items					0			0
Profit / (Loss) before tax			**51,540**	**22,630**	**74,170**	**88,706**	**34,694**	**1,23,400**
Current tax			-	13,016	13,016	-	20,221	20,221
Deferred tax			-	6,181	6,181	-	12,075	12,075
Profit/ (Loss) from continuing operations			**51,540**	**3,433**	**54,973**	**88,706**	**2,399**	**91,104**
Profit/ (Loss) from discontinued operations			-	-	-	-	-	-
Tax expense of discontinued operations			-	-	-	-	-	-
Profit / (Loss) from discontinued operations (after tax)			-	-	-	-	-	-
Profit/(loss) for the period	**(E)**		**51,540**	**3,433**	**54,973**	**88,706**	**2,399**	**91,104**
Other Comprehensive Income								
1 (i) Items that will not be reclassified to profit or loss (specify items and amounts)			-	-	-	-	-	-
Remeasurement loss of Defined Benefit Plan			-	-	-	(3,786)	-	(3,786)
(ii) Income tax relating to items that will not be reclassified to profit or loss			-	-	-	953	-	953
Sub-total			-	-	-	**(2,833)**	-	**(2,833)**
2 (i) Items that will be reclassified to profit or loss (specify items and amounts)			-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss			-	-	-	-	-	-
Sub-total			-	-	-	-	-	-
Total Other Comprehensive Income	**(F)**		-	-	-	**(2,833)**	-	**(2,833)**
Total Comprehensive Income	**(G) = (E) + (F)**		**51,540**	**3,433**	**54,973**	**85,873**	**2,399**	**88,271**
Tansfer of profit								
Transfer to Retained earning			51,540	3,433	54,973	85,873	2,399	88,271
Non-distributable Retained Earnings								

STAR HEALTH AND ALLIED INSURANCE CO. LTD. STAR CORPORATE OFFICE CHENNAI-34

MSKA & ASSOCIATES LLP Chartered Accountants

TR CHADHA & CO. LLP CHENNAI Chartered Accountants

Amounts in lakhs

Revenue Account of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED for the quarter ended 30th June 2026				
Particulars		Schedule	Three months ended - 30 June 2026	Year to end dated - 31 March 2026
			Policyholders	Policyholders
Insurance Revenue		15	4,91,720	17,99,856
Insurance Service Expenses		16	4,47,140	16,51,436
Net expenses/income from reinsurance contracts			2,070	15,381
Insurance Service Result	**(A)**		**42,510**	**1,33,039**
Investment revenue on financial assets not measured at FVTPL		17	19,402	71,813
Other Investment revenue		18	21,394	(3,751)
Impairment loss on financial assets		19	(2)	77
Investment Income			**40,794**	**68,139**
Finance income/ expenses from insurance contracts (net)		20a	4,148	11,643
Finance income/ expenses from reinsurance contracts (net)		20b	(266)	(2,166)
Insurance Finance Income/Expenses			3,882	9,477
Movement in investment contract liabilities		6c	-	-
Net Finance Result	**(B)**		**36,912**	**58,662**
Revenue from investment management services		6c	-	-
Other income		21	69	(168)
Other expenses		16	27,696	1,01,457
Other finance costs		22	255	1,371
Other Revenue/expenses (net)	**(C)**		**(27,882)**	**(1,02,996)**
Profit /(Loss) from Revenue A/c before tax	**(D)=(A)+(B)+(C)**		**51,540**	**88,706**
Current tax			-	-
Deferred tax			-	-
Profit /(Loss) from Revenue A/c after tax	**(E)**		**51,540**	**88,706**
Other Comprehensive Income				
1 (i) Items that will not be reclassified to profit or loss (specify items and amounts)				
Remeasurement loss of Defined Benefit Plan			-	(2,833)
Sub-total			-	**(2,833)**
2 (i) Items that will be reclassified to profit or loss (specify items and amounts)			-	-
Sub-total			-	-
Total Other Comprehensive Income	**(F)**		-	**(2,833)**
Total Comprehensive Income	**(G) = (E) + (F)**		**51,540**	**85,873**
Tansfer of profit				
Transfer to Retained earning			**51,540**	**85,873**
Non-distributable Retained Earnings			-	-

Schedules to Balance Sheet

Amounts in lakhs

Schedule 1: Cash and Cash equivalents

Particulars	**Three months ended - 30 June 2026**	**Year to end dated - 31 March 2026**	**As at 1st April 2025**
Cash (including cheques and drafts)	2,263	4,484	8,483
Bank balances in deposits and current accounts	40,750	77,672	58,360
Others (to be specified)			
Total Cash and Cash equivalents	**43,013**	**82,156**	**66,843**

Cash and Cash equivalents			
- In India	43,013	82,156	66,843
- Outside India	-	-	-
Total	**43,013**	**82,156**	**66,843**

Schedule 2: Investments (30-Jun-26)

Amounts in lakhs

Particulars	Policyholders								Investments backing Unclaimed Amounts	Shareholders	Total
	Backing Insurance Contracts				Backing Investment Contracts						
	Direct Participating		Other than Direct Participating	Total	Linked	Non-linked	Investment contracts with Discretionary Participation	Total			
	Linked Business	Others									
Part I											
In India											
(1) Government securities	-	-	4,13,782	4,13,782	-	-	-	-	-	2,39,128	6,52,910
(2) Debt securities	-	-	5,56,200	5,56,200	-	-	-	-	-	3,21,433	8,77,633
(3) Equity instruments	-	-	77,994	77,994	-	-	-	-	-	45,073	1,23,067
(4) Mutual funds	-	-	-	-	-	-	-	-	-	-	-
(5) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
(6) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
AIF	-	-	28,071	28,071	-	-	-	-	-	16,222	44,293
ETF	-	-	1,20,314	1,20,314	-	-	-	-	-	69,530	1,89,844
InVIT	-	-	27,990	27,990	-	-	-	-	-	16,176	44,166
REIT	-	-	20,085	20,085	-	-	-	-	-	11,608	31,693
Treasury Bills	-	-	11,947	11,947	-	-	-	-	-	6,904	18,851
TREPs	-	-	82,170	82,170	-	-	-	-	-	47,487	1,29,657
Floating rate Note	-	-	-	-	-	-	-	-	-	-	-
Fixed Deposits			45,984	45,984				-	4,642	26,575	77,201
Total (A)	-	-	13,84,537	13,84,537	-	-	-	-	4,642	8,00,135	21,89,315
Outside India											
(1) Government securities	-	-	-	-	-	-	-	-	-	-	-
(2) Debt securities	-	-	-	-	-	-	-	-	-	-	-
(3) Equity instruments	-	-	-	-	-	-	-	-	-	-	-
(4) Mutual funds	-	-	-	-	-	-	-	-	-	-	-
(5) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
(6) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-	-	-	-	-
Total Investments (Part I) (C)= (A)+(B)	-	-	13,84,537	13,84,537	-	-	-	-	4,642	8,00,135	21,89,315
Part II: Basis of Measurement											
(1) At Amortised Cost (Gross)	-	-	11,10,420	11,10,420	-	-	-	-	4,642	6,41,720	17,56,783
Less: Impairment Loss	-	-	(337)	(337)	-	-	-	-	-	(194)	(531)
Net Amortised Cost	-	-	11,10,083	11,10,083	-	-	-	-	4,642	6,41,526	17,56,252
(2) At Fair Value Through Other Comprehensive Income-Debt	-	-	-	-	-	-	-	-			
(3) At Fair Value Through Other Comprehensive Income - Equity	-	-	-	-	-	-	-	-			-
(4) Designated at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-			-
(5) At Fair Value Through Profit or Loss	-	-	2,74,454	2,74,454	-	-	-	-		1,58,609	4,33,063
(6) Others (to be specified)	-	-	-	-	-	-	-	-			-
Less: Impairment Loss	-	-	-	-	-	-	-	-			-
Others (Net)	-	-	-	-	-	-	-	-			-
Total (Part II)	-	-	13,84,537	13,84,537	-	-	-	-	4,642	8,00,135	21,89,315
											-
Part III: Interest Accrued included in above								-			-
(1) At Amortised Cost	-	-	22,889	22,889	-	-	-	-	148	13,228	36,264
(2) At Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
(3) Designated at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-	-	-	-
(4) At Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-	-	-	-
(5) Others (to be specified)				-				-			-
Total (Part III)	-	-	22,889	22,889	-	-	-	-	148	13,228	36,264

Schedule 2: Investments (31-Mar-26)

Particulars	Policyholders								Investments backing Unclaimed Amounts	Shareholders	Total
	Backing Insurance Contracts				Backing Investment Contracts						
	Direct Participating		Other than Direct Participating	Total	Linked	Non-linked	Investment contracts with Discretionary	Total			
	Linked Business	Others									
Part I											
In India											
(1) Government securities	-	-	3,37,832	3,37,832	-	-	-	-	-	2,02,965	5,40,797
(2) Debt securities	-	-	5,73,491	5,73,491	-	-	-	-	-	3,44,546	9,18,037
(3) Equity instruments	-	-	73,816	73,816	-	-	-	-	-	44,348	1,18,164
(4) Mutual funds	-	-	-	-	-	-	-	-	-	-	-

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(5) Others (to be specified)											
AIF	-	-	22,331	22,331	-	-	-	-	-	13,416	35,747
ETF	-	-	1,05,735	1,05,735	-	-	-	-	-	63,524	1,69,259
InVIT	-	-	26,173	26,173	-	-	-	-	-	15,724	41,897
REIT	-	-	14,536	14,536	-	-	-	-	-	8,733	23,269
Treasury Bills	-	-	20,950	20,950	-	-	-	-	-	12,586	33,536
TREPs	-	-	95,334	95,334	-	-	-	-	-	57,275	1,52,609
Floating rate Note	-	-	-	-	-	-	-	-	-	-	-
Fixed Deposits	-	-	39,351	39,351	-	-	-	-	4,468	23,642	67,461
Total (A)	-	-	**13,09,548**	**13,09,548**	-	-	-	-	**4,468**	**7,86,760**	**21,00,776**
Outside India											
(1) Government securities	-	-	-	-	-	-	-	-	-	-	-
(2) Debt securities	-	-	-	-	-	-	-	-	-	-	-
(3) Equity instruments	-	-	-	-	-	-	-	-	-	-	-
(4) Mutual funds	-	-	-	-	-	-	-	-	-	-	-
(5) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
(6) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-	-	-	-	-
Total Investments (Part I) (C)= (A)+(B)	-	-	**13,09,548**	**13,09,548**	-	-	-	-	**4,468**	**7,86,760**	**21,00,776**
Part II: Basis of Measurement											
(1) At Amortised Cost (Gross)	-	-	10,67,288	10,67,288	-	-	-	-	4,468	6,41,214	17,12,969
Less: Impairment Loss	-	-	(330)	(330)	-	-	-	-	-	(198)	(529)
Net Amortised Cost	-	-	10,66,958	10,66,958	-	-	-	-	4,468	6,41,015	17,12,441
(2) At Fair Value Through Other Comprehensive Income-Debt	-	-	-	-	-	-	-	-	-	-	-
(3) At Fair Value Through Other Comprehensive Income - Equity	-	-	-	-	-	-	-	-	-	-	-
(4) Designated at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-	-	-	-
(5) At Fair Value Through Profit or Loss	-	-	2,42,590	2,42,590	-	-	-	-	-	1,45,746	3,88,336
(6) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Less: Impairment Loss	-	-	-	-	-	-	-	-	-	-	-
Others (Net)	-	-	-	-	-	-	-	-	-	-	-
Total (Part II)	-	-	**13,09,548**	**13,09,548**	-	-	-	-	**4,468**	**7,86,761**	**21,00,776**
Part III: Interest Accrued included in above											
(1) At Amortised Cost	-	-	21,794	21,794	-	-	-	-	116	13,093	35,003
(2) At Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
(3) Designated at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-	-	-	-
(4) At Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-	-	-	-
(5) Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Total (Part III)	-	-	**21,794**	**21,794**	-	-	-	-	**116**	**13,093**	**35,003**

Schedule 2: Investments (As at 1st April 2025)

Particulars	Policyholders								Investments backing Unclaimed Amounts	Shareholders	Total
	Backing Insurance Contracts				Backing Investment Contracts						
	Direct Participating		Other than Direct Participating	Total	Linked	Non-linked	Investment contracts with Discretionary	Total			
	Linked Business	Others									
Part I											
In India											
(1) Government securities	-	-	3,25,593	3,25,593	-	-	-	-	-	2,18,422	5,44,015
(2) Debt securities	-	-	5,51,864	5,51,864	-	-	-	-	-	3,70,215	9,22,079
(3) Equity instruments	-	-	54,984	54,984	-	-	-	-	-	36,885	91,869
(4) Mutual funds	-	-	-	-	-	-	-	-	-	-	-
(5) Others (to be specified)											
AIF	-	-	5,725	5,725	-	-	-	-	-	3,840	9,565
ETF	-	-	92,452	92,452	-	-	-	-	-	62,021	1,54,473
InVIT	-	-	11,430	11,430	-	-	-	-	-	7,667	19,097
REIT	-	-	11,713	11,713	-	-	-	-	-	7,858	19,571
Treasury Bills	-	-	17,955	17,955	-	-	-	-	-	12,045	30,000
TREPs	-	-	21,272	21,272	-	-	-	-	-	14,271	35,543
Floating rate Note	-	-	-	-	-	-	-	-	-	-	-
Fixed Deposits	-	-	-	-	-	-	-	-	3,346	-	3,346
Total (A)	-	-	**10,92,987**	**10,92,987**	-	-	-	-	**3,346**	**7,33,224**	**18,29,557**
Outside India											
(1) Government securities	-	-	-	-	-	-	-	-	-	-	-
(2) Debt securities	-	-	-	-	-	-	-	-	-	-	-

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(3) Equity instruments	-	-	-	-	-	-	-	-	-	-	-
(4) Mutual funds	-	-	-	-	-	-	-	-	-	-	-
(5) Subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-
(6) Others (to be specified)				-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-	-	-	-	-
Total Investments (Part I) (C)= (A)+(B)	-	-	**10,92,987**	**10,92,987**	-	-	-	-	**3,346**	**7,33,224**	**18,29,557**
Part II: Basis of Measurement											
(1) At Amortised Cost (Gross)	-	-	9,17,074	9,17,074	-	-	-	-	3,347	6,15,214	15,35,635
Less: Impairment Loss	-	-	(390)	(390)	-	-	-	-	(1)	(262)	(652)
Net Amortised Cost	-	-	9,16,684	9,16,684	-	-	-	-	3,346	6,14,952	15,34,983
(2) At Fair Value Through Other Comprehensive Income-Debt	-	-	-	-	-	-	-	-	-	-	-
(3) At Fair Value Through Other Comprehensive Income - Equity	-	-	-	-	-	-	-	-	-	-	-
(4) Designated at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-	-	-	-
(5) At Fair Value Through Profit or Loss	-	-	1,76,303	1,76,303	-	-	-	-	-	1,18,271	2,94,574
(6) Others (to be specified)				-				-			-
Less: Impairment Loss	-	-	-	-	-	-	-	-	-	-	-
Others (Net)	-	-	-	-	-	-	-	-	-	-	-
Total (Part II)	-	-	**10,92,987**	**10,92,987**	-	-	-	-	**3,346**	**7,33,224**	**18,29,557**
Part III: Interest Accrued included in above											
(1) At Amortised Cost	-	-	22,313	22,313	-	-	-	-	114	14,969	37,396
(2) At Fair Value Through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
(3) Designated at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-	-	-	-
(4) At Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-	-	-	-
(5) Others (to be specified)				-				-			-
Total (Part III)	-	-	**22,313**	**22,313**	-	-	-	-	**114**	**14,969**	**37,396**

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Schedule 3: Loans

Amounts in lakhs

Particulars	Three months ended - 30 June 2026						Year to end dated - 31 March 2026						As at 1st April 2025					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Designated at Fair Value Through Profit or Loss	Through Profit or Loss	Sub- Total			Through Other Comprehensive Income	Designated at Fair Value Through Profit or Loss	Through Profit or Loss	Sub- Total			Through Other Comprehensive Income	Designated at Fair Value Through Profit or Loss	Through Profit or Loss	Sub- Total	
SECURITY WISE CLASSIFICATION																		
Secured (A)																		
a) On mortgage of property																		
i) In India																		
ii) Outside India																		
b) On Shares, Bonds, Government Securities, etc																		
c) Others (to be specified)																		
Unsecured (B)																		
Gross (C)=(A)+(B)																		
Less : Impairment loss (D)																		
Total Net Loans (E)																		
BORROWER-WISE CLASSIFICATION																		
In India																		
(a) Central and State Governments																		
(b) Banks and Financial Institutions																		
(c) Subsidiaries, Associates and Joint Ventures																		
(d) Others (to be specified)																		
Gross (F)																		
Less : Impairment loss (G)																		
Net Loans (H)																		
Outside India																		
(a) Central and State Governments																		
(b) Banks and Financial Institutions																		
(c) Subsidiaries, Associates and Joint Ventures																		
(d) Others (to be specified)																		
Gross (I)																		
Less: Impairment Loss (J)																		
Net Loans (K)																		
Total Net Loans (H) + (K)																		

Note: This note does not cover loans against insurance contracts which are to be accounted for under Ind AS 117

Amounts in lakhs

Schedule 4: Other Financial Assets

Particulars	Three months ended - 30 June 2026	Year to end dated - 31 March 2026	As at 1st April 2025
Derivatives	-	-	-
Dividends Receivable	-	-	-
Rent Receivables	-	-	-
Application money for investments	0	-	-
Due from insurers(under co-insurance arrangements)	4	5	8
Less: a. Provision for Doubtful Debts	(4)	(4)	(4)
Due from Insurance agents, Insurance Intermediaries	1,124	251	218
Less: b. Provision for Doubtful Debts	(229)	(139)	(186)
Others(to be specified):			
Security deposit	6,147	6,329	6,717
Assets for insurance acquisition cash flows	7,998	6,902	10,987
Other Advances	677	885	2,386
Less: c. Provision for Doubtful Debts	-	-	-
Investment sold - Awaiting Settlement	-	-	-
Other Receivables	588	250	292
Less: d. Provision for Doubtful Debts	(38)	(46)	(39)
Due from insurers(under re-insurance arrangements)	20,952	23,112	5,331
Less: e. Provision for Doubtful Debts	(138)	(138)	(138)
Total	**37,081**	**37,407**	**25,572**

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Schedule 5: Investment Property

Amounts in lakhs

Particulars	Policyholders (I)		Shareholders (II)		Total(III) = (I) + (II)	
	Three months ended - 30 June 2026	Year to end dated - 31 March 2026	Three months ended - 30 June 2026	Year to end dated - 31 March 2026	Three months ended - 30 June 2026	Year to end dated - 31 March 2026
LAND						
At the beginning of the year						
Additions						
Disposals						
Reclassification from/to held for sale						
Fair Value changes						
Other adjustments (please specify)						
At the end of the year						
Accumulated impairment as at the beginning of the year						
Disposals						
Impairment/(reversal of impairment)						
Reclassification from/to held for sale						
Other adjustments (please specify)						
Accumulated impairment as at the end of year						
Net carrying amount of Land as at the end of the year (A)						
BUILDINGS						
At the beginning of the year						
Additions						
Disposals						
Reclassification from/to held for sale						
Fair Value changes						
Other adjustments (please specify)						
At the end of the year						
Accumulated depreciation and impairment as at the beginning of the year						
Depreciation for the year						
Disposals						
Impairment/(reversal of impairment)						
Reclassification from/to held for sale						
Other adjustments (please specify)						
Accumulated depreciation and impairment as at the end of year						
Net carrying amount of Buildings as at the end of the year (B)						
Investment Property under construction (C)						
TOTAL (D = (A) + (B) + (C))						

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Schedule 6: Insurance Contracts Assets/Liabilities - Summary

Amounts in lakhs

Particulars	Three months ended - 30 June 2026		Year to end dated - 31 March 2026		As at 1st April 2025	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Insurance Contracts	-	10,92,199	-	10,99,870	-	9,14,960
Re-Insurance Contracts	55,300	-	61,540	-	82,816	-

Amounts in lakhs

Schedule 6a.1: Insurance Contracts not measured under the PAA: Movements in carrying amounts for each class or segment (Class or segment shall be as per para 96 of Ind AS 117)
Analysis by remaining coverage and incurred claims

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	**Three months ended - 30 June 2026**				**Year to end dated - 31 March 2026**			
	Liability/asset for remaining coverage		**Liability for Incurred Claims**	**Total**	**Liability/asset for remaining coverage**		**Liability for Incurred Claims**	**Total**
	Excluding loss component	**Loss component**			**Excluding loss component**	**Loss component**		
Opening assets								
Opening liabilities								
Net opening balance								
Changes in profit or loss and OCI								
Insurance revenue								
i) Contracts under the modified retrospective approach								
ii) Contracts under the fair value approach								
iii) Other contracts								
Insurance service expenses								
Incurred claims and other insurance service expenses								
Amortisation of insurance acquisition cash flows								
Losses and reversal of losses on onerous contracts								
Adjustments to liabilities for incurred claims								
Insurance service result								
Finance income/expenses from insurance contracts (net)								
i) Through Other Comprehensive Income								
ii) Through Profit and Loss								
Effect of movements in exchange rates								
Others (to be specified)								
Total changes in profit or loss and OCI								
Investment components								
Cash flows								
Premiums received								
Claims and other insurance service expenses paid (including investment components)								
Insurance acquisition cash flows								
Total cash flows								
Others - Non Cash Items (to be specified)								
Net closing balance								
Closing assets								
Closing liabilities								
Net closing balance								

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Schedule 6a.2: Insurance Contracts measured under the PAA: Movements in carrying amounts for each class or segment (Class or segment shall be as per para 96 of Ind AS 117)
Analysis by remaining coverage and incurred claims

Amounts in lakhs

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026					Year to end dated - 31 March 2026				
	Liability/asset for remaining coverage		Liability for Incurred Claims		Total	Liability/asset for remaining coverage		Liability for Incurred Claims		Total
	Excluding loss component	Loss component	Estimation of PV of future cash flows	Risk Adjustment for non-financial risk		Excluding loss component	Loss component	Estimation of PV of future cash flows	Risk Adjustment for non-financial risk	
Opening assets	-	-	-	-	-	-	-	-	-	-
Opening liabilities	9,12,606	-	1,67,077	20,187	10,99,870	7,41,845	-	1,56,571	16,544	9,14,960
Net opening balance	**9,12,606**	**-**	**1,67,077**	**20,187**	**10,99,870**	**7,41,845**	**-**	**1,56,571**	**16,544**	**9,14,960**
Changes in Profit or Loss and OCI										
Insurance revenue	**(4,91,720)**	**-**	**-**	**-**	**(4,91,720)**	**(17,99,856)**	**-**	**-**	**-**	**(17,99,856)**
i) Contracts under the modified retrospective approach	-	-	-	-	-	-	-	-	-	-
ii) Contracts under the fair value approach	-	-	-	-	-	-	-	-	-	-
iii) Other contracts	(4,91,720)	-	-	-	(4,91,720)	(17,99,856)	-	-	-	(17,99,856)
Insurance service expenses	**1,15,304**	**-**	**3,30,807**	**1,028**	**4,47,140**	**4,23,993**	**-**	**12,23,800**	**3,643**	**16,51,436**
Incurred claims and other insurance service expenses	-	-	3,30,862	1,028	3,31,890	-	-	12,10,472	3,643	12,14,115
Amortisation of insurance acquisition cash flows	1,15,304	-	-	-	1,15,304	4,23,993	-	-	-	4,23,993
Adjustments to liabilities for incurred claims	-	-	(55)	-	(55)	-	-	13,327	-	13,327
Insurance service result	**(3,76,416)**	**-**	**3,30,807**	**1,028**	**(44,580)**	**(13,75,863)**	**-**	**12,23,800**	**3,643**	**(1,48,420)**
Finance income/expenses from insurance contracts (net)	**4,148**	**-**	**-**	**-**	**4,148**	**11,642**	**-**	**-**	**-**	**11,642**
i) Through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
ii) Through Profit and Loss	4,148	-	-	-	4,148	11,642	-	-	-	11,642
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Others (to be specified)	-	-	-	-	-	-	-	-	-	-
Total changes in profit or loss and OCI	**(3,72,268)**	**-**	**3,30,807**	**1,028**	**(40,433)**	**(13,64,220)**	**-**	**12,23,800**	**3,643**	**(1,36,778)**
Investment components					-					
Cash flows										
Premiums received	4,56,572	-	-	-	4,56,572	20,18,254	-	-	-	20,18,254
Claims and other insurance service expenses paid (including investment components)	-	-	(3,17,235)	-	(3,17,235)	-	-	(12,13,293)	-	(12,13,293)
Insurance acquisition cash flows	(1,06,576)	-	-	-	(1,06,576)	(4,83,274)	-	-	-	(4,83,274)
Total cash flows	**3,49,996**	**-**	**(3,17,235)**	**-**	**32,761**	**15,34,980**	**-**	**(12,13,293)**	**-**	**3,21,687**
Others - Non Cash Items (to be specified)										
Net closing balance	**8,90,334**	**-**	**1,80,649**	**21,215**	**10,92,199**	**9,12,606**	**-**	**1,67,077**	**20,187**	**10,99,870**
Closing assets	-	-	-	-	-	-	-	-	-	-
Closing liabilities	8,90,334	-	1,80,649	21,215	10,92,199	9,12,606	-	1,67,077	20,187	10,99,870
Net closing balance	**8,90,334**	**-**	**1,80,649**	**21,215**	**10,92,199**	**9,12,606**	**-**	**1,67,077**	**20,187**	**10,99,870**

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TR CHADHA & CO. LLP CHENNAI Chartered Accountants

Amounts in lakhs

Schedule 6a.3: Insurance Contracts not measured under the PAA : Movement of carrying amounts for each class or segment (Class or segment shall be as per para 96 of Ind AS 117)
Analysis by measurement component

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026						Year to end dated - 31 March 2026					
			CSM						CSM			
	Estimation of PV of future Cash Flows	Risk Adjustment for non-financial risk	Contracts under Modified retrospective approach	Contracts under Fair value approach	Other Contracts	Total	Estimation of PV of future Cash Flows	Risk Adjustment for non- financial risk	Contracts under Modified retrospective approach	Contracts under Fair value approach	Other Contracts	Total
Opening assets												
Opening liabilities												
Net opening balance												
Changes in Profit or Loss and OCI												
Changes that relate to current services												
CSM recognised for services provided												
Change in risk adjustment for non-financial risk for risk expired												
Experience adjustments												
Changes that relate to future services												
Contracts initially recognised in the year												
Changes in estimates that adjust the CSM												
Changes in estimates that result in losses and reversal of losses on onerous contracts												
Changes that relate to past services												
Adjustments to liabilities for incurred claims												
Insurance service result												
Finance income/expenses from Insurance contracts (net)												
i) Through Other Comprehensive Income												
ii) Through Profit and Loss												
Effect of movements in exchange rates												
Others (to be specified)												
Total changes in profit or loss and OCI												
Investment components												
Cash flows												
Premiums received												
Claims and other insurance service expenses paid (including investment components)												
Insurance acquisition cash flows												
Total cash flows												
Others - Non Cash Items (to be specified)												
Net closing balance												
Closing assets												
Closing liabilities												
Net closing balance												

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Amounts in lakhs

Schedule 6b.1: Reinsurance Contracts not measured under the PAA: Movement in Carrying Amounts for each class or segment (Class or segment shall be as per para 96 of Ind AS 117)
Analysis by remaining coverage and incurred claims

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026				Year to end dated - 31 March 2026			
	Liability/ asset for remaining coverage		Liability/ asset for Incurred Claims	Total	Liability / asset for remaining coverage		Liability/ asset for Incurred Claims	Total
	Excluding loss recovery component	Loss recovery component			Excluding loss recovery component	Loss recovery component		
Opening assets								
Opening liabilities								
Net opening balance								
Changes in Profit or Loss and OCI								
Allocation of reinsurance premiums paid								
Amounts recoverable from reinsurers								
Recoveries of incurred claims and other insurance service expenses								
Changes in the loss recovery component								
Changes in expected recoveries on past claims								
Effect of non-performance risk of reinsurers								
Net expenses/income from reinsurance contracts								
Net finance expenses/income from reinsurance contracts								
Effect of movements in exchange rates								
Others (to be specified)								
Total changes in profit or loss and OCI								
Cash flows								
Premiums paid								
Amounts received								
Total cash flows								
Others - Non Cash Items (to be specified)								
Net closing balance								
Closing assets								
Closing liabilities								
Net closing balance								

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Schedule 6b.2: Reinsurance Contracts measured under the PAA: Movements in carrying amounts for each class or segment (Class or segment shall be as per para 96 of Ind AS 117)

Analysis by remaining coverage and incurred claims

Amounts in lakhs

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026					Year to end dated - 31 March 2026				
	Liability/ asset for remaining coverage		Liability/ asset for Incurred Claims		Total	Liability/ asset for remaining coverage		Liability/ asset for Incurred Claims		Total
	Excluding loss component	Loss recovery component	Estimation of PV of future cash flows	Risk Adjustment for non-financial risk		Excluding loss component	Loss recovery component	Estimation of PV of future cash flows	Risk Adjustment for non-financial risk	
Opening assets	(49,145)	-	(10,942)	(1,453)	(61,540)	(72,456)	-	(9,264)	(1,096)	(82,816)
Opening liabilities	-	-	-	-	-	-	-	-	-	-
Net opening balance	**(49,145)**	-	**(10,942)**	**(1,453)**	**(61,540)**	**(72,456)**	-	**(9,264)**	**(1,096)**	**(82,816)**
Changes in Profit or Loss and OCI										
Allocation of reinsurance premiums paid	22,859	-	-	-	22,859	89,969	-	-	-	89,969
Amounts recoverable from reinsurers										-
Recoveries of incurred claims and other insurance service expenses	-	-	(14,101)	(238)	(14,339)	-	-	(72,315)	(357)	(72,671)
Changes in the loss recovery component	-	-	-	-	-	-	-	-	-	-
Changes in expected recoveries on past claims	-	-	(6,451)	-	(6,451)	-	-	(1,917)	-	(1,917)
Effect of non-performance risk of reinsurers	-	-	-	-	-	-	-	-	-	-
Net expenses/income from reinsurance contracts	**22,859**	-	**(20,552)**	**(238)**	**2,070**	**89,969**	-	**(74,231)**	**(357)**	**15,381**
Net finance expenses/income from reinsurance contracts	**(266)**	-	-	-	(266)	(2,166)	-	-	-	(2,166)
Effect of movements in exchange rates	-	-	-	-	-	-	-	-	-	-
Others (to be specified)					-					-
Total changes in profit or loss and OCI	**22,593**	-	**(20,552)**	**(238)**	**1,804**	**87,803**	-	**(74,231)**	**(357)**	**13,215**
Cash flows										
Premiums paid	(14,380)	-	-	-	(14,380)	(64,492)	-	-	-	(64,492)
Amounts received	-	-	18,817	-	18,817	-	-	72,553	-	72,553
Total cash flows	**(14,380)**	-	**18,817**	-	**4,436**	**(64,492)**	-	**72,553**	-	**8,061**
Others - Non Cash Items (to be specified)										
Net closing balance	**(40,932)**	-	**(12,677)**	**(1,691)**	**(55,300)**	**(49,145)**	-	**(10,942)**	**(1,453)**	**(61,540)**
Closing assets	(40,932)	-	(12,677)	(1,691)	(55,300)	(49,145)	-	(10,942)	(1,453)	(61,540)
Closing liabilities	-	-	-	-	-	-	-	-	-	-
Net closing balance	**(40,932)**	-	**(12,677)**	**(1,691)**	**(55,300)**	**(49,145)**	-	**(10,942)**	**(1,453)**	**(61,540)**

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Schedule 6b.3: Reinsurance Contracts not measured under the PAA: Movement of carrying amounts for each class or segment (Class or segment shall be as per para 96 of Ind AS 117)

Amounts in lakhs

Analysis by measurement component

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026						Year to end dated - 31 March 2026					
	Estimation of PV of future Cash Flows	Risk Adjustment for non-financial risk	CSM			Total	Estimation of PV of future Cash Flows	Risk Adjustment for non-financial risk	CSM			Total
			Contracts under Modified retrospective approach	Contracts under Fair value approach	Other Contracts				Contracts under Modified retrospective approach	Contracts under Fair value approach	Other Contracts	
Opening assets												
Opening liabilities												
Net opening balance												
Changes in Profit or Loss and OCI												
Changes that relate to current services												
CSM recognised for the period												
Risk adjustment for the period												
Experience adjustments												
Changes that relate to future services												
Contracts initially recognised in the year												
Changes in estimates that adjust the CSM												
Changes in estimates that result in losses and reversal of losses on onerous contracts												
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM												
Changes that relate to past services												
Adjustments to liabilities for incurred claims												
Effect of non-performance risk of reinsurers												
Net expenses/income from reinsurance contracts												
Net finance expenses/income from reinsurance contracts												
i) Through Other Comprehensive Income												
ii) Through Profit and Loss												
Effect of movements in exchange rates												
Others (to be specified)												
Total changes in Profit or Loss and OCI												
Cash flows												
Premiums paid												
Amounts received												
Total cash flows												
Others - Non Cash Items (to be specified)												
Net closing balance												
Closing assets												
Closing liabilities												
Net closing balance												

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Amounts in lakhs

Schedule 6.1: Insurance and reinsurance contracts not measured under the PAA: Effect of contracts initially recognized in the year for each class or segment (Class or segment shall be as per para 96 of Ind AS 117)

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026						Year to end dated - 31 March 2026					
	Contracts except Acquired Business			Contracts under Acquired Business			Contracts except Acquired Business			Contracts under Acquired Business		
	Profitable Contracts	Onerous Contracts	Total	Profitable Contracts	Onerous Contracts	Total	Profitable Contracts	Onerous Contracts	Total	Profitable Contracts	Onerous Contracts	Total
Insurance acquisition cash flows												
Claims and other insurance service expenses payable												
Estimates of present value of cash outflows												
Estimates of present value of cash inflows												
Risk adjustment for non-financial risk												
CSM												
Losses recognised on initial recognition												
New Reinsurance contracts held during the year												
Estimates of present value of cash inflows												
Estimates of present value of cash outflows												
Risk adjustment for non-financial risk												
CSM												
Total												

Amounts in lakhs

Schedule 6c: Investment Contracts Liabilities

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026	Year to end dated - 31 March 2026
Opening Balance		
Amounts recognised in Profit or Loss and in OCI		
Investment return on underlying		
Management fees deducted		
Any movement in exchange rates		
Others (to be specified)		
Subtotal (a)		
Cash Flows:		
Premiums / Contributions received		
Benefits Paid		
Subtotal (b)		
Closing Balance		

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Schedule 7: Property, plant and equipment

Amounts in lakhs

Particulars	Land			Buildings			Equipment		Furniture and Fittings		Vehicles		Information Technology		Leasehold Property		Others - Temporary construction		Total			
	Freehold	Owner Occupied property backing Insurance contract with DPF	Right to Use under a lease	Freehold	Owner Occupied property backing Insurance contract with DPF	Right to Use under a lease	Owned	Right to Use under a lease	Owned	Right to Use under a lease	Owned	Right to Use under a lease	Owned	Right to Use under a lease	Owned	Right to Use under a lease	Owned	Right to Use under a lease	Freehold /Owned	Right to Use under a lease	Owner Occupied property backing Insurance contract with DPF	Total
30-Jun-26																						
At cost or fair value at the beginning of the year	116	-	-	652	-	28,439	3,696	-	3,773	-	294	-	13,241	-	2,119	-	1	-	23,892	28,439	-	52,331
Additions	-	-	-	-	-	3,388	72	-	48	-	-	-	1,306	-	-	-	-	-	1,426	3,388	-	4,814
Revaluation adjustment, if any	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	73	-	4	-	-	-	835	-	-	-	-	-	912	-	-	912
Reclassification from/to held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other adjustments: (Opening Adjustments)	-	-	-	-	-	(928)	-	-	-	-	-	-	-	-	-	-	-	-	-	(928)	-	(928)
At cost or fair value at the end of the year	116	-	-	652	-	30,899	3,694	-	3,817	-	294	-	13,712	-	2,119	-	1	-	24,405	30,899	-	55,304
Accumulated depreciation and impairment as at the beginning of the year	-	-	-	73	-	17,813	2,394	-	1,950	-	239	-	9,988	-	573	-	1	-	15,217	17,813	-	33,030
Depreciation for the year	-	-	-	3	-	1,488	123	-	81	-	6	-	509	-	67	-	-	-	788	1,488	-	2,276
Disposals	-	-	-	-	-	-	69	-	3	-	-	-	791	-	-	-	-	-	863	-	-	863
Impairment/(reversal) of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment as at the end of year	-	-	-	75	-	19,301	2,448	-	2,028	-	245	-	9,705	-	640	-	1	-	15,142	19,301	-	34,442
Net carrying amount as at the end of the year (A)	116	-	-	577	-	11,599	1,246	-	1,789	-	49	-	4,007	-	1,480	-	0	-	9,263	11,599	-	20,862
Capital Work in Progress including advances for capital assets (B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,529	-	-	1,529
Total (C) = (A) + (B)	116	-	-	577	-	11,599	1,246	-	1,789	-	49	-	4,007	-	1,480	-	0	-	10,793	11,599	-	22,391
31-Mar-26																						
At cost or fair value at the beginning of the year	116	-	-	652	-	25,081	4,021	-	3,837	-	296	-	15,026	-	2,119	-	26	-	26,094	25,081	-	51,175
Additions	-	-	-	-	-	884	322	-	260	-	-	-	1,056	-	-	-	-	-	1,638	884	-	2,522
Revaluation adjustment, if any	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	647	-	325	-	2	-	2,841	-	-	-	26	-	3,840	-	-	3,840
Reclassification from/to held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other adjustments (Opening Adjustments)	-	-	-	-	-	2,474	-	-	-	-	-	-	-	-	-	-	-	-	-	2,474	-	2,474
At cost or fair value at the end of the year	116	-	-	652	-	28,439	3,696	-	3,773	-	294	-	13,241	-	2,119	-	1	-	23,892	28,439	-	52,331
Accumulated depreciation and impairment as at the beginning of the year	-	-	-	62	-	11,302	2,463	-	1,836	-	216	-	10,704	-	306	-	25	-	15,611	11,302	-	26,914
Depreciation for the year	-	-	-	10	-	6,510	498	-	329	-	25	-	1,967	-	267	-	-	-	3,096	6,510	-	9,606
Disposals	-	-	-	-	-	-	566	-	214	-	2	-	2,683	-	-	-	24	-	3,490	-	-	3,490
Impairment/(reversal) of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification from/to held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other adjustments (please specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment as at the end of year	-	-	-	73	-	17,813	2,394	-	1,950	-	239	-	9,988	-	573	-	1	-	15,217	17,813	-	33,030
Net carrying amount as at the end of the year (A)	116	-	-	579	-	10,627	1,301	-	1,822	-	55	-	3,254	-	1,546	-	0	-	8,674	10,627	-	19,301
Capital Work in Progress including advances for capital assets (B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	856	-	-	856
Total (C) = (A) + (B)	116	-	-	579	-	10,627	1,301	-	1,822	-	55	-	3,254	-	1,546	-	0	-	9,531	10,627	-	20,157

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Amounts in lakhs

Schedule 8: Goodwill

Particulars	**Three months ended - 30 June 2026**	**Year to end dated - 31 March 2026**
At cost, beginning of the period		
Additions		
Disposals		
Other adjustments (to be specified)		
Total cost (A)		
Accumulated impairment:		
At beginning of the period		
Additions		
Disposals		
Other adjustments (to be specified)		
Total impairment (B)		
Net carrying amount (C) = (A)+ (B)		

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Amounts in lakhs

Schedule 9: Other Intangible Assets

Particulars	Three months ended - 30 June 2026			Year to end dated - 31 March 2026		
	Software	Others	Total	Software	Others	Total
At cost or fair value at the beginning of the period	39,637		39,637	31,920	-	31,920
Additions	1,453		1,453	7,718		7,718
Disposals	-		-			-
Other adjustments (to be specified)						
At cost or fair value at the end of the period	**41,090**	-	**41,090**	**39,637**	-	**39,637**
Accumulated amortization and impairment at beginning of the period	31,141		31,141	26,309	-	26,309
Amortization for the year	1,400		1,400	4,832		4,832
Disposals	-		-	-		-
Impairment/(reversal) of impairment	-		-	-		-
Other adjustments (to be specified)						
Total amortization and impairment	**32,541**	-	**32,541**	**31,141**	-	**31,141**
Net carrying amount (A)	**8,549**	-	**8,549**	**8,496**	-	**8,496**
Intangible assets under development (B)	-	-	-	-	-	-
Total (C) = (A) + (B)	**8,549**	-	**8,549**	**8,496**	-	**8,496**

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Amounts in lakhs

Schedule 10: Other assets

Particulars	Three months ended - 30 June 2026	Year to end dated - 31 March 2026	As at 1st April 2025
Deposits with ceding companies	-	-	-
Prepayments	5,604	3,355	4,397
Stamps on Hand	-	-	-
Others (to be specified)			
Travel Advance	14	6	10
Telephone Deposit	5	5	2
Staff Advance	1,239	1,238	1,561
Postal Deposits	50	50	62
Advances - Deposit with Statutory Authorities	5,660	5,084	3,766
GST Input Credit	7,385	7,151	879
GST Refund	777	777	1,073
Total Other Assets	**20,734**	**17,666**	**11,750**

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Amounts in lakhs

Schedule 11: Borrowings

Particulars	Three months ended - 30 June 2026	Year to end dated - 31 March 2026	As at 1st April 2025
Debentures/Bonds	50,019	48,992	48,974
Borrowings from Banks	-	-	-
Borrowings from Financial Institutions	-	-	-
Others (to be specified)			
Total	**50,019**	**48,992**	**48,974**

Amounts in lakhs

Schedule 12: Other financial liabilities

Particulars	Three months ended - 30 June 2026	Year to end dated - 31 March 2026	As at 1st April 2025
Derivatives	-	-	-
Insurance Agents and Insurance	24,981	38,885	32,565
Intermediaries' Balances	-	-	-
Balances due to Other Insurers (under co-insurance arrangements)	87	26	15
Balances due to Other Insurers (under re-insurance arrangements)	23,221	25,806	3,673
Deposits held on reinsurance ceded	18,608	23,597	34,942
Sundry Creditors	41,957	44,710	41,059
Unclaimed amounts	4,549	4,298	3,341
Others (to be specified)			
- Current lease liabilities	4,552	4,892	5,878
- Non-current lease liabilities	8,136	7,356	9,277
Others			
- Payable to employees	13,806	7,344	4,808
- Other payables	31	97	444
Total	**1,39,928**	**1,57,011**	**1,36,002**

STAR HEALTH AND ALLIED INSURANCE CO. LTD. STAR CORPORATE OFFICE CHENNAI-34

MSKA & ASSOCIATES LLP Chartered Accountants

TR CHADHA & CO. LLP CHENNAI Chartered Accountants

Amounts in lakhs

Schedule 13: Other liabilities

Particulars	Three months ended - 30 June 2026	Year to end dated - 31 March 2026	As at 1st April 2025
Premiums received in advance	17,807	10,848	9,821
Unallocated Premium	3,958	7,952	10,295
Proposal Deposit	-	-	-
Rates and Taxes Payable	-	-	-
Others (to be specified)			
- Statutory dues payable	14,168	13,851	44,724
- Others	-	-	-
Total Other Liabilities	**35,933**	**32,651**	**64,840**

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TR CHADHA & CO. LLP CHENNAI Chartered Accountants

Amounts in lakhs

Schedule 14: Provisions

Particulars	Three months ended - 30 June 2026	Year to end dated - 31 March 2026	As at 1st April 2025
For defined benefit plans	-	-	-
Others (to be specified)			
- Provision for Employee Benefits	2,679	3,683	1,840
- Provision for Goodwill Gesture Scheme	-	-	-
Total Provisions	**2,679**	**3,683**	**1,840**

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Schedules to statement of profit and loss

Schedule 15: Insurance revenue

Amounts in lakhs

Particulars	Three months ended - 30 June 2026		Year to end dated - 31 March 2026		Year to end dated - 30 June 2025	
	Health	Total	Health	Total	Health	Total
Contracts not measured under the PAA						
Amounts relating to changes in liabilities for remaining coverage						
i) CSM recognised for services provided	-	-	-	-	-	-
ii) Change in risk adjustment for non-financial risk	-	-	-	-	-	-
iii) Release of expected incurred claims and other insurance service expenses	-	-	-	-	-	-
Recovery of insurance acquisition cash flows	-	-	-	-	-	-
Sub-total (A)	-	-	-	-	-	-
Contracts measured under the PAA						
Premium allocated for the period (B)	4,91,720	4,91,720	17,99,856	17,99,856	4,33,642	4,33,642
Less: Acquisition costs	(1,15,304)	(1,15,304)	(4,23,993)	(4,23,993)	(1,01,828)	(1,01,828)
Sub-Total	**3,76,416**	**3,76,416**	**13,75,863**	**13,75,863**	**3,31,813**	**3,31,813**
Total insurance revenue [(A)+(B)]	**4,91,720**	**4,91,720**	**17,99,856**	**17,99,856**	**4,33,642**	**4,33,642**

STAR HEALTH AND ALLIED INSURANCE CO. LTD. STAR CORPORATE OFFICE CHENNAI-34

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Schedule 16: Insurance Service and Other Expenses for other than life insurance business

Amounts in lakhs

	Partic	Three months ended - 30 June 2026				Year to end dated - 31 March 2026				Year to end dated - 30 June 2025			
		Policyholders		Shareholders	Total	Policyholders		Shareholders	Total	Policyholders		Shareholders	Total
		Health	Total			Health	Total			Health	Total		
a)	Incurred claims	3,24,627	3,24,627	-	3,24,627	11,97,372	11,97,372		11,97,372	3,05,781	3,05,781		3,05,781
b)	Losses and reversals on onerous contracts	-	-	-	-	-	-		-	-	-		-
c)	Adjustments to liabilities for incurred claims	(55)	(55)	-	(55)	13,327	13,327		13,327	(14,553)	(14,553)		(14,553)
d)	Employee benefit expenses	45,381	45,381	-	45,381	1,94,551	1,94,551		1,94,551	39,470	39,470		39,470
e)	Commission	66,025	66,025	-	66,025	3,04,697	3,04,697		3,04,697	56,486	56,486		56,486
f)	Other expenses	-	-	-	-	-	-		-	-	-		-
(i)	Travel & Conveyance	1,379	1,379	-	1,379	3,968	3,968		3,968	1,015	1,015		1,015
(ii)	Rent	2,412	2,412	-	2,412	8,070	8,070		8,070	1,429	1,429		1,429
(iii)	Rates & taxes	-	-	-	-	-	-		-	-	-		-
(iv)	Repairs & Maintenance	925	925	-	925	4,229	4,229		4,229	1,008	1,008		1,008
(v)	Energy Cost	-	-	-	-	-	-		-	-	-		-
(vi)	Printing & Stationery	148	148	-	148	479	479		479	140	140		140
(vii)	Communication expenses	1,493	1,493	-	1,493	6,871	6,871		6,871	1,993	1,993		1,993
(viii)	Legal & Professional fees	1,466	1,466	-	1,466	4,533	4,533		4,533	1,150	1,150		1,150
(ix)	Auditor Fees	42	42	-	42	177	177		177	31	31		31
(x)	Advertisement & Publicity	6,794	6,794	-	6,794	21,709	21,709		21,709	3,922	3,922		3,922
(xi)	Bank Charges	338	338	-	338	2,282	2,282		2,282	669	669		669
(xii)	Depreciation & Amortisation	3,676	3,676	-	3,676	14,439	14,439		14,439	3,718	3,718		3,718
(xiii)	Impairment losses (other than on financial assets)	-	-	-	-	-	-		-	-	-		-
(xiv)	Acquisition cost for financial instruments classified/ designated as FVTPL	-	-	-	-	-	-		-	-	-		-
(xv)	Others (to be specified)												
	- Training Expenses	217	217	-	217	724	724		724	151	151		151
	- Director's Sitting Fees	51	51	-	51	139	139		139	42	42		42
	- Software Expenses	7,231	7,231	-	7,231	23,017	23,017		23,017	4,607	4,607		4,607
	- Outsourced Manpower Expenses	-	-	-	-	-	-		-	-	-		-
	- In House Claim Processing Cost	-	-	-	-	(18,408)	(18,408)		(18,408)	(3,504)	(3,504)		(3,504)
	- Managerial remuneration	335	335	-	335	982	982		982	194	194		194
	- Remuneration To Non-Executive Directors - Profit Related Commission	-	-	-	-	-	-	150	150	-	-		-
	- PROVISIONS (Other than taxation)	-	-	90	90	-	-	21	21	-	-		-
	- Donation	-	-	-	-	-	-	-	-	-	-	-	-
	- Listing Fees / Other Charges	-	-	7	7	-	-	19	19	-	-	7	7
	- Late Fees / Penalty	-	-	-	-	-	-	340	340	-	-	339	339
	- CSR Expenses	-	-	480	480	-	-	1,691	1,691	-	-	5	5
	- Bad Debts Written Off	-	-	23	23	-	-	11	11	-	-		-
	- Movement in Pre Coverage Asset	(1,096)	(1,096)	-	(1,096)	4,085	4,085		4,085	(347)	(347)		(347)
	- ESOP Expense	1,302	1,302	-	1,302	1,925	1,925		1,925	388	388		388
	- Online and Tele marketing Expenses	1,362	1,362	-	1,362	13,559	13,559		13,559	3,882	3,882		3,882
	- Business Development and Sales Promotion Expenses	1,389	1,389	-	1,389	7,372	7,372		7,372	1,236	1,236		1,236
(xvi)	Miscellaneous expenses	664	664	-	664	2,076	2,076		2,076	613	613		613

	Adjusted for						-		-				
(A)	Amounts attributed to insurance acquisition cash flows	(1,06,576)	(1,06,576)		(1,06,576)	(4,83,274)	(4,83,274)		(4,83,274)	(89,747)	(89,747)		(89,747)
(B)	Amortisation of insurance acquisition cash flows	1,15,304	1,15,304		1,15,304	4,23,993	4,23,993		4,23,993	1,01,828	1,01,828		1,01,828
(C)	Release of loss component on onerous contracts		-		-		-		-		-		-
(D)	Investment Component		-		-		-		-		-		-
(E)	Claims recognised through Investment contract liability		-		-		-		-		-		-
	Total	**4,74,836**	**4,74,836**	**600**	**4,75,436**	**17,52,893**	**17,52,893**	**2,232**	**17,55,124**	**4,21,604**	**4,21,604**	**351**	**4,21,955**
	Represented by:												
	-Insurance service expenses	3,31,835	3,31,835	-	3,31,835	12,27,442	12,27,442	-	12,27,442	2,97,135	2,97,135		2,97,135
	-Allocated to acquisition expenses	1,15,304	1,15,304	-	1,15,304	4,23,993	4,23,993	-	4,23,993	1,01,828	1,01,828		1,01,828
	-Costs not directly attributed to insurance contracts	27,696	27,696	600	28,296	1,01,457	1,01,457	2,232	1,03,689	22,640	22,640	351	22,991
	- Others (to be specified)												

Schedule 17: Investment revenue on financial assets not measured at FVTPL

Amounts in lakhs

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026						Year to end dated - 31 March 2026						Year to end dated - 30 June 2025					
	Amortised Cost		Fair value through OCI		Total		Amortised Cost		Fair value through OCI		Total		Amortised Cost		Fair value through OCI		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
a) Interest on																		
i. Government Securities	3,345	1,933	-	-	3,345	1,933	17,422	10,467	-	-	17,422	10,467	4,233	2,830	-	-	4,233	2,830
ii. Deposits with Banks/Financial Institutions	765	442	-	-	765	442	670	403	-	-	670	403	1	1	-	-	1	1
iii. Debentures/ Bonds	12,741	7,363	-	-	12,741	7,363	44,513	26,743	-	-	44,513	26,743	10,934	7,310	-	-	10,934	7,310
iv. Other Debt Securities	2,551	1,474	-	-	2,551	1,474	9,141	5,492	-	-	9,141	5,492	1,939	1,297	-	-	1,939	1,297
Sub-Total	19,402	11,212	-	-	19,402	11,212	71,745	43,104	-	-	71,745	43,104	17,107	11,438	-	-	17,107	11,438
b) Gains/losses arising from the derecognition of:					-	-												
i. Government Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii. Deposits with Banks/Financial Institutions	-	-	-	-	-	-	45	27	-	-	45	27	43	29	-	-	43	29
iii. Debentures/ Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
iv. Equity	-	-	-	-	-	-	23	14	-	-	23	14	22	14	-	-	22	14
v. Derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
vi. Others (to be specified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-												
c) Dividend Income	-	-	-	-	-	-	68	41	-	-	68	41	65	43	-	-	65	43
d) Foreign exchange gain on Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
e) Others (to be specified)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,402	11,212	-	-	19,402	11,212	71,813	43,144	-	-	71,813	43,144	17,172	11,481	-	-	17,172	11,481

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TR CHADHA & CO. LLP CHENNAI Chartered Accountants

Schedule 18: Other Investment Revenue

Name of Segment: Health (Incl Personal Accident and Travel)

Amounts in lakhs

Particulars	Three months ended - 30 June 2026						Year to end dated - 31 March 2026						Year to end dated - 30 June 2025					
	At FVTPL		Designated as FVTPL		Total		At FVTPL		Designated as FVTPL		Total		At FVTPL		Designated as FVTPL		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
a) Interest on																		
i. Government Securities	-	-			-	-	-	-			-	-	-	-			-	-
ii. Deposits with Banks/Financial Institutions	-	-			-	-	-	-			-	-	-	-			-	-
iii. Debentures/ Bonds	-	-			-	-	-	-			-	-	-	-			-	-
iv. Other Debt Securities	570	329			570	329	560	337			560	337	-	-			-	-
Sub-Total	570	329	-	-	570	329	560	337	-	-	560	337	-	-	-	-	-	-
b) Gains/losses arising from the derecognition of:																		
i. Government Securities	-	-			-	-	-	-			-	-	-	-			-	-
ii. Deposits with Banks/Financial Institutions	-	-			-	-	-	-			-	-	-	-			-	-
iii. Debentures/ Bonds	-	-			-	-	-	-			-	-	-	-			-	-
iv. Other Debt Securities	-	-			-	-	-	-			-	-	-	-			-	-
v. Equity	-	-			-	-	-	-			-	-	-	-			-	-
vi. Mutual Funds	-	-			-	-	293	176			293	176	-	-			-	-
vii. Derivatives	-	-			-	-	-	-			-	-	-	-			-	-
viii. Investment Property	-	-			-	-	-	-			-	-	-	-			-	-
ix. Owner Occupied Property backing insurance contracts with Direct Participating Features	-	-			-	-	-	-			-	-	-	-			-	-
x. Others (to be specified)	-	-			-	-	-	-			-	-	-	-			-	-
Exchange Traded Fund	-	-			-	-	-	-			-	-	-	-			-	-
Infrastructure Inv Trusts	-	-			-	-	-	-			-	-	-	-			-	-
Real Estate Investment Trusts	-	-			-	-	-	-			-	-	-	-			-	-
Sub-Total	-	-			-	-	529	318			529	318	-	-			-	-
c) Net Gain/(loss) on Fair Value changes	-	-	-	-	-	-	822	494	-	-	822	494	-	-	-	-	-	-
i. Government Securities	-	-			-	-	-	-			-	-	-	-			-	-
ii. Deposits with Banks/Financial Institutions	-	-			-	-	-	-			-	-	-	-			-	-
iii. Debentures/ Bonds	-	-			-	-	-	-			-	-	-	-			-	-
iv. Other Debt Securities	-	-			-	-	-	-			-	-	-	-			-	-
v. Equity	3,107	1,796			3,107	1,796	(8,151)	(4,897)			(8,151)	(4,897)	6,396	4,277			6,396	4,277
vi. Mutual Funds	-	-			-	-	-	-			-	-	-	-			-	-
vii. Derivatives	-	-			-	-	-	-			-	-	-	-			-	-
viii. Investment Property	-	-			-	-	-	-			-	-	-	-			-	-
ix. Owner Occupied Property backing insurance contracts with Direct Participating Features	-	-			-	-	-	-			-	-	-	-			-	-
x. Others (to be specified)	-	-			-	-	-	-			-	-	-	-			-	-
Exchange Traded Fund	13,046	7,539			13,046	7,539	(3,584)	(2,153)			(3,584)	(2,153)	10,038	6,712			10,038	6,712
Infrastructure Inv Trusts	2,006	1,159			2,006	1,159	2,992	1,798			2,992	1,798	132	89			132	89
Alternate Investment Fund	876	506			876	506	-	-			-	-	-	-			-	-
Real Estate Investment Trusts	1,057	611			1,057	611	1,936	1,163			1,936	1,163	957	640			957	640
Sub-Total	20,092	11,612	-	-	20,092	11,612	(6,807)	(4,090)	-	-	(6,807)	(4,090)	17,524	11,717	-	-	17,524	11,717
d) Dividend Income	732	423	-	-	732	423	1,674	1,006	-	-	1,674	1,006	482	322	-	-	482	322
e) Rental Income from Investment Property	-	-			-	-	-	-			-	-	-	-			-	-
f) Foreign exchange gain on Financial Assets	-	-			-	-	-	-			-	-	-	-			-	-
g) Others (to be specified)																		
Total	21,394	12,364	-	-	21,394	12,364	(3,751)	(2,254)	-	-	(3,751)	(2,254)	18,006	12,039	-	-	18,006	12,039

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Schedule 19: Impairment of financial assets

Amounts in lakhs

Name of Segment: Health (Incl Personal Accident and Travel)

Particulars	Three months ended - 30 June 2026							
	Amortised Cost		Fair value through OCI		Any other basis		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
i) Government Securities	-	-	-	-	-	-	-	-
ii) Deposits with Banks/Financial Institutions	-	-	-	-	-	-	-	-
iii) Debentures/ Bonds	(2)	(1)	-	-	-	-	(2)	(1)
iv) Other Debt Securities	-	-	-	-	-	-	-	-
v) Others (to be specified)								
Fixed Deposits	-	-	-	-	-	-	-	-
TREPS	-	-	-	-	-	-	-	-
Total Impairment on Financial Instruments	(2)	(1)	-	-	-	-	(2)	(1)

Particulars	Year to end dated - 31 March 2026							
	Amortised Cost		Fair value through OCI		Any other basis		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
i) Government Securities	-	-	-	-	-	-	-	-
ii) Deposits with Banks/Financial Institutions	-	-	-	-	-	-	-	-
iii) Debentures/ Bonds	33	20	-	-	-	-	33	20
iv) Other Debt Securities	-	-	-	-	-	-	-	-
v) Others (to be specified)								
Fixed Deposits	1	-	-	-	-	-	1	-
TREPS	43	26	-	-	-	-	43	26
Total Impairment on Financial Instruments	77	46	-	-	-	-	77	46

Particulars	Year to end dated - 30 June 2025							
	Amortised Cost		Fair value through OCI		Any other basis		Total	
	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders	Policyholders	Shareholders
i) Government Securities	-	-	-	-	-	-	-	-
ii) Deposits with Banks/Financial Institutions	-	-	-	-	-	-	-	-
iii) Debentures/ Bonds	3	2	-	-	-	-	3	2
iv) Other Debt Securities	-	-	-	-	-	-	-	-
v) Others (to be specified)								
Fixed Deposits	(0)	(0)	-	-	-	-	(0)	(0)
TREPS	(35)	(24)	-	-	-	-	(35)	(24)
Total Impairment on Financial Instruments	(32)	(22)	-	-	-	-	(32)	(22)

Amounts in lakhs

Schedule 20 a: Finance income/expenses from insurance contracts

Particulars	Three months ended - 30 June 2026		Year to end dated - 31 March 2026		Year to end dated - 30 June 2025	
	Health	Total	Health	Total	Health	Total
Changes in fair value of underlying items of insurance contracts with direct participating features	-	-	-	-	-	-
Interest accreted	4,148	4,148	11,642	11,642	6,431	6,431
Effect of changes in interest rates and other financial assumptions	-	-	-	-	-	-
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	-	-	-	-	-
Others (to be specified)						
Total finance income/expenses from insurance contracts	**4,148**	**4,148**	**11,642**	**11,642**	**6,431**	**6,431**

Amounts in lakhs

Schedule 20 b: Finance income/ expenses from reinsurance contracts

Particulars	Three months ended - 30 June 2026		Year to end dated - 31 March 2026		Year to end dated - 30 June 2025	
	Health	Total	Health	Total	Health	Total
Interest accreted	(266)	(266)	(2,166)	(2,166)	(2,185)	(2,185)
Effect of changes in interest rates and other financial assumptions	-	-	-	-	-	-
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	-	-	-	-	-
Others (to be specified)						
Total finance income/expenses from reinsurance contracts	**(266)**	**(266)**	**(2,166)**	**(2,166)**	**(2,185)**	**(2,185)**

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Amounts in lakhs

Schedule 21: Other Income

Particulars	Three months ended - 30 June			Year to end dated - 31 March 2026			Year to end dated - 30 June 2025		
	Policyholders	Shareholders	Total	Policyholders	Shareholders	Total	Policyholders	Shareholders	Total
Net gain/(loss) on ineffective portion of hedges	-	-	-	-	-	-	-	-	-
Net gain/(loss) on derecognition of property, plant and equipment	-	(23)	(23)	-	(228)	(228)	-	(34)	(34)
Net gain or loss on foreign currency transactions and translation (other than considered as finance cost) (to be specified)	-	1	1	-	101	101	-	(58)	(58)
Others (to be specified)									
(a) Provision written back	-	10	10	-	48	48	-	42	42
(b) Interest on Income Tax Refund	-	-	-	-	154	154	-	-	-
(c) Others	-	458	458	-	45	45	-	8	8
(d) Interest income A/C (Security deposit)	69	-	69	264	-	264	80	-	80
('e) Gain/Loss on modification of Leases	-	236	236	(432)	-	(432)	-	-	-
Total Other Income	**69**	**682**	**751**	**(168)**	**120**	**(48)**	**80**	**(42)**	**38**

Amounts in lakhs

Schedule 22: Finance cost

Particulars	Three months ended - 30 June 2026			Year to end dated - 31 March 2026			Year to end dated - 30 June 2025		
	Policyholders	Shareholders	Total	Policyholders	Shareholders	Total	Policyholders	Shareholders	Total
Interest on financial liabilities measured at amortised cost	-	1,027	1,027	-	4,131	4,131	-	1,039	1,039
Dividend on redeemable preference shares treated as liability	-	-	-	-	-	-	-	-	-
Others (to be specified)									
-Interest Expense on lease liabilities	255	-	255	1,371	-	1,371	381	-	381
Total Finance Cost	**255**	**1,027**	**1,282**	**1,371**	**4,131**	**5,502**	**381**	**1,039**	**1,420**

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SUMMARY OF MATERIAL ACCOUNTING POLICIES

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 (IRDAI Regn No. 129). The company commenced its operations on March 16, 2006. The Company has been registered by IFSCA (International Financial Services Centres Authority) on March 14, 2024 as IFSC Insurance Office (IIO) at IFSC – Gift City, Gujarat.

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") including Ind AS 117 and pursuant to IRDAI (Actuarial, Finance and Investment Functions of Insurers), (Amendment) Regulations, 2026. The Company has prepared the financial statements in compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with relevant rules thereunder and other Indian Accounting standard (IND AS), to the extent considered relevant and appropriate for the purpose of financial reporting and are consistent with the accounting principles as prescribed under the provisions of the Insurance Act, 1938 as amended from time to time, Insurance Regulatory and Development Authority Act, 1999 as amended from time to time, Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, ('the Financial Statements Regulations'), the Master Circular on Actuarial, Finance and Investment Functions of Insurers Ref No. IRDAI/Reg/2/216/2026 dated March 30, 2026, ('the Master Circular'), the regulations framed thereunder and various orders/directions/circulars issued by the IRDAI and the practices prevailing within the insurance industry in India.

The Company has not taken forbearance and transition from the existing regulatory accounting framework i.e. Previous GAAP to Ind AS is in effect from 1 April 2026, wherein Ind AS 117 shall be the principal standard governing the accounting for insurance contracts. In line with IRDAI requirements, the Company expects to undertake parallel reporting under Previous GAAP along with Ind AS for a period of two years.

The financial statements have been prepared under the historical cost convention, for certain financial assets and financial liabilities which are measured at fair value, and other items under the relevant accounting Indian accounting standards.. The financial statements have been prepared on going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. In making this assessment, management has considered a wide range of factors relating to present and future conditions, including current profitability, expected future profitability, cash flows and access to financing. Financial assets and financial liabilities are offset, and the net amount reported in Balance Sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense are not offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation.

These financial statements are presented in Indian Rupees, which is the Company's functional currency all amounts are rounded to the nearest lakh except when otherwise indicated.

The accounting policies have been consistently applied by the Company. The management evaluates all newly issued or revised accounting pronouncements on an ongoing basis to ensure due compliance.

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3. Use of estimates

The preparation of financial statements in conformity with Indian Accounting standard (Ind AS) requires the management to make estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities and disclosure relating to contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the financial statements are based upon the management's evaluation of the relevant facts and circumstances, as of the date of the financial statements. Any revision to the accounting estimate is recognized prospectively. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. All the estimates are mentioned in material accounting policy.

4. FIRST TIME ADOPTION OF Ind AS

The Company has adopted Ind AS with effect from 1st April 2026 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at 1st April 2025. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS.

The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS.

Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions

A. Ind-AS Optional Exemptions

I. Deemed Cost - Property, Plant and Equipment and Intangibles Assets:
As permitted by Ind AS 101, The Company elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all its property, plant and equipment and intangible assets at their previous GAAP carrying value.

II. Leases:
Leases, except short-term leases (12 months or less) and low-value asset leases, are recognised as right-of-use assets and lease liabilities at the present value of lease payments. The Company has adopted the full retrospective approach, with comparatives restated. Short-term and low-value leases are expensed as incurred.

III. Share based Payment:
Ind AS 101 permits, but does not require, first-time adopters to apply Ind AS 102, Share-based Payment, to equity instruments that vested before the date of transition to Ind AS. The Company has elected not to apply Ind AS 102 to share-based payment awards that vested prior to April 1, 2025.

B. Mandatory Exceptions

IV. Estimates
As required by Ind AS 101, estimates required under Ind AS but not under previous GAAP have been made based on conditions existing at the date of transition and at the end of the comparative reporting period. These estimates are consistent with those made under previous GAAP for the respective dates, except where previous GAAP did not require such estimates.

Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:
(i) Financial assets are measured at fair value through profit or loss (FVTPL), where applicable, and at amortized cost where the financial assets meet the criteria for classification based on company's business model; and
(ii) Impairment of financial assets based on expected credit loss model

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V. Classification and measurement of financial assets

Company assess the classification of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company classifies its financial assets only as measured at fair value through profit or loss (FVTPL) or at amortised cost and has determined this classification based on the facts and circumstances existing at the date of transition. Further, the standard permits measurement of financial assets accounted for at amortised cost to be based on facts and circumstances existing at the date of transition where retrospective application of the effective interest method is impracticable. The Company has not availed of this impracticability exception; measurement of financial assets accounted for at amortised cost has been done retrospectively, using the effective interest method from the date of initial recognition of the respective financial assets.

VI. Derecognition of financial assets and financial liabilities

Company has applied the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

5. Insurance contracts

5.1. Identification and Scope of Ind AS 117

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. The Company issues health insurance to individuals and businesses. The Company cedes risks through reinsurance arrangements and maintains reinsurance contracts. The Company does not issue any contracts with direct participating features.

5.2. Combination of Insurance Contracts and Separating components from an insurance contract

A set or series of insurance contracts with the same or a related counterparty may achieve, or be designed to achieve, an overall commercial effect. In order to report the substance of such contracts, it may be necessary to treat the set or series of contracts as a whole.

A good or service other than an insurance contract service that is promised to the policyholder is not distinct if:
(a) the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components in the contract; and
(b) the company provides a significant service in integrating the good or service with the insurance components.

Similarly, riders attached to a base contract, including those issued after initial issuance, are assessed together with the base contract and, where linked, are accounted for as a single contract.

5.3. Level of aggregation

The Company determines the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. The Company applies an annual cohort (Financial year) policy, whereby contracts issued more than one year apart are assigned to separate groups. The Company determines contracts are required to be classified into groups according to the degree of profitability at initial recognition, which at a minimum include the following:

- A group of contracts that are onerous at initial recognition, if any;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous, if any; and
- A group of remaining contracts in the portfolio, if any ('other').

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The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. The Company has divided the reinsurance at the least granular level of aggregation for the reinsurance contracts held i.e., at the reinsurance treaty.

The Company determines contracts issued to which a company applies the premium allocation approach, the company shall assume no contracts in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise. A company shall assess whether contracts that are not onerous at initial recognition have no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

5.4. Recognition

The Company recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

And

- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held on or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

5.5. Measurement of Insurance Contracts

5.5.1. Discount Rate

The Company determines the discount rate with respect to contractual cash flows that do not vary based on the returns on underlying items, either a Bottom-up and Top-down approach can be used. Under a bottom-up approach, the discount rate is based on a liquid risk-free yield curve then an addition is made to reflect the relative illiquidity of the insurance contracts. However, the top-down approach is based on yield-curve that reflects the current market rate of returns of a reference portfolio of assets adjusted to eliminate any factors that are not relevant to the insurance contracts (e.g., credit risk)

The Company chooses to adopt a bottom-up approach to derive the discount rates for liability valuation.

The risk-free rate takes into account the time value of money and does not consider non-insurance risks. in India, Risk free rates are based on the Zero-Coupon Sovereign Rupee Yield Curve (ZCYC) curve.

The Company's underlying insurance contract does have cancellation feature and hence the policyholder can exit the policy via expiry of term or cancellation. Further, owing to the Short-term nature of the contract where majority of the business is two years or less, the contract is identified to be liquid from a policyholder's standpoint as they are free to switch insurers once the policy term ends. Hence, the illiquidity premium is not applied while computing discount rates for the underlying groups.

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For the ceded reinsurance groups, the Company can exit the treaties except Obligatory reinsurance treaty; giving a notice of three months subject to term and conditions mentioned in the treaties, the policies reinsured before cancellation will continue to be reinsured by the prevailing reinsurer unless a recapture clause is applied. Owing to the ease of exit, the Reinsurance treaties are also identified as liquid and hence illiquidity premium is not added to discount rates for ceded groups as well.

5.5.2. Risk Adjustment

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

5.5.3. Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when:

The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks

Or

Both of the following criteria are satisfied:

The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio

The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

5.6. Onerous Contracts

Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. If at any time during the coverage period, the facts and circumstances mentioned in point 5.3 indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group as determined in point 5.7.1. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

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Loss-recovery components

As described in point 5.3, where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

A loss-recovery component is subsequently reduced to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the company expects to recover from the group of reinsurance contracts held.

5.7. Premium Allocation Approach (PAA)

5.7.1. Insurance contracts — initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary (refer point 5.5.3)

Or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general measurement model.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

The liability for remaining coverage is discounted to reflect the time value of money and the effect of financial risk.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts, and the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows (FCF). A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer point 5.6.

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5.7.2. Insurance contracts — subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment).

The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims as majority are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer point 5.6.

Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.

5.7.3. Significant Financing Component

If insurance contracts in the group have a significant financing component, a company shall adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using the discount rates as determined on initial recognition.

The company is not required to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk if, at initial recognition, the company expects that the time between providing each part of the services and the related premium due date is no more than a year.

5.7.4. Insurance Revenue

The company shall allocate the expected premium receipts to each period of insurance contract services: (a) on the basis of the passage of time; (b) but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

The effect of accounting estimates made in interim financial statements

The company shall make an accounting policy choice as to whether to change the treatment of accounting estimates made in previous interim financial statements (Ind AS 34) when applying Ind AS 117 in subsequent interim financial statements and in the annual reporting period. The company shall apply its choice of accounting policy to all groups of insurance contracts it issues and groups of reinsurance contracts it holds.

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5.8. Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Company uses a systematic and rational method to allocate:

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts to that group
- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Insurance acquisition cash flows are not expensed as incurred but are deferred over the coverage period or persistency of the portfolio as applicable

These cash flows are amortised systematically throughout the coverage period or persistency of the portfolio as applicable, following the same pattern as the recognition of insurance revenue.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the Balance Sheet, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the Balance Sheet when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

At the end of reporting period, the Company revises amount of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

After any re-allocation, the Company assesses the recoverability of the asset for insurance acquisition cash flows, if facts and circumstances indicate the asset may be impaired. When assessing the recoverability, the Company applies:

- An impairment test at the level of an existing or future group of insurance contracts; and
- An additional impairment test specifically covering the insurance acquisition cash flows allocated to expected future contract renewals.

The Company assesses, at least annually, whether there is any indication that an asset may be impaired. If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Company recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

5.9. Reinsurance contracts

5.9.1. Initial measurement.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

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The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

In addition, the company shall consider the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes.

Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

5.9.2. Subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the company expects to recover from the group of reinsurance contracts held.

5.10. Insurance contracts — modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)

Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

5.11. Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company does not disaggregate finance income and expenses because the related financial assets are managed on a fair value basis and measured at FVTPL.

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5.12. Risks arising from contracts within the scope of Ind AS 117, along with sensitivity analysis

5.12.1. Insurance risk

Insurance contracts issued and reinsurance contracts held

The Company principally issues health insurance contracts along with personal accident, and travel.

The objective of the Company is to ensure that sufficient reserves are available to cover the liabilities associated with these insurance contracts issued and reinsurance contracts held. The risk exposure is mitigated by diversification across the portfolios of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance held arrangements, Furthermore, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company, The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

The Company purchases reinsurance as part of its risk mitigation programme. Reinsurance held is placed on a proportional as well non-proportional basis.

Amounts recoverable from reinsurers are estimated in a manner consistent with underlying insurance contract liabilities and in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance held, to the extent that any reinsurer is unable to meet its obligations. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

Sensitivities

The liability for incurred claims is sensitive to the key assumptions. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The sensitivity analysis shows the impact on gross and net liabilities, profit before tax and equity for reasonably possible movements in key assumptions with all other assumptions held constant using stress testing methodology. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions have been changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Claims development table

As required by Ind AS 117, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

5.12.2. Financial risk

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk:

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The Company's Asset Management Liability policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow, The Company also has committed lines of credit that it can access to meet liquidity needs.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued or reinsurance contract held will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk); market interest rates (interest rate risk); and market prices (price risk).

The Company's Asset Liability Management policy sets out the assessment and determination of what constitutes market risk for it. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee, The policy is reviewed regularly for pertinence and for changes in the risk environment.

Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains needed to meet the Company's contractual requirements.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates.

The Company's principal transactions are carried out in INR and its exposure to foreign exchange risk is minimal as it does not issue policies denominated in foreign currency nor its major expenses, debt or investment assets are denominated in a foreign currency. The Company's financial assets are primarily denominated in the same currencies as its insurance contract liabilities i.e., INR.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the company to fair value interest rate risk.

There is no direct contractual relationship between financial assets and insurance contracts.

Price risk

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market.

The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk.

The Company's price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on individual and total equity instruments.

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The Company has no significant concentration of price risk.

This analysis was performed for reasonably possible movements in the market index with all other variables held constant. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

Credit risk

Credit risk is the risk that one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

The Company's Asset Liability Management policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Credit risk relating to financial instruments is monitored by the Company's mid office investment team. They review and manage credit risk, including environmental risk for all counterparties. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. It is the Company's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments.

There is no allowance for credit risk on the insurance premium receivable because the premium is paid in advance before the commencement of the risk. This is also mandated by the local regulations (i.e. the risk cannot commence unless premium is received).

Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy.

Receivables on account of accrued interest is on the investment held by the Company. The investments are held with a high credit rating and is monitored on the periodic basis to avoid the credit risk. At each reporting date, management performs an assessment of creditworthiness of investments and updates the investment policy accordingly. The assessment of the credit risk from other receivables is based on internal expert assessments. In addition to monitoring credit risk, the Company have implemented continuous monitoring of financial investments on the basis of internal and external credit ratings.

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The credit risk in respect of customer balances incurred on non—payment of premiums will only persist during the grace period specified in the policy document. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of default.

CAPITAL

Capital management objectives, policies and approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To align the profile of assets and liabilities, taking account of risks inherent in the business
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

The Company is also subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g., capital adequacy) to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseeable liabilities as they arise.

The Company has met all of these requirements throughout the financial year. In reporting financial strength, capital and solvency are measured using the rules prescribed by the IRDAI. The Company's capital management policy is to hold sufficient capital to cover the statutory requirements based on the IRDAI Regulations.

In determining groups of contracts, the Company has elected to include in the same group contracts where the Company's ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation.

Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

The primary source of capital used by the Company is total equity. The Company also uses other forms of capital such as debt, in addition to more traditional sources of funding.

The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

The Company has made no significant changes from previous years to its policies and processes for its capital structure.

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6. FINANCIAL INSTRUMENTS

6.1. Classification

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified at the beginning of the reporting period during which the business model has changed.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt security is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity security that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Dividend income from equity instruments measured at fair value through profit or loss is recognised in the income statement, generally when the security becomes ex-dividend. Interest revenue is recognised on an accrued basis. For all financial assets and liabilities measured at fair value through profit or loss, changes in fair value are recognised in profit or loss as part of investment result.

6.2. Measurement categories

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include the following:

- Amortised cost
- FVOCI
- FVTPL

6.2.1. Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business where the objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, the financial assets are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Movements in the loss allowance for ECLs are recognised in the statement of profit or loss as in impairment at reporting date.

6.2.2. Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business where the objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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FVOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost as explained in point 6.6. The ECL calculation for debt instruments at FVOCI is explained in point 6.4. Where the Company holds more than one investment in the same security, they are deemed to be disposed of on a first–in first–out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

6.2.3. Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial assets at FVTPL are recorded in the Balance Sheet at fair value. Changes in fair value are recorded in profit or loss. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other operating income when the right to the payment has been established.

6.2.4. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For other liabilities maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

6.3. Derecognition of financial instruments

6.3.1. Derecognition of financial assets

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Company has transferred substantially all the risks and rewards of the asset, or
  (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

6.3.2. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

6.4. Impairment of Financial assets

The Company recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the appropriate effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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The Company's debt instruments comprise mainly of governments securities and bonds that are graded in the top investment category and, therefore, are considered to be low credit risk investments. It is the Company's policy to measure ECLs on such instruments on a 12-month basis. Where the credit risk of any bond deteriorates, the Company will sell the bond and purchase bonds meeting the required investment grade.

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the Balance Sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to profit or loss. The accumulated gain recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

6.5. Fair value of financial instruments

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

6.6. Recognition of interest income

6.6.1. The effective interest rate method

Under Ind AS 109, interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at amortised cost. Interest income on interest bearing financial assets measured at FVTOCI under Ind AS 109 is also recorded using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on acquisition of the financial asset as well as fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the debt instrument.

If expectations of a fixed rate financial asset's cash flows are revised for reasons other than credit risk, and the changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference to the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset in the Balance Sheet with a corresponding increase or decrease in interest income.

6.6.2. Interest Income

Interest income comprises amounts calculated using the effective interest method and other methods. These are disclosed separately on the face of the income statement. In its Interest income calculated using the effective interest method the Company only includes interest on financial instruments at amortised cost or FVOCI.

The Company calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

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

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6.6.3. The Company's internal rating process

The Company's investment team prepares a credit assessment note for each issuer wherein the funds are to be invested. The note incorporates both qualitative and quantitative information that builds on information from an external Credit rating agency, supplemented with information specific to the counterparty and other external information that could affect the counterparty's behaviour. All the issuers wherein Company seeks to invest are approved by the Investment Committee.

6.6.4. Credit exposure

The company's credit risk is assessed by classifying AAA as the highest possible rating. Assets that fall outside the range of AAA to A are classified as non-investment grade. The amounts represent the maximum amount exposure to credit risk. The Company manages its credit exposure based on the carrying value of the financial instruments and insurance and reinsurance contract assets.

6.6.5. Impairment assessment - Significant increase in credit risk, default and cure

The Company's ECL assessment and measurement method is set out below.

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost and
- debt securities measured at FVOCI

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

There has been no significant increase in credit risk or default for financial assets during the year.

The Company assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 65%.

In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

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7. LEASES

The Company adopted Ind AS 116 using the full retrospective approach. The Company elected to use the practical expedient allowing the standard to be applied only to contracts that were previously identified as leases at the date of initial application.

The Company opted to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

Right-of-use assets (ROU)

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has included the right-of-use assets arising from the lease contracts within property, premise, and equipment in the Balance Sheet.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Company has included the lease obligations arising from the lease contracts within the other liabilities in the Balance Sheet.

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Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low- value assets are recognized as an expense on a straight-line basis over the lease term.

The Company elected to use the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application in the same way as short-term Leases and include the cost associated with those leases within the disclosure of short-term lease expense in the annual reporting period that includes the date of initial application.

8. Operating expenses relating to insurance business: basis of allocation and apportionment of expenditure to various segments of business

Expenses are allocated to the segments in line with the regulation on Expenses of Management (EOM) notified by IRDAI. The expense allocation policy is duly approved by the Board of Directors in line with the regulations. The accounting policies used in segment reporting are the same as those used in the preparation of the financial statements. Non attributable expenses are charged to the Shareholders' account.

9. Transition approach

The Company adopted Ind AS 117, Insurance Contracts, with effect from 1 April 2026. The transition date for the purpose of applying Ind AS 117 is 1 April 2025, being the beginning of the comparative reporting period.

The Company has applied Ind AS 117 retrospectively unless full retrospective application was impracticable. In assessing the appropriate transition approach, the Company considered the availability of reasonable and supportable information that could be obtained without undue cost or effort. Accordingly, the Company applied a Modified Retrospective Approach ("MRA") across groups of contracts.

The cumulative effect of adopting Ind AS 117 was recognised in opening equity as at 1 April 2025.

10. Taxation including impact due to change in Accounting Policy/ Adoption of Ind AS

Provision for Current Tax: Provision for Current Tax is made in accordance with the provisions of Section 44 of the Income Tax Act, 1961 read with Rules contained in the First Schedule and other relevant provisions of the Income Tax Act, 1961 as applicable to a company carrying on general insurance business.

Deferred Tax: In accordance with the provisions of the Indian Accounting standard (IND AS) 12, "Income Taxes", the deferred tax asset/liability is recognized only to the extent that there is a change in equity at transition date.

11. Any departure from the accounting policies required by Ind AS shall be separately disclosed with reasons for such departure

The Company has complied with all applicable accounting policies prescribed under Ind AS. Accordingly, there have been no departures requiring separate disclosure during the reporting period.

12. Any changes in the assumptions from the previous Ind AS Financial Statements shall be specified along with the justification and its financial impact

Not applicable, as the current reporting period represents the Company's first set of financial statements prepared under Ind AS.

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13. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

13.1. Insurance contracts issued and reinsurance contracts held

13.1.1. Liability for remaining coverage

Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to related groups of insurance contracts recognised in the Balance Sheet. An asset for insurance acquisition cash flows is recognised for acquisition cash flows incurred before the related group of insurance contracts has been recognised.

Onerous groups

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from reinsurance contracts held.

For LIC, the computation is consistent across measurement models as expected cashflows adjusted for time value of money, if required and a risk adjustment.

Time value of money

The Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition

13.1.2. Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Time value of money

There is no adjustment for the time value of money because claims are settled within 12 months.

13.2. Assets for insurance acquisition cash flows

The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts.

At the end of each reporting period, the Company revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

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In the current and prior year, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

13.3. Impairment on financial assets

The key parameters for calculating Expected Credit Losses (ECL) are the probability of default, the loss given default and the exposure at default.

The probability of default is the basis for specifying a stage of the impairment model. In addition, the probability of default is considered whenever ECL are calculated. During our internal rating process, the probability of default is calculated on the basis of historical data, current market conditions, and assumptions about the future.

The loss given default and the exposure at default are likewise factored into calculations of ECL. In this context, the loss given default is derived from the recovery and default studies published by rating agencies. The exposure at default corresponds to the gross carrying amount as at the reporting date.

13.4. Share based payment

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

13.5. Defined Benefit Plan

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

13.6. Business model assessment

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of these assets are compensated.

Monitoring is part of the Company's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets.

14. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any, Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in statement of profit or loss and other comprehensive income as incurred. The Company identifies and determines cost of each component/ part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Depreciation on property, plant and equipment is provided based on straight line method using the rates basis the economic useful life of assets as estimated by the management which reflects the useful life specified in Schedule II of the Companies Act, 2013, as follows:

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Useful life estimated by the management in years:

Nature of Fixed Assets	Management estimate of Useful Life in years	Useful life as per Schedule II of the Companies Act, 2013 in Years
Buildings	60	60
Furniture and fixtures	10	10
Office equipment's	5	5
Vehicles	8 to 10	8 to 10
Information Technology equipment – Others	3	3
Information Technology equipment – Servers and networks	5	6

Leasehold improvements are depreciated on straight line method over the period of lease.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

15. CAPITAL WORK-IN PROGRESS

Capital work-in progress (CWIP) comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period. CWIP is measured at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

The cost of CWIP shall be recognised as an asset only if the recognition criteria are met. CWIP is derecognised when the construction and installation are complete and the asset is ready for its intended use. CWIP is not depreciated until it is available for intended use.

16. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss and other comprehensive income in the period in which the expenditure is incurred. The estimated useful life of assets are as follows:

Useful lives estimated by the management in years:

Intangibles (Including Software)	3 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

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17. EMPLOYEE BENEFITS

17.1. Short Term Employee Benefits

Employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are treated as short-term employee benefits and presented as current liabilities. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Compensated absences

As per the leave Policy of the Company, employees are entitled to avail 15 days of privilege leave during a calendar year and carry forward the unutilised leave to maximum period of one year to next calendar year. All other types of leaves necessarily lapse at the end of calendar year itself and there is no encashment of any type of leave including privilege leave. At reporting date, liability pertaining to compensated absences is calculate based on the total leave balances of each employee expected to be taken based on past experience.

17.2. Post-Employment Benefits

Gratuity - Defined benefit plans

The present value of the obligation under defined benefit plans are determined based on actuarial valuation using the Projected Unit Credit Method. Retirement gratuity liability is funded with an Insurance Company through contributions to Star Health and Allied Insurance Company Limited Employees' Gratuity Trust ("the Trust"). In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

In case of defined benefit plans, remeasurement comprising of actuarial gains and losses is recognized in other comprehensive income (OCI) and is reflected in retained earnings and is not eligible to be reclassified to profit or loss.

The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service cost including current service cost, past service cost and gains and losses on curtailments and settlements; and
- Net interest expense or income.

Provident Fund and Employee's State Insurance - Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate company. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

17.3. Others

The Company pays a fixed amount of benefit on the death of an employee in service, based on the designation of the employee. Since the level of benefit is uniform for all employees regardless of years of service, the cost of benefit is recognised when the event occurs.

17.4. Share based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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18. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

19. Foreign currencies transactions and translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

20. IMPAIRMENT

20.1. Financial assets

Financial assets (other than at fair value)

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

20.2. Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of incomes is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

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21. INCOME TAXES

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates enacted or substantively enacted by the reporting period.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets are recognised for unused tax losses, unabsorbed depreciation and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the reporting date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. The Company offsets tax assets and tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

22. PROVISIONS & CONTINGENT LIABILITY

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pretax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

23. EARNINGS PER SHARE (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e., the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

24. STATEMENT OF CASH FLOWS

Cash flows are reported using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed. The cash flows from operating, investing and financing activities of the company are segregated.

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25. SEGMENT INFORMATION

25.1. Reportable Segment

The Company operates in Health segment business with further subsegments health, personal accident and travel which are part of Health Segment.

25.2. Geographical Segment

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

26. NOTES TO ACCOUNTS

26.1. Provisions, Contingent Liabilities and Commitments

Contingent Liabilities

(Rs in Lakhs)

Particulars	As at 30-Jun-26	As at 31-Mar-26
Partly paid investments	NIL	NIL
Underwriting commitments outstanding	NIL	NIL
Claims, other than those under policies, not acknowledged as debt	NIL	NIL
Guarantees given by or on behalf of the Company	NIL	NIL
Statutory demands/liabilities in dispute, not provided for (Refer Note a & b)	28,981	29,003
Reinsurance obligations to the extent not provided for in accounts	NIL	NIL

Note:

a. The Company has disputed the demand raised by Goods and Service Tax Authorities for various years and denial of refund claim amounting to Rs. 28,977 Lakhs (previous year: Rs. 28,999 Lakhs). The demand orders majorly pertain to non-payment of GST on industry vide issues such as ITC denial on marketing expense, GST on insurance premium for the policies issued to SEZ and other miscellaneous issues like mismatch in GSTR3B vs GSTR2A, GST credit claimed under reverse charge mechanism. The department has issued demand order on suo-moto basis without giving reasonable opportunity to be heard.

b. The Company has no demand raised by Income Tax Authorities to be classified as contingent liability.

In the view of the Company, and as advised by the counsel, the decisions are expected to be in favour of the Company, based on the facts of the case and taxation law.

Other Matters:

Income Tax:

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 and 2011-12 with demands aggregating to Rs. 6,268 Lakhs (previous year: Rs. 6,268 Lakhs) on account of applying the provisions of Section 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.

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The company has received an order from the Joint Commissioner of Income tax (OSD) on August 16, 2021 for the Assessment Year 2009-2010, granting a refund of Rs. 2,224 Lakhs. As per above mentioned order the company is not liable to pay tax under provision of section 115JB and Income tax demand of Rs. 2,458 Lakhs is nullified. The company has already received a sum of Rs. 781 Lakhs out of Rs 2,224 Lakhs refund sanctioned as per 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.

The principal commissioner of income tax, Chennai has initiated the revision proceedings under section 263 of the Income tax Act. The department has mentioned that the order passed by Joint commissioner of income tax (OSD) dated August 16, 2021 is erroneous and not in line the high court judgement. The Company has filed writ appeal on April 12, 2023.

The Principal Commissioner of Income Tax, Chennai has set aside the order passed by the AO. The Company has challenged the order and filed an appeal in ITAT on January 4, 2024.The ITAT remanded back the order to AO. The AO on further scrutiny has confirmed that the refund issued to the Company is genuine and for the balance refund the same will be passed once appropriate orders of the Honourable Supreme Court gives its direction on the Special Leave petition pending with the Honourable Supreme Court.

Assessment Year	Amount (Rs in Lakhs)
2009-10	2,458
2010-11	1,337
2011-12	2,472
Total	**6,268**

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. 4,244 Lakhs 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. 251 Lakhs. 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 has received an assessment order dated March 17, 2026, from the Office of the Assistant Commissioner of Income Tax for Assessment Year 2024-25, raising a demand of Rs. 854 lakhs towards income tax and interest. The demand pertains to the disallowance of deductions claimed by the Company in respect of provisions that were earlier disallowed for tax purposes and subsequently reversed in the books of account during the year. The Company has filed an appeal against the said order before the Commissioner of Income Tax (Appeals) on May 30, 2026. Based on the assessment of the facts of the case and the legal position, the management believes that the demand is not sustainable and has a strong case on merits. Accordingly, no provision has been made in the financial statements in respect of the aforesaid demand.

Payment of Bonus Act:

The Payment of Bonus Act was amended with retrospective effect and resulted in increasing the bonus liabilities. The additional liability on account of retrospective amendment is Rs. 148 Lakhs (previous year: Rs. 148 Lakhs). The retrospective amendment is being challenged by various parties in the High Court and based on the final outcome on determination of the court cases would be accounted for on that date.

26.2. The assets of the Company are free from all encumbrances except for deposits of Rs. 3,751 Lakhs (previous year: Rs. 3,265 Lakhs) 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.

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26.3. Commitment made for Investment, Loans and Fixed Asset

(Rs in Lakhs)

Particulars	As at 30-Jun-26	As at 31-Mar-26
Commitments made and outstanding for loans and investments	33,766	41,145
Estimated Amount of contracts remaining to be executed on capital account and not provided for (net of advances)	3,297	2,803

26.4. Investments

26.4.1. Value of contracts in relation to investments for:

(Rs in Lakhs)

Particulars	Amount	
	As at 30-Jun-26	As at 31-Mar-26
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

26.4.2. Detail of investments that are valued on fair value basis is:

(Rs in Lakhs)

Particulars	As at 30-Jun-26		As at 31-Mar-26	
	Historical Cost	At Fair Value	Historical Cost	At Fair Value
Mutual Funds (Short Term)	-	-	-	-
Real Estate Investment Trusts (REIT's)/ Infrastructure Investment Trusts (InvITs)	57,861	75,859	51,676	65,166
Exchange Traded Funds (ETFs)	1,74,915	1,89,844	1,74,915	1,69,259
Equity	1,29,799	1,23,067	1,29,799	1,18,165
Alternative Investment Funds	42,910	44,293	35,746	35,746
Total	**4,05,485**	**4,33,064**	**3,92,136**	**3,88,336**

26.4.3. All investments are made in accordance with Insurance Act, 1938 and Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Function of Insurers), 2024 and are performing investments.

26.4.4. 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.

26.4.5. REPO / Reverse repo / TREPS Lending / Borrowing transactions REPO / Reverse repo transaction:

(Rs in Lakhs)

Particulars	Amount			
	Minimum outstanding during the Year ended June 30, 2026	Maximum outstanding during the Year ended June 30, 2026	Daily average outstanding during the Year ended June 30, 2026	Outstanding as of June 30, 2026
Securities sold under repo (At cost)				
TREPS Lending	-	-	-	-
Securities purchased under reverse repo (At cost)				
TREPS Lending	94,299	2,00,678	1,44,280	1,29,657

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(Rs in Lakhs)

Particulars	Amount			
	Minimum outstanding during the Year ended March 31, 2026	Maximum outstanding during the Year ended March 31, 2026	Daily average outstanding during the Year ended March 31, 2026	Outstanding as of March 31, 2026
Securities sold under repo (At cost)				
TREPS Lending	-	-	-	-
Securities purchased under reverse repo (At cost)				
TREPS Lending	29,395	1,87,495	1,01,237	1,52,609

26.4.6. Classification and Fair Values of Financial Assets & Liabilities

Financial assets at 30 June 2026

Carrying value by measurement category and fair value hierarchy

(Rs in Lakhs)

Particulars	Carrying Value					Fair Value			
	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI	FVTOCI – designated	Total	Quoted prices in Active Markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total fair value
Equity	-	1,23,067	-	-	**1,23,067**	1,23,067	-	-	**1,23,067**
Real Estate Investment Trusts (REIT's)/ Infrastructure Investment Trusts (InvITs)	-	75,858	-	-	**75,858**	75,858	-	-	**75,858**
Exchange Traded Funds (ETFs)	-	1,89,844	-	-	**1,89,844**	1,89,844	-	-	**1,89,844**
AIF	-	42,910	-	-	**42,910**	44,293	-	-	**44,293**
Mutual Funds	-	-	-	-	-	-	-	-	-

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Financial assets at 31 March 2026

Carrying value by measurement category and fair value hierarchy

(Rs in Lakhs)

Particulars	Carrying Value					Fair Value			
	FVTPL – derivatives designated in hedge relationships	FVTPL – mandatorily measured	FVTOCI	FVTOCI – designated	Total	Quoted prices in Active Markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total fair value
Equity	-	1,18,165	-	-	**1,18,165**	1,18,165	-	-	**1,18,165**
Real Estate Investment Trusts (REIT's)/ Infrastructure Investment Trusts (InvITs)	-	65,166	-	-	**65,166**	65,166	-	-	**65,166**
Exchange Traded Funds (ETFs)	-	1,69,259	-	-	**1,69,259**	1,69,259	-	-	**1,69,259**
AIF	-	35,746	-	-	**35,746**	35,746	-	-	**35,746**
Mutual Funds	-	-	-	-	-	-	-	-	-

There are no other financials assets of the Company measured at fair value.

There are no financial liabilities of the Company measured at fair value.

26.4.7. Credit Risk

Industry analysis – Credit risk exposure

As at 30 June 2026

(Rs in Lakhs)

Particulars	Financial Services	Government	Retail and Wholesale	Construction and Materials	Manufacturing and Petroleum	Money market	Infrastructure	Housing	Others	Total
Financial Assets at FVTPL	2,89,302	-	2,897	3,862	16,043	-	80,798	-	40,161	**4,33,064**
Debt instruments at amortised cost	4,37,659	6,71,761	41476	10,556	17,624	1,29,657	1,92,738	1,34,932	42,647	**16,79,051**
Fixed Deposits at amortised cost	77,201	-	-	-	-	-	-	-	-	**77,201**

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Particulars	Financial Services	Government	Retail and Wholesale	Construction and Materials	Manufacturing and Petroleum	Money market	Infrastructure	Housing	Others	Total
Other Financial Assets	-	-	-	-	-	-	-	-	37,081	**37,081**
Total credit risk exposure	**8,04,162**	**6,71,761**	**44,373**	**14,418**	**33,667**	**1,29,657**	**2,73,536**	**1,34,932**	**1,19,889**	**22,26,396**

Fixed Deposits include UCAPH deposits.

As at 31 March 2026

(Rs in Lakhs)

Particulars	Financial Services	Government	Retail and Wholesale	Construction and Materials	Manufacturing and Petroleum	Money market	Infrastructure	Housing	Others	Total
Financial Assets at FVTPL	83,738	-	2,636	3,315	8,843	1,69,259	40,075	-	80,470	**3,88,336**
Debt instruments at amortised cost	4,16,889	5,74,334	41,655	10,376	-	1,52,609	1,58,165	1,39,501	1,51,451	**16,44,981**
Fixed Deposits at amortised cost	67,461	-	-	-	-	-	-	-	-	**67,461**
Other Financial Assets	-	-	-	-	-	-	-	-	37,407	**37,407**
Total credit risk exposure	**5,68,088**	**5,74,334**	**44,291**	**13,691**	**8,843**	**3,21,868**	**1,98,240**	**1,39,501**	**2,69,328**	**21,38,185**

Fixed Deposits include UCAPH deposits.

26.4.8. Credit exposure by credit rating
As at 30 June 2026

(Rs in Lakhs)

Particulars	Sovereign	AAA	AA	Below AA	Not Rated	Total
Financial Assets at FVTPL	-	75,743	-	115	3,57,205	**4,33,064**
Debt instruments at amortised cost	6,71,761	6,57,647	2,98,521	51,122	-	**16,79,051**
Fixed Deposits at amortised cost	-	-	-	-	77,201	**77,201**
Other Financial Assets	-	-	-	-	37,081	**37,081**
Total credit risk exposure	**6,71,761**	**7,33,390**	**2,98,521**	**51,237**	**4,71,487**	**22,26,396**

The Company's maximum exposure to credit risk from Re-insurance contract assets is Nil/insignificant.

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As at 31 March 2026

(Rs in Lakhs)

Particulars	Sovereign	AAA	AA	Below AA	Not Rated	Total
Financial Assets at FVTPL	-	65,042	-	124	3,23,170	**3,88,336**
Debt instruments at amortised cost	5,74,334	6,76,567	3,42,468	51,612	-	**16,44,981**
Fixed Deposits at amortised cost	-	-	-	-	67,461	**67,461**
Other Financial Assets	-	-	-	-	37,407	**37,407**
Total credit risk exposure	**5,74,334**	**7,41,609**	**3,42,468**	**51,736**	**4,28,038**	**21,38,185**

The Company's maximum exposure to credit risk from Re-insurance contract assets is Nil/insignificant.

26.4.9. Impairment losses on financial investments subject to impairment assessment

Financial instruments measured at Amortised Cost

A. Analysis of changes in Gross Amount

(Rs in Lakhs)

Particulars	As at June 30, 2026		As at March 31, 2026	
	12-month ECL	Lifetime ECL – not credit-impaired	12-month ECL	Lifetime ECL – not credit-impaired
Gross Amount as at April 01	**10,70,646**	-	9,57,622	-
New assets originated or purchased	1,82,347	-	2,97,500	-
Assets derecognised or matured	2,45,704	-	1,84,475	-
Accrued Interest Capitalised	(63,357)	-	1,13,025	-
Gross Amount as at June 30/ March 31	**10,07,289**	-	**10,70,646**	-

Note: Above figures are only Bond & debenture

B. Analysis of changes in Expected Credit Losses (ECLs)

(Rs in Lakhs)

Particulars	As at June 30, 2026		As at March 31, 2026	
	12-month ECL	Lifetime ECL – not credit-impaired	12-month ECL	Lifetime ECL – not credit-impaired
ECL as at April 01	529	-	651	-
New assets originated or purchased	26	-	330	-
Assets derecognised or matured (excluding write-offs)	24	-	453	-
Change in ECL	2	-	(123)	-
ECL as at June 30/ March 31	**531**	-	**529**	-

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26.4.10. Maturity profiles

The following table summarises the maturity profile of financial assets of the Company based on remaining undiscounted contractual cash flows, including interest receivable:

As at 30 June 2026

(Rs in Lakhs)

Financial Assets and Liabilities	Contractual cash flows – Total	Upto 1 year	1–2 years	2–3 years	3-4 years	4–5 years	More than 5 years
Financial Assets at FVTPL	4,33,063	3,12,912	-	-	-	-	1,20,152
Debt instruments at amortised cost	16,79,051	2,76,550	1,25,597	1,90,362	2,08,000	1,75,785	7,02,755
Fixed Deposits at amortised cost	77,201	77,201	-	-	-	-	-
Borrowings*	51,113	51,113	-	-	-	-	-
Lease Liabilities	14,929	5,463	3,486	2,930	1,245	797	1,008
Total	**22,60,547**	**6,76,239**	**1,33,196**	**2,41,368**	**2,09,245**	**1,76,582**	**8,23,915**

*Refer Note 26.11

As at 31 March 2026

(Rs in Lakhs)

Financial Assets and Liabilities	Contractual cash flows – Total	Upto 1 year	1–2 years	2–3 years	3-4 years	4–5 years	More than 5 years
Financial Assets at FVTPL	3,88,336	2,87,424	-	-	-	-	1,00,912
Debt instruments at amortised cost	16,44,981	3,25,497	1,50,340	1,57,173	1,85,233	1,66,448	6,60,287
Fixed Deposits at amortised cost	67,461	67,461	-	-	-	-	-
Borrowings	57,326	4,113	4,113	49,101	-	-	-
Lease Liabilities	14,439	5,739	2,924	2,174	1,582	866	1,155
Total	**21,68,074**	**6,85,765**	**1,57,376**	**2,08,448**	**1,86,815**	**1,67,314**	**7,62,354**

Cash and cash equivalents, trade payables, other financial assets, and other financial liabilities are expected to mature within a period of less than one year.

Insurance and Reinsurance Contract Liabilities consist of Unexpired revenue and Deferred amortization cost, Claims Outstanding, IBNR and Risk Adjustments.

26.5. Solvency Margin

(Rs in Lakhs)

Solvency Margin	Year ended 30-Jun-26	Year ended 31-Mar-26
Required solvency margin under IRDAI Regulations (A)	3,65,691	3,53,005
Available solvency margin (B)	7,65,424	7,23,269
Solvency ratio actual (times) (B/A)	2.09	2.05
Solvency ratio prescribed by Regulation (times)	1.50	1.50

26.6. Provision for Free Look Period

The provision for Free Look period of Rs. 44 Lakhs (previous year: Rs. 110 Lakhs) is duly certified by the Appointed Actuary.

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26.7. Leases

In accordance with Ind AS 116 on Leases, the information is set out below:

Movement in Right-of-use assets

(Rs in Lakhs)

Particulars	As at 30-Jun-26	As at 31-Mar-26
Opening Balance	**10,627**	**13,779**
Addition to lease assets during the year	2,460	3,358
Lease terminations	-	-
Less: Depreciation charge for the year	(1,488)	(6,510)
Closing Balance	**11,599**	**10,627**

Movement in Lease liabilities

Particulars	As at 30-Jun-26	As at 31-Mar-26
Opening Balance	**12,248**	**15,154**
Addition to lease liabilities during the year	1,998	3,680
Interest expense on Lease liabilities	255	1,371
Cash outflow for leases	(1,813)	(7,957)
Closing Balance	**12,688**	**12,248**

The following is the break-up of current and non-current lease liabilities

Particulars	As at 30-Jun-26	As at 31-Mar-26
Current Liabilities	4,552	4,892
Non-Current Liabilities	8,136	7,356
Total	**12,688**	**12,248**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 30-Jun-26	As at 31-Mar-26
Less than 1 year	5,463	5,739
1 to 5 years	9,019	8,223
More than 5 years	447	477
Total	**14,929**	**14,439**

The table below provides details regarding amounts recognized in statement of profit or loss

Particulars	Year ended 30-Jun-26	Year ended 31-Mar-26
Depreciation charge on right of use assets	1,488	6,510
Interest on lease liabilities	255	1,371
Rent Expense on Short-term leases	1,109	3,171
Total	**2,852**	**11,052**

26.8. Related party

A. List of Related Parties and nature of relationship

i. Entities & Individuals with their relatives, having significant influence:

1. Safecrop Investments India LLP
2. Westbridge AIF I
2. Ms. Rekha Jhunjhunwala
3. Airpay Payment Service Private Limited.
4. Rare Enterprises
5. Pegasus Assets Reconstruction Pvt. Ltd.
6. Expedient Healthcare Marketing Private Limited
7. Roppen Transportation Services Private Limited
8. Trust Capital Services (India) Pvt. Ltd
9. Rajesh Kumar Jhunjhunwala
10. Mountain Managers Private Limited

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11. Sitara Partners LLP

ii. Key Management Personnel (KMP):

1. Mr. Anand Roy, Managing Director & CEO
2. Mr. Himanshu Walia, Whole time Director & Chief Marketing Officer
3. Mr. Amitabh Jain, Whole time Director & Chief Operating Officer

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

1. Ms. Akila Diwakar Shetty (Wife of Mr. Anand Roy)
2. Mr. Sudhanshu Walia (Brother of Mr. Himanshu Walia)

B. Transactions with Related Parties

(Rs in lakhs)

Name of the related party	Description / Designation	Transactions	Year ended June 30, 2026	Year ended March 31, 2026
Mr. Anand Roy	Managing Director &CEO	Remuneration	335	982
		Insurance Premium Received	1	2
Mr. Himanshu Walia	Whole time Director & Chief Marketing Officer	Remuneration	172	68
Mr. Amitabh Jain	Whole time Director & Chief Operating Officer	Remuneration	183	74

(Rs in Lakhs)

Name of the related party	Description/ Designation	Transactions	Year ended June 30, 2026	Year ended March 31, 2026
Pegasus Assets Reconstruction Pvt. Ltd.	Promoter Group Entity	Claim Paid	-	0
Rajesh Kumar Jhunjhunwala	Promoter Group	Insurance Premium Received	2	-
Rare Enterprises	Promoter Group Entity	Insurance Premium Received	-	34
		Claims Paid	1	-
Mountain Managers Private Limited	Promoter Group Entity	Advisory Services	48	-
Trust Capital Services (India) Pvt. Ltd	Director Interest Entity	Payment of NCD Interest	-	44
Ms. Akila Diwakar Shetty	Relative of Managing Director & CEO	Receipt of Insurance Premium	0	0
Mr. Sudhanshu Walia	Relative of Director	Receipt of Insurance Premium	0	0
Roppen Transportation Services Private Limited	Promoter Group	Claims Paid	-	0

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26.9. A. Details of age-wise analysis of the unclaimed amount of the policyholders (excluding Income from Investment):

(Rs in lakh

Particulars	Total Amount	Age-wise Analysis (Year ended June 30, 2026)							
		0-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 months	37-120 Months	Above 120 Months
Claims settled but not paid to the policyholders due to any reasons except under litigation from the policyholders	-	-	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-	-
Any excess collection of the premium is refundable to the policyholders but not refunded	1,950	-	-	1,048	280	271	92	259	-
Cheques issued but not encashed by the policyholder/ insured	1,535	-	-	1	58	63	123	1,290	-
Total	**3,485**	**-**	**-**	**1,049**	**338**	**334**	**215**	**1,549**	**-**

(Rs in lakhs)

Particulars	Total Amount	Age-wise Analysis (Year ended March 31, 2026)							
		0-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 months	37-120 Months	Above 120 Months
Claims settled but not paid to the policyholders due to any reasons except under litigation from the policyholders	-	-	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-	-
Any excess collection of the premium is refundable to the policyholders but not refunded	1,768	-	-	884	373	154	86	272	-
Cheques issued but not encashed by the policyholder/ insured	1,540	-	-	11	89	70	217	1153	-
Total	**3,308**	**-**	**-**	**895**	**461**	**224**	**304**	**1,425**	**-**

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B. Details of Unclaimed Amount and Investment Income.

(Rs in Lakhs)

Particulars	Year ended June 30, 2026	Year ended March 31, 2026
Opening Balance	4,298	3,342
Add: Amount transferred to Unclaimed Fund	400	1,230
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the Cheques are stale)	0	112
Add: Investment Income on Unclaimed Fund	75	274
Less: Amount of claims paid during the year	224	660
Less: Amount transferred to SCWF* (net of claims paid in respect of amounts transferred earlier)	-	-
Closing Balance of Unclaimed Amount Fund	**4,549**	**4,298**

***SCWF- Senior Citizen Welfare Fund.**

26.10. Earnings per share

Particulars	Year ended June 30, 2026	Year ended March 31, 2026
Net Profit / (Loss) Attributable to Equity Shareholders (Rs.in Lakhs)	54,973	91,104
Weighted Average No. of Equity Shares Issued for Basic EPS (in numbers)	588,427,648	588,092,347
Weighted Average No. of Equity Shares Issued for Diluted EPS (in numbers)	589,283,067	588,347,798
Basic Earnings Per Share (in Rs.)	9.34	**15.49**
Diluted Earnings Per Share (in Rs.)	9.33	**15.48**
Nominal Value Per Share (in Rs.)	10	10

26.11. Terms of Borrowings

Non- Convertible debentures

As on September 29, 2021, the Company had issued Listed Non-convertible debentures for Rs. 40,000 Lakhs 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. 7,000 Lakhs on private placement basis at an interest rate of 8.75% payable annually and redeemable in 7 years.

During the three months ended on June 30, 2026, the Company has incurred interest on non-convertible debentures to the extent of Rs.1,027 Lakhs (previous year: 4,131 Lakhs).

Under the terms of the debenture issuance, the Company became eligible to exercise its call option for early redemption of the debentures upon completion of five years from the date of issuance. The approval for such redemption was obtained after the reporting date. Accordingly, the approval has been considered a non-adjusting event under Ind AS 10, Events after the Reporting Period, and no adjustment is required to be made in the financial statements for the period ended June 30, 2026.

26.12. Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted the Indian Accounting Standards (Ind AS) and adoption was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. The transition was carried out from Generally Accepted Accounting Principles in India (Indian GAAP) as prescribed under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021, which was the "Previous GAAP".

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The significant accounting policies set out in Note 1 to 25 have been applied in preparing the financial statements for the quarter ended 30 June 2026 including the comparative information for the year ended 31 March 2026 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2025.

In preparing its Ind AS balance sheet as of 1 April 2025 and in presenting the comparative information for the year ended 31 March 2026, the Company has adjusted amounts previously reported in the financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Transition to Ind AS - Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS required under Ind AS 101:

(i) Reconciliation of Balance sheet as at 1st April 2025 (Transition Date);
(ii) Reconciliation of Balance sheet as at 31st March 2026;
(iii) Reconciliation of Statement of Profit and Loss as at 31st March 2026;
(iv) Reconciliation of Total Comprehensive Income for the year ended 31st March 2026;
(v) Reconciliation of Equity as at 1st April 2025 and as at 31st March 2026;
(vi) Adjustments to Statement of Cash Flows for the year ended 31st March 2026

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been re-grouped for ease of reconciliation with Ind AS. The re-grouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP

(i) Reconciliation of Balance sheet as at 1st April 2025 (Transition Date)

Balance Sheet				
		As at 1 April 2025		
Particulars	**Refer Note**	**Amount as per IGAAP**	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Assets				
Cash and cash equivalents		66,843	-	66,843
Investments	1, 2 & 3	18,21,616	7,941	18,29,557
Loans			-	-
Other Financial Assets	4 & 5	15,123	10,449	25,572
Investment property			-	-
Insurance contract assets			-	-
Reinsurance contract assets	7 & 8	1,24,883	(42,067)	82,816
Property, Plant and Equipment	5 & 6	12,884	13,779	26,663
Goodwill			-	-
Other Intangible Assets		5,611	-	5,611
Current tax assets		4,706	-	4,706
Deferred tax assets	12	35,120	(35,120)	-
Other assets		11,750	-	11,750
Assets classified as held for sale		-	-	-
Total Assets		**20,98,536**	**(45,019)**	**20,53,517**
Liabilities				
Insurance contract liabilities	8, 9 & 11	10,82,532	(1,67,572)	9,14,960
Reinsurance contract liabilities			-	-
Investment contract liabilities			-	-
Borrowings	10	49,002	(28)	48,974
Other Financial liabilities	6	1,20,848	15,154	1,36,002
Current tax liabilities			-	-

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Balance Sheet				
		As at 1 April 2025		
Particulars	**Refer Note**	**Amount as per IGAAP**	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Deferred tax liabilities	12		20,164	20,164
Other liabilities	11	1,41,950	(77,110)	64,840
Provisions		1,840	-	1,840
Total Liabilities (A)		**13,96,172**	**(2,09,392)**	**11,86,780**
Equity				
Equity				
Share Capital		58,779	-	58,779
Assigned Capital			-	-
Other Financial Instruments classified as Equity			-	-
Other Equity	12, 13 & 14	6,43,585	1,64,373	8,07,958
Total Equity (B)		**7,02,364**	**1,64,373**	**8,66,737**
Total Liabilities & Equity (C) = (A) + (B)		**20,98,536**	**(45,019)**	**20,53,517**

(ii) Reconciliation of Balance sheet as at 31st March 2026

Balance Sheet				
		As at 31st March 2026		
Particulars	**Refer Note**	**Amount as per IGAAP**	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Assets				
Cash and cash equivalents		1,44,356	(62,200)	82,156
Investments	1, 2 & 3	20,44,389	56,387	21,00,776
Loans			-	-
Other Financial Assets	4 & 5	30,889	6,518	37,407
Investment property			-	-
Insurance contract assets			-	-
Reinsurance contract assets	7 & 8	1,00,232	(38,692)	61,540
Property, Plant and Equipment	5 & 6	9,531	10,626	20,157
Goodwill			-	-
Other Intangible Assets		8,496	-	8,496
Current tax assets		3,106	-	3,106
Deferred tax assets	12	35,606	(35,606)	-
Other assets		17,666	-	17,666
Assets classified as held for sale			-	-
Total Assets		**23,94,271**	**(62,967)**	**23,31,304**
Liabilities				
Insurance contract liabilities	8, 9 & 11	11,51,886	(52,016)	10,99,870
Reinsurance contract liabilities			-	-
Investment contract liabilities			-	-
Borrowings	10	49,013	(21)	48,992
Other Financial liabilities	6	1,44,762	12,249	1,57,011
Current tax liabilities			-	-
Deferred tax liabilities	12		31,285	31,285
Other liabilities	11	2,86,004	(2,53,353)	32,651
Provisions		3,683	-	3,683
Total Liabilities (A)		**16,35,348**	**(2,61,856)**	**13,73,492**
Equity				
Equity				

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Balance Sheet				
		As at 31st March 2026		
Particulars	**Refer Note**	**Amount as per IGAAP**	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Share Capital		58,840	-	58,840
Assigned Capital			-	-
Other Financial Instruments classified as Equity			-	-
Other Equity	12, 13 & 14	7,00,083	1,98,889	8,98,972
Total Equity (B)		7,58,923	1,98,889	9,57,812
Total Liabilities & Equity (C) = (A) + (B)		23,94,271	(62,967)	23,31,304

(iii) Reconciliation of Statement of Profit and Loss as at 31st March 2026

Statement of Profit and Loss of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED				
Particulars	**Refer Note**	**Amount as per IGAAP**	**Effects of transition to Ind AS**	**Amount as per Ind AS**
Insurance Revenue	15	17,83,166	16,690	17,99,856
Insurance Service Expenses	4, 8, 9, 13, 14 & 15	17,06,280	(54,844)	16,51,436
Net expenses/income from reinsurance contracts	7, 8 & 15	16,591	(1,210)	15,381
Insurance Service Result		60,295	72,744	1,33,039
Investment revenue on financial assets not measured at FVTPL	2	1,16,183	(1,226)	1,14,957
Other Investment revenue	1	6,647	(12,651)	(6,004)
Impairment loss on financial assets	3	-	123	123
Investment Income		1,22,830	(13,754)	1,09,076
Finance income/ expenses from insurance contracts (net)	15	-	11,643	11,643
Finance income/ expenses from reinsurance contracts (net)	15	-	(2,166)	(2,166)
Insurance Finance Income/Expenses		-	9,477	9,477
Movement in investment contract liabilities		-	-	-
Net Finance Result		1,22,830	(23,231)	99,599
Revenue from investment management services		-	-	-
Other income	5	120	(168)	(48)
Other expenses		1,03,689	-	1,03,689
Other finance costs	6 & 10	4,124	1,378	5,502
Other Revenue/expenses (net)		(1,07,693)	(1,546)	(1,09,239)
Profit /(Loss) before Exceptional Items		75,433	47,967	1,23,400
Exceptional Items			-	-
Profit / (Loss) before tax		75,433	47,967	1,23,400
Current tax		20,221	-	20,221
Deferred tax	12	(487)	12,561	12,075
Profit/ (Loss) from continuing operations		55,698	35,406	91,104
Profit/ (Loss) from discontinued operations		-	-	-
Tax expense of discontinued operations		-	-	-
Profit / (Loss) from discontinued operations (after tax)		-	-	-
Profit/(loss) for the period		55,698	35,406	91,104
Other Comprehensive Income				
1 (i) Items that will not be reclassified to profit or loss (specify items and amounts)			-	-
Remeasurement loss of Defined Benefit Plan	14		(3,786)	(3,786)

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

Statement of Profit and Loss of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED				
Particulars	**Refer Note**	**Amount as per IGAAP**	**Effects of transition to Ind AS**	**Amount as per Ind AS**
(ii) Income tax relating to items that will not be reclassified to profit or loss	12	-	953	953
Sub-total		-	(2,833)	(2,833)
2 (i) Items that will be reclassified to profit or loss (specify items and amounts)			-	-
(ii) Income tax relating to items that will be reclassified to profit or loss			-	-
Sub-total		-	-	-
Total Other Comprehensive Income		-	(2,833)	(2,833)
Total Comprehensive Income		55,698	32,573	88,271
Transfer of profit				
Transfer to Retained earning		55,698	35,406	91,104
Non-distributable Retained Earnings		-	-	-
Earnings per Equity Share (for continuing operations)				
(1) Basic		9.47	-	15.49
(2) Diluted		9.47	-	15.48
Earnings per Equity Share (for discontinued operations)				
(1) Basic		-	-	-
(2) Diluted		-	-	-
Earnings per Equity Share for profit/(loss) of the period (for discontinued and continuing operations)				
(1) Basic		9.47	-	15.49
(2) Diluted		9.47	-	15.48

(iv) Reconciliation of Total Comprehensive Income for the year ended 31st March 2026

Particulars	**Refer Note**	**Amount**
Net Profit as per Previous GAAP		55,698
1. Recognition of Employee Stock Option Plans (ESOP) Expenses	13	(1,943)
2. Reclassification of Fair value gain/loss on Financial Assets measured at Profit or Loss	1	(12,651)
3. Effective Interest rate impact on Financial Assets	2	(1,226)
4. Effective Interest rate impact on Financial Liability	10	(7)
5. Impact of present value of Security Deposits	5	7
6. Provision for Expected Credit Loss (ECL)	3	123
7. Leases Accounting Adjustments	6	(99)
8. Deferred Amortization Costs on Insurance acquisition cash flows	7 & 9	67,349
9. Risk Adjustment Measurement on Claims Liability	8	(3,286)
10. Pre-Acquisition Assets Recognition	4	(4,085)
11. Actuarial Gain/Loss on defined benefit Plans	14	3,786
12. Deferred tax adjustment	12	(12,561)
Net Profit after tax as per Ind AS		**91,104**
Other Comprehensive Income (net of tax)	**12 & 14**	**(2,833)**
Total Comprehensive income as per Ind-AS		**88,271**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

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Notes to Financial Statements

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

(v) Reconciliation of Equity as at 31st March 2026 and as at 1st April 2025

Particulars	Refer Note	31st March 2026	01st April 2025
Equity as per Previous GAAP		7,58,923	7,02,364
1. Reclassification of Fair value gain/loss on Financial Assets measured at Profit or Loss	1	(3,801)	8,850
2. Effective Interest rate impact on Financial Assets	2	(1,484)	(257)
3. Effective Interest rate impact on Financial Liability	10	21	28
4. Impact of present value of Security Deposits	5	(30)	(37)
5. Provision for Expected Credit Loss (ECL)	3	(529)	(652)
6. Leases Accounting Adjustments	6	(1,976)	(1,877)
7. Deferred Amortization Costs on Insurance acquisition cash flows	7 & 9	2,85,411	2,18,062
8. Risk Adjustment Measurement on Claims Liability	8	(18,734)	(15,448)
9. Pre-Acquisition Assets Recognition	4	6,902	10,987
10. Remeasurement of defined benefit Plans	14	953	-
11. Deferred tax adjustment	12	(67,844)	(55,283)
Equity as per Ind AS		9,57,812	8,66,737

(vi) Adjustments to Statement of Cash Flows for the year ended 31st March 2026

Particulars	Refer Note	Previous IGAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	17	1,87,345	7,955	1,95,300
Net cash flows from investing activities	16	(1,06,685)	(62,200)	(1,68,885)
Net cash flows from financing activities	17	(3,147)	(7,955)	(11,102)
Net increase in cash and cash equivalents		77,513	(62,200)	15,313
Cash and cash equivalents at the beginning of the year		66,843	-	66,843
Cash and cash equivalents at the end of the year	16	1,44,356	(62,200)	82,156

Notes to Ind AS Adoption:

1. **Fair Value of Investments in Equity Shares:**

   Under Previous Indian GAAP applicable to insurance companies, equity investments were measured at fair value in accordance with IRDAI regulations, with unrealized gains and losses recognized in the Fair Value Change Account and presented under liabilities in the balance sheet.

   On transition to Ind AS, the Company has classified these equity investments as Fair Value Through Profit or Loss (FVTPL) under Ind AS 109. Accordingly, the cumulative balance in the Fair Value Change Account has been transferred to retained earnings on the transition date, and subsequent changes in fair value are recognized in the Statement of Profit and Loss.

2. **Government and Debt Securities:**

   Under Previous GAAP, premium and discount on government and debt securities were amortized/accreted over the tenure of the instrument. Under Ind AS 109, such securities are accounted for using the Effective Interest Rate (EIR) method. Consequently, the carrying value of the investments and retained earnings have been adjusted on transition to Ind AS, and the impact of EIR amortization is recognized in the Statement of Profit and Loss thereafter. Measurement of financial assets accounted at amortised cost has been undertaken retrospectively, except in cases where retrospective application was impracticable. In such cases, the carrying amount determined at the transition date has been considered as the new gross carrying amount for applying the EIR method prospectively.

3. **Expected Credit Loss:**

   Under Previous GAAP, impairment losses were recognized only when there was objective evidence of impairment. Under Ind AS 109, impairment is determined using the Expected Credit Loss (ECL) model, which requires recognition of expected credit losses on initial recognition of financial assets and continuous reassessment thereafter. Consequently, ECL provisions have been recognized on transition to Ind AS, with the corresponding impact adjusted against retained earnings and subsequent changes recognized in the Statement of Profit and Loss.

4. **Pre-Acquisition Asset Recognition:**

   Under Previous GAAP, digital acquisition costs were expensed as incurred. Under Ind AS, eligible acquisition costs are deferred and recognized over the expected tenure of the related policies based on policy persistency. Consequently, the unamortized portion of such costs has been recognized as a pre-acquisition asset on transition to Ind AS, with a corresponding increase in retained earnings. Subsequent amortization is recognized in the Statement of Profit and Loss in line with the persistency pattern of the policies.

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5. **Security Deposit:**

   Under Previous GAAP, security deposits were carried at their transaction value. Under Ind AS, security deposits are measured at amortized cost using the EIR method, resulting in recognition of interest income over the lease term. In addition, the fair value adjustment on security deposits is included in the carrying amount of the ROU asset and depreciated over the lease term. Consequently, adjustments have been made to recognize interest income on security deposits and depreciation on ROU assets, with the corresponding impact recorded in retained earnings at the transition date.

6. **Leases:**

   Under Previous GAAP, operating lease payments were recognized as lease rental expense in the Statement of Profit and Loss. On transition to Ind AS, the Company has applied Ind AS 116, Leases, and recognized a Right-of-Use (ROU) asset and a corresponding lease liability for qualifying lease arrangements. Subsequently, lease payments are adjusted against the lease liability, while interest expense on the lease liability is recognized using the effective interest method. The ROU asset is depreciated over the lease term.

   Accordingly, lease rental expense recognized under Previous GAAP has been replaced by depreciation expense on the ROU asset and finance cost on the lease liability, with lease payments reducing the outstanding lease liability. The resulting transition adjustment has been recognized in retained earnings at the transition date.

7. **Reinsurance Commission:**

   Under Previous GAAP, reinsurance commission income was recognized upfront on the reinsurance contract. Under Ind AS, reinsurance commission income is recognized over the coverage period of the related reinsurance contract to reflect the pattern of services received. Consequently, the unearned portion of reinsurance commission has been deferred and recognized as a liability at the transition date, with a corresponding adjustment to retained earnings. Thereafter, such deferred income is recognized in the Statement of Profit and Loss over the coverage period of the underlying reinsurance contracts.

8. **Risk Adjustment:**

   Under Previous GAAP, no explicit risk adjustment was recognized in the measurement of insurance and reinsurance contract liabilities. Under Ind AS, the Company is required to recognize a risk adjustment for non-financial risk in determining the fulfilment value of these liabilities. Consequently, insurance contract liabilities and reinsurance contract liabilities have been adjusted to reflect the risk adjustment as at the transition date, with the corresponding impact recognized in retained earnings. Subsequent changes in the risk adjustment are recognized in the Statement of Profit and Loss as part of the insurance service result.

9. **Amortization of Procurement Cost:**

   Under Previous GAAP, direct procurement costs were expensed as incurred. Under Ind AS, eligible direct procurement costs that are attributable to the acquisition of insurance contracts are deferred and recognized as an asset. Accordingly, the unamortized portion of such costs has been recognized as an asset on the transition date, with a corresponding adjustment to retained earnings. Subsequent amortization of the asset is recognized in the Statement of Profit and Loss over the coverage period of the related insurance contracts.

10. **Borrowings:**

    Under Previous GAAP, transaction costs incurred in relation to the issuance of Non-Convertible Debentures were expensed as incurred. Under Ind AS, these costs are adjusted against the initial carrying amount of the debentures and are recognized over the term of the instrument through the Effective Interest Rate method. Consequently, the carrying amount of the NCDs has been adjusted at the transition date, with a corresponding adjustment to retained earnings. Thereafter, the amortization of such costs is recognized as part of finance costs in the Statement of Profit and Loss over the tenure of the debentures.

11. **Premium received in Advance – Long term policies:**

    Under Previous GAAP, premium received in advance for long-term insurance policies was accounted for based on the 1/n methodology prescribed by IRDAI regulations. Under Ind AS, such amounts form part of the Liability for Remaining Coverage (LRC) and are recognized as insurance revenue over the period in which insurance services are provided. Consequently, the balance previously presented as premium received in advance has been reclassified to insurance contract liabilities (LRC) on the transition date.

12. **Deferred tax:**

    Deferred tax has been recognised on the adjustments made on transition to Ind AS.

13. **Employee Stock Option:**

    Under Previous GAAP, employee stock options were accounted for using the intrinsic value method and the related compensation cost was recognized accordingly. Under Ind AS, stock options are measured at their fair value on the grant date using the Black-Scholes valuation model, and such fair value is recognized as an employee benefit expense over the vesting period. Consequently, the Company has recognized the cumulative impact of fair value-

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based accounting for outstanding unvested stock options as at the transition date, with the corresponding adjustment recorded in retained earnings. Subsequent compensation expense is recognized in the Statement of Profit and Loss over the remaining vesting period.

Further, in accordance with the optional exemption available under Ind AS 101, First-time Adoption of Indian Accounting Standards, the Company has elected not to apply Ind AS 102 to stock options that had vested on or before the transition date, even if such options remained unexercised as at that date. Accordingly, only unvested stock options outstanding on the transition date have been accounted for in accordance with Ind AS 102.

14. **Remeasurement of Define benefit plan:**

Under previous GAAP, actuarial gains or losses were recognised as Employee Benefit expenses in profit or loss. Under Ind AS, the actuarial gains or losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of Profit or Loss.

15. **Insurance Revenue and Interest Accretion:**

Under the previous GAAP, insurance revenue was recognized using the 1/365 method, and the same method continues to be applied under Ind AS. Accordingly, there is no change in the recognition of earned premium under either GAAP. Under Previous GAAP, no explicit interest accretion was recognized in respect of long-term insurance policies. Under Ind AS, the Company recognizes the effect of the time value of money by accreting interest on premiums received upfront for long-term insurance contracts. Accordingly, insurance revenue includes the impact of interest accretion on such upfront premiums, with a corresponding insurance finance expense recognized on the unwinding. Similarly, the effect of time value of money is recognized on expenses paid upfront in relation to long-term policies, with the corresponding unwinding is recognized as part of insurance finance expenses. The same principles are applied in the measurement of reinsurance contract assets and liabilities, whereby interest accretion and the corresponding unwinding are recognized in insurance finance expenses. While this adjustment affects the presentation of insurance revenue, insurance service expenses, Net income/expense from reinsurance contracts and finance expenses under Ind AS, it does not have an impact on the Company's net worth or profit after tax, as the accretion and corresponding unwind substantially offset each other. Consequently, the related transition adjustment has been reflected in the opening retained earnings, with subsequent impacts recognized in the Statement of Profit and Loss.

16. **Maintenance Expenses:**

Maintenance expenses comprise policy servicing and claims administration costs directly attributable to the fulfilment of insurance contracts. Under the previous GAAP, such expenses were generally included in operating expenses, except for claim processing costs, which formed part of incurred claims.

17. **Cash and Cash Equivalents**

Under previous GAAP, fixed deposits with a maturity of less than 12 months were classified as cash and cash equivalents. Under Ind AS, only deposits with an original maturity of three months or less qualify as cash and cash equivalents. Accordingly, deposits with maturity exceeding three months have been reclassified as Investments.

18. **Lease Payments**

Under previous GAAP, lease rentals were classified under operating activities. Under Ind AS, lease payments relating to leases recognized as right-of-use assets and lease liabilities are classified under financing activities. Accordingly, such payments have been reclassified from operating to financing activities.

For and on Behalf of Board of Directors

STAR HEALTH AND ALLIED INSURANCE CO. LTD. STAR CORPORATE OFFICE CHENNAI-34

R. Deepak

Anand Roy
Managing Director & Chief Executive Officer

Deepak Ramineedi
Director

N Kambli

Ashwani Kumar

Jayashree Sethuraman

Nilesh Kambli
Chief Financial Officer

Ashwani Kumar Arora
Appointed Actuary

Jayashree Sethuraman
Company Secretary

Place: Chennai
Date: 29th July 2026

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