

NOTICE CALLING THE SIXTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Star Health & Allied Insurance Company Limited will be held on Saturday the 25th September 2021 at 11.30 A.M IST through Video Conferencing ('VC') and Other Audio Visual Means ('OAVM') to transact the following business:

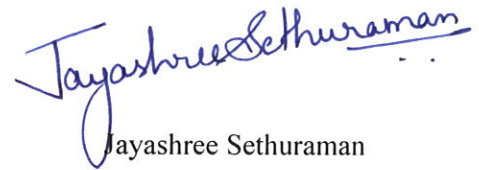
ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2021 and the Audited Revenue Account and Profit and Loss Account, Cash Flow Statement for the year ended on 31st March 2021 together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Dr Subbararayan Prakash, Managing Director (DIN 08602227), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Anand Shankar Roy, Managing Director (DIN 08602245), who retires by rotation and being eligible, offers himself for re-appointment.



PLACE: Chennai
DATE : 10-08-2021

By Order of the Board



Jayashree Sethuraman
Company Secretary
PAN: DLIPS3826Q
Membership No. A55099
Address: F-6, Prithvi Apts,
Natesan Nagar, Chennai-92.

Regd & Corporate Office : 1, New Tank Street, Valluvar Kottam High Road, Nungambakkam, Chennai - 600 034.

Phone : 044 - 28288800 Telefax : 044 -28260062

CIN : U66010TN2005PLC056649 Email: info@starhealth.in Website: www.starhealth.in IRDAI Regn. No: 129

Personal and Caring

NOTES:

1. In view of the Continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 read with circular dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting ("AGM") through video conferencing ('VC') and other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the AGM of the Company is being held through VC/ OAVM
2. Pursuant to the Provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM as permitted by the MCA and hence the Proxy Form and attendance Slip are not annexed to this Notice.
3. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. All documents referred to in the notice, registers are available for inspection by the members electronically by using the following link
https://starhealthbizmy.sharepoint.com/:f:/g/personal/s_jayashree_starhealth_in/EkSiliPmW5xJm20HA6_Mw5UBRfiDED74uuXxKYRLoBsp9A?e=19dhdO
from 10 AM to 5 PM on all working days till the conclusion of the Annual General Meeting.
5. All communications including notice of Annual General Meeting, Annual report etc will be sent to the registered emails.
6. Since the AGM will be held through VC/ OAVM, Route Map is not annexed in this Notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VIDEO CONFERENCING ('VC') AND OTHER AUDIO VISUAL MEANS ('OAVM') ARE AS UNDER:

1. Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the steps and provide the required details (mentioned above – Meeting Id/Password/Email Address) and Join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.
2. In case of Android/ Iphone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.

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3. Further, Members will be required to allow Camera access and use Internet audio settings as and when asked while setting up the meeting on Mobile App.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. The helpline numbers on any queries on how to join and participate in the meeting through the link provided is +91 9940355778/ 044 28288878. Members can also send their queries through email to s.jayashree@starhealth.in
6. Facility of joining the AGM through VC/ OAVM shall open 30 minutes before the time scheduled for the AGM and shall be open for fifteen minutes after the scheduled starting time of the AGM.
7. Members can send their queries on the matters relating to the AGM by emailing to s.jayashree@starhealth.in from their registered email IDs quoting their folio numbers or they can speak during the proceeding of the AGM with a two way communication facility. Queries will be addressed to the extent feasible on a first come first served basis by the Chairman or appropriate officials / Auditors as the case may be.
8. Representatives of institutional / corporate members or other authorities can send their authorisation through email from the member's email ID to the email id of the company referred to above giving the resolution / authority along with name and email ID of the representative. The representative can use the link for attending the meeting and speak at the meeting.
9. Voting by show of hands is permitted as advised by MCA and in case of demand for poll the members / representatives have to send emails to the designated email Id (s.jayashree@starhealth.in) signifying their choice on voting in the affirmative or negative in respect of each resolution during the course of the meeting. E-votes will be counted during the meeting and results will be announced by the Chairman. In case it would take time to count the e-votes the meeting may be adjourned for announcing the results of the e-votes for all resolutions.
10. Any special business considered unavoidable by the Board can only be considered at the AGM apart from the ordinary businesses.

PLACE: Chennai
DATE: 10-08-2021



By Order of the Board



Jayashree Sethuraman

Company Secretary

PAN: DLIPS3826Q

Membership No. A55099

Address: F-6, Prithvi Apts,

Natesan Nagar, Chennai 92.

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Personal and Caring

We are India's
largest and trusted
standalone health
insurance provider



**Star Health and Allied
Insurance Company Limited**

Annual Report FY2020-21



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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





PART ONE

Personality and performance

Scale, scope and success

In the short span of 15 years, Star Health and Allied Insurance Company Limited has emerged as the largest standalone health insurance company in India.

This rapid growth has been achieved because it has provided customers with a peace of mind.

This peace of mind has been delivered through policies customised around customer needs, situations, possibilities and a service standard that is sensitive and timely.

The result is that when it comes to buying a health insurance policy and the possibility of appraising Star Health, the normal response comes down to one over-riding emotion.

Complete trust.

A large crowd of diverse people, seen from an aerial perspective, forming a large 'U' shape on a white background. The people are wearing various colored clothing, and their shadows are cast on the ground. The number '169' is centered within the 'U' shape.

169

Million, number of lives
insured by us in the last 15
years ending Fiscal 2021

*That is more than six times the entire
population of a country like Australia*





At Star Health,
we believe that
what you are
is the result of
the vision you
hold dear



Vision

- To become the largest and the most preferred Health Insurance Company in India.
- To provide financial security for health care management.



Mission

- To offer wide range of innovative products / services.
- To provide prompt, courteous and quality service to the customers.
- To leverage state of art technology for customer satisfaction.
- To adopt the best management practices in business operations.

At Star Health, we are not engaged in the business to sell more insurance policies as much as we are in the business to serve and protect

Our commitment

We shall...

Make available insurance coverage to every segment of the population.

Expand product lines and services continually.

Build and maintain enduring relationships with the customers.

Conduct the business operations with customer as the focal point.

Create insurance awareness as part of Corporate Social Responsibility.

Standards for access to information

We shall...

Educate the public and the customers of multiple options in products and services.	Distribute brochures on products and services.	Spread information on products and services through internet, interactive voice response system and information kiosks etc.	Provide access to customers through internet & call centre helplines.	Enhance the content and quality of communication in mass media like the Press, Television, Radio, Social Media etc.
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Benchmarks for servicing

On settlement of claims, we shall...

Decide on pre-authorisation for cashless facility within 4 hours from the receipt of the request.	Decide on reimbursement claims within 30 days of the receipt of complete documents/ clarifications.	Enable the customers to know the claim status within 3 days of receipt of the documents.
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On underwriting, we shall...

Issue policies on individual Health, Personal Accident, Corporate and Overseas Medclaim Policies instantly.	Confirm underwriting decision within 7 days from the receipt of medical reports - wherever pre-medical examination is required.	Send renewal notice 45 days before the expiry of the policy.
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Standards for fairness in dealing with customers

We shall...

Strive to deal with the customers in an open and transparent manner.	Explain the rationale behind decisions consistent with the business practice.
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Standards for redressal of grievances

We shall...

Ensure effective Grievance Redressal Mechanism for the customers who approach us through the Integrated Grievance Management System (IGMS) / Customer Care Dept / the Grievances Dept / Public Grievance Portal / National Consumer Helpline.	Register all grievances and send the acknowledgements within 3 days.	Resolve grievances within 15 days of receipt.	Inform customers about the availability of Insurance Ombudsman as a redressal forum.
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Corporate snapshot

Star Health and Allied Insurance Company Limited.

India's first standalone health insurance provider.

In fifteen years, Star Health is India's largest and trusted standalone health insurance provider.

Giving millions of its customers more than just a health insurance policy.

Providing them with a peace of mind instead.



Background

Star Health and Allied Insurance Co. Ltd. commenced operations in 2006 as India's first Standalone Health Insurance provider (the Company has widened its coverage to Health, Personal Accident and Overseas Travel Insurance). The Company provides policies customised around the needs of individuals, families and companies. These services are provided through a distribution network comprising agents, brokers and the online format. Star Health is also prominently engaged in bancassurance on the basis of its long-standing relationships with banks.



Distribution

Star Health enjoys a presence in 26 States and 4 Union Territories. This presence is supported by 737 branch offices across the country.



Employees

The employees possess domain expertise and rich functional competencies comprising actuarial, risk management, claims management, financial, marketing, information technology, human resource management, distribution and administration capabilities.



Service

Star Health is respected for its sensitive and timely service. The Company has one of the largest health insurance hospital networks in India comprising more than 10,870 hospitals as of 31st March, 2021. The company's inconvenience-free in-house claims settlement (without the intervention of TPA) has been complemented by a service standard that comprises personalised doctor visits for customers getting hospitalised and a free second medical opinion.



Awards and recognition

The strength of our founding team and management has led to our Company receiving a number of industry awards and accolades:

- NIM CARE W.H.O Award of Excellence from the President of India in 2017
- The Vajra Award for Recognition of Overall Performance in Labour Welfare for 2018 by the Government of Kerala in 2019
- Tamil Nadu's Best Employer Brand Award 2020
- Dream Companies to Work for Insurance - Private Sector at the World HRD Congress in 2021
- Most Innovative New Product Launches or Customer Propositions" at the 13th Global Insurance E-Summit and Award by the Associated Chambers of Commerce and Industry of India (ASSOCHAM) in 2021



The company's key managerial personnel

Mr. V. Jagannathan

Chairman and CEO

Dr. S. Prakash

Managing Director

Mr. Anand Roy

Managing Director

Mr. S. Sundaresan

Chief Claims Officer

Mr. V. Jayaprakash

Chief Compliance Officer

Dr. P.M. Nair

Senior Executive Director, Vigilance

Dr. K. Hari Krishnan

Senior Executive Director, Marketing

Mr. A G Gajapathy

Senior Executive Director, Claims

Mr. K C Kumar

Senior Executive Director, HR

Mr. Nilesh Kambl

Chief Financial Officer

Mr. Aneesh Srivastava

Chief Investment Officer

Mr. Chandrashekhar Dwivedi

Appointed Actuary

Mr. R Margabandhu

Chief Risk Officer

Ms. Jayashree Sethuraman

Company Secretary

Our accomplishments in 15 years of business



16.9

Crore, lives covered with insurance since inception



17,211

₹ Crore, claims amount paid since inception



0.46

Million, agents representing the Company across India



87

% of cashless claims settled in less than two hours



6

Million, claims settled since inception



10,870

Number of network hospitals

The soul of Star Health

Employees relate their first-hand experiences of working at Star Health



"The four key pillars of Star Health are respect, care, culture and recognition. A colleague from the administration department was enthusiastic to work in the compliance team and the organisation made that switch happen. During the pandemic, when claims were critical to manage, the Company provided flexible working options. Feeding mothers and pregnant ladies were given special attention in terms of safeguarding them; a cancer survivor was given due care for managing her wellness."

Radhika Nagarajan, General Manager (Chairman's Secretariat)



"Last year, my entire family was affected by Covid. I lost my mother; there were medical issues that warranted hospitalisation. Star Health coordinated through the HR team and facilitated the admission of all our family members to hospital. Every single family member had been covered by the company."

R. Margabandhu, Vice President (Chief Risk Officer)



"At Star Health, the remuneration is one of the best across the industry. Star Health is the most recognised brand as far as industry is concerned and the employees feel proud to explain where they work. Our weekly meeting with senior team members helped counsel attendees. We were happy to return to office when it re-opened after the lockdown restrictions were relaxed. The most remarkable thing: the Company did so well in spite of all challenges and vaccinated most of the employees"

Vikas Sharma, Executive Director



"The remarkable thing about working at Star Health is the bonding with colleagues one has been with for years: more than 5,000 people (out of 14,000) possess an experience of five years or more, 2,000 people have nearly ten years of experience and another 70-odd possess an experience of 15 years with the Company. Besides, the 'family culture' (as opposed to a 'professional culture' makes all the difference."

Dr. Sriharsha. A. Achar, Chief Human Resource Officer



"The most remarkable thing about working in Star Health insurance is the leadership of our Chairman. Every morning and evening, our Chairman would walk into our cubicle, sit with us and ask about customer service, grievance and feedback. One day, a customer walked into our cubicle; the Chairman immediately retrieved a chair from the adjoining cubicle, made him sit, began engaging with him and addressed his requirement. That was a learning for all of us!"

Chandrabose S, General Manager (Customer service & Client relationship)

How we strengthened our business model during a challenging FY 2020-21

Product range

The Company offers a range of flexible and comprehensive coverage options for the following insurance types:

- Retail health insurance, which is paid for by private individuals or families, generally through out-of-pocket expenses or private insurance
- Group health insurance, which is paid for by employers typically in the form of company health insurance plans that could involve co-payments by the employee
- Government health insurance, which is paid for by the government, typically in the form of central or state government health insurance programmes
- The Company also offers personal accident and travel insurance, paid for by individuals or families or employers

Retail health insurance

Our retail health products target a variety of customer segments, including individuals, families, students, senior citizens and persons with pre-existing medical conditions across the broader middle market customer segment.

Our products include family floater products, such as our Family Health Optima, in which the single sum insured covers the family, following the payment of a premium (quarterly or annually); individual products such as MediClassic and Accident Care can be tailored to the needs of the individual; specialised products like

Senior Citizens Red Carpet Health Insurance Policy, Diabetes Safe, HIV Care and Star Cardiac Care Insurance Policy, address customers with pre-existing conditions.

In FY 2020-21, the following four products accounted for nearly 90% of our retail health business:

Family Health Optima Insurance Plan:

A family floater single policy coverage for the family, targeting those from 18 to 65.

Star Comprehensive: A complete healthcare protection plan for individuals under an individual plan or

for an entire family under the family floater plan.

MediClassic: This health insurance plan is available for individuals and family.

Senior Citizens Red Carpet Health Insurance Policy:

This health insurance plan addresses individuals from 60 to 75 and covers pre-existing diseases from the second year onwards with guaranteed lifetime renewals.

Group Health

Our group health insurance policies provide coverage to employees of corporates, including SMEs, through the company health insurance plans. Our group health policies are generally sold through our corporate

agents and brokers, while certain group health insurance products are sold in collaboration with corporate agent banks and online channel partners (web aggregators). The group health segment consists of

policies purchased by corporates, including SMEs, as employee benefits, that may involve co-payments by employees. Group health accounted for 10.8% of our total GWP in Fiscal 2021

Government Health

Government health insurance constituted a large portion of our GWP at one time and provided us with rich experience. In 2010, the company shifted from the

government health business towards the attractive retail health insurance segment (even as we continued to offer government health insurance through our participation

in Government Ayushman Bharat health programme addressing low income households).

Personal Accident

Personal accident insurance provides benefit-based coverage to policyholders for accidents. Our GWP

from personal accident insurance increased from ₹1,162.04 Million in Fiscal 2019 to ₹1,692.61 Million in

Fiscal 2021.

Travel

We offer health insurance assistance cover for domestic and foreign travel through three plans. Our plans are

available to permanent residents in India, corporate executives abroad for business purposes between 18

and 70 years and students studying abroad.

Product launches

The company launched three products (Arogya Sanjeevani, Young Star Insurance Policy, PA Floater) in the Fiscal 2021. The Company also launched products customised around the pandemic Corona

Kavach policy, Star Health and Allied Insurance Co. Ltd" and "Corona Rakshak policy, Star Health and Allied Insurance Co. Ltd.

Convenience: The Company introduced instalment facilities for

premium payment for products like Family Health Optima Insurance Plan, Senior Citizens Red Carpet Health Insurance Policy, Arogya Sanjeevani Policy and Young Star Insurance Policy.

How we strengthened our claim service improvements for COVID-19

- We engage with customers through our in-house tele-medicine service called TALK TO STAR, which provides customers access to experienced doctors who can provide second opinions and alternative medical solutions on the telephone or through the internet and, wherever possible, real-time updates.
- We strengthened our wellness system for preventive health care awareness and a special caretaker for Star customers.

- We launched a work diary for daily task tracking across Star Health Teams and new/improved service programmes, which improved productivity.
- We re-engineered the claims processes (without physical bills, based on a scanned copy) for speedy claims settlement.
- We complied with all guidelines issued by IRDAI relating to Covid-19
- We achieved higher customer and hospital satisfaction in clearing

claims with speed and sensitivity .

- We utilised digitalisation and technology integration across various arenas like system assigned claims to address first-in first-out processing, claims bill automation, customer onboarding and hospital relations etc.
- We instituted a dedicated Claims Relationship Cell to handhold customers during the hospitalisation and post-discharge stages.

PART TWO

The rationale for Star Health's presence in the health insurance sector

What were the reasons for the success of Star Health in just 15 years?

In the following pages, we have attempted to answer



National perspective

India. Insurance sector. Star Health.

How the growth of a country and buoyancy of a sector translated into sustainable growth for our company

Attractive: The overall Indian health insurance space is increasingly attractive.

Under-penetrated: The Indian retail segment within India's health insurance space is under-penetrated and compelling.

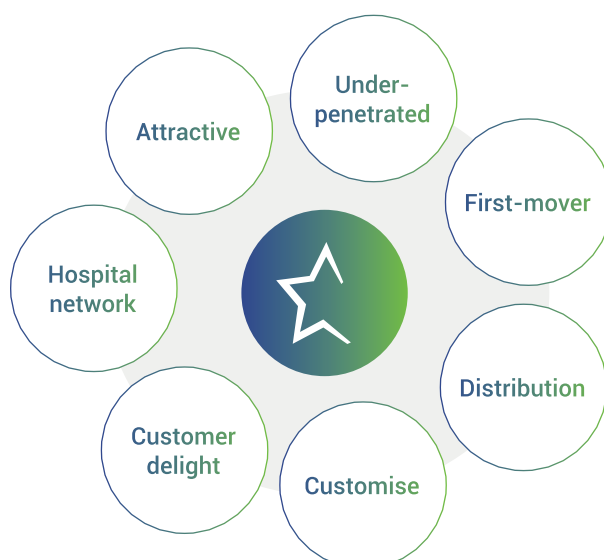
First-mover: Star Health has combined first-mover status, scale and share of market.

Distribution: Star Health's competence has been derived from the breadth and depth of its distribution footprint.

Customise: Star Health's success is the result of a capacity to create a product for every need.

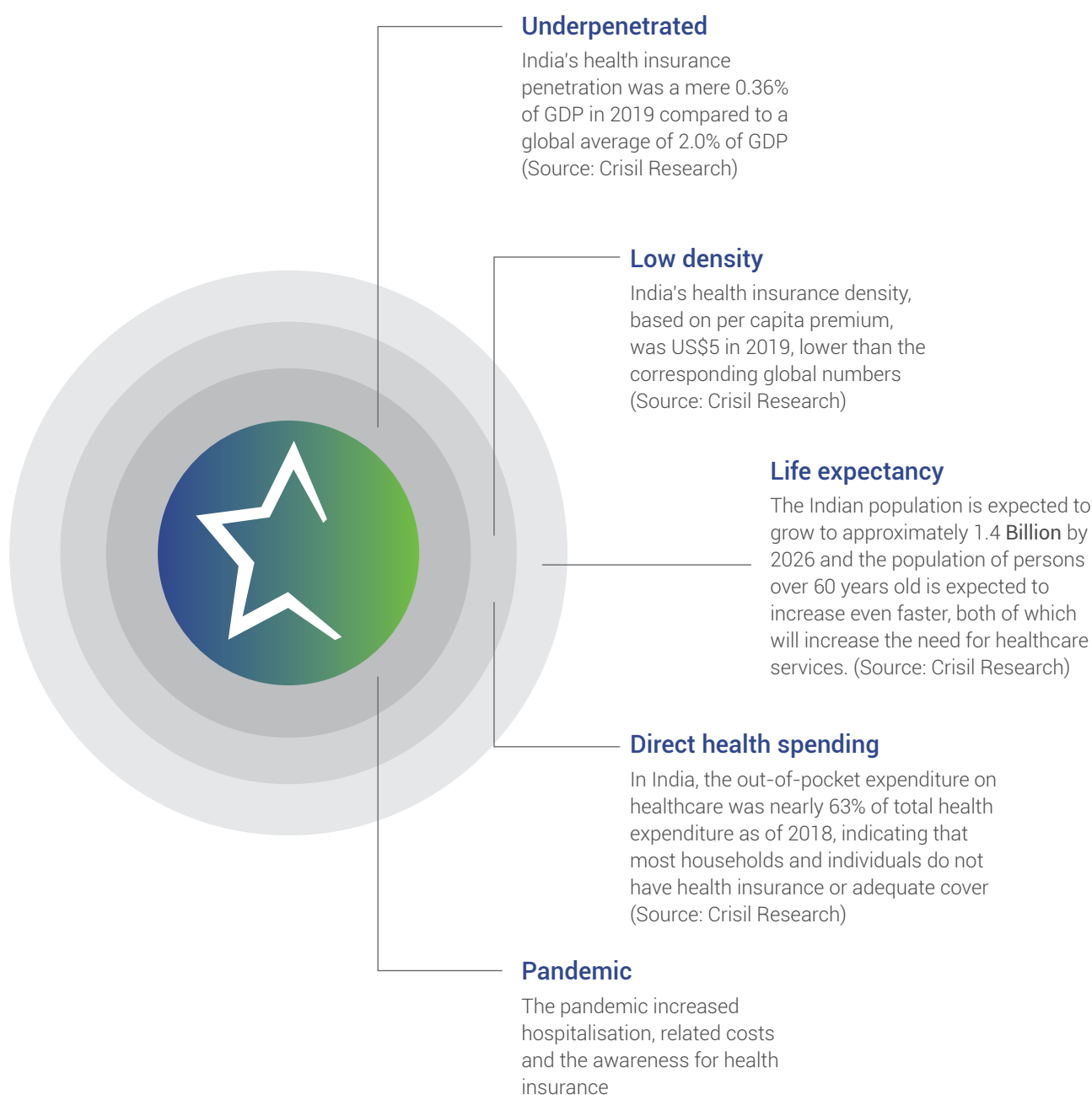
Customer delight: Star Health's recall has been reinforced through customer delight.

Hospital network: Star Health supports customers through one of the largest health insurance hospital networks in India.



Focus on Indian health insurance

The overall Indian health insurance space is increasingly attractive...



The retail segment of India's insurance sector

The Indian retail segment within India's health insurance space is under-penetrated and compelling...

Value-added

The retail segment within the health insurance sector in India generates a considerably higher share of the overall premiums pool, making it an attractive segment for insurance companies

Lower claims

The retail segment is marked by a lower claims ratio, making it an attractive space for private retail health insurance companies

9

% of the total number of lives covered by health insurance market in India in Fiscal 2020 is contributed by Retail health insurance

39

% share of the total health GWP in the overall health insurance market in Fiscal 2020

73

% of claims in the retail health segment, Fiscal 2020 (Source: Crisil)

92

% of claims in the government health segment (Source: Crisil)

99

% of claims in the group health segment, Fiscal 2020 (Source: Crisil)

59

% of claims among SAHI

67

% of claims among private sector insurers

92

% of claims among private and public sector insurers in Fiscal 2020 (Source: Crisil)

PART THREE

Culture,
character and
competence

Star Health. The vision with which we went into business

Our senior management team includes our founder Mr. V Jagannathan, Dr. S Prakash and Mr. Anand Roy, who have been with the company since the first year following inception. They are driven by a vision to provide affordable and innovative health care solutions.

Driven by a philosophy based around a 'family culture', balancing the best of professional excellence without compromising the personalised human touch.

Catalysed by a commitment to share our prosperity with all stakeholders.

The result of this differentiated resolution – with no reference to revenue growth, margins or Return on Capital Employed – has helped the company emerge as one of the largest retail standalone health insurance companies in India today.

Success driver

Star Health is synonymous with Health Insurance



Overview

In the course of the 15 years since we went into business, the biggest asset that Star Health has created an intangible strength that does not even figure on the company's Balance Sheet.

The biggest asset created by the company is the recall of the Star Health brand among thousands of customers across India.

During the last decade-and-a half, Star Health has been described in various ways and tongues. However, each of these responses has eventually come to mean: a trusted brand, health insurance specialist, personalised attention and a culture of caring.

This recall has been manifested in various moments of truth – moments of engagement when the company interfaces with the customer – when the company has selected to listen, advise, guide and handhold customers towards making the right decision. The result is a general consensus: *'Star Health will sell us only what will be in our best interest.'*

Trust constituents

Over the last decade-and-a-half, Star Health's brand recall has been influenced in various ways.

The Company is easy to reach, whether it is the website or its 737 offices in 26 states and 4 union territories across the vast Indian landmass.

The Company communicates in a language that is simple and friendly, making it possible for customers to understand.

The Company provides an extensive range of policies to select from, virtually customised around every possibility, age and economic background.

The Company services claims with speed and sensitivity, standing by the relatives of its customers in their hour of distress and anguish.

The Company's representatives have been trained to advise only in the customer's interest, convinced that this will widen the company's brand, accelerate sales of more policies and serve mutual benefit and our agents present all over the country act as ambassadors of the Company.

Outcomes

The outcomes of the brand trust is reflected in the company's Retail Health segment leadership in the general insurance industry across India.

The brand has grown year-on-year, irrespective of some of the most challenging economic meltdowns, slowdowns and lockdowns during the period.

The Company's persistency rates have been acknowledged among the best in India's insurance sector.

The Company's business growth has been reinforced by a consistent inflow of customers seeking to port their existing health insurance policy to Star Health.

The result is that a Star Health policy is a reflexive action across a number of points in an individual's life – marriage and the birth of children.

The Company accounts for nearly a third of India's retail gross written premiums alone across the general insurance industry.

Making Star Health's insurance policy synonymous with security and well-being.



31.30

%, market share in Retail Health GWP alone across the general insurance industry



16

%, market share in the Overall Health GWP (Retail + Group) across the general insurance industry



4.71

%, market share of the overall general insurance industry



59.50

%, market share among standalone health insurers (SAHI)

Human capital

At Star Health, our principal competitive advantage is derived from our talent capital



Overview

At Star Health, we are increasingly recognised among the most successful standalone health insurers in India. We believe that this position has been achieved by the virtue of having built among the largest and richest knowledge pools within the sector, extending across a range of capabilities. Our knowledge pool comprises attributes in the areas of effective communication, interpersonal relationships, business acumen, belongingness, entrepreneurial drive, passion for excellence, responsiveness, customer-centricity and customer sensitivity. The domain knowledge and functional competencies comprise underwriting skills, sales pitch, claims processing, medical expertise, analytical skills, business analytics, market research and product innovation. The ability to share knowledge has helped liberate knowledge from select pockets into an overarching environment with a specialised understanding of medical realities leading to health insurance needs.

Culture

Star Health's competitiveness has been derived from its family culture, which has celebrated collaborative working, caring, fairness, respect for dignity and ethical integrity. The result is that Star Health is less an impersonal business organisation

as much as it is a bonded team in the pursuit of a larger goal to economically protect customers in the event of medical emergencies. The effectiveness of the culture is reflected in the company's high talent retention, helping effectively retain knowledge and experience.

Informed engagement

The Company's talent profile comprises medically qualified and trained doctors who facilitate product development in the areas of cancer and cardiac care, providing cover for people with cancer, surgery for morbid obesity and payment of donor expenses for organ transplants. These professionals facilitate medical underwriting, claims management with hospitals, fraud detection cum mitigation as well as grievance handling.

Value package

Star Health's talent retention strategy comprised morale building through an attractive rewards and recognition programme, which comprised a year of employee initiatives, employee engagement activities, compensation & benefits structure, career progression, employee welfare programmes, loan schemes and ESOP.

Ease of engagement

At Star Health, we have attracted and retained talent on the basis

of an engagement ease. This ease is influenced by a strategic organisational clarity, engagement in a goal that takes humankind ahead, equitable employee treatment, performance appraisal transparency, fair remuneration and deployment of technology-aided tools that enhance operational efficiency. The Electronic Work Diary for employees has enhanced transparency in day-to-day workflows. Besides, a modernised human resource engagement process - Employee Self-service portal, Online Attendance & Leave Management, Payroll, Reimbursements, Recruitment, Joining formalities, Onboarding, Performance Management Systems, Rewards & Recognition Programs, Structured exit formalities, MIS reporting, analytics etc. - have strengthened talent retention.

Protection

During the pandemic, the company protected its talent capital through the flexibility of working from home, WFRL and hybrid attendance. The company redefined its work culture (New Code of Work) comprising supportive policies to enhance morale, productivity and performance through a strengthened IT infrastructure, learning & development activities, higher engagement levels, process support, guidelines and WFH etiquette.

Caring

Star Health launched Talk to Star app, Covid advisory helpline and emotional wellness helpline for employees and family members to seek advice from doctors on health issues; Covid management and medical counselling helped the company evaluate emotional challenges and provide support.

Gender-agnostic recruiter

The company's recruitment of women increased year-on-year in the two years ending FY2020-21 from 3077 in FY2018-19 to 3477 in FY2019-20 to 3852 in FY2020-21. The proportion of women in the company was around 27% during the

year under review, a reflection of its fairness in recruitment and gender-sensitive policies.

Training and skill renewal

The company is strengthening its positioning as a company that took the skills and competencies of its employees ahead through continuous training. The training programmes conducted comprised programmes that focused on induction, refresher, process, product launch, regulatory, bridge gap, leadership and skill development. Even as the number of employees increased 30% across the two years ending FY2020-21, the quantum of person-training hours almost doubled to 73,676 in FY2020-21.

Outperformance

The result of a strong people orientation translated into operational outperformance that soon became a sectorial benchmark, marked by process improvements, cost optimisation and first-time right workflows. The company reported a year-on-year increase in per person revenue productivity, rising to ₹ 66 Lakh in FY 2020-21. As an extension, the company reported a high-teens market share by Gross Underwritten Premium and was second by market share for health insurance among the players, way above all competitors put together in the Standalone Health Insurance segment, high renewal retention and a quick claims turnaround.

Highlights



2

Star Health's industry rank by market share in India's health insurance sector



97.9

% Retail Health renewal retention achieved in FY FY2020-21



37

Average employee age, FY2020-21



91

%, employee retention rate, FY2020-21



14,273

Employees at the close of FY2020-21



27

% of the employee base that comprised women, FY2020-21

Thought and market leader

Star Health has combined first-mover status, scale and share of market

**Focus**

The company is focused on the retail health segment, which is expected to emerge as the key driver of the overall health insurance industry in India on account of its low penetration and positive demographic realities.

**First mover**

The company was the first standalone health insurance (SAHI) company established in India in 2006; this has helped create a rich legacy of experience and brand recall.

**Scale**

The company is the largest private health insurer in India with a gross written premium of ₹93,885.39 Million in Fiscal 2021; the company has grown into the largest SAHI company in India's overall health insurance market, consistently ranked first in the private health insurance market and retail health insurance market (based on the total health GWP over the last three fiscal years, according to Crisil).

**Market share**

The company's market share of 31.3% in the retail health gross written premiums is a testimony to its leading presence in this segment of India's general insurance industry.

**Leadership**

In Fiscal 2021, the Company's retail health GWP was ₹82,291.32 Million. We have been consistently ranked first in India's retail health insurance market based on retail health GWP over the last three fiscal years, according to CRISIL Research.

Distribution

When a customer
seeks a health
insurance policy, Star
Health is never far away



Overview

At Star Health, we recognise the responsibility required of our role and company; we are engaged in a business extensively under-penetrated in the second most populous country. Even as we are playing catch-up, the market continues to widen.

The most effective means of addressing this under-penetration is by making it convenient for prospective customers to engage and buy. We need to provide customers with the convenience to engage with us with speed and convenience.

Multiple touchpoints

One of the most effective means of customer engagement is the choice and flexibility that we provide customers. The company has provided multiple touch points across the country. Prospective customers can engage by walking into our operating branches, be visited by our authorised agents – or access our website.

Physical reach

The effectiveness of our customer engagement is derived from the spread of our intermediation. Our services are provided across 26 states and 4 union territories across India. This presence has been supported by zonal offices, area offices, regular branch offices and rural branch offices, providing an inclusive insurance buying opportunity.

Online reach

To complement physical reach in addition to diversified channels of

distribution, we extended direct online sales through telemarketing, website, interactive applications, brokers, insurance marketing firms and web aggregators.

Deepening presence

Star Health established operating offices in every State during the initial period; the company established offices in every district based on its population and potential; it penetrated deeper by establishing Sales Manager stations across Tier 2-3 locations, facilitating agents and customers at the local level. The company's new focus is to establish branch offices in rural locations, validating its commitment to extend deeper and wider. In FY 2020-21, considered by most to be a challenging year, the company increased branch offices and rural branch offices by 74 and 87 respectively, strengthening its national footprint.

Distribution network: As of 31st December, 2020, Star Health had the largest number of individual agents among SAHI insurers, comprising 0.46 Million agents, three times that of the SAHI company with the next highest number of agents (Source: Crisil). Individual agents accounted for over 78% of our GWP in Fiscal 2021.

Distribution accretion: The number of individual agents grew at a CAGR of 27.3% from 0.29 Million in Fiscal 2019 to 0.46 Million in Fiscal 2021. Under IRDAI regulations, insurance agents are only permitted to sell policies of three insurers: one life insurance company, one non-life insurer and one SAHI insurer (agents we sponsored

to become licensed and then trained were more actively engaged in the distribution of our policies compared to other agents).

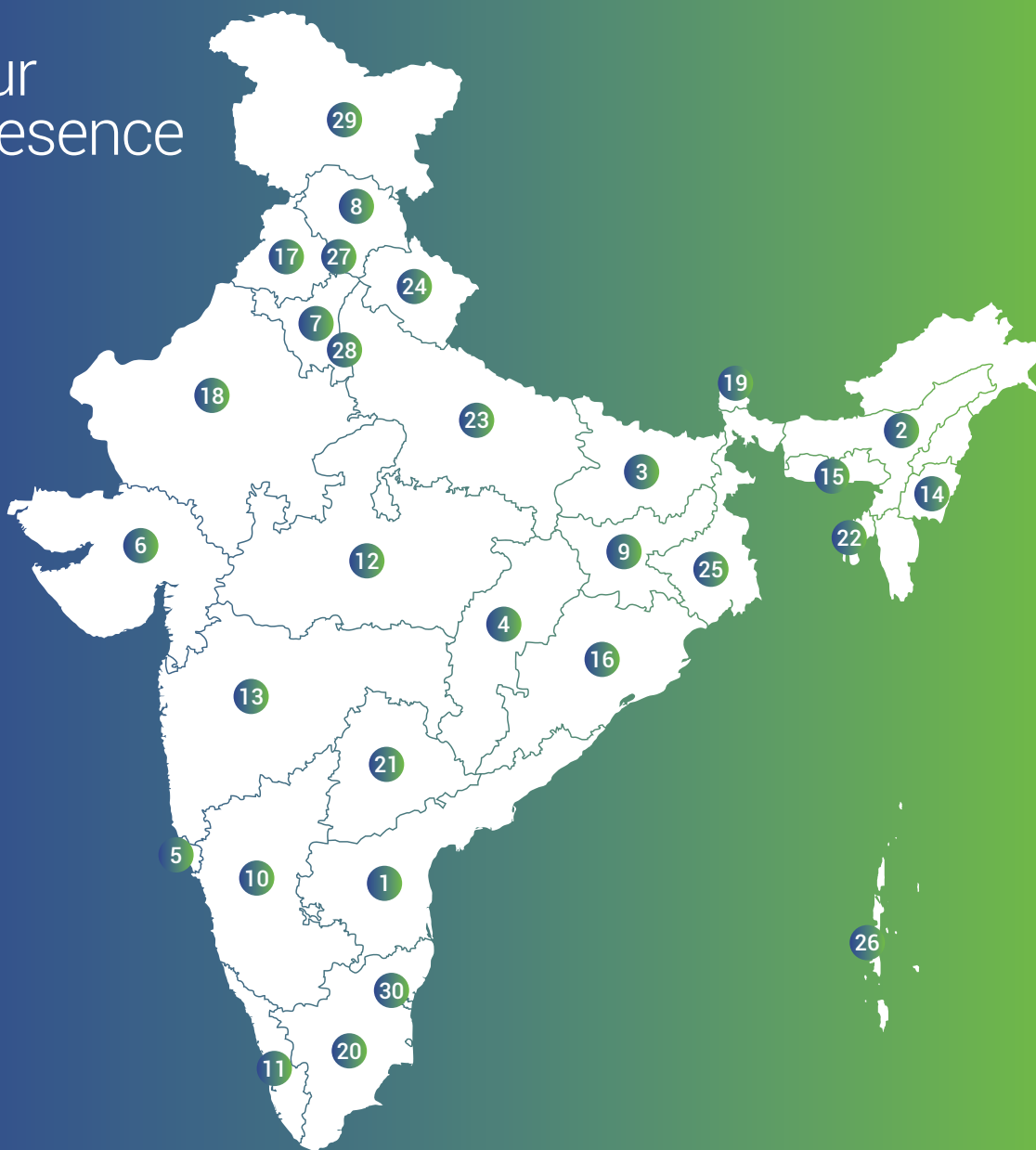
Training: By 31st March, 2021, Star Health had sponsored and trained 0.06 Million individual agents, representing 12.7% of the total number of individual agents, which grew at a CAGR of 44.7% from Fiscal 2019 to Fiscal 2021.

Distribution composition: The Company distributes its health insurance policies primarily through individual agents, who accounted for over 78% of the GWP in Fiscal 2021. The Company's agency distribution channel also includes corporate agent banks and other corporate agents who accounted for ₹2209.90 Million and ₹333.99 Million respectively of our GWP in Fiscal 2021.

Branch network scale: Our branch network is the largest among all non-public health insurance providers in India, three times the number of the next largest non-public health insurance provider as of 31st December, 2020 (Source: Crisil).

Network complement: Star Health's 737 health insurance branches were complemented by a network of over 750 Sales Managers Stations, over 7,000 in-house sales managers (as of 31st March, 2021) and direct distribution (online telemarketing, website, brokers, insurance marketing firms and web aggregators).

Our presence



States	Offices
1 Andhra Pradesh	42
2 Assam	10
3 Bihar	7
4 Chattisgarh	7
5 Goa	2
6 Gujarat	20
7 Haryana	36
8 Himachal Pradesh	3
9 Jharkhand	9
10 Karnataka	63
11 Kerala	60
12 Madhya Pradesh	29
13 Maharashtra	92

States	Offices
14 Manipur	1
15 Meghalaya	1
16 Orissa	20
17 Punjab	33
18 Rajasthan	30
19 Sikkim	1
20 Tamil Nadu	105
21 Telangana	35
22 Tripura	1
23 Uttar Pradesh	43
24 Uttarakhand	8
25 West Bengal	53
26 Andaman & Nicobar	1

States	Offices
27 Chandigarh	1
28 Delhi	19
29 Jammu & Kashmir	3
30 Pondicherry	2
Total	737

Note: All numbers as on 31 March, 2021

Our footprint



20

Number of zonal
offices

25

Number of area
offices

550

Number of regular
branch offices

142

Number of rural
branch officesWebsite
www.starhealth.inSTAR
ATOMVirtual office, mobile
app / portal for agents
and distributorsSTAR
POWERMobile app for
customers

What we added to our pan-India footprint in FY2020-21



74

Number of
branch offices

87

Number of
rural branch offices

82

Number of
Sales Manager stations

Service

Star Health is wired
across levels and
locations to service
with speed, sensitivity
and a smile



Overview

At Star Health, we recognise that we are engaged in a business where the decision to buy a health insurance policy is far from impulsive; most decisions are conscious and considered. This makes it important for a prospective customer to be communicated the big and fine prints of the policy with patience.

Simplicity

At Star Health, we are perpetually simplifying the process of underwriting and on-boarding a customer. Over the years, we dispensed with the mandatory pre-acceptance medical examination, enhancing traction. Our automated underwriting ensures a quicker on-boarding; our constant sales training empowers the team to enhance engagement speed.

Comprehensive

We are a one-stop insurance solutions provider, offering a range of flexible and comprehensive coverage options (health, personal accident and overseas travel). We target a variety of customer segments, including individuals, families, students, senior citizens, persons with pre-existing medical conditions

across the broad middle-market customer segment.

New products

Our product development is innovative, based on our market-leading claims processing experience of over 6 Million claims processed from inception until 31st March, 2021. From Fiscal 2018 to February 2021, we launched 49 new products (including variations of policies), one of the highest in India's health insurance industry (Source: Crisil).

Digitalisation

We invested in digital technologies, data platform and automation for enhanced efficiency and innovation. Besides, technology has empowered omni-channel engagement. Our Star Atom application empowers remote policy sales; our customer self-service Star Power application enables consistent and personalised delivery; our underwriting and claims processes were facilitated through a proprietary information system. Besides, our claims function is largely centralised with specific functions decentralised through technology to branches, reducing the turnaround time; our technology-driven claims process proactively services our customers through every stage of a

cashless claim. The use of automatic claims verification and processing by our agreed hospitals reduced the time a customer was required to wait for claims to be processed until final settlement, strengthening our brand.

Personalised and customised

We design products for specific geographies (especially rural). Our large in-house medical team guides customers on health issues through a convenient Telemedicine Facility. Our wellness programmes have been received well by retail and corporate customers, making it possible for our sales teams to sell better.

Network

We have created the largest network of hospitals and diagnostic laboratories that our customers can easily access. The result is that at a time of emergence and distress, the customer does not need to worry 'Will my insurance policy be honoured by the medical service provider?'

Claims management

Our claims are managed by claims officers, many of whom possess medical and para-medical experience under the guidance of specialist doctors; all our claims are processed

through proprietary information systems that have been developed in-house. The company addressed 95% claims within just 90 minutes in a cashless manner; it settles reimbursements within seven days in 90% cases.

Overall team

At Star Health, we have created a culture of service through the appointment of executives at various levels corresponding to various responsibilities but configured around a single objective: to enhance customer service. The company's service architecture comprises front-line sales managers, rural sales managers, relationship managers (bancassurance and alternate channels), agency development managers, marketing managers and trainee sales executives.

Customer-facing team

At Star Health, we have employed one of the largest teams among Standalone Health Insurance providers in India. The objective of this team is to evangelise the concept of health insurance, which we believe is primary in a country with an extensive under-penetration for insurance. Besides, the team explains policies and enhances the confidence of the company's service orientation.

Inclusive

At Star Health, we are engaged in something more than a business; we are engaged in a mission to protect the lives of Indians across locations, economic classes and social backgrounds. This large responsibility warrants that we deploy sales managers where customers are located; the result is that we have a large sales forces stationed in rural India. The presence of our team on the ground in such locations makes it possible to enhance familiarity, confidence and trust.

Intermediaries

At Star Health, we have enhanced the nimbleness of our customer access through one of the largest agent field forces in the standalone health insurance segment. This team represents one of our biggest strengths, making it possible for Star Health to respond with speed to customer needs. This feet-on-street asset is complemented by bancassurance partners, corporate agents, brokers, web aggregators, direct POSP and outsourced tele-marketers. This flexibility and range of representation makes it possible for Star Health to aggregate business from urban and rural locations and capitalise on sectoral upturns with speed.

Relationships

We enjoy relationships with more than 10,870 hospitals across India. We entered into pre-agreed arrangements with over 7,000 hospitals (64.9%) of the total hospitals in our network as of 31st March, 2021. We processed 0.33 Million claims, or 55 % of our total cashless claims, through our agreed network hospitals in FY 2021. The terms with agreed hospitals resulted in a better service monitoring, competitive pricing, enhanced customer engagement, better negotiated package-based pricing and the average claims amount being lower than in the non-agreed network hospitals. The growing scale of our hospital network and market position empowered us to increase agreed packages with hospitals, strengthening efficiencies.

The complement of these support functions has helped the company reduce costs related to the claims process, improve the accuracy of the claim amounts and help detect fraudulent claims more effectively.

Our service support

- 24x7 multilingual call center
- Dedicated claims relationship cell to handhold customers during hospitalisation and post discharge
- Dedicated Renewal Retention Cell to facilitate timely policy renewal
- Dedicated Agency Care Cell to support agent queries
- 750 SM Stations across the country that serve as facilitation centers

Our value-added services

- Telemedicine facility
- Wellness and Condition Management Programs
- Elder Risk Assessment support
- Dedicated Covid support Cell

Sales & distribution architecture

Our team

6,531

Number of frontlines sales managers

511

Number of Sales Managers (rural)

901

Number of Relationship Managers (bancassurance)

882

Number of Agency Development Managers

Our intermediaries

4,62,415

Number of agents representing Star Health

28

Number of bancassurance partners

59

Number of corporate agents

405

Number of brokers

13

Web aggregators

7,917

Number of direct POSP

Our network

10,870

Number of hospitals across India as part of our network

7,051

Number of hospitals with whom we entered into pre-agreed agreements

3,25,865

Number of claims processed through the agreed network

55

% of cashless claims processed through our agreed network hospitals in FY 2021

Technology

We have created a modern, networked, digitalised and future-ready Star Health



In the space of the last few years, Star Health graduated from the incremental technology approach to a sweeping digital initiative.

This transformation journey commenced in 2018, graduating the company to API-first and cloud-first strategies to enhance customer experience and satisfaction.

The Company built its strategy, technology, data, people, security and processes around its culture, strategy and vision. The result is that technology is not side-stream to the company but integral to its existence.

The Company's digitalisation programme is driven through the following interventions:

Data Platform: Building data platform by using various technologies to create a new technology driven business model.

Automation: To shrink the turnaround time; to enhance scalability, accuracy, repeatability, DevSecOps, robotic process automation and a low code platform

Core system modernisation: To enhance organisational nimbleness, productivity and scalability

Digital empowerment

The digitalisation enhanced the efficiency of the sales team, feet-on-street and distributors, strengthening their real-time reporting to the company and informed decision-making. Besides, the digitalisation simplified the process for the company's agents to issue policies to customers

Paperless

The company eliminated the use of paper in the process of customer on-boarding, minimising time and processes by doing away with duplication, enhancing process simplicity and making it possible to issue a policy across the counter

Systemic dependance

The Company strengthened its process orientation using technology as a backbone; the underwriting is systems-based and decentralised, making it possible to address customers with speed irrespective of their location; the low turnaround time extends to the evaluation of adverse medical conditions by the medical underwriting team as well

Review

Digitalisation empowered the company to review every process with the objective to enhance efficiency; the monitoring of people,

processes, data and technology enhanced the customer experience, business model and productivity

Outcomes

The Company reported a cultural transformation following digitalisation. The upside extended beyond quicker process, extending to mindsets. The improvements were perceived across three buckets:

Responsiveness: The Company reduced the release cycle from a month or quarter to weekly and biweekly; the company reported improved systems uptime, scalability (elasticity) and stability

Cost management: The Company eliminated workflows, process duplication and reduced costs, strengthening (most visibly) per person revenue productivity

Brand respect: The digitalisation extended to a superior customer experience that strengthened the Star Health brand

PART FOUR

Our commitment
to ESG and
value-creation

How our business is aligned with Sustainable Development Goals (SDGs)



SDG 1: No poverty

At Star Health, we believe that our business protects policy holders in the event of a medical emergency. In a country where the high cost of health care often trips individuals and their families into debt (and thereafter into poverty), we see our business as an effective intervention that prevents them from compromising their economic prospects.



SDG 2: Good health and well-being

At Star Health, we not only provide a policy that reimburses medical expenses but also promotes good health that makes claiming under the policy redundant. We do so through engagements with medical practitioners, sharing wellbeing awareness, telemedicine services and encouraging policy holders to live a healthy life.

To complement the above, the Company's CSR initiatives implemented a program called Star Arogya Digi Seva to address non-communicable diseases among the unprivileged elderly.



SDG 5: Reduced inequalities

At Star Health, we believe that by the virtue of promoting good health and financial security in the event of a medical expenditure, we are promoting financial inclusion and reduction in social inequality.



SDG 17: Partnerships for the goals

At Star Health, we recognise that we cannot achieve our goal by working in isolation. In view of the largeness of our objective, we are engaged in partnerships with a range of stakeholders, comprising employees, agents and hospitals across the country.

At Star Health, governance represents our robust growth foundation

At Star Health our governance platform comprises clarity on the way we will grow our business. This enhances organisational predictability and stability. Our governance architecture has been influenced by the following priorities.



Positioning

At Star Health, we have positioned ourselves not as much as a health insurance company as much as a prosperity-enhancing solutions provider, enhancing human life quality. This positioning has enhanced our strategic clarity, opening us to opportunities, attracting knowledge professionals and strengthening our product / process research.



Long-term competitiveness

At Star Health, we have invested in our business around a long-term commitment cascading to allocations towards the highest standard of assets, technologies, brands, people, locations, products and trade partners.



Board of Directors

At Star Health, our strategic direction is influenced by our Board of Directors, which comprise professionals of standing who have enriched our business understanding and strategic direction.



Brand-driven growth

At Star Health, we believe the biggest asset in our business (brand) is not reflected in our Balance Sheet. Over the years, we have built our brand through patient investments in knowledge, prudent recruitment, distribution, digitalisation, environmental responsibility, new product introductions and world-class quality. The one word that encapsulates all that we are and all that we do is 'trust'.



Digitalisation

At Star Health, we are investing in a bigger way in automation and digitalisation with the objective to enhance primary customer delight, service effectiveness, communication clarity, systemic integrity, brand appeal and cost management.



Data-driven

At Star Health, we are an increasingly analytics-driven organisation based around informed decision-making. The management shares data with executives and distribution partners, helping mature the organisation around modern standards of competitiveness.



Focus

In our business, it would have been quicker and easier to generate group health insurance customers. At Star Health, we selected to grow our business with patience and perseverance. The result is that in Fiscal 2021, 89.2% of our GWP was accounted by retail health premium. We reached out, explained, hand-helped and counselled. This is making Star Health more than just another insurance company; it is one of the best loved retail health insurance brands in India.



Conservative

The company has generally selected to be conservative in its accounting treatments, indicating the faithfulness of the Balance Sheet. The company shifted to the 1/365 days of computation of Unexpired risk reserve from the 50% method, which resulted in a higher reserve creation in line with the policy period basis. This conservative method resulted in additional reserve creation in FY2021. The reporting of quarterly financial results will be consistent with the 1/365 day method.



Solvency

The company selected to live with a higher liquidity buffer, marked by a solvency ratio of 2.22x as of March 2021, compared to the IRDAI prescribed level of 1.50x.



Investment performance

Our investment strategy is driven by the regulatory investment guidelines, the liability profile of our company and our risk appetite. Our investment assets are divided into long-term and short-term assets. The long-term assets are mostly held to maturity and meant to enhance long-term returns; short-term assets address needs of liquidity. We diversified our investment portfolio using internal exposure norms based on our risk appetite to improve investment yields while maintaining portfolio quality. The long-term funds were invested in Government Securities, State Development Loans, Corporate Bonds, Fixed Deposits, REITs, InvITs and ETFs; short-term funds were managed using bank fixed deposits, Overnight Mutual Funds, CPs, CDs, T-Bills, CMBs, Short Maturity Bonds and Tri-Party REPOs (TREPs). The asset allocation was done considering the risk-adjusted relative attractiveness of the asset classes.



Cost management

The company practices a culture of austerity. These initiatives have helped reduce costs and exercise control over expenses to support profitable growth. This has helped create an efficient, scalable platform of our pan-India multi-channel distribution network. The company leveraged technology to conduct meetings electronically, saving travel and related costs; the use of digital communication saved printing and stationery claims processing costs; the promotion of customer and agent portals for distributing and receiving policy and claims of documents and payments helped save intermediation costs. The company re-negotiated lease agreements with landlords of branches during the pandemic, reducing rentals. As a result, Net Expense Ratio was 30.1%, 27.4% and 27.8% in FY2018-19, FY2019-20 and FY2020-21.

What Star Health customers said about our service



"My engagement at Star Health was with Chandralekha and this is what has impressed me about her: attention to detail; understands a customer's claim issues; advises the action that is required; is prompt in responding to the customer's claim or query; on the overall, manages the customer communication in a manner that she provides a peace of mind."

Nitin Salunke

nitin.salunke@hotmail.com



"My wife holds a Star Health policy. Following Laparoscope Hysterectomy surgery, my wife's health improved. We did not have to pay anything. The payment process was managed in an effective and timely manner by Star Health and its Relationship Officer Sangeetha."

Dr. Jayakumar D

drjaiperiyar@gmail.com



I must commend Kinjal at Star Health. He remained in touch till the claims reimbursement. I appreciate his customer-centricity that was visible in each conversation with him.

Rajiv Kalra

rajiv.kalra@icicilombard.com



"My father Rasamay Biswas was admitted to Vasavi Hospital in Bangalore. His bill has not getting cleared for three days. I talked with a Start Health executive named Sai Prabhu. It was an absolute pleasure to talk to him. He delivered on time!"

Riki Biswas

riki.biswas.iitg@gmail.com



"For two months and during the hospitalisation of my wife, my family was under mental and physical stress. The Star Health Team provided support including financial assistance. From the day the claim was lodged, Star Health handled everything well with periodic updates."

G. Muralidharan

muralidharang@hotmail.com



"We engaged with a competent and enthusiastic Star Health employee. Every organisation should aspire to hire employees like him. My words can never be enough to praise the company's commitment, the way it handled the variable situation smoothly."

Syed Shabir Hussain Rizvi
naizarizvi@gmail.com



"I was extremely happy with Star Health's proactive approach to resolve my claims issue. The company's continuous engagement enhanced service delivery and has motivated me to continue my service with the company. I immediately renewed my policy!"

Himanshu Dash
himanshudash.mba@hotmail.com



"It was a pleasure dealing with the Star Health executive. He was helpful, patient and clear in his communication."

Sindhu Cherian
sindhucherian@gmail.com



"I had a satisfying experience with the Star Health customer care service executive named Bhuvana B who was receptive to my queries and helped in sorting the claims issues of my father Mr. KM Muddaiah."

Dr Dechu Muddaiah
dechu23@yahoo.com

Management discussion and analysis



Global economic overview

The global economy reported de-growth of 3.3% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to

the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Consequently, global FDI reported a significant decline from \$1.5 **Trillion** in 2019 to \$859 **Billion** in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

Regional growth %	2020	2019
World output	(3.3)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

United Kingdom: Britain's GDP shrank 9.9% in 2020 compared to 1.4% growth in 2019, 2x the annual contraction recorded in the aftermath of the global meltdown in 2009.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009. (Source: CNN, IMF, Economic Times,

trading economics, Statista, CNBC)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY2020-21.

At the start of 2020, India was among five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.38 **Billion** was the second largest in the world; its rural population of the under-consumed was the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slumping economy as 1.38 **Billion** Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9 % in the first quarter of FY2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed, what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was

replaced by virtual engagement.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the July-September quarter, reported 0.4% growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

The result is that India's GDP contracted 7.3% during FY2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Indian economic review

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7.0	6.1	4.2	-7.3

Growth of the Indian economy, FY2020-21

	Q1, FY21	Q2, FY21	Q3, FY21	Q4, FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian health insurance sector overview

The Indian health insurance market continues to be underpenetrated, with a health insurance penetration of only 0.36% of GDP in 2019, compared to the global average of 2.0% of GDP. India had one of the lowest health insurance densities globally, based on per capita premium, at US\$5 in 2019. A number of demographic factors, including increasing life expectancy, per capita GDP and population growth in India, as well as the high portion of out-of-pocket expenses as a percentage of total healthcare expenditure by patients in India (62.67% in 2018), are driving the need of healthcare services and growth of the health insurance industry in India. The awareness for health insurance in India has been growing, as a result of measures taken by the Government of India, prospect of hospitalisation due to COVID-19, rising cost of medical care in private hospitals and need for health insurance.

After recording high numbers in the initial months of the pandemic outbreak, growth in the health insurance segment moderated as Covid fears subsided through the year. However, the second wave of Covid-19 brought fears back, coupled with higher health insurance spending. The health segment grew

13%, with general insurers witnessing 8% growth and standalone insurers enjoying 28% growth.

Led by Star Health & Allied Insurance, all six standalone health insurers grew a collective 33% in FY2020-21. The retail health premium increased 28% y-o-y in Fiscal 2021 (12% y-o-y in Fiscal 2020). The growth drivers of the health insurance sector are expected to be a strong momentum for Covid-19 policies and risk aversion. The reluctance for medical checks and substitution of comprehensive policies with Covid-19 policies put a pressure on premium growth, Covid-19 policies having lower ticket sizes.

The retail health insurance segment, which accounted for 9% of the total number of lives covered by health insurance in India in Fiscal 2020, contributed 39% of the total health GWP generated in the overall health insurance market in Fiscal 2020. This was primarily due to retail health's higher premium per person compared to other health insurance segments. Profitability in the retail health insurance segment is also being driven by customer loyalty, which is higher than other health insurance segments, besides being marked by lower claims ratios (73% in retail health, compared to 99% in group health and 92% in government sponsored health schemes in Fiscal

28

% increase in retail health premium, FY 2020-21

(Source: Financial Express, Asia Insurance Post)

2020). SAHI insurers only had a claims ratio of 59% in relation to their retail health business in Fiscal 2020, compared to 67% and 92% for private sector and public sector insurers, respectively.

Retail health premiums accounted for 16% of the general insurance premiums (ex-crop) in Fiscal 2021 compared to 13% over a period of two years (2018-20). The retail health insurance segment is expected to sustain growth due to increased customer awareness, intent to protect lives following the pandemic, diversified distribution channels and consistent product innovation by insurers targeted at different customer cohorts.

(Source: Business Standard, Moneycontrol, Financial Express, Asia Insurance Post, CRISIL)

Indian travel insurance sector overview and new guidelines

The travel insurance sector was one of the most impacted sectors in India due to the Covid-19 pandemic. Tourism is one of the key factors affecting the demand / size of the sector. In 2020, the arrivals of foreign tourists in the country stood at <3 Million, which witnesses a massive decline in comparison to 10.93 Million in 2019.

To improve the financial safety net for people travelling (both domestic and international), the Insurance Regulatory and Development

Authority of India (IRDAI) introduced guidelines for a standard travel insurance product on 5th May, 2021. As per the guidelines, there will be five variants of the travel insurance product, each being a basic mandatory cover that will be uniform across the insurance industry.

The standard travel cover will come with a single premium payment option that will be collected in advance. No restrictions are expected to be imposed on the minimum and maximum age of entry. However, the proposer needs to be at least 18 years of age.

<3

Million, arrivals of foreign tourists in India, 2020

10.93

Million, arrivals of foreign tourists in India, 2019

(Source: Hindustan Times)

The companies will have the freedom to determine the premiums with add-on features. There are two sets of standardisation: One for the overseas travelers and the other for domestic travelers. It is mandatory for the overseas travel policy to cover hospitalisation expenses upto USD 100,000 or equivalent

currency and hospital cash, among others. Moreover, it will cover for the treatment of life-threatening conditions arising due to pre-existing diseases up to \$10,000, accidental death, permanent total and partial disabilities.

The travel insurance policy also covers events like missed flight, loss

of checked-in baggage, trip delay, loss of passport and repatriation of remains. Moreover, it also provides optional benefits, which include flight delay beyond three hours (up to \$500), loss of baggage (up to \$500) and personal liability (up to \$50,000).

(Source: Hindustan Times, Economic Times, New Indian Express)

Indian accident insurance sector overview

Around 1,000 road accidents take place every day in India. An estimated 352,479 accidents took place in 2020, with 117,868 deaths occurring as a result of these accidents. With such alarming numbers, personal accident insurances have become the need of the hour for Indians. Several policies have been made to provide for such fatalities in the country.

The Insurance Regulatory and Development Authority of India (IRDAI) has made it necessary for all general and health insurers in the country to offer standard personal

accident insurance called Saral Suraksha Bima from 1st April 2021. This product, with standard coverage and policy wordings is expected to simplify product offering and promote the rise of personal accident insurance policies in India.

The personal accident insurance industry in India is estimated to grow at a CAGR of 6.1% during 2019-2024 due to a mandatory personal accident cover for employees, motor and travel insurance policies. The awareness of independent personal accident cover is increasing mainly due to limited benefits offered under group policies.

Alarming statistics

352,479

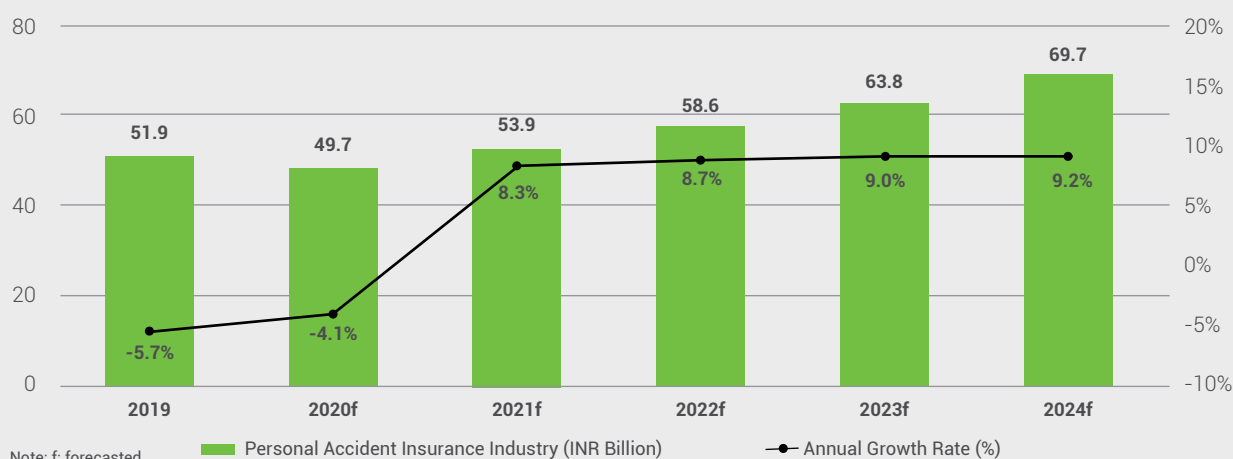
Road accidents in India, 2020

117,868

Deaths due to road accidents in India, 2020

(Source: The Hindu Business Line)

Indian Personal Accident Insurance Industry - Gross Written Premium



(Source: GlobalData)

As per the new guidelines, the standard personal accident product will come with a one-year tenure, covering death and disability. The sum insured will be in multiples of ₹ 50,000 with a minimum insured amount of ₹ 250,000 and a maximum

of ₹10 Million. Insurers will be permitted to provide extra benefits and add optional covers such as temporary total disablement, hospitalisation expenses in the same product and determine premiums

within the guidelines prescribed by the IRDAI. This will encourage insurers to test new products and offer innovative and customised products. (Source: The Hindu Business Line, GlobalData)

Growth drivers

Rapid urbanisation: The Indian population is increasing at a rapid pace with the country anticipated to surpass China by 2026 and reach 1.52 Billion by 2036. This growth in population is likely to be accompanied by a rise in urbanisation from 34% to 39% by 2036.

Demographic dividend: India has one of the youngest populations in the world with 28 years being the median age of the population in India. This is expected to result in the growth of the insurance sector, among many other sectors in the country.

Rising literacy: The literacy rate in India stood at 77.7% in 2020 compared to 74.4% in 2018, indicating that literacy (and hence insurance awareness) is on the rise.

Increase of affluence: The largest contributor of the insurance sector in India is the vibrant middle-class segment. It consists of the highest number of the educated. Consumption of this class is anticipated to treble in terms of its share in India's total consumption in the next 15 years.

Coronavirus risk: With the number of Covid-19 cases in the country showing no signs of stopping any time soon, the general public is now attracted towards health and other general insurances.

Rise in lifestyle diseases: With 50 Million+ patients suffering from diabetes and 25 Million+ people with heart disease in the country, India has a large population with number of lifestyle diseases. These diseases usually turn into terminal illnesses,

entailing a large spending, a reality likely to encourage growth of the health insurance sector.

Policy support: The IRDAI directed and proposed a number of policies not only for health insurance but also travel and accident care. It directed standard travel cover, which will come with single premium payment option and will be collected in advance. There will be no restrictions on minimum and maximum age of entry. Moreover, it has made necessary for all general and health insurers in India to offer standard personal accident insurance Saral Suraksha Bima from 1st April 2021.

(Source: The Wire, Statista, The Hindu Business Line, India Infoline, Livemint)

Company overview

Star Health is India's largest private health insurer with a market share of 16% in Fiscal 2021. In Fiscal 2021, we had total GWP of ₹93,885.39 Million. From being the first standalone health insurance (SAHI) company established in India in 2006, the company has grown into the largest SAHI company in the health insurance market in India.

The company's comprehensive health insurance product suite insured 20.5 Million lives in Fiscal 2021 in retail health and group health, which accounted for 89.5% and 10.5%, respectively, of our total health GWP in Fiscal 2021. The company is strategically focused on the retail health market segment with retail health GWP of 82,291.31 Million in Fiscal 2021. The company has been consistently ranked first in the retail health insurance market in India based on its retail health GWP over the last three fiscal years. In Fiscal 2021, the retail health GWP was over three times the retail health GWP of the next highest retail health insurance market participant, positioning the company well to continue to grow its business and market share (Source: CRISIL).

The company distributes its health insurance policies primarily through individual agents, which accounted over 78% of our GWP in Fiscal 2021. As of 31st December, 2020, the company had the largest number of individual agents among SAHI insurers, at three times that of the SAHI company with the next highest number of agents. The total number of individual agents grew at a CAGR of 27.3% from 0.29 Million in Fiscal 2019 to 0.46 Million in Fiscal 2021. As of 31st March, 2021, the company had sponsored and trained 0.06 Million individual agents, representing 12.7% of the total number its individual agents, which grew at a CAGR of 44.7% from Fiscal 2019 to Fiscal 2021. The agency distribution channel also included corporate agent banks and other corporate agents, who accounted for 2,209.90 Million and ₹333.99 Million, respectively, of the company's GWP in Fiscal 2021.

The company led the non-public health insurance market in terms of the number of new branch openings since Fiscal 2018; the branch network was over three times the number of the next largest non-public health insurance provider

as of 31st December, 2020. As of 31st March, 2021 the distribution network had grown to 737 health insurance branches spread across 26 states and 4 Union Territories in India. Our existing branches are also supplemented by an extensive network of over 750 Sales Managers Stations (SMS), which are small individual service centres, and over 7,000 in-house sales managers, as of 31st March, 2021. The company's other origination channels include distribution by direct online sales through telemarketing and our website, brokers, insurance marketing firms and web aggregators.

The company offers a range of flexible and comprehensive coverage options primarily for retail health, group health, personal accident and overseas travel, which accounted for 87.7%, 10.5%, 1.8% and 0.01%, respectively, of our total GWP in Fiscal 2021. The products target a variety of customer segments, including individuals, families, students, senior citizens, as well as persons with pre-existing medical conditions across the broader middle market customer segment. The products include family floater products, in which the sum insured covers the entire

family on the payment of a single annual premium; individual products, which are tailored to the needs of the individual; and specialised products, which focus on customers with pre-existing conditions after taking into account the associated risks. The

company developed these specialised products through its innovation-driven product development process and analysis of market demand and coverage gaps using market-leading claims processing experience of approximately 6.0 Million claims

processed since our inception until 31st March, 2021. From Fiscal 2018 to February 2021, the Company launched 49 new products (including all variations of policies).

Risk management

Economic risk: The second wave of the Covid-19 pandemic could stagger economic growth and livelihoods generation, affecting the growth of the general and health insurance segments.

Mitigation: On the contrary, the Covid-19 pandemic resulted in a higher health insurance spending.

Covid-19 risk: Covid-19 policies account for a rising proportion of policies in the health insurance sector, marked by a lower average ticket size, which could moderate gross premiums of the segment.

Mitigation: With the exceptionally increasing number of Covid cases in India as compared to other countries, the issue of lower ticket size is not expected to moderate growth in the health insurance segment.

Competition risk: Increased competition could affect profitability.

Mitigation: The Company operates in regulated markets with high entry barriers. Its products are competitively priced because of its ability to optimise costs, a protective moat, while adding new benefits.

Innovation risk: The products launched by the Company may not remain relevant.

Mitigation: The Company has been consistently innovative, resulting in a strong and relevant introduction of new products.

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are

safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note

of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Human resources

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them

to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business

excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 14,273 as on 31st March 2021.

Cautionary statement

The Management Discussion and Analysis sections contains your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within

the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices,

cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

How we manage risk at Star Health

Overview

The risk management process provides reasonable assurance of the protection of our business from uncertainties and consequent losses. All process owners of the company

are identified and made responsible for identifying and mitigating key risks from within their respective domains. The occurrence of risk, mitigation plan and status are monitored

periodically. The operations of each department are defined by a standard operating protocol coupled with a business continuity plan (reviewed periodically).

Organisational structure and process

The company comprises a Risk Management Committee reporting to the Board coupled with single points of contact in key departments to conduct the risk management function.

The company trains executives for each process; system validations are built; a maker-checker function addresses major activities. Centralised Medical Underwriting underwrites impaired risks; telephonic

verification is conducted during onboarding fresh proposals, a Zonal Underwriting Cell checks underwriting quality, investments are analysed before being made in secured instruments.

A culture of checks and balances systematically mitigates risks.

Risk	Mitigation
Solvency Risk	Regular monitoring to ensure that it is well above the regulatory requirement of 1.50x.
Underwriting Risk	All retail products are underwritten in the respective operating offices. Underwriting risk is handled by necessary systemic checks and validations. Telephonic verification is conducted during the on-boarding of new proposals; zonal underwriting audit is conducted of all fresh proposals following conversion. The Group business underwriting is centralised at the corporate office and addressed by a specialised team.
Compliance Risk	Systems and processes monitor compliance under regulations and laws.
Product Risk	The acceptability of our products is monitored based on our periodic interaction with the sales team.
Liquidity Risk	In the normal markets, a major part of our portfolio can be liquidated within three to seven days.
Operational Risk	To ensure seamless operations, a detailed Business Continuity Plan has been prepared.
Market Risk (Interest Rate Risk & Equity Risk)	The Company reported attractive growth in new business premiums; policy renewal and retention has been high. The Company will reduce the duration of the fixed income book by deploying additional capital in relatively shorter maturity papers, keeping in mind the possibility that interest rates may bottom out. Hence, the interest rate risk is assumed to be low. The Company has a limited exposure to equities.



STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

#1 New Tank Street, Nungambakkam, Chennai-34.
CIN: U66010TN2005PLC056649, IRDA Regn. No.: 129
Telephone: 044-2828 8800 Website:-starhealth.in

Notice Calling the Sixteenth Annual General Meeting

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Star Health & Allied Insurance Company Limited will be held on Saturday the 25th September 2021 at 11.30 A.M IST through Video Conferencing ('VC') and Other Audio Visual Means ('OAVM') to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2021 and the Audited Revenue Account and Profit and Loss Account, Cash Flow Statement for the year ended on 31st March 2021 together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Dr Subbararayan Prakash, Managing Director (DIN 08602227), who

retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in the place of Mr. Anand Shankar Roy, Managing Director (DIN 08602245), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board

sd/-

Place: Chennai

Date : 10-08-2021

Jayashree Sethuraman

Company Secretary

PAN: DLIPS3826Q

Membership No. A55099

Address: F-6, Prithvi Apts,

Natesan Nagar, Chennai-92.

NOTES:

1. In view of the Continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 read with circular dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting ("AGM") through video conferencing ('VC') and other audio visual means ('OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), and MCA Circulars, the AGM of the Company is being held through VC/ OAVM
2. Pursuant to the Provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA

Circulars through VC/ OAVM physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM as permitted by the MCA and hence the Proxy Form and attendance Slip are not annexed to this Notice.

3. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. All documents referred to in the notice, registers are available for inspection by the members electronically by using the following link https://starhealthbiz-my.sharepoint.com/:f/g/personal/s_jayashree_starhealth_in/EkSiliPmW5xJm20HA6_Mw5UBRfiDED74uuXxKYRLoBsp9A?e=19dhdOfrom 10 AM to 5 PM on all working days till the conclusion of the Annual General Meeting.

5. All communications including notice of Annual General Meeting, Annual report etc will be sent to the registered emails.
6. Since the AGM will be held through VC/ OAVM, Route Map is not annexed in this Notice.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VIDEO CONFERENCING ('VC') AND OTHER AUDIO VISUAL MEANS ('OAVM') ARE AS UNDER:

1. Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate Meeting ID/ Password/ and JOIN MEETING tab. By Clicking on JOIN MEETING they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, follow the steps and provide the required details (mentioned above – Meeting Id/Password/ Email Address) and Join the Meeting. Members are encouraged to join the Meeting through Laptops for better experience.
2. In case of Android/ Iphone connection, Participants will be required to download and Install the appropriate application as given in the mail to them. Application may be downloaded from Google Play Store/ App Store.
3. Further, Members will be required to allow Camera access and use Internet audio settings as and when asked while setting up the meeting on Mobile App.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. The helpline numbers on any queries on how to join and participate in the meeting through the link provided is +91 9940355778/ 044 28288878. Members can also send their queries through email to s.jayashree@starhealth.in
6. Facility of joining the AGM through VC/ OAVM shall open 30 minutes before the time scheduled for the

AGM and shall be open for fifteen minutes after the scheduled starting time of the AGM.

7. Members can send their queries on the matters relating to the AGM by emailing to s.jayashree@starhealth.in from their registered email IDs quoting their folio numbers or they can speak during the proceeding of the AGM with a two way communication facility. Queries will be addressed to the extent feasible on a first come first served basis by the Chairman or appropriate officials / Auditors as the case may be.
8. Representatives of institutional / corporate members or other authorities can send their authorisation through email from the member's email ID to the email id of the company referred to above giving the resolution / authority along with name and email ID of the representative. The representative can use the link for attending the meeting and speak at the meeting.
9. Voting by show of hands is permitted as advised by MCA and in case of demand for poll the members / representatives have to send emails to the designated email Id (s.jayashree@starhealth.in) signifying their choice on voting in the affirmative or negative in respect of each resolution during the course of the meeting. E-votes will be counted during the meeting and results will be announced by the Chairman. In case it would take time to count the e-votes the meeting may be adjourned for announcing the results of the e-votes for all resolutions.
10. Any special business considered unavoidable by the Board can only be considered at the AGM apart from the ordinary businesses.

By Order of the Board

sd/-

Place: Chennai

Date : 10-08-2021

Jayashree Sethuraman

Company Secretary

PAN: DLIPS3826Q

Membership No. A55099

Address: F-6, Prithvi Apts,

Natesan Nagar, Chennai-92.

Board's Report

Dear Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report and the Audited Financial Statements for the year ended 31st March 2021, together with the Auditors' Report and the Management Report. The Company received the approval from the Insurance Regulatory and Development Authority of India on 16th March 2006 to carry on General Insurance business to underwrite Health, Personal Accident and Travel Insurance. Since, then the Company had been servicing the public in the Health insurance segment.

During the year the Company procured a Gross Premium of ₹9,388.54 Crore as compared to ₹6,865.14 Crore during last year, registering a growth of ₹2523.40 Crore (37%)

Overall net incurred claims ratio to net earned premium worked out to 88%. The loss for the year was ₹1,085.71 Crore.

With absolute trust on the market business coupled with control on incurred claims ratio, rationalizing expenses and robust digital infrastructure the Company's outlook for future is positive even in the prevailing Covid-19 situation.

The highlights of the financial results of the Company are as under:

(Amount ₹ in Crore)

Particulars	FY2020-21	FY2019-20
Gross Direct Premium	9,388.54	6,865.14
Less: Premium on reinsurance ceded	2,209.11	1,625.67
Net Premium	7,179.43	5,239.47
Less: Adjustment for change in reserve for unexpired risks	2,552.80	555.38
Total Premium Earned (Net)	4,626.63	4,684.09
Direct Claims Paid	5,340.72	3,887.88
Add: Claims on reinsurance accepted	-	-
Less: Claims recovered from re-insurer	1,326.19	942.62
Net Claims Paid	4,014.53	2,945.26
Add: Change in outstanding claims	354.93	142.17
Net incurred claims	4,369.46	3,087.43
Net Commission	585.76	340.41
Operating Expenses	1,403.05	1,101.32
Underwriting Profit / (Loss)	(1,731.64)	154.93
Less: Provision for impairment of investments - Policyholders	-	(5.75)
Less: Provision for impairment of investments - Shareholders	-	(4.00)
Add: Investment income - Policyholders Funds	250.53	169.62
Add: Investment income - Shareholders funds	173.16	123.92
Add: Other Income	0.32	0.16
Less: Other outgo	112.57	26.57
Profit / (Loss) before Interest and Tax	(1,420.21)	431.81
Less: Interest on Debentures	25.60	25.60
Profit / (Loss) before Tax	(1,445.81)	406.21
Less: Provision for Taxation	62.40	99.54
Less: MAT Credit Entitlement	-	48.04
Less: Reversal of MAT Credit relating to earlier years	-	(1.98)
Less: Tax relating to earlier years	(8.18)	0.59
Less: Deferred tax	(414.32)	(7.25)
Net Profit / (Loss) for the year	(1,085.71)	263.31

CHANGE IN THE NATURE OF BUSINESS

There were no changes in the nature of business of your Company during the year under review.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

The Company had made certain changes to its significant accounting policies with respect to reserving and reinsurance treaties included in the Notes to Accounts which had a material impact on the financial position of the Company.

CHANGES IN SHARE CAPITAL

The Company has during the year, to augment its solvency margin position, had issued 5,42,34,615 equity shares of face value ₹10/- each at a price of ₹488.96/- per share on preferential basis to certain existing shareholders and new investors.

This has resulted in increase of paid up capital of the Company to ₹548.09 Crore as on 31st March 2021 (P.Y ₹490.64 Crore) and share premium to ₹3,660.79 Crore as on 31st March 2021 (P.Y ₹1,036.98 Crore). In addition to the above, the Company had allotted 24,53,190 equity shares as Sweat Equity and 13,53,949 equity shares under ESOP 2019.

SOLVENCY

The Company's solvency position as at 31st March 2021 was 2.23 (P.Y 1.88) which is well above the regulatory requirement of 1.5 times.

INVESTMENTS

The aggregate investments and the Fixed Deposits held with Banks & Flexi Deposits stood at ₹7,12,416.89 Lakh as at 31st March 2021. The investment income, net of amortisation including Profit on sale of investments was ₹42,408.26 Lakh for the year ended 31st March 2021. The Weighted Average yield on income bearing investments was 7.13%.

DIVIDEND

Your Directors do not recommend any dividend on equity shares for the year under review.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the Company during the year.

DEPOSITS

During the year under review, the Company has not accepted any deposits under the relevant provisions of the Companies Act 2013.

DEBENTURES

During the Financial Year 2020-21, no debentures were issued by your Company.

LOANS, GUARANTEES AND INVESTMENTS

The provisions of Section 186 of Companies Act 2013, except subsection 1 thereof is not applicable for your Company.

The company has not made any investments as contemplated under subsection 1 of the said section.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any associate, Joint Venture or Subsidiary as on 31.03.2021, pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.

TRANSFER TO RESERVES:

The Company has not made any additional apportionment to the debenture redemption reserve as per the applicable law.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNICAL OBSERVATION:

The Company has no activity relating to conservation of energy or technology absorption and hence, the provisions of Section 134 (3)(m) of the Companies Act, 2013 do not apply.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Company's foreign exchange earnings and outgo for the year FY2020-21 are as under;

Earnings inflow: ₹172,760.38 Lakh

Outgo: ₹14,043.20 Lakh

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS /COURTS

There are no significant material orders passed by the Regulators/Courts that would impact the operations of the Company.

CORPORATE GOVERNANCE REPORT

Your Company is committed to the principles and features of good corporate governance and follows the same in all spheres of activities. Your Company has complied with the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI) effective from 01st April 2010, which was subsequently amended by IRDAI on 18th May 2016 and made applicable from FY2016-17 onwards.

A detailed report on the same for the year ended 31st March 2021 is attached as Annexure A.

BOARD OF DIRECTORS

During the year under review there are no changes in the Key Managerial Personnel and Directors of the Company.

The Company has a broad based Board consisting of members who are eminent persons with considerable expertise and experience in Insurance, medicine, marketing, Finance, Public administration, Law and Banking Sector. The Company is greatly benefited by experience, knowledge, and wise counsel rendered by them. The changes in Directors of the Company as on the date of this report are as under.

Mr. Rakesh Jhunjhunwala had resigned as Non –Executive Director with effect from 19th April 2021.

Mr. Arun Duggal had resigned as Nominee Director of WestBridge AIF I with effect from 23rd May 2021

Mr. Surya Chadha had resigned as Nominee Director of MIO IV Star with effect from 23rd May 2021

Mrs. Rajni Shekri Sibal and Mr. Rajeev Krishnamurilal Agarwal were appointed as Additional Directors under independent category with effect from 23rd May 2021.

Mr. Deepak Ramineedi and Mr. Sumir Chadha had resigned as Nominee Directors of WestBridge AIF I with effect from 23rd May 2021 and were appointed as Nominee Directors of Safecrop Investments India LLP with effect from 23rd May 2021

The number of meetings of the Board and the Board sub committees are as under.

Particulars of Meeting	No. of Meetings
Board Meeting {12-06-2020, 08-08-2020, 10-11-2020 (2 meetings), 02-12-2020, 11-12-2020, 03-02-2021 (2 meetings)}	8
Particulars of Meeting	No. of Meetings
Audit Committee (11-06-2020, 07-08-2020, 09-11-2020, 02-02-2021)	4
Investment Committee (12-06-2020, 07-08-2020, 09-11-2020, 30-12-2020, 02-02-2021, 15-02-2021)	6
Nomination and Remuneration Committee (11-06-2020, 07-08-2020, 09-11-2020, 02-12-2020, 02-02-2021)	5
Corporate Social Responsibility Committee (11-06-2020, 07-08-2020, 09-11-2020, 02-02-2021)	4
Risk Management Committee (11-06-2020, 07-08-2020, 09-11-2020, 02-02-2021)	4
Policyholders Protection Committee (11-06-2020, 07-08-2020, 09-11-2020, 02-02-2021)	4

The details of the Composition of the Board, Committees and attendance during the meetings are given in the Corporate Governance Report attached to the Report as Annexure – A

RETIREMENT BY ROTATION

As per the requirements of Section 152(6) of the Companies Act 2013 Dr S Prakash, Managing Director and Mr. Anand Roy, Managing Director retire by rotation in the ensuing Annual General Meeting and being eligible offers themselves for re- appointment.

DECLARATION BY INDEPENDENT DIRECTORS

Your Company currently has four independent directors viz., Mr. Berjis Desai, Ms. Anisha Motwani, Mr. Rohit Bhasin and Mr. D R Kaarthikeyan who are not liable to retire by rotation. All the independent directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act 2013.

KEY MANAGERIAL PERSONNEL

Mr. V Jagannathan, Chairman & CEO, Dr.S.Prakash, Managing Director, Mr. Anand Roy Managing Director, Mr. S Sundaresan, Chief Claims Officer, Mr. V Jayaprakash, Chief Compliance Officer, Dr. K Harikrishnan, Executive Director, Marketing, Dr. PM Nair, Senior Executive Director-Vigilance (Designated), Mr. Aneesh Srivastava, Chief Investment Officer, Mr. Nilesh Kambli, Chief Financial Officer, Mr. Chandrashekhar Dwivedi, Appointed Actuary, Mr. R Margabandhu, Chief Risk Officer and Ms. Jayashree Sethuraman, Company Secretary are the Key Managerial Personnel as on 31st March 2021.

APPOINTED ACTUARY

Mr. Chandrashekhar Dwivedi is the Appointed Actuary of the Company, working under the guidance of Mr. K Subrahmanyam, Mentor.

BOARD EVALUATION

As per the Companies Act, 2013 Board evaluation of Director's performance had been carried out to assess the performance of the Board, its Directors, Chairperson and the Committees.

MEETING OF INDEPENDENT DIRECTORS:

The meeting of the Independent Directors was held on 03rd February 2021.

AUDITORS

Internal Auditors

Your Company has an in house Internal Audit Team. They effectively carry out an effective internal audit control, functions, highlight areas that require attention and report their findings and recommendations to the Audit Committee of the Board. The Audit Committee reviews the audit findings and the actions taken thereon and the effectiveness of the internal control systems on a quarterly basis.

Statutory Auditors

M/s. Brahmayya & Co., Chartered Accountants and M/s. V Sankar Aiyar & Co., Chartered Accountants are the Joint Statutory Auditors for the year under review. The Joint statutory Auditors have been appointed by the members for a period of five years from the conclusion of the Fourteenth

Annual General Meeting till the conclusion of the Nineteenth Annual General Meeting.

Concurrent Auditor

M/s Chaturvedi & Co, Chartered Accountants, appointed as Concurrent Auditors carried out concurrent audit of the investment transactions processes and systems for the year FY 2020-21.

Secretarial Auditor

Mr. M Francis, Practicing Company Secretary has been appointed as Secretarial Auditor of your Company. The report of the Secretarial Auditor is annexed as Annexure B.

AUDIT REPORT QUALIFICATIONS, ADVERSE REMARKS

Your Company did not receive any audit qualifications/ adverse remarks from the Auditors or the Practicing Company Secretary. Further no frauds are detected and reported in the reports of Auditors during the year under Review.

RELATED PARTY TRANSACTIONS

The Company has not entered into any contracts or arrangements with related parties during the year under review.

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship - Nil
 - (b) Nature of contracts/arrangements/transactions - Nil
 - (c) Duration of the contracts/arrangements/ transactions - Nil
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any - Nil
 - (e) Justification for entering into such contracts or arrangements or transactions - Nil
 - (f) Date of approval by the Board - Nil
 - (g) Amount paid as advances, if any: - Nil

- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - Nil
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship - Mr. V.Jagannathan, Chairman and CEO
 - (b) Nature of contracts/arrangements/transactions - Sale of Fixed Assets
 - (c) Duration of the contracts/arrangements/ transactions - Adhoc transaction
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: - ₹1.27 Lakh
 - (e) Date(s) of approval by the Board, if any: - Not Applicable
 - (f) Amount paid as advances, if any: - Nil

PARTICULARS OF LOANS RECEIVED FROM DIRECTORS AND/OR THEIR RELATIVES:

Your Company has not received any Loans from the Directors or their relatives.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The company has a Risk Management Committee constituted by the Board which regularly assesses the Risk and takes suitable measures to mitigate the same.

The Chief Risk officer is responsible for identification, reporting and monitoring the risks and reports to the Risk Management Committee.

Periodical meetings are held and minutes are drawn for taking suitable action plan.

There is no element of Risk in the opinion of the Board that may threaten the existence of the Company.

INTERNAL CONTROL SYSTEMS

The Company has implemented a financial control system designed to protect the interest of the Company adequately and in ensuring the accuracy of the financial statements commensurate with the size of the Company.

The Company during the year under review had appointed Consark Advisory Services LLP for review of the Internal Financial controls for financial reporting.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board at its Meeting held on 8th May 2014 had constituted a Corporate Social Responsibility Committee of the Company for formulating, drafting and implementing the CSR activities within the frame work of Companies Act 2013. The Committee was reconstituted by the Board in its meeting dated 14th February 2020.

During the Financial year 2020-21, the Company has spent an amount of ₹5,31,89,900/- towards CSR activities. The amount remaining unspent is ₹32,10,100/- , which has been transferred to a separate current account within the prescribed time limit.

The CSR Policy is displayed in the website: <https://www.starhealth.in/content/other>.

The Composition of the CSR Committee, the Report on the CSR Activities undertaken by the Company in the year FY2020-21 along with the reasons for under spending are furnished in Annexure C attached to this report.

MAINTENANCE OF COST RECORDS (SECTION 148(1))

The Government has not mandated maintenance of Cost Records by the Company under Section 148(1) of the Companies Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has generally complied with applicable Secretarial Standards during the year.

VIGIL MECHANISM/WHISLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 the rules made thereunder the Company has established a Vigil Mechanism for Directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct.

DISCLOSURE UNDER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 was enacted by the parliament for protection of women against sexual harassment at workplace. In accordance with the provisions of the Act, the Company has formulated a policy on prevention of sexual harassment of women employees at workplace and has constituted an internal Complaints Committee to consider and redress complaints on sexual harassment, if any.

The Committee has not received any complaints under the legislation during the year under review.

APPLICATION / PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:

There are no applications or proceedings filed or pending under the Insolvency and Bankruptcy Code 2016 that would impact the operations of the Company.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the year under review the Company has not done any one time settlement nor availed any loans from Banks or Financial Institutions.

MANAGEMENT REPORT

In accordance with Part IV, Schedule B of the Insurance Regulatory and Development Authority of India (Preparation of Financial statements and Auditor's Report of Insurance Companies) Regulations 2002, the Management Report forms a part of the financial statements.

POLICY ON PAYMENT OF APPOINTMENT AND REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

As required under Sec 178(3) and 178(4) of the Companies Act 2013, the policy on payment of remuneration to Directors, Key Managerial Personnel and other employees is as given under:

1. Quantum of Remuneration	Based on Qualification, Experience and Responsibility
2. Criteria for Determining Qualifications	Need based
3. Criteria for Determining Positive Attributes	As per profile and periodical internal assessment
4. Criteria for Determining Independence	Functional basis
5. Relationship between Remuneration and Performance & Performance Benchmarks	Remuneration commensurates with the performance which is determined through internal assessment
6. Balance between Fixed Component and incentives reflecting the short and long term Goals of the Company	Adequate balance between fixed and variable component is ensured

TOP 10 EMPLOYEES OF THE COMPANY AND EMPLOYEES WHO WERE IN RECEIPT OF REMUNERATION FOR THAT YEAR WHICH, IN THE AGGREGATE, WAS NOT LESS THAN ONE CRORE AND TWO LAKH

S. No.	Name	Designation	Gross Remuneration in ₹	Qualification	Years of experience (years)	Date of commencement of employment	Age (years)	Particulars of previous employment	Pre employment exp (years)
1	Jagannathan V	Chairman & CEO	45,06,45,209	M.A. (Economics)	15	02-01-2006	77	United India Insurance Company Limited	41
2	Prakash S	Managing Director	5,36,69,090	MBBS,M.S FRCS (U.K) FAIS	13	02-05-2008	55	Consultant Surgeon - Apollo Hospital	5
3	Anand Roy	Managing Director	6,82,10,858	B.COM.,PGDBA	15	12-06-2006	46	Anz Grindlays, American Express, ICICI Lombard	6
4	Sundaresan S	Senior Executive Director (Designated)	1,07,48,862	B.COM., A.F.I.I	14	21-05-2007	74	United India Insurance Company Limited	36
5	Kumar K C	Executive Director (Designated)	2,17,60,507	B.COM, MBA	15	02-08-2006	65	Hindustan Lever, Bharat Overseas Bank Ltd (Bhub)	28
6	Harikrishnan K	Executive Director (Designated)	1,70,03,764	M.V.SC., AIII	13	01-05-2008	66	Animal Husbandary Dept., United India Insurance Company Limited	25
7	V P Nagarajan	Executive Director	1,25,23,957	CA,ACS	1	01-03-2020	61	-	-
8	Nilesh Ashok Kambli	Chief Financial Officer	3,18,67,632	CA	1	09-03-2020	41	Bharti Axa Insurance Co Ltd	10
9	Sachin Shrikant Mahajan	Joint Executive Director	1,59,01,259	Dip. In Elec. Eng. & PGDBM Marketing	14	03-07-2007	52	Max Newyork Life Insurance Co. Ltd, Tata Aig General Insurance Co. Ltd	13
10	Himanshu Walia	Joint Executive Director	3,14,44,155	MBA	14	06-09-2007	41	Icici Lombard General Insurance Co Ltd, Tata Aig Ltd	4
11	Vikas Sharma	Joint Executive Director	2,83,50,811	B.COM, PGDBM (Sales & Marketing)	12	06-04-2009	45	Icici Lombard General Insurance Co Ltd, Eureka Forbes Ltd,	11
12	Veeraraghavaiah Ch	Executive Vice President	1,53,19,680	B.SC, BL, FFII	12	13-07-2009	74	United India Insurance (Four Decades)	42
13	Saumendra Nath Guha	Senior Vice President	1,02,36,717	B.SC	14	07-03-2007	64	United India Insurance	23
14	Anurag Sood	Senior Vice President	1,84,29,902	B.Sc (Chemistry), MBA (Marketing)	6	01-06-2015	46	Reliance Communication Ltd, TATA AIG General Insurance Company Ltd	21

Amount in ₹

Name	Sundaresan S	Harikrishnan K	Nilesh Ashok Kambli	Chandrashekhara Dwivedi	Aneesh Srivastava	P.m. Nair	Jayaprakash V	Margabandhu R	Jayashree Sethuraman
Designation	Senior Executive Director	Executive Director	Chief Financial Officer	Vice President	Chief Investment Officer	Senior Executive Director	Senior Executive Director	Vice President	Company Secretary
RENT-REIMBURSEMENT				35,500					
*ESOP - PROFIT			1,31,68,140	-	-	-	-	12,37,440	79,140
SPECIAL ALLOWANCE						6,00,000			
MEDICAL REIMBURSEMENT									
Total Gross Income	1,07,48,862	1,70,03,764	1,86,99,492	1,01,25,616	1,20,99,492	76,07,985	95,36,954	35,78,431	10,23,516

*For computation purposes ESOP Profit has been excluded from the Gross Total Income.

EMPLOYEE STOCK OPTIONS

The Board of Directors and the Members of the Company vide their meetings dated 06th August 2019 had approved the Employee Stock Option Scheme 2020 (ESOP- 2019) for issuance and allotment of 24,005,326 (Two Crore, Forty Lakh, Five thousand, Three Hundred and Twenty Six) equity shares under the said scheme, out of which 12,68,005 options were granted during the year under review to the employees.

The details of options under the said Scheme are as under:

(a) Options granted	1,82,00,844																								
(b) Options vested	34,06,567																								
(c) Options exercised	13,53,949																								
(d) The total number of shares arising as a result of exercise of option	13,53,949																								
(e) Options lapse	Nil																								
(f) The exercise price	₹142.43/-																								
(g) Variation of terms of options	Nil																								
(h) Money realised by exercise of options	19.28 Crore																								
(i) Total number of options in force	1,82,00,844																								
(j) Employee wise details of options granted to																									
(i) Key Managerial Personnel as on 31 -03 -2021	<table> <tr> <th>Name of the KMP</th><th>No. of Options Granted</th></tr> <tr> <td>Dr. S Prakash</td><td>33,60,746</td></tr> <tr> <td>Mr. Anand Roy</td><td>33,60,746</td></tr> <tr> <td>Mr. Nilesh Ashok Kambli</td><td>12,00,267</td></tr> <tr> <td>Mr. Aneesh Srivastava</td><td>7,20,160</td></tr> <tr> <td>Mr. Chandrashekhara Dwivedi</td><td>50,000</td></tr> <tr> <td>Mr. R Margabandhu</td><td>40,000</td></tr> <tr> <td>Mr. S Sundaresan</td><td>10,000</td></tr> <tr> <td>Mr. V Jayaprakash</td><td>10,000</td></tr> <tr> <td>Dr. P M Nair</td><td>10,000</td></tr> <tr> <td>Ms. Jayashree Sethuraman</td><td>10,000</td></tr> <tr> <td>Dr. K Harikrishnan</td><td>7,500</td></tr> </table>	Name of the KMP	No. of Options Granted	Dr. S Prakash	33,60,746	Mr. Anand Roy	33,60,746	Mr. Nilesh Ashok Kambli	12,00,267	Mr. Aneesh Srivastava	7,20,160	Mr. Chandrashekhara Dwivedi	50,000	Mr. R Margabandhu	40,000	Mr. S Sundaresan	10,000	Mr. V Jayaprakash	10,000	Dr. P M Nair	10,000	Ms. Jayashree Sethuraman	10,000	Dr. K Harikrishnan	7,500
Name of the KMP	No. of Options Granted																								
Dr. S Prakash	33,60,746																								
Mr. Anand Roy	33,60,746																								
Mr. Nilesh Ashok Kambli	12,00,267																								
Mr. Aneesh Srivastava	7,20,160																								
Mr. Chandrashekhara Dwivedi	50,000																								
Mr. R Margabandhu	40,000																								
Mr. S Sundaresan	10,000																								
Mr. V Jayaprakash	10,000																								
Dr. P M Nair	10,000																								
Ms. Jayashree Sethuraman	10,000																								
Dr. K Harikrishnan	7,500																								
(ii) Any other employee who receives a grant of options in any one year of option amounting to five per cent or more of options granted during that year.	Nil																								
(iii) Identified employees who were granted option, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil																								

DETAILS OF SWEAT EQUITY SHARES ISSUED (Chapter IV Rule 8(13))

The Company had issued Sweat equity shares as given below for the year under review. The Board of Directors and shareholders had approved the issuance of sweat equity on 02nd December 2020 on the basis of the valuation of the value addition carried out by a Merchant Banker.

a.	Name of the Director	V Jagannathan, Chairman & CEO
b.	Class of shares issued as Sweat equity	Equity shares of face value ₹10/- each
c.	No. of shares issued for consideration other than cash	24,53,190
d.	Reasons or justifications for the issue	Value addition by V Jagannathan, Chairman & CEO
e.	Principal terms and conditions for issue, including pricing formula	The sweat equity is subject to a 3 year lock in period from the date of allotment. The pricing was determined on the basis of the Fair market valuation of shares as determined by a merchant banker
f.	The total number of shares arising as a result of issue of sweat equity shares	24,53,190
g.	The percentage of the sweat equity shares of the total post issued and paid up capital	0.5%
h.	The consideration(including consideration other than cash) received or benefit accrued to the Company from the issue of sweat equity	The Company had achieved a Gross Written premium of ₹9,389 Crore registering a growth of 37%. Consideration of ₹24,531,900/- was received on 07-12-2020.
i.	The diluted earnings per share (EPS) pursuant to issuance of sweat equity	(₹21.75)

WEBLINK OF ANNUAL RETURN

The Annual Return of the Company for the year ended 31st March 2021 is displayed in the website of your Company: <https://www.starhealth.in/content/other>

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of the Companies Act 2013 and in accordance with Insurance Act, 1938, with respect to Directors' Responsibility statement, it is hereby Confirmed that:

- in the preparation of the Annual Accounts for the year ended 31st March 2021, the applicable Accounting Standards have been followed;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March 2021 and of the loss of the Company for the financial year ended 31st March 2021;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- the financial statements have been prepared on a 'going concern' basis;
- proper systems are devised to ensure compliance with the sizeprovisions of all applicable laws and nature of the business existssuch systems are adequate and is operating effectively.

ACKNOWLEDGEMENT

Your Directors wish to thank the officials and members of Insurance Regulatory and Development Authority of India (IRDAI) for their continued guidance and support to your Company. The support and co-operation extended by all the shareholders and stake holders merit appreciation. Your Directors express their sincere appreciation to the employees of the Company at all levels for their hard work, dedication and commitment.

The Directors also thank the Bankers, Corporate partners and customers for their valued support to your Company.

For and on behalf of the Board

V.Jagannathan

Chairman &CEO

DIN: 01196055

Place: Chennai

Date: 23rd May 2021

Annexure A

CORPORATE GOVERNANCE REPORT

Corporate Governance is a set of systems processes and principles which ensure that the Company is governed in the best interest of the stakeholders. Corporate Governance provides a framework for attaining the Company's objectives and defines the relationship between the shareholders, Board of Directors and management.

The Insurance Regulatory and Development Authority of India had issued Guidelines for Corporate Governance in May 2016. It details the governance framework to be followed by your Company.

Your Company has complied with the prescribed guidelines for the Financial Year 2020-21 and the report is follows:

The Corporate Governance structure broadly comprises the Board of Directors and the various Committees of the Board at the apex level and the Management structure at the operational level.

Board of Directors

Your Company has a broad based Board consisting of members who are eminent persons with considerable expertise and experience in Insurance, Finance, Public administration, Law and Banking Sector. The Composition of the Board of Directors during the year FY2020-21 is as given under

Sl. No.	Name	Designation	Category	Qualification	Field of Specialisation
1	Mr. V Jagannathan	Chairman & CEO	CEO/ Whole-time Director	M.A	Insurance
2	Dr. S Prakash	Managing Director	Managing Director	M.S, F.R.C.S(Glasgow)	Medical
3	Mr. Anand Shankar Roy	Managing Director	Managing Director	B. Com , MBA (Finance & Marketing)	Marketing
4	Mr. D R Kaarthikeyan	Director	Independent Director	M.A, LLB, IPS	Law
5	Mr. Berjis Desai	Director	Independent Director	Master of Law (University of Cambridge)	Law
6	Mr. Rohit Bhasin	Director	Independent Director	CA	Finance
7	Ms. Anisha Motwani	Director	Independent Director	MBA	Marketing
8	Mr. Sumir Chadha [§]	Director	Nominee Director, WestBridge AIF I	BSE (Computer Science), MBA	Private Equity Investments
9	Mr. Deepak Ramineedi [§]	Director	Nominee Director, WestBridge AIF I	B Tech (Electrical Engineering), MBA	Equity Investments
10	Mr. Arun Duggal [¶]	Director	Nominee Director, WestBridge AIF I	B.E (Mechanical), MBA	Banking & Finance
11	Mr. Rakesh Jhunjhunwala [@]	Director	Non- Executive Director	Chartered Accountant	Investments
12	Mr. Utpal Sheth [#]	Director	Non- Executive Director	B.Com, CWA, CFA	Investments
13	Mr. Surya Chadha [§]	Director	Nominee Director of MIO IV Star	BA, BS, MBA	Private Equity Investments

Sl. No.	Name	Designation	Category	Qualification	Field of Specialisation
14	Ms.Rajni Sekhri Sibal*	Director	Additional Director, Independent Category	Indian Administrative Officer	Strategic Planning, Policy Formulation and project management
15	Mr. Rajeev Krishnamurarilal Agarwal*	Director	Additional Director,	B.E. Electronics and Communication-Indian Institute of Technology Roorkee	Securities and Commodities Market

Notes:

- (a). @resigned as Non-Executive Director with effect from 19-04-2021
- (b). #change in Designation from Non-Executive Director to Nominee Director of Mr. Rakesh Jhunjunwala with effect from 23-05-2021
- (c). *resigned as Nominee Director of MIO IV Star with effect from 23-05-2021
- (d). *resigned as Nominee Director of WestBridge AIF I with effect from 23-05-2021
- (e). *resigned as Nominee Directors of WestBridge AIF I with effect from 23-05-2021 and appointed as Nominee Directors of Safecrop Investments India LLP with effect from 23-05-2021.
- (f) *Appointed as Additional Director under Independent category with effect from 23-05-2021

Meetings of the Board:

The Board periodically reviews the performance of the Company. During the year FY2020-21 eight (8) meetings of the Board of Directors were held on 12th June 2020, 08th August 2020, 10th November 2020 (2 meetings), 02nd December 2020, 11th December 2020, 03rd February 2021 (2 meetings).

Mr. Chandrashekhar Dwivedi, Appointed Actuary and Mr. K Subrahmanyam, Mentor to Appointed Actuary were permanent invitees to the Committee and Board Meetings.

The details of the attendance at the meetings and the details of the directorships, chairmanship and Committees Memberships in other Companies held by Directors as on 31st March 2021 are as given below:

Sl. No.	Name	Category	Number of Board Meetings attended / held during the year FY2020-21
1	Mr. V Jagannathan	Chairman and CEO	8/8
2	Dr. S Prakash	Managing Director	8/8
3	Mr. Anand Shankar Roy	Managing Director	8/8
4	Mr. Rohit Bhasin	Independent Director	8/8
5	Ms. Anisha Motwani	Independent Director	8/8
6	Mr. Berjis Desai	Independent Director	8/8
7	Mr. D R Kaarthikeyan	Independent Director	8/8
8	Mr. Sumir Chadha	Nominee Director, WestBridge AIF I	8/8
9	Mr. Deepak Ramineedi	Nominee Director, WestBridge AIF I	8/8
10	Mr. Arun Duggal	Nominee Director, WestBridge AIF I	8/8
11	Mr. Rakesh Jhunjunwala	Non- Executive Director	5/8
12	Mr. Utpal Sheth	Non- Executive Director	8/8
13	Mr. Surya Chadh	Nominee Director, MIO IV Star	8/8
14	Ms. Rajni Sekhri Sibal*	Additional Director, Independent Category	N.A.
15	Mr. Rajeev Krishnamurarilal Agarwal*	Additional Director, Independent Category	N.A.

*Appointed as Additional Director under Independent category with effect from 23-05-2021.

Sl. No.	Name	Designation	Number of Other Companies in which Directorship / Chairmanship is held		Number of Membership / Chairmanship held in Committee of Board of other Companies	
			Director	Chairman	Member	Chairman
1	Mr. V Jagannathan	Chairman & CEO	Nil	Nil	Nil	Nil
2	Dr. S Prakash	Managing Director	Nil	Nil	Nil	Nil
3	Mr. Anand Shankar Roy	Managing Director	Nil	Nil	Nil	Nil
4	Mr. Rohit Bhasin	Independent Director	5	Nil	1	Nil
5	Ms. Anisha Motwani	Independent Director	7	Nil	14	12
6	Mr. Berjis Desai	Independent Director	13	1	12	14
7	Mr. D R Kaarthikeyan	Independent Director	6	Nil	2	Nil
8	Mr. Sumir Chadha	Nominee Director, WestBridge AIF I	4	Nil	Nil	Nil
9	Mr. Deepak Ramineedi	Nominee Director, WestBridge AIF I	1	Nil	Nil	Nil
10	Mr. Arun Duggal	Nominee Director, WestBridge AIF I	3	Nil	Nil	Nil
11	Mr. Rakesh Jhunjhunwala	Non-Executive Director	3	Nil	Nil	Nil
12	Mr. Utpal Sheth	Non-Executive Director	19	Nil	11	1
13	Mr. Surya Chadha	Nominee Director, MIO IV Star	4	Nil	Nil	Nil
14	Ms. Rajni Sekhri Sibal*	Additional Director, Independent Category	Nil	Nil	Nil	Nil
15	Mr. Rajeev Krishnamurarilal Agarwal*	Additional Director, Independent Category	2	Nil	1	1

Committees of the Board

Your Board has constituted the following Committees to have more focused attention on the various aspects of the operations and business.

- Audit Committee
- Investment Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- Policyholders Protection Committee

A. Audit Committee

During the year, Four Audit Committee Meetings were held on 11th June 2020, 07th August 2020, 09th November 2020 and 02nd February 2021.

The attendance of each Director in the Audit Committee Meeting is detailed herein below.

Sl. No.	Name	Category	Number of Audit Committee Meetings attended/ held during the year FY2020-21
	Chairman		
1	Mr. Rohit Bhasin	Independent Director	4/4
	Members		
2	Ms. Anisha Motwani	Independent Director	4/4
3	Mr. Arun Duggal*	Nominee Director, WestBridge AIF I	4/4
4	Mr. Rajeev Krishnamurarilal Agarwal **	Additional Director, Independent category	NA
5	Ms. Rajni Sekhri Sibal**	Additional Director, Independent category	NA

Sl. No.	Name	Category	Number of Audit Committee Meetings attended/ held during the year FY2020-21
6	Mr. Deepak Ramineedi**	Nominee Director, WestBridge AIF I	NA
7	Mr. Utpal Sheth**	Non-Executive Director	NA

*Resigned as Nominee Director of Westbridge AIF 1 with effect from 23-05-2021

**Members of the Committee with effect from 23-05-2021

NA = Not Applicable

B. Investment Committee

During the year, six Investment Committee Meetings were held on 12th June 2020, 07th August 2020, 09th November 2020, 30th December 2020, 02nd February 2021 and 15th February 2021.

The details and attendance of the Investment Committee Meeting is given below.

Sl. No.	Name	Category	Number of Investment Committee Meetings attended / held during the year FY2020-21
	Chairman		
1	Mr. V Jagannathan*	Chairman & CEO	1/6
2	Mr. Anand Shankar Roy**	Managing Director	6/ 6
	Members		
3	Dr. S Prakash	Managing Director	6/ 6
4	Mr. Berjis Desai	Independent Director	6/ 6
5	Mr. Rohit Bhasin	Independent Director	6/ 6
6	Ms. Anisha Motwani***	Independent Director	3/ 6
7	Mr. Utpal Sheth	Non- Executive Director	6/ 6
8	Mr. Sumir Chadha	Nominee Director, Westbridge AIF I	6/ 6
9	Mr. Deepak Ramineedi	Nominee Director, Westbridge AIF I	6/ 6
10	Mr. D R Kaarthikeyan	Independent Director	6/ 6
11	Mr. Aneesh Srivastava	Chief Investment Officer	6/ 6
12	Mr. Nilesh Kambli	Chief Financial Officer	6/ 6
13	Mr. R Margabandhu	Chief Risk Officer	6/ 6
14	Mr. Chandrashekhar Dwivedi,	Appointed Actuary	6/ 6
15	Mr. Rajeev Krishnamurarilal Agarwal ****	Additional Director,	NA
16	Ms. Rajni Sekhri Sibal****	Additional Director,	NA

*Chairman of the Committee till 27-06-2020

** Chairman of the Committee from 27-06-2020

*** Member of the Committee with effect from 10-11-2020

****Members of the Committee with effect from 23-05-2021

NA= Not Applicable.

C. Nomination Remuneration Committee

During the year, Five Nomination Remuneration Committee Meetings were held on 11th June 2020, 07th August 2020, 09th November 2020, 02nd December 2020 and 02nd February 2021.

The attendance of each Members of Nomination Remuneration Committee Meeting is detailed herein below.

Sl. No.	Name	Category	Number of Nomination and Remuneration Committee Meetings attended/ held during the year FY2020-21
	Chairman		
1	Mr. Berjis Desai	Independent Director	5/5
	Members		
2	Ms. Anisha Motwani*	Independent Director	5/5
3	Mr. Rohit Bhasin	Independent Director	5/5
4	Mr. Utpal Sheth	Non-Executive Director	5/5
5	Mr. Sumir Chadha	Nominee Director, WestBridge AIF I	5/5

*Member of the Committee till 23-05-2021

D. Corporate Social Responsibility Committee

During the year, four Corporate Social Responsibility Committee Meetings were held on 11th June 2020, 07th August 2020, 09th November 2020 and 02nd February 2021.

The attendance of each Members of the Meeting is detailed herein below.

Sl. No.	Name	Category	Number of Corporate Social Responsibility Committee Meetings attended/ held during the year FY2020-21
	Chairman		
1	Ms. Anisha Motwani	Independent Director	4/4
	Members		
2	Dr. S Prakash	Managing Director	4/4
3	Mr. Anand Shankar Roy	Managing Director	4/4
4	Mr. D R Kaarthikeyan	Independent Director	4/4
5	Mr. Rohit Bhasin*	Independent Director	4/4
6	Mr. Sumir Chadha	Nominee Director, WestBridge AIF I	4/4

*Member of the Committee till 23-05-2021

E. Risk Management Committee

During the year, four Risk Management Committee Meetings were held on 11th June 2020, 07th August 2020, 09th November 2020 and 02nd February 2021.

The Risk Management Committee performs the functions of the ALM and Ethics Committee.

The details and attendance of the Risk Management Committee Meeting is as given below.

Sl. No.	Name	Category	Number of Risk Management Committee Meetings attended / held during the year FY2020-21
	Chairman		
1	Mr. D R Kaarthikeyan*	Independent Director	4/4
	Ms. Rajni Sekhri Sibal**	Additional Director, Independent Category	NA
	Members		
2	Mr. Utpal Sheth	Non-Executive Director	4/4
3	Mr. Arun Duggal ***	Nominee Director, Westbridge AIF I	4/4
4	Dr. S Prakash	Managing Director	4/4
5	Mr. Anand Shankar Roy	Managing Director	4/4

*Chairman of the Committee till 23-05-2021

**Chairman of the Committee with effect from 23-05-2021

***Resigned as Nominee Director of WestBridge AIF I with effect from 23-05-2021

NA= Not Applicable

F. Policy Holders Protection Committee

During the Year, Four Policy Holders Protection Committee Meetings were held on 11th June 2020, 07th August 2020, 09th November 2020 and 02nd February 2021.

Sl. No.	Name	Category	No. of Policy Holders Protection Committee Meetings attended / held during the year FY2020-21
	Chairman		
1	Mr. Utpal Sheth	Non-Executive Director	4/ 4
	Members		
2	Dr. S Prakash	Managing Director	4/ 4
3	Mr. Anand Shankar Roy	Managing Director	4/ 4
4	Mr. D R Kaarthikeyan	Independent Director	4/ 4
5	Ms. Anisha Motwani	Independent Director	4/ 4
6	Mr. Deepak Ramineedi	Nominee Director, WestBridge AIF I	4/ 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
Star Health And Allied Insurance Company Limited
No.1, New Tank Street, Valluvarkottam High Road
Nugambakkam
Chennai - 600 034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED (hereinafter called the "Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) *The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, *Overseas Direct Investment and *External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) *The Securities and Exchange Board of India

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The other laws applicable specifically to the company:
 - Insurance Act 1938 and the Rules made there under.
 - Insurance Regulatory and Development Authority Act, 1999 and the Regulations made there under.
 - Corporate Governance Guidelines for Insurers in India 2016, issued by Insurance Regulatory and Development Authority of India.

We have also examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition laws, environment laws etc.

In respect of financial laws like Tax laws, etc we have relied on the audit reports made available during our audit for us to have the satisfaction that the Company has complied with the provisions of such laws.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) *The Listing Agreements entered into by the Company with NSE and BSE for securities.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Note:

* Denotes "NOT APPLICABLE"..

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company had the following major transactions

1. The following are the major transactions which were approved by the members of the Company at its Extra – Ordinary General Meeting held on 02.12.2020:
 - a) amending the Articles of Association by replacing the existing regulations contained in the Articles of Association of the Company with new regulations, incorporating the relevant provisions of the Share Holders Agreement.
 - b) issuance of 24,53,190 equity shares as sweat equity shares as a non monetary perquisite to Mr. V Jagannathan, Chairman & CEO and allotted the same at its Board Meeting held on 07.12.2020.
 - c) Payment of remuneration to Mr. V Jaganathan (Chairman & CEO for a Period for 3 Years w.e.f 17-06-2020, as approved by IRDAI and continuing payment of Remuneration to Mr. S Prakash (Managing Director) and Mr. Anand Roy (Managing Director) for a Period for 3 Years w.e.f 16-12-2019, as approved by IRDAI.
2. The Company during the year had allotted 13,53,949 equity shares under ESOP 2019 to Employees of the Company.
3. The following are the major transactions which were approved by the members of the Company at its Extra – Ordinary General Meeting held on 23.12.2020:
 - a) issuance of 2,87,65,445 (Two Crore Eighty Seven Lakh Sixty Five Thousand Four Hundred and Forty Five) Equity Shares of face value of ₹10/- each (Rupees Ten Only) at a Premium of ₹478.96 (Rupees Four Hundred and Seventy Eight and Ninety Six Paise Only) per share for total consideration of ₹1406,51,51,987/- (Rupees One Thousand Four Hundred and Six Crore Fifty One Lakh Fifty One Thousand Nine Hundred and Eighty Seven Only) on Preferential basis to its Existing Shareholders (Investors) and allotted the same at its Board Meeting held on 30.12.2020.
 - b) issuance of 2,48,76,301 (Two Crore Forty Eight Lakh Seventy Six Thousand Three Hundred and One) Equity Shares of face value of ₹10/- each (Rupees Ten Only) at a Premium of ₹478.96 (Rupees Four Hundred and Seventy Eight and Ninety Six Paise Only) per share for total consideration of ₹1216,35,16,137/- (Rupees One Thousand Two Hundred and Sixteen Crore Thirty Five Lakh Sixteen Thousand One Hundred and Thirty Seven Only) on Preferential basis to New Investors and allotted 2,48,76,288 Equity Shares at its Board Meeting held on 31.03.2021.
4. The Company in Extra – Ordinary General Meeting held on 05.03.2021 had issued 5,92,869 (Five Lakh Ninety Two Thousand Eight Hundred and Sixty Nine) Equity Shares of face value of ₹10/- each (Rupees Ten Only) at a Premium of ₹478.96 (Rupees Four Hundred and Seventy Eight and Ninety Six Paise Only) per share for total consideration of ₹28,98,89,227/- (Rupees Twenty Eight Crore Ninety Eight Lakh Eighty Nine Thousand Two Hundred and Twenty Seven Only) on Preferential basis.
5. The Insurance Regulatory and Development Authority of India (IRDAI) had conducted an onsite inspection in August 2018 and basis their observation had issued a Show Cause notice dated 29th June 2020. The Company had responded to the notice. The IRDAI in its order dated 30.09.2020 had not made any charges in this respect.

This report has to be read along with our statement furnished in Annexure A

Name of Company Secretary in practice

M. Francis

FCS No.: 10705

C.P. No.: 14967

UDIN No: F010705C000205867

Place: Chennai

Date: 30/04/2021

Annexure 'A'

To,
The Members,
Star Health And Allied Insurance Company Limited
No.1, New Tank Street,Valluvarkottam High Road
Nugambakkam
Chennai - 600 034.

Dear Sir(s),

Sub.: Secretarial Audit Report for the Financial Year ended 31.03.2021

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Name of Company Secretary in practice

M. Francis

FCS No.: 10705

C.P. No.: 14967

UDIN No: F010705C000205867

Place: Chennai

Date: 30/04/2021

Annexure C

Annual Report on Corporate Social Responsibility

1. A brief outline of Company's CSR Policy, including overview of projects or programs to be undertaken and a reference to the web -link to the CSR policy and projects or programs

The Company's CSR Policy is inspired by its belief in supporting meaningful socio economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. In line with its objectives, the following areas have been shortlisted for the CSR roadmap such as health care, education, skill development and sustainable

livelihoods etc conforming to the activities specified under Schedule VII of the Companies Act, 2013.

The CSR policy was approved by the Board of Directors and subsequently was put up on the official website.

2. The Composition of the CSR Committee:

The CSR Committee comprises of three Independent Director, one Non-executive Director and three Nominee Directors and is chaired by an Independent Director.

The composition of the Committee as at 31st March 2020 is set out below:

Sl. No.	Name of Member	Designation in the Company	Role in committee
1	Ms. Anisha Motwani	Independent Director	Chairman
2	Dr. S Prakash	Managing Director	Member
3	Mr. Anand Shankar Roy	Managing Director	Member
4	Mr. D R Kaarthikeyan	Independent Director	Member
5	Mr. Rohit Bhasin	Independent Director	Member
6	Mr. Sumir Chadha	Nominee Director, WestBridge AIF I	Member

The functions of the Committee include review of Corporate Social Responsibility (CSR) initiatives undertaken by the Company, formulation and recommendation to the Board of a CSR Policy stating the activities to be undertaken by the Company and the amount of the expenditure to be incurred on such activities, review and recommend the Annual CSR plan to the Board, monitor the CSR activities, implementation and compliance with the CSR Policy and to review and implement, any other matter related to CSR initiatives.

3. Web link to the CSR policy:

https://www.starhealth.in/sites/default/files/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf

4. Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014

The Company had average CSR Obligation of ₹3.94 Crore for the preceding three financial years 2018-19, 2019-20 and 2020-21. Consequently the need for Impact assessment of CSR projects did not arise as required under sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Nil

6. Average net profit of the Company for last three financial years:

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act 2013 was ₹2,81,76,30,275/-

7. (a). Prescribed CSR Expenditure (two per cent of the amount as in item 6 above)

The prescribed CSR expenditure requirement for FY2020-21 was ₹5.64 Crore

(b). Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil**(c). Amount required to be set off for the financial year, if any - Nil****(d). Total CSR obligation for the financial year (7a+7b-7c). - ₹5.64 Crore**

8. (a). Details of CSR spent /unspent during the financial year

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
5,31,89,900/-	32,10,100	30/04/2021	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through Implementing Agency
				State District						Name CSR Registration number.
1.	Maintenance of Health clinics		Chennai	TN	3 years	1,97,40,174.00	1,97,40,174	-	No	Public Health Foundation of India

(c). Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the Project.	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through Implementing Agency
				State District						Name CSR Registration number.
1	Mask distribution.	(i)	Yes	Tamilnadu Chennai		28,12,500	28,12,500	-	No	Commissioner of police & Greater Corporation of Chennai
2	PPE kits distribution.	(i)	Yes	Tamilnadu Chennai		4,57,500	4,80,375	-	No	Stanley Hospital
3	Mask,PPE kits & re usable gloves distribution	(i)	No	Bihar Jehanabad		4,12,500	4,12,500	-	No	Red Cross
4	Ration packets distribution	(i)	Yes	Tamilnadu Chennai		20,25,000	20,25,000	-	No	Gudapakkam, Athipet, Kodingayuir
5	Ration packets distribution	(i)	Yes	Tamilnadu Chennai		2,54,500	2,54,500	-	No	Annai illam Navalur
6	PPE kits & re usable gloves	(i)	Yes	Tamilnadu Chennai		3,50,000	3,74,000	-	No	CSIF - airport authority
7	Ration packets distribution	(i)	Yes	Tamilnadu Chennai		5,09,000	5,09,000	-	No	ICWO
8	Ration packets distribution	(i)	Yes	Tamilnadu Chennai		59,000	59,000	-	No	Sai trust Nagnallur
9	Ration packets distribution	(i)	Yes	Tamilnadu Chennai		2,13,840	2,13,840	-	No	Nagapattiam
10	Mask distribution to commissioner of police & Greater Corporation of Chennai	(i)	Yes	Tamilnadu Chennai		16,76,250	16,76,000	-	No	Greater Corporation of Chennai & commissioner of police
11	Ration Distribution	(i)	No	Tamilnadu Sivagangai		10,00,000	10,00,000	-	No	Saba Foundation
12	Treatment for diabetic patients	(i)	No	Tamilnadu Coimbatore		5,00,000	5,00,000	-	No	Rotary Club-Coimbatore
13	Treatment for cancer patients	(i)	Yes	Tamilnadu Chennai		10,00,000	10,00,000	-	No	Vijai Foundation
14	Mask distribution to public	(i)	Yes	Indore		8,52,500	8,53,000	-	No	Indore Corporation

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the Project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number.
15	Mask distribution to public	(i)	Yes	Maharashtra	Mumbai		4,50,000	4,50,000	-	No	Mumbai Corporation	-
16	Purchase of sanitisers	(i)	Yes	Tamilnadu	Chennai		87,525		-	No	Purchase of sanitisers	
17	For cardiac care	(i)	No	Tamilnadu	Chennai		20,00,000	20,00,000	-	No	India heart foundation	-
18	Building construction for differently abled students	(ii)	Yes	Tamilnadu	Chennai		20,00,000	20,00,000	-	No	Sankalp	-
19	Insurance Awareness	(i)	No	Maharashtra	Mumbai		75,00,000	75,00,000	-	No	GI council	-
20	Maintaining Public Toilet	(i)	Yes	Tamilnadu	Chennai		2,20,000	2,20,000	-	No	ZRII	-
21	Purchase of lift	(ii)	No	Telangana	Secundrabad		13,00,000	13,00,000	-	No	Devanar school of blind	-
22	sanitary Napkin distribution to govt schools	(i)	Yes	Tamilnadu	Chennai		5,00,000	5,00,000	-	No	Bhoomika Trust	-
23	Alcohol de addiction program	(i)	No	Tamilnadu	Thirunelveli		2,20,000	5,00,000	-	No	Peace Trust	-
24	Construction of toilets	(i)	No	Tamilnadu	Mayiladuthurai		10,00,000	10,00,000	-	No	Rotary club - Mayiladuthurai	-
25	Training a member of a family on CPR	(ii)	Yes	Tamilnadu	Chennai		5,00,000	5,00,000	-	No	Alert	-
26	Providing food for the weaker economic section of the society	(i)	Yes	Tamilnadu	Chennai		7,00,000	7,00,000	-	No	Annaporna	-
27	Providing education for deserving veterinary doctors who cannot afford the fee	(ii)	Yes	Tamilnadu	Chennai		3,00,000	3,00,000	-	No	Vetri	-
28	Pneumonia vaccine for the old age	(i)	Yes	Tamilnadu	Chennai		3,00,000	3,00,000	-	No	Annadham	-
29	Education for poor girls	(ii)	No	Tamilnadu	Villupuram		5,00,000	5,00,000	-	No	Yatra art and culture center	-
30	For the purchase of dialysis machine	(i)	Yes	Tamilnadu	Chennai		5,00,000	5,00,000	-	No	KTV charitable trust	-
31	Vocational Training	(ii)	No	Tamilnadu	thirunavelli		1,60,000	1,60,000	-	No	Tirumaran trust	-
32	Empowering college students	(ii)	No	Kerala	Wayanad		5,00,000	5,00,000	-	No	jvala	-
33	Purchase of dialysis machine to provide dialysis at a subsidised cost	(i)	Yes	Tamilnadu	Chennai		5,00,000	5,00,000	-	No	TANKER foundation	-
34	Non communicable disease tratment for the poor	(i)	Yes	Tamilnadu	Chennai		3,00,000	3,00,000	-	No	Sri Ramrajya charitable trust	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the Project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration number.
35	To help women set up their own employment - women empowerment	(iii)	No	Pondicherry	Pondicherry		5,81,006	5,81,006	-	No	Rotaly club Pondicherry	-
36	Construction of toilets	(i)	Yes	Tamilnadu	Chennai		2,50,000	2,50,000	-	No	Bloom Academy	-
37	Promoting culture providing aggananoor books to district library	(ii)	Yes	Tamilnadu	Chennai		1,50,000	1,50,000	-	No	Purchase of tamil books	-
38	Star Arogaya digi seva clinic in Chennai	(i)	Yes	Tamilnadu	Chennai		1,16,25,373	1,92,98,119	-	No	PHFI	-
39	free medical consultation/ lab test / and tele-medicine	(i)	No	Tamilnadu	Pasuvanthanai		51,03,588	60,22,234	-	No	PHFI- Pasuvanthanai	-
40	Insurance awareness program	(i)	No	Maharashtra	Mumbai		18,22,656	18,22,656	-	No	GI Council	-
41	Maintenance of toilet	(i)	Yes	Tamilnadu	Chennai		2,60,824	2,60,824	-	No	ZRII	-
42	Maintenance of toilet	(i)	Yes	Tamilnadu	Chennai		2,20,000	2,60,824	-	No	ZRII	-
43	Ration distribution for the	(i)	Yes	Tamil Nadu	Chennai		5,00,000	5,00,000	-	No	AAranya Foundation	-
44	Rtion istribution for the Tribes	(i)	No	Tamil Nadu	Cuddalore		1,00,000	1,00,000	-	No	Sumaithangi Trust	-
45	Dialysis center	(i)	Chennai	Tamil Nadu	Chennai		7,50,000	7,50,000	-	No	Aathma foundation	-
TOTAL							5,33,03,562		-	No		

(d). Amount spent in Administrative Overheads: Nil

(e). Amount spent on Impact Assessment, if applicable: Nil

(f). Total amount spent for the Financial Year (8b+8c+8d+8e): ₹5,31,89,900/-

(g). Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
i)	Two per cent of average net profit of the company as per section 135(5)	5,64,00,000
ii)	Total amount spent for the Financial Year	5,31,89,900/-
iii)	Excess amount spent for the financial year [(ii)-(i)]	-
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a). Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer	
	2018-19	-	-	-	-	-	-
	2019-20	-	-	-	-	-	1,13,756
	2020-21	32,10,100	₹1,13,756	-	-	-	32,10,100

(b). Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(6)	(7)	(8)	(9)	(10)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
1	ZRII	Maintenance of Toilets	2019	3 YEARS	6,45,000	6,45,000	13,45,824	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Asset wise details

(a). Date of creation or acquisition of the capital asset(s): N.A.

(b). Amount of CSR spent for creation or acquisition of capital asset.: N.A.

(c). Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d). Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company had undertaken various CSR activities during the year under review. The Company had allocated funds towards Star Aarogya Digi Seva, an ongoing project of the Company and incurred expenditure for the same. However due to Covid pandemic and stringent lockdowns imposed by the Government the Company could not spend ₹32,10,100/- allocated towards the said project. Consequently the said amount was transferred to special unspent CSR Account of the Company to be spent during financial year 2021-22.

Independent Auditors' Report

To the Members of
Star Health And Allied Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Star Health And Allied Insurance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Revenue accounts of miscellaneous insurance, the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed there to, including a summary of the significant accounting policies and notes forming part of the financial statements, thereon (hereinafter referred to as "the financial statements").

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

- in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2021;
- in the case of Revenue Accounts, of the operating Loss in Miscellaneous business for the year ended on that date;
- in the case of Profit and Loss Account, of the Loss for the year ended on that date; and
- in case of Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for Opinion

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

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

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

Emphasis of Matter

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

- Note No. 5.2.17(a) to Schedule 16 to the financial statements regarding the change in accounting policy for provisioning of Unearned Premium Reserve (UPR) from 50% percentage method to 1/365 method effective 31 March 2021. The change in accounting policy will necessitate a reduction in Total Premium Earned (net) by Rs. 57,61,142 Thousand. Consequently, this results in creation of an incremental UPR Reserve by Rs. 57,61,142 Thousand with a corresponding increase in loss before tax and reduction in Reserves and Surplus.
- Note No. 5.2.17(b) to Schedule 16 of the financial statements regarding the discontinuance of Reinsurance Voluntary quota share treaty (VQST) on a clean-cut basis with effect from April 1, 2021. Discontinuing the said reinsurance treaty has an one-time impact of reduction of net premium of Rs. 48,32,739 Thousands, on account of portfolio entry without corresponding portfolio withdrawal. Further, discontinuing the said reinsurance treaty also resulted in creation of additional UPR of Rs. 43,71,225 Thousand with a corresponding increase in loss before tax and reduction in Reserves and Surplus as on 31 March 2021.

Our opinion is not modified in respect of above matters.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the

information included in the Director's report and Corporate Governance Report but does not include the financial statements and our auditors' report thereon.

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

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

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

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements to give a true and fair view of the financial position, financial performance and Receipts and Payments of the Company in accordance with and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Accounting Standards) Rules, 2006, as amended, to the extent applicable and in the manner so required and the provisions of Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (as amended) (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), Circulars / Orders / Directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI" / "Authority") in this regard.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of this report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) As the Company's accounts are centralized and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company as required under Section 143(8) of the Act;
- d) The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account;
- e) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Accounting Standards) Rules, 2006, as amended, to the extent applicable and with the accounting principles prescribed by the Regulations and Orders/Directions prescribed by IRDAI in this regard;
- f) Investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and orders/directions issued by IRDAI in this regard.
- g) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of

pending litigations on its financial position in its financial statements – Refer Note no. 5.1.1 (A), (B) &(C) of Schedule 16 to the financial statements;

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

to be transferred, to the Investor Education and Protection Fund by the Company.

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

For M/s. Brahmayya & Co.

Chartered Accountants

Firm Registration No: 000511S

K. Jitendra Kumar

Partner

Membership No: 201825

Date: 30 April 2021

Place: Chennai

UDIN No: 21201825AAAAFE1361

For M/s. V Sankar Aiyar & Co.

Chartered Accountants

Firm Registration No: 109208W

S Venkataraman

Partner

Membership No: 023116

Date: 30 April 2021

Place: Chennai

UDIN No: 21023116AAAAIH3121

“Annexure A” To The Independent Auditors’ Report

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

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

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

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the “internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the

prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 and to the extent applicable with the accounting principles prescribed by the Regulations and Orders/Directions prescribed by IRDAI in this regard.

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

Other Matters

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

For M/s. Brahmaya & Co.

Chartered Accountants

Firm Registration No: 000511S

K. Jitendra Kumar

Partner

Membership No: 201825

Date: 30 April 2021

Place: Chennai

UDIN No: 21201825AAAAFE1361

For M/s. V Sankar Aiyar & Co.

Chartered Accountants

Firm Registration No: 109208W

S Venkataraman

Partner

Membership No: 023116

Date: 30 April 2021

Place: Chennai

UDIN No: 21023116AAAAIH3121

Independent Auditors' Certificate

To the Members of

Star Health And Allied Insurance Company Limited

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

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

Management Responsibility

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

Auditors' Responsibility

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

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

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform audits and reviews of historical

financial information and other assurance and related services engagements issued by the ICAI.

Opinion

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

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2021, and on the basis of our review, there are no apparent mistakes in or material inconsistencies with the financial statements;
2. Based on the management representation and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDA;
3. We have verified the cash balance at the selective branches at Chennai and Delhi as at March 31, 2021, in respect of branches not visited by us, we have performed alternate procedures to audit the existence of cash as per the guidance provided by in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue the certificate. We have verified the securities relating to the Company's investments as at March 31, 2021, by on the basis of certificates/ confirmations received from the Custodian and/or Depository Participants appointed by the Company, as the case may be;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds have been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

For M/s. Brahmayya & Co.

Chartered Accountants

Firm Registration No: 000511S

K. Jitendra Kumar

Partner

Membership No: 201825

Date: 30 April 2021

Place: Chennai

UDIN No: 21201825AAAAFE1361

For M/s. V Sankar Aiyar & Co.

Chartered Accountants

Firm Registration No: 109208W

S Venkataraman

Partner

Membership No: 023116

Date: 30 April 2021

Place: Chennai

UDIN No: 21023116AAAAIH3121

Form B - RA - FIRE BUSINESS

Revenue Account for the year ended March 31, 2021

(₹ '000)

Particulars	Schedule	For the year ended March 31, 2021	For the year ended March 31, 2020
1 Premiums earned (Net)	1 A	-	-
2 Profit/ (Loss) on sale/redemption of Investments		-	-
3 Others (to be specified)		-	-
4 Interest, Dividend & Rent – (Gross)		-	-
TOTAL (A)		-	-
1 Claims Incurred (Net)	2 A	-	-
2 Commission	3 A	-	-
3 Operating Expenses related to Insurance Business	4	-	-
4 Premium Deficiency		-	-
TOTAL (B)		-	-
Operating Profit/(Loss) from Fire Business C= (A - B)		-	-
APPROPRIATIONS			
Transfer to Shareholders' Account		-	-
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)			
Significant accounting policies & Notes to financial statements	16		

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

For and on behalf of the Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

Per Our Report of Even Date attached
For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

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

Jitendra Kumar K
Partner
M.No.: 201825

S. Venkataraman
Partner
M.No.: 023116

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

Form B - RA - MARINE BUSINESS

Revenue Account for the year ended March 31, 2021

(₹ '000)

Particulars	Schedule	For the year ended March 31, 2021	For the year ended March 31, 2020
1 Premiums earned (Net)	1 B	-	-
2 Profit/ (Loss) on sale/redemption of Investments		-	-
3 Others (to be specified)		-	-
4 Interest, Dividend & Rent – (Gross)		-	-
TOTAL (A)		-	-
1 Claims Incurred (Net)	2 B	-	-
2 Commission	3 B	-	-
3 Operating Expenses related to Insurance Business	4	-	-
4 Premium Deficiency		-	-
TOTAL (B)		-	-
Operating Profit/(Loss) from Marine Business C= (A - B)		-	-
APPROPRIATIONS			
Transfer to Shareholders' Account		-	-
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)			
Significant accounting policies & Notes to financial statements	16		

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

For and on behalf of the Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

Per Our Report of Even Date attached
For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

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

Jitendra Kumar K
Partner
M.No.: 201825

S. Venkataraman
Partner
M.No.: 023116

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

Form B - RA

Revenue Account for the year ended March 31, 2021

(₹ '000)

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

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

For and on behalf of the Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

Per Our Report of Even Date attached
For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

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

Jitendra Kumar K
Partner
M.No.: 201825

S. Venkataraman
Partner
M.No.: 023116

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

Form B - PL

Profit and Loss Account for the year ended March 31, 2021

(₹ '000)

Particulars	Schedule	For the year ended March 31, 2021	For the year ended March 31, 2020
1 OPERATING PROFIT/(LOSS)			
(a) Fire Insurance		-	-
(b) Marine Insurance		-	-
(c) Miscellaneous Insurance		(1,48,11,107)	33,02,973
2 INCOME FROM INVESTMENTS			
(a) Interest, Dividend & Rent – (Gross)		17,17,845	12,11,759
(b) Profit on sale of investments		13,724	27,417
Less: Loss on sale of investments (Refer note 5.2.11 of Schedule 16)		-	-
3 OTHER INCOME		3,214	1,640
TOTAL (A)		(1,30,76,324)	45,43,789
4 PROVISIONS (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		3,43,532	5,100
(c) Others			
- Provision for Impairment of Investments		-	(39,975)
5 OTHER EXPENSES			
(a) Expenses other than those related to Insurance Business		-	-
(b) Investments written off		-	1,95,214
(c) Others			
i) Key Management Personnel Remuneration (Refer note 5.1.11 of Schedule 16)		6,85,259	25,701
ii) Management expenses allocated		-	-
iii) Donation		600	600
iv) Interest on NCD		2,56,000	2,56,000
v) Remuneration To Non-Executive Directors - Profit Related Commission (Refer note 5.2.14 of Schedule 16)		1,902	5,000
vi) Late Fees (Refer note 5.1.14 of Schedule 16)		1,149	-
vii) CSR Expenses (Refer note 5.2.18 of Schedule 16)		56,209	34,078
viii) Consultancy fees		2,792	-
ix) Bad Debts Written Off		1,934	-
x) Loss/(Gain) on sale / Discard of Fixed Assets		32,354	-
TOTAL (B)		13,81,731	4,81,718
Profit/(Loss) Before Tax (A-B)		(1,44,58,055)	40,62,071
Provision for Taxation			
(a) Current Tax		6,24,009	9,95,352
Add: MAT Credit Utilized		-	4,80,357
Less: Reversal of MAT Credit relating to earlier years		-	(19,838)
(b) Deferred Tax		(41,43,129)	(72,455)
(c) Tax relating to earlier years		(81,798)	5,929
Profit/(Loss) After Tax		(1,08,57,137)	26,33,050

Form B - PL

Profit and Loss Account for the year ended March 31, 2021

(₹ '000)

Particulars	Schedule	For the year ended March 31, 2021	For the year ended March 31, 2020
APPROPRIATIONS			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer Contingency reserve for Unexpired Risk		-	-
(e) Debenture redemption reserve		-	(25,000)
Balance of profit/ (loss) brought forward from last year		36,11,775	10,03,726
Balance carried forward to Balance Sheet		(72,45,362)	36,11,775
Significant accounting policies & Notes to financial statements	16		
Earnings per share - Basic		(21.75)	5.49
- Diluted		(21.75)	5.38
(Refer note 5.2.8 of Schedule 16)			

For and on behalf of the Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

Per Our Report of Even Date attached
For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

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

Jitendra Kumar K
Partner
M.No.: 201825

S. Venkataraman
Partner
M.No.: 023116

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

Form B - BS

Balance Sheet as at March 31, 2021

(₹ '000)

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

For and on behalf of the Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

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Per Our Report of Even Date attached
For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

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

Jitendra Kumar K
Partner
M.No.: 201825

S. Venkataraman
Partner
M.No.: 023116

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

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 1A - PREMIUM EARNED [NET]

FIRE BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Premium from direct business written	-	-
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	-	-
Net Premium	-	-
Adjustment for change in reserve for unexpired risks	-	-
Total Premium Earned (Net)	-	-

SCHEDULE – 1B - PREMIUM EARNED [NET]

MARINE CARGO BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Premium from direct business written	-	-
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	-	-
Net Premium	-	-
Adjustment for change in reserve for unexpired risks	-	-
Total Premium Earned (Net)	-	-

SCHEDULE – 1C - PREMIUM EARNED [NET]

MARINE HULL BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Premium from direct business written	-	-
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	-	-
Net Premium	-	-
Adjustment for change in reserve for unexpired risks	-	-
Total Premium Earned (Net)	-	-

SCHEDULE – 1D - PREMIUM EARNED [NET]

MISCELLANEOUS BUSINESS

(₹ '000)

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

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

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 2A - CLAIMS INCURRED [NET]

FIRE BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Claims paid		
Direct	-	-
Add :Re-insurance accepted	-	-
Less :Re-insurance Ceded	-	-
Net Claims paid	-	-
Add Claims Outstanding at the end of the year	-	-
Less Claims Outstanding at the beginning	-	-
Total Claims Incurred	-	-

SCHEDULE – 2B - CLAIMS INCURRED [NET]

MARINE CARGO BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Claims paid		
Direct	-	-
Add :Re-insurance accepted	-	-
Less :Re-insurance Ceded	-	-
Net Claims paid	-	-
Add Claims Outstanding at the end of the year	-	-
Less Claims Outstanding at the beginning	-	-
Total Claims Incurred	-	-

SCHEDULE – 2C - CLAIMS INCURRED [NET]

MARINE HULL BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Claims paid		
Direct	-	-
Add :Re-insurance accepted	-	-
Less :Re-insurance Ceded	-	-
Net Claims paid	-	-
Add Claims Outstanding at the end of the year	-	-
Less Claims Outstanding at the beginning	-	-
Total Claims Incurred	-	-

SCHEDULE – 2D - CLAIMS INCURRED [NET]

MISCELLANEOUS BUSINESS

(₹ '000)

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

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 3A - COMMISSION FIRE BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Commission paid		
Direct	-	-
Add: Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	-	-
Net Commission	-	-
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	-	-

SCHEDULE- 3B - COMMISSION MARINE CARGO BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Commission paid		
Direct	-	-
Add: Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	-	-
Net Commission	-	-
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	-	-

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE- 3B - COMMISSION MARINE HULL BUSINESS ACCOUNT

(₹ '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Commission paid		
Direct	-	-
Add: Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	-	-
Net Commission	-	-
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	-	-

SCHEDULE- 3D - COMMISSION MISCELLANEOUS BUSINESS

(₹ '000)

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

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(₹ '000)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
1	Employees' remuneration & welfare benefits	1,17,65,028	85,26,457
2	Travel, conveyance and vehicle running expenses	1,92,969	2,84,429
3	Training expenses	36,911	54,828
4	Rents, rates & taxes	6,61,674	5,59,851
5	Repairs and Maintenance	1,93,679	2,27,114
6	Printing & Stationery	1,50,157	1,57,557
7	Communication	2,28,020	2,08,477
8	Legal & professional charges	3,03,816	2,15,379
9	Auditors' fees, expenses etc		
	(a) as auditor	6,700	6,700
	(b) as adviser or in any other capacity, in respect of		
	(i) Taxation matters	2,000	2,000
	(ii) Insurance matters	-	-
	(iii) Management services; and	-	-
	(c) in any other capacity	695	2,785
	(d) Out of Pocket Expenses	238	659
10	Advertisement and publicity	13,59,140	12,98,401
11	Interest & Bank Charges	27,661	27,964
12	Others		
	- Director's Sitting Fees	9,900	850
	- Software Expenses	5,30,900	3,73,515
	- Outsourcing Expenses	7,70,758	6,48,394
	(Refer note 5.1.13 of Schedule 16)		
	- Miscellaneous Expenses	97,000	1,32,268
	- In House Claim Processing Cost	(28,08,375)	(20,42,053)
	- Managerial remuneration	44,344	33,245
	(Refer note 5.1.11 of Schedule 16)		
13	Depreciation	4,57,297	2,94,404
	(Refer note 4.9 of Schedule 16)		
	TOTAL	1,40,30,512	1,10,13,224

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 5 - SHARE CAPITAL

(₹ '000)

Particulars		As at March 31, 2021	As at March 31, 2020
1	Authorised Capital	60,00,000	60,00,000
	600,000,000 (Previous Year - 600,000,000)		
	Equity Shares of Rs10/- each		
2	Issued Capital	54,80,869	49,06,380
	54,80,86,885 (Previous Year - 49,06,38,013)		
	Equity Shares of Rs10/- each		
3	Subscribed Capital	54,80,869	49,06,380
	54,80,86,885 (Previous Year - 49,06,38,013)		
	Equity Shares of Rs10/- each		
4	Called-up / paid up Capital	54,80,869	49,06,380
	54,80,86,885 (Previous Year - 49,06,38,013)		
	Equity Shares of Rs10/- each		
	(Out of above 57,14,199 equity shares (previous year 57,14,199 equity shares) of Rs.10/- each issued for consideration other than cash.)		
	(Refer note 5.1.12 of Schedule 16)		
	Less : Calls unpaid	-	-
	Add : Equity Shares forfeited (Amount originally paid up)	-	-
	Less : Par Value of Equity Shares bought back	-	-
	Less : Preliminary Expenses	-	-
	Expenses including commission or brokerage on	-	-
	Underwriting or subscription of shares		
	TOTAL	54,80,869	49,06,380

SCHEDULE – 5A - SHARE CAPITAL

PATTERN OF SHAREHOLDING

[As certified by the Management]

Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Indian	32,54,90,442	59.39%	32,29,58,826	65.82%
Foreign	-	-	-	-
Others				
Indian	3,88,92,006	7.10%	1,57,97,613	3.22%
Foreign	18,37,04,437	33.52%	15,18,81,574	30.96%
TOTAL	54,80,86,885	100.00%	49,06,38,013	100.00%

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 6 - RESERVES AND SURPLUS

(₹ '000)

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

SCHEDULE - 7 - BORROWINGS

(₹ '000)

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

Schedule forming part of Financial Statements for the year ended March 31, 2021

Schedule –8 - SHAREHOLDERS INVESTMENTS

(₹ '000)

Particulars		As at March 31, 2021	As at March 31, 2020
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	1,13,77,395	70,41,701
2	Other Approved Securities	47,01,856	32,63,239
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	31,487	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities (to be specified)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate		
	(aa) REIT	4,22,549	34,411
4	Investments in Infrastructure and Social Sector	87,41,992	57,97,328
5	Other than Approved Investments	4,36,214	21,372
	SHORT TERM INVESTMENTS		
6	Government securities and Government guaranteed bonds including Treasury Bills	-	-
7	Other Approved Securities	92,568	1,35,068
8	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	6,27,371	16,54,734
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities (to be specified)	11,75,171	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
9	Investments in Infrastructure and Social Sector	3,34,525	1,62,561
10	Other than Approved Investments	-	-
	TOTAL	2,79,41,129	1,81,10,413
	Aggregate Market Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	2,73,68,047	1,70,25,729
	Aggregate Book Value of Quoted Investments other than equity shares, mutual funds, ETFs and investment properties	2,67,09,130	1,64,21,268
	Historical cost of Investment property valued on Fair Value basis	5,57,929	28,466
	Historical cost of Mutual Funds valued on Fair Value basis	6,58,578	16,47,642
	Historical cost of ETF (included in Other than Approved Investments) valued on Fair Value basis	46,521	-

Schedule forming part of Financial Statements for the year ended March 31, 2021

Schedule –8A - POLICYHOLDERS INVESTMENTS

(₹ '000)

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

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE - 9 - LOANS

(₹ '000)

Particulars		As at March 31, 2021	As at March 31, 2020
1	SECURITY-WISE CLASSIFICATION		
	Secured		
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On Shares, Bonds, Govt. Securities	-	-
	(c) Others (to be specified)		
	Unsecured	-	-
	TOTAL	-	-
2	BORROWER-WISE CLASSIFICATION		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others (Inter Corporate Deposit)	-	-
	TOTAL	-	-
3	PERFORMANCE-WISE CLASSIFICATION		
	(a) Loans classified as standard		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non-performing loans less provisions		
	(aa) In India	-	-
	(bb) Outside India	-	-
	TOTAL	-	-
4	MATURITY-WISE CLASSIFICATION		
	(a) Short Term	-	-
	(b) Long Term	-	-
	TOTAL	-	-

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 10 - FIXED ASSETS

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

(₹ '000)

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE- 11 - CASH AND BANK BALANCES

(₹ '000)

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

SCHEDULE - 12 - ADVANCES AND OTHER ASSETS

(₹ '000)

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

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 13 - CURRENT LIABILITIES

(₹ '000)

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

SCHEDULE – 14 - PROVISIONS

(₹ '000)

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

SCHEDULE – 15 - MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(₹ '000)

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

Schedule forming part of Financial Statements for the year ended March 31, 2021

SCHEDULE – 16 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

1. BACKGROUND

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

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

2. Basis of preparation of financial statements

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

3. Use of Estimates

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1. Revenue

Premium

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

Income from reinsurance business

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

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

Investment Income

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

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

Realised gain/loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company, is recognised on the trade date. In determining the realised gain/loss, cost of securities is arrived at on 'Weighted average cost' basis. Further, in case of listed equity shares, Exchange Traded Funds

Schedule forming part of Financial Statements for the year ended March 31, 2021

(ETFs), Real Estate Investment Trusts (REIT's), Infrastructure Investment Trusts (InvITs) and mutual fund units, the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the "Fair Value Change Account".

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

4.2 Unearned premium reserve

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

4.3 Premium received in advance

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

4.4. Reinsurance premium

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

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

4.5. Acquisition cost

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

4.6. Claims

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

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

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

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

IBNR and IBNER represent that amount of claims that may have been incurred during the accounting period but have not been reported / not enough reported. The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed Actuary of the Company.

4.7 Premium Deficiency

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

4.8 Investments

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

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

(A) Classification

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

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

(B) Valuation

Debt Securities

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

Equity shares / ETF's / REiTs / INViT

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

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

Triparty Repo Dealing and settlements (TREPs):

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

Mutual Funds

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

Fair Value Change Account

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

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

Impairment of Investments

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

4.9 Fixed Assets, Intangibles and Impairments

Fixed assets and depreciation

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

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

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

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

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

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

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

Intangibles assets

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

Capital work in progress

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

Impairment of Assets

The company assess at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is recognized in the Profit & Loss Account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent. The recoverable amount is higher of the net selling price of the assets and their value in use.

4.10 Earnings per share

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

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

4.11 Operating Lease

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

4.12 Employee Benefits**Short term employee benefits**

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

Long term employee benefits**Provident fund**

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

Gratuity

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

Other long term employee benefits - Goodwill Gesture

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

4.13 Foreign Currency transactions

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

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

4.14 Taxation**Current Tax**

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

Deferred tax

Deferred tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

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

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

4.15 Employee Stock Option Plan ("ESOP")

Measurement and disclosure of the employee share-based payment plan is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountant of India.

The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expenses are amortised over the vesting period of the option on a straight-line basis.

4.16 Share issue expenses

Share issue expenses are adjusted against share premium account.

4.17 Provisions and Contingent Liabilities and Contingent Assets

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

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

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

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

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

4.18 Borrowing Cost:

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

4.19 Receipts and Payments Account:

- (i) Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with Para 2.2 of the Master Circular on Preparation of Financial Statements - General Insurance Business dated October 5, 2012, issued by the IRDAI.
- (ii) Cash and cash equivalents comprises cash on hand and demand deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

5. NOTES TO ACCOUNTS:

5.1 Statutory disclosures as required by IRDAI

5.1.1 Contingent Liabilities

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

- A. The Company had challenged, by way of Writ Petitions before the Hon'ble High Court of Madras, the Income Tax Assessment Orders for Assessment Years 2009-10, 2010-11 & 2011-12 with demands aggregating to Rs. 6,26,758 thousands (PY Rs. 6,26,758 thousands) on account of applying the provisions of Sec 115 JB of Income Tax Act, 1961. The Hon'ble High Court of Madras, accepting the

pleas of the Company set aside the impugned orders with the directions that the Income tax department could pass appropriate orders after the Hon'ble Supreme Court gives its direction on the Special Leave petition pending with the Hon'ble Supreme court. As there are no subsisting demands as on date, no provision is considered necessary in the books.

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

- B. During the Financial year 2019-20, the Company has received an order dated December 27, 2019 from the Office of Assistant Commissioner of Income tax raising a demand of Rs. 4,24,355 thousands towards Income tax and Interest payable towards amount of unexpired risk reserve not being appropriated in the Profit and Loss account. The Company has challenged the order before Commissioner of income tax (Appeals), while having taken a stay for the demand from Hon'ble High Court of Madras subject to payment of 10% tax amounting to Rs. 25,110 thousands. In the opinion of the company, both on law and facts, the said demands are not sustainable and hence no provision is considered necessary in the books.
- C. Against the refund claim of Service Tax, the Company received refund vide order dated December 10, 2020. Further on March 19, 2021 the Company has received intimation from tax authority that Service tax refund order has been taken up for review by the Principal Commissioner, Chennai North Commissionerate, who contemplates filing an appeal with Commissioner (Appeals) for Rs. 3,787 thousands.
- D. The Payment of Bonus Act was amended with retrospective effect and resulted in increasing the bonus liabilities. The Company is of the view that retrospective payment of Bonus is not appropriate and accordingly for bonus computation such retrospective amendment has not been taken in consideration. The additional liability on account of retrospective amendment is Rs. 14,831 thousands (PY: Rs. 14,831 thousands). The retrospective amendment is being challenged by various parties in the High Court and based on the final outcome on determination of the court cases would be accounted for on that date.
- 5.1.2 The assets of the Company, other than deposits of Rs. 17,311 thousands (PY Rs. 17,473 thousands), are free from all encumbrances. The deposits with statutory authorities are amount deposited by the company with the courts against disputed claims. Pending disposal of the case, in the opinion of the company the said amount is considered good and recoverable.

5.1.3 Commitment made for Investment, Loans and Fixed Asset

Particulars	Amount (Rs ' 000)	
	As at March 31, 2021	As at March 31, 2020
Commitments made and outstanding for loans and investments	Nil	Nil
Estimated Amount of contracts remaining to be executed on capital account and not provided for (net of advances)	219,825	36,391

5.1.4 Claims

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

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

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

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

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

Claims where the claim payment period exceeds four years:

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

5.1.5 Premium

Change in recognition of Premium of Long-term Insurance contracts

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

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

Premium on insurance policies on instalment basis

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

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

No premium income is recognized on varying risk pattern.

5.1.6 Sector wise gross written premium is as follows:

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

5.1.7 Extent of Risk retained and Re-insured

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

* Health includes Travel

5.1.8 Investments

A) Value of contracts in relation to investments for:

Particulars	Amount (Rs ' 000)	
	As at March 31, 2021	As at March 31, 2020
Contracts for sale where payments are overdue	NIL	NIL
Contracts for purchases due for delivery on the balance sheet date. (since received)	NIL	NIL
Non-Performing Investment	NIL	NIL

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

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

Fair value of Investments

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

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

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

D) Allocation of investment income:

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

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

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

5.1.9 Allocation of expenses

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

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

5.1.10 Employee benefit plan

A) Defined Contribution Plan – Contribution to Employees Provident Fund

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

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to Employees Provident Fund	3,24,776	2,77,458

B) Defined Benefit Plan – Gratuity

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

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

Particulars	Amount (Rs ' 000)	
	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.70%	6.50%
Salary Escalation	3.00% (for first 5 yrs) 1.50% (thereafter)	3.00% (for first 5 yrs) 1.50% (thereafter)
Attrition rate	2.00%	2.00%
Expected Return on Plan Assets	6.70%	6.50%
Mortality Rate Table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Table showing changes in present value of obligations- LIC Fund		
Present value of obligations as at beginning of year	2,69,469	2,43,364
Interest cost	17,516	18,885
Current Service Cost	37,729	34,071
Prior service cost	-	-
Benefits Paid	(18,025)	(17,252)
Actuarial (gain) / loss on obligation	47,735	(9,598)
Present value of obligations as at end of year	3,54,424	2,69,469

Particulars	Amount (Rs ' 000)	
Assumptions	As at March 31, 2021	As at March 31, 2020
Table showing changes in the fair value of plan assets- LIC Fund		
Fair value of plan assets at beginning of year	2,74,800	2,23,533
Expected return on plan assets	17,862	17,279
Contributions	99,768	68,669
Benefits paid	(18,025)	(17,252)
Actuarial gain / (loss) on plan assets	(7,867)	(17,429)
Fair value of plan assets at the end of year	3,66,538	2,74,800
Actuarial (Gain)/Loss recognized		
Actuarial (gain) /loss on obligation	47,735	(9,598)
Actuarial (gain) / loss on plan assets	7,867	17,429
Actuarial (gain) / loss recognized in the year	55,602	7,831
Reconciliation of Present Value of the obligation and the Fair Value of the Plan Assets		
Present value of obligations as at the end of year	3,54,424	2,69,469
Fair value of plan assets as at the end of the year	3,66,538	2,74,800
Funded status	12,114	5,331
Net (Liability) Recognized in the Balance Sheet	12,114	5,331
Investment details of plan assets		
100% Insurer Managed Funds	3,66,538	2,74,800
Expenses Recognized in statement of Profit & loss		
Current Service cost	37,729	34,071
Past service cost	-	-
Interest Cost	17,516	18,885
Expected return on plan assets	(17,862)	(17,279)
Net Actuarial (gain) / loss recognized in the year	55,602	7,831
Expenses to be recognized in the profit & loss	92,985	43,508

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

Particulars	Amount (Rs ' 000)				
	2020-21	2019-20	2018-19	2017-18	2016-17
Defined Benefit Obligations	3,54,424	2,69,469	2,43,364	1,73,251	1,24,500
Plan Assets	3,66,538	2,74,800	2,23,533	1,52,579	1,07,130
Surplus/(Deficit)	12,114	5,331	(19,831)	(20,672)	(17,370)
Experience adjustments on Plan assets	-	-	-	125	-
Experience adjustments on Plan Liabilities	-	-	17,373	67,598	-

C) Defined Benefit Plan - Employee Goodwill Gesture scheme

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

Basis of Valuation

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

Valuation Liability

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

D) Employee Stock Option plan (ESOP)

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

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

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

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

Movement in the Options under ESOP

(Nos)

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

Fair Value method (Black Scholes method)

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
1.. Annual Risk Free Interest Rate	6.37%	6.26%
2. Expected Life	5 years	5 years
3. Expected Annualized Volatility	13.65%	11.30%
4. Dividend Yield	Nil	Nil
5. Price of the Underlying Share at the time of Option Grant (Rs.)	142.43	142.43
6. Fair Value of Options (Rs.)	41.67	39.86

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

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit /(loss) (as reported)	(1,08,57,136)	26,33,049
Add: Stock Based Employee Compensation Expenses included in Net Profit	2,929	-
Less: Stock Based Employee Compensation Determined under Fair Value based Method (Pro-forma)	51,599	682,910
Net Profit (pro-forma)	(1,09,05,806)	19,51,139

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic Earnings per Share of Rs. 10 each (as reported) (Rs.)	(21.75)	5.49
Basic Earnings per Share of Rs. 10 each (Pro-forma) (Rs.)	(21.85)	4.07

5.1.11 Remuneration to Managerial and Key Management Persons

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

Remuneration paid to	Designation	Amount (Rs ' 000)	
		For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. V.Jagannathan	Chairman & CEO	6,32,040	40,701
Dr. S. Prakash	Managing Director (w.e.f. 16th Dec 2019)	49,031	9,266
Mr. Anand Roy	Managing Director (w.e.f. 16th Dec 2019)	48,531	8,979
Total		7,29,602	58,946

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

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary - Disclosed in P&L	6,84,602	25,701
Salary - Disclosed in Schedule 4	44,344	32,544
Allowances and Perquisites - Disclosed in P&L / Schedule 4	656	701
Total	7,29,602	58,946

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

5.1.12 Share Capital and Share Application

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

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

5.1.13 Outsourcing, business development and marketing support expenses.

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

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Manpower Expenses	3,01,100	2,59,770
Online & Tele Marketing Expenses	4,69,658	3,88,624
Claims Investigation & Related Expenses (included in Sch-2)	1,827	5,290
Other Outsourcing Expenses	-	-
Total	7,72,585	6,53,684

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

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

(₹ '000)

	Shareholder	Non-Compliance/ Violation	For the year ended 31.03.2021			For the year ended 31.03.2020		
			Penalty Awarded	Penalty Paid	Penalty Waived / Reduced	Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority of India	Renewal fee not paid before due date	687	687	NIL	NIL	NIL	-
2	Service Tax Authorities		NIL	NIL	NIL	NIL	NIL	NIL
3	Income Tax Authorities		NIL	NIL	NIL	NIL	NIL	NIL
4	Any other Tax Authorities		NIL	NIL	NIL	NIL	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	Late submission fee (LSF) for filing Form FC-GPR / Delay in allotment of Shares, under FEMA	462	462	NIL	1,575	1,575	NIL
6	Registrar of Companies / NCLT / CLB / Department of Corporate Affairs or any Authority under Companies Act, 1956		NIL	NIL	NIL	NIL		
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation		NIL	NIL	NIL	NIL		
8	Securities and Exchange Board of India		NIL	NIL	NIL	NIL		
9	Competition Commission of India		NIL	NIL	NIL	NIL		
10	Any other Central / State / Local Government / Statutory Authority		NIL	NIL	NIL	NIL		

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

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

B) Solvency Margin

Particulars	Amount (Rs ' 000)	
	As at March 31, 2021	As at March 31, 2020
Required solvency margin under IRDAI Regulations (A)	1,43,58,854	1,04,78,949
Available solvency margin (B)	3,19,07,886	1,97,43,466
Solvency ratio actual (times) (B/A)	2.22	1.88
Solvency ratio prescribed by Regulation	1.50	1.50

5.2 Other disclosures:

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

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

5.2.2 Provision for Free Look period

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

5.2.3 Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments for the non-cancellable period of the operating leases are recognized as an expense over the lease term. Lease payments debited to the profit and loss account during the year amounts to Rs. 4,91,650 thousands (PY: 4,48,906 thousands).

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

5.2.4 Micro and Small scale business entities

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

5.2.5 Segmental reporting

Primary reportable segments

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

Secondary reportable segments

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

5.2.6 Related party

A. List of Related Parties and nature of relationship

Entities & Individuals with their relatives, having significant influence:

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

i. Fellow Subsidiaries/Associates/Other related entities:

Nil

ii. Key Management Personnel (KMP):

Mr. V Jagannathan, Chairman & Chief Executive Officer

Dr S Prakash, Managing Director (W.e.f. December 16, 2019)

Mr. Anand Roy, Managing Director (W.e.f. December 16, 2019)

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

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

B. Transactions with Related Parties

(Rs'000)

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

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

Amount (Rs ' 000)

Particulars	Total Amount	AGE-WISE ANALYSIS						
		1-6 months	7-12 months	13-18 months	19- 24 months	25 - 30 months	31 - 36 months	Beyond 36 Months
Claims settled but not paid to the policyholders	-	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
Excess Premium / Refunds (Due to the Insured)	271	-	269	2	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured	1,32,105	47,830	12,686	8,395	5,125	58,069	-	-
Total	1,32,376	47,830	12,955	8,397	5,125	58,069	-	-

(For the Year ended March 31, 2020)

Amount (Rs ' 000)

Particulars	Total Amount	AGE-WISE ANALYSIS						
		1-6 months	7-12 months	13-18 months	19- 24 months	25 - 30 months	31 - 36 months	Beyond 36 Months
Claims settled but not paid to the policyholders	-	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
Excess Premium / Refunds (Due to the Insured)	16,281	16,281	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured	54,263	10,352	4,290	27,017	12,604	-	-	-
Total	70,544	26,633	4,290	27,017	12,604	-	-	-

(b) Details of Unclaimed Amount and Investment Income

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance of Unclaimed Amount Fund	78,498	67,637
Add: Amount transferred to Unclaimed Fund	271	15,925
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the Cheques are stale)	80,496	12,762
Add: Investment Income on Unclaimed Fund		
Less: Amount of claims paid during the year	7,686	6,293
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	18,935	24,119
Closing Balance of Unclaimed Amount Fund	1,48,016	78,498

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

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

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

5.2.9 Income Tax

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

Deferred Tax

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

(Rs'000)

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

5.2.10 Terms of Borrowings

Non- Convertible debentures

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

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

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

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

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue Account		
Fire	NIL	NIL
Marine	NIL	NIL
Miscellaneous	89,154	63,349
Profit & Loss Account		
Share Holders	61,622	46,281
Total	1,50,776	1,09,630

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

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

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

5.2.14 Profit related remuneration and Sitting fees paid to following directors: (Rs ' 000)

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

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

5.2.16 Foreign currency exposure

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

Particulars	Amount (Rs ' 000)	
	As at March 31, 2021	As at March 31, 2020
Foreign Currency Exposure on outstanding claims	62,458	1,02,926

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

a. Change in Unexpired premium reserve (UPR)

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

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

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

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

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

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

- a. This will result in additional capital infusion as the computation of Required Solvency Margin (RSM) is Factor based on the Premium and Claims. This change is expected to have an impact in increasing the RSM since it is higher of the capital requirements using gross and net amounts.
- b. The timing of revenue recognition may get impacted as Commission on Reinsurance is booked upfront as against premium from direct business which is credited to Revenue Account over the tenure of the policy

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

IRDAI has issued Circular No. IRDA/F&A/CIR/MISC/081/05/2019 dated May 20, 2019 which requires companies that have one-year reinsurance treaty on clean-cut basis to maintain provisions in accordance with IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulation, 2016. As per ALSM Regulations, an insurance company is required to hold UPR (using 50% or 1/365 method). This will require additional reserve creation of Rs. 43,71,225 thousands with a corresponding increase in loss before tax and reduction in Reserves and Surplus as at March 31, 2021.

c. Change in Accounting estimate:

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

5.2.18 Corporate Social Responsibility (CSR)

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

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

*including GST input credit availed.

5.2.19 Exceptional Items under Revenue Account and Profit & Loss Account

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

Particulars	Amount (Rs ' 000)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue Account		
Change in UPR to 1-365 days method (Refer note 5.2.17 of Schedule 16)	57,61,142	-
Impact of Reinsurance - Portfolio entry (Refer note 5.2.17 of Schedule 16)	48,32,739	-
Impact of Reinsurance - Clean Cut UPR (Refer note 5.2.17 of Schedule 16)	43,71,225	-
Intangibles - IT Software – Change in Estimated life from 5 years to 3 years (Refer para 4.9 of Schedule 16)	1,51,516	-
Goodwill Gesture – Non current liability Non recurring expenses at the initiation of scheme (Refer note 5.1.10 C) of Schedule 16)	1,70,027	-
Provision for impairment of Investments in Infrastructure Leasing and Financial Services Ltd.	-	(57,525)
Profit & Loss Account		
Provision for impairment of Investments in Infrastructure Leasing and Financial Services Ltd.	-	(39,975)
Bad Debts written off	-	1,95,214
Investments in Infrastructure Leasing and Financial Services Ltd, being non-performing assets (NPA) written off		
Outstanding Premium - Provision for Doubtful Debts Rashtriya Swasthya Bima Yojana (RSBY), Jharkhand	3,09,435	-
Sweat Equity - Shares issued for consideration other than cash including perquisite tax (Refer note 5.1.11, 5.1.12 and 5.2.6 of schedule 16)	6,03,344	-
Total	1,61,99,428	97,714

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

5.2.21 COVID 19 - Pandemic

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

The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the pandemic on the Financial Statements. However, due to the

uncertainties associated with the pandemic, the actual impact may not be in line with current estimates. The company has been collecting premium, settling claims and providing service to policy holders, post initial lockdown across the country. The Company will continue to closely monitor any changes to the estimates based on future economic conditions.

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

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

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

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

For and on behalf of the Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

Per Our Report of Even Date attached
For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

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

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

S. Venkataraman
Partner
M.No.: 023116

Annexure 1

5.2.5 SEGMENT REPORTING

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

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

Operating Expenses are attributed to the business segments in line with note 5.19 in schedule 16.

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

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

(For The Year Ended March 31, 2021)

[illegible]

(₹,000)

[illegible]

Annexure - 2

5.1.15 Summary of Financial Statements

(₹ in Lakhs)

Sl	Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
	OPERATING RESULTS					
1	Gross Premiums Written	9,38,854	6,86,514	5,40,129	4,16,111	2,96,005
2	Net Premium Income#	7,17,943	5,23,947	4,12,871	3,19,604	2,28,316
3	Income from investments (net)@	25,053	16,962	11,531	8,876	6,240
4	Other income - Transfer fee etc	-	-	-	-	-
5	Total Income	7,42,995	5,40,909	4,24,401	3,28,480	2,34,556
6	Commissions (Net)	58,576	34,041	25,691	13,658	9,529
7	Brokerage	-	-	-	-	-
8	Operating Expenses	1,40,305	1,09,557	98,792	86,135	62,535
9	Claims, increase in Unexpired Risk Reserve and Other outgoes	6,92,225	3,64,281	2,76,968	2,14,845	1,52,842
10	Operating Profit/(loss)	(1,48,111)	33,030	22,951	13,841	9,650
	NON OPERATING RESULTS					
11	Total income shareholders' account	17,348	12,408	8,013	5,917	3,824
12	Expenses charged to Profit and Loss A/c	13,817	4,817	4,255	2,639	1,680
13	Profit/(loss) before tax	(1,44,581)	40,621	26,709	17,120	11,794
14	Provision for tax	(36,009)	14,290	8,367	105	-
15	Profit/(loss) after tax	(1,08,571)	26,330	18,342	17,015	11,794
	MISCELLANEOUS					
16	Policyholders' Account					
	Total funds	3,88,697	2,30,591	1,78,092	1,31,124	94,410
	Total investments	4,04,257	2,47,891	1,78,776	1,29,883	88,566
	Yield on investments	7.13%	7.55%	7.54%	8.36%	8.68%
17	Shareholders' Account					
	Total funds	2,68,657	1,68,465	1,22,005	87,451	57,477
	Total investments	2,79,411	1,81,104	1,24,234	86,589	54,282
	Yield on investments	7.13%	7.55%	7.54%	8.36%	8.68%
18	Paid up equity capital	54,809	49,064	45,558	45,558	45,558
19	Net worth	3,48,463	1,88,880	1,48,051	95,959	78,944
20	Total assets	10,50,098	5,99,350	4,73,282	3,34,717	2,21,261
21	Yield on total investments	7.13%	7.55%	7.54%	8.36%	8.68%
22	Basic Earnings per share (Rs.)*	(21.75)	5.49	3.75	3.73	2.77
23	Diluted Earnings per share (Rs.)*	(21.75)	5.38	3.70	3.73	2.77
24	Book Value per share (Rs.)	63.58	38.50	24.81	21.06	17.33
25	Total Dividend	-	-	-	-	-
26	Dividend per share (Rs.)	-	-	-	-	-

Net of reinsurance

@ Net of losses

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

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Profit / (Loss) for the year	(1,08,571)	26,330	18,342	17,015	11,794
Share capital & Reserves	3,48,463	1,88,880	1,48,051	95,959	78,944
Weighted Average Number of Equity Shares at the end of the year for Basic EPS	49,91,90,903	47,93,86,971	45,55,76,106	45,55,76,106	42,59,91,214
Weighted Average Number of Equity Shares at the end of the year for Diluted EPS	51,53,90,982	48,94,62,708	46,17,76,973	45,55,76,106	42,59,91,214

Annexure - 3

5.1.15 Ratios for Non-life Insurance Companies

Sl	Performance Ratio	FY 2020-2021	FY 2019-2020
1	Gross premium growth rate (segment wise) (Increase in Gross premium for the current year when compared to last year divided by gross premium for the previous year)	Ratios Schedule 1	Ratios Schedule 1
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	2.69	3.63
3	Growth rate of shareholders' funds: (Increase in Shareholders' funds as at the current balance sheet date compared to previous year divided by the shareholders' funds at the previous balance sheet date)	84.49%	27.58%
4	Net retention ratio (segment wise) (Net premium divided by gross premium)	Ratios Schedule 2	Ratios Schedule 2
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium)	Ratios Schedule 3	Ratios Schedule 3
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	28.91%	29.40%
7	Expenses of Management to net written premium ratio (Expenses of Management divided by the net written premium)	27.70%	27.52%
8	Net Incurred Claims to Net Earned Premium	94.44%	65.91%
9	Combined ratio: (Net Incurred Claims divided by net earned premium + Expenses of Management divided by Net written premium)	122.14%	93.43%
10	Technical reserves to net premium ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	84.02%	59.63%
11	Underwriting balance ratio (segment wise) (Underwriting profit divided by net earned premium for the respective class of business)	Ratios Schedule 4	Ratios Schedule 4
12	Operating profit ratio (Underwriting profit plus investment income divided by net earned premium)	-32.01%	7.05%
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	40.20%	34.37%
14	Net earnings ratio (Profit after tax divided by net premium)	-15.12%	5.03%
15	Return on networth (Profit after tax divided by net worth)	-31.16%	13.94%
16	Reinsurance ratio (Risk reinsured divided by gross premium)	23.53%	23.68%

Accounting Ratios - Schedule 1

Gross premium growth rate

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

Accounting Ratios - Schedule 3

Net Commission Ratio

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

Accounting Ratios - Schedule 2

Net retention ratio

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

Accounting Ratios - Schedule 4

Underwriting balance ratio

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

Management Report

In accordance with part IV Schedule B of the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002, the following Management Report for the year ended March 31, 2021 is submitted:

- The Company received the Certificate of Registration under the provisions of sub-section (2A) of section 3 of the Insurance Act, 1938 from the Insurance Regulatory and Development Authority of India, to transact the business of general insurance, from 16th March 2006 and continues to be valid.
- To the best of our knowledge and belief, all material sums payable to the statutory authorities, other than contested claims, have been duly paid.
- The shareholding pattern and the transfer of shares during the year ended March 31, 2021 are in accordance with the statutory or regulatory requirements.
- No funds of the policyholders have been invested directly or indirectly outside India.
- The Company has maintained the required solvency margins laid down by Insurance Regulatory and Development Authority of India.
- The values of all the assets have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realizable or market value under the headings – “Loans”, “Investments”, “Agents balances”, “Interest”, “Dividends and Rents accruing but not due”, “Outstanding premiums”, “Interest, Dividends and Rents outstanding”, “Amounts due from other persons or Bodies carrying on insurance business”, “Advances”, “Cash” and the several items specified under “Other Accounts”.
- Company is exposed to a variety of risks, such as quality of risks underwritten, fluctuations in the value of assets etc. The Company monitors these risks closely and takes effective remedial steps to address these risks. The Company, through an appropriate reinsurance program has kept its risk exposure at a level commensurate with its capacity.
- The COVID-19 has been declared a pandemic by the World Health Organization on March 11, 2020. The pandemic has led to a significant impact on the Indian Financial markets and an overall decline in the economic activities all across the world.
- The Company does not have operations outside India and therefore does not have any material country/currency fluctuation risks.

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

Health (Including Travel)

(₹ in 000)

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

Personal Accident

(₹ in 000)

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

II. The number of claims settled & average claims settlement time for the preceding 5 years is as follows: (₹ in 000)

Product	2020-21		2019-20		2018-19		2018-19		2017-18		2016-17	
	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)	No of claims settled	Average Settlement time (Days)
Health (including Travel)	8,47,139	11	8,92,520	6	6,35,044	6	5,51,117	7	3,79,140	11	3,17,526	13
Personal Accident	1,818	12	2,376	11	2,343	9	2,240	8	1,943	10	1,749	12

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

III. Details of claims intimated is given below: (₹ in 000)

Product	2020-21		2019-20	
	No of claims Intimated	Amount	No of claims Intimated	Amount
Health (including Travel)	10,42,386	6,42,02,509	10,93,317	4,16,43,898
Personal Accident	4,781	12,74,316	6,540	10,89,880

Note: Claims intimated inclusive for reported claims and reopened claims

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

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

The market value of investments in Debt Securities including Government Securities have been ascertained by reference to the quotations published on the last working day of the financial year by FIMMDA. The market value of Debt Securities including Government Securities which were not quoted on the last working day of the Financial year have been ascertained on the basis of prevailing Yield to Maturity provided by FIMMDA. The aggregate market value of investments, other than equity shares, mutual funds, ETFs, investments in REITs & INVIT, as per Schedule 8 & 8A annexed to the Balance Sheet stood at Rs. 6,69,64,635 thousands as at March 31, 2021 as against the book value of Rs 6,53,52,389 thousands. The investment income, net of amortization including profit on sale of investments was Rs. 42,36,834 thousands for the year

ended March 31, 2021. The weighted average yield on all the Fixed Income bearing Investments (including Profit on sale) was 7.13%.

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

All the investments have been duly serviced.

13. Director's Responsibility Statements:

- In the preparation of financial statements, the applicable Accounting Standards, principles and policies have been followed along with proper explanations relating to material departures, if any.
- The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2021 and of the Operating Loss of the Company for the financial year ended March 31, 2021 and of the Net Loss of the Company for the financial year ended March 31, 2021. During the year the Company has changed its accounting policy related to Unexpired premium reserve (UPR) creation. The Company has shifted from 50% method to 1-365 day method for calculation of UPR. The impact of this change in

the Current Financials is Rs. 57,61,142 thousands.

- III. The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Management has prepared the financial statements on a going concern basis.
- V. The Management has put in place an internal audit system commensurate with the size and nature of the business and it is operating efficiently. The observations of the internal auditors are being addressed by the Company and the Company

will ensure that all the requirements will be fully complied with.

14. There are no payments other than those arising in the normal course of the Company's Insurance business, made to individuals, firms, companies and organizations in whom / which the directors of the company are interested.

For And On Behalf of Management

Nilesh Kambli
Chief Financial Officer

Place : Chennai
Date : April 30, 2021

V. Jagannathan
Chairman & CEO

Receipts And Payments Account for the year ended March 31, 2021

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Premium received from policyholders, including advance receipts & payables to policy holders	11,12,15,345	7,97,91,456
Other receipts	-	-
Receipts/(Payments) from other entities carrying on insurance business (including reinsurers)	(85,98,870)	(47,50,116)
Payments of claims	(5,33,24,281)	(3,88,52,517)
Payments of commission and brokerage	(1,26,57,523)	(89,26,082)
Payments of other operating expenses	(1,44,41,536)	(1,10,83,009)
GST (Net off GST-ITC)	(1,22,49,763)	(86,30,026)
Income Tax	(9,12,502)	(9,67,897)
Deposits, advances and staff loans	(1,27,092)	(1,07,591)
Cash flows from Operating Activities	89,03,777	64,74,218
Purchase of fixed assets	(4,60,857)	(3,37,242)
Proceeds from sale of fixed assets	146	1,373
Purchases of investments	(34,86,78,713)	(7,58,65,591)
Sales of investments	32,12,67,087	6,35,36,311
Rents/Interests/Dividends received	36,97,784	26,10,180
Expenses related to investments	(7,711)	(4,684)
Loans disbursed	-	-
Repayments received	-	-
Cash flows from Investment Activities	(2,41,82,264)	(1,00,59,651)
Proceeds from issuance of share capital	2,63,90,564	14,74,855
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	(2,56,000)	(2,56,000)
Cash flows from Financing Activities	2,61,34,564	12,18,854
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	-	-
Net increase/ (decrease) in cash and cash equivalents	1,08,56,077	(23,66,579)
Cash and Cash equivalents at the beginning of the year	51,34,961	75,01,540
Cash and cash equivalents at the end of the year	1,59,91,038	51,34,961

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

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

Payments of other operating expenses includes payment towards Corporate Social Responsibility of Rs. 56,400 thousands (Previous year FY20: Rs.34,078 thousands)

Proceeds from issuance of share capital is after adjusting for share issue expenses Rs. 55,473 thousands (Previous year FY20 : Rs 25,154 thousands)

Receipt and Payment Account is prepared under 'Direct Method'

For and on behalf of the Board of Directors

V.Jagannathan
Chairman & CEO
DIN: 01196055

Dr. S. Prakash
Managing Director
DIN: 08602227

Deepak Ramineedi
Director
DIN: 07631768

Nilesh Kambli
Chief Financial Officer

Jayashree Sethuraman
Company Secretary

Per Our Report of Even Date attached
For M/s. Brahmayya & Co.,
Chartered Accountants
Firm Reg No.: 000511S

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

Jitendra Kumar K
Partner
M.No.: 201825

S. Venkataraman
Partner
M.No.: 023116

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



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