

**MANIPALCIGNA HEALTH  
INSURANCE COMPANY  
LIMITED**

**ANNUAL REPORT**

**FINANCIAL YEAR 2022-23**

## **DIRECTORS' REPORT**

The Directors of your Company have pleasure in presenting the Eleventh Annual Report on the business and operations of your Company and the Revenue Account, the Profit and Loss Account (Shareholders' Account), the Statement of Receipts and Payments Account (Cash Flow Statement) for the financial year ended 31<sup>st</sup> March 2023, the Balance Sheet as at 31<sup>st</sup> March, 2023 along with the Report of the Auditors thereon and the Management Report for the Financial Year 2022-23 to the Members of ManipalCigna Health Insurance Company Limited.

### **BRIEF OVERVIEW**

Your Company, ManipalCigna Health Insurance Company Limited, was incorporated on 12<sup>th</sup> March 2012. Your Company has obtained the Certificate of Registration bearing No. 151 from the Insurance Regulatory and Development Authority of India (IRDAI), Hyderabad on 13<sup>th</sup> November, 2013 to carry on business of General (Health) Insurance in India.

### **KEY FINANCIAL RESULTS**

The Highlights of the performance of the Company are as below:

| Particulars                                   | Figures in '000                                   |   |
|---|---|---|
|   | For the Year Ended<br>31 <sup>st</sup> March 2023 | For the Year Ended<br>31 <sup>st</sup> March 2022 |
| <b>Income:</b>                                |   |   |
| Premium earned (Net)                          | 1,11,77,737                                       | 82,49,845   |
| Profit/Loss on sale/redemption of Investments | 20,009  | 42,124  |
| Other Income                                  | 7,736   | 10,692  |
| Interest, Dividend & Rent                     | 7,27,035  | 5,16,094  |
| <b>Expenses:</b>                              |   |   |
| Claims incurred (Net)                         | (72,27,888)                                       | (62,83,835)                                       |
| Commission                                    | (13,85,466)                                       | (10,06,352)                                       |
| Operating expenses                            | (53,28,455)                                       | (40,88,164)                                       |
| Premium Deficiency                            | -   | -   |
| Funds for future appropriation                | -   | -   |
| <b>Profit / (Loss) for the year</b>           | <b>(20,09,292)</b>                                | <b>(25,59,596)</b>                                |

### **INVESTMENT AND INVESTMENT INCOME**

The investment funds of the Company are managed in accordance with the IRDAI regulations and the Investment Policy of the Company. The investment portfolio increased by 41.92% from 1005.63 Crores as at 31<sup>st</sup> March, 2022 to Rs. 1427.16 Crores as at 31<sup>st</sup> March, 2023. The investment income for the year under review was Rs.74.70 Crores as against Rs.55.82 Crores generated in the previous year, an increase of 33.82%. The Return on Investments for the year ended 31<sup>st</sup> March, 2023 was at 6.33% (excluding unrealized gains/losses from debt securities).

As on 31<sup>st</sup> March, 2023, your Company held investments of Rs.706.67 Crores (49.52%) in Government securities & approved securities, Rs.377.93 Crores (26.48%) in AAA rated PSU bonds and Rs.295.26 Crores (20.69%) in the select AAA rated corporate bonds. Further, the Company also held Rs.47.29 Crores (3.31%) in bank fixed deposits and liquid / overnight mutual funds.

Your Company held 100% of its debt assets in Sovereign and AAA/A1+ or equivalent rated assets, reflecting high degree of safety.

## DIVIDEND

Since there is an overall deficit for the year under review, the Directors do not recommend any Dividend for the Financial Year 2022-23.

## TRANSFER TO RESERVES

The Company has not transferred any amount to Reserves out of amount available for appropriations.

## RESOURCES AND LIQUIDITY

The Authorised Share Capital of the Company is Rs.15,000,000,000. During the year under review, the paid-up share capital of your Company increased by Rs. 2,264,169,120 to finance further expansion of business taking the paid-up share capital to Rs. 13,440,354,781 as on 31<sup>st</sup> March, 2023. The share premium as on 31<sup>st</sup> March, 2023 stood at Rs. 4,447,291,611.

## PUBLIC DEPOSITS

During the year under review, the Company did not accept any deposits within the meaning of the provisions of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## LOANS, GUARANTEES OR INVESTMENTS

In line with the clarification given by the Ministry of Corporate Affairs under the Companies (Removal of Difficulties) Order, 2015 dated 13<sup>th</sup> February, 2015, the provisions of Section 186 of the Companies Act, 2013 relating to Loans, Guarantees and Investments does not apply to the Company.

## COST AUDIT

The Company is not required to undertake the cost audit as required under Section 148 of the Companies Act, 2013.

## DIRECTORS / KEY MANAGERIAL PERSONAL (KMP)

In accordance with the provisions of the Companies Act, 2013, Mr. Jerome Droesch, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Directors recommend his re-appointment.

| Change in Directors / KMP during the year |                        |  |                |
|---|------------------------|--|----------------|
| Sr. No.                                   | Name                   | Particulars  | Effective date |
| 1   | Mr. Sumeet Aggarwal    | Appointed as a Chief Technology Officer  | 16.12.2022     |
| 2   | Mr. Shashank Chaphekar | Re-designated to Chief Distribution Officer from Chief Distribution and Technology Officer | 16.12.2022     |
| 3   | Ms. Reena Tyagi        | Resigned as Chief Human Resource Officer (CHRO)  | 16.01.2023     |
| 4   | Ms. Priya Gilbile      | Portfolio re-organisation  | 17.01.2023     |

|   |                      |   |           |
|---|----------------------|---|-----------|
| 5 | Mr. Sameer Bhatnagar | Resigned as Chief Compliance Officer (CCO) and Chief Risk Officer (CRO) | 4.05.2023 |
|---|----------------------|---|-----------|

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Provisions of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with the Corporate Governance Guidelines issued by IRDAI were not applicable to your Company during the financial year 2022-23, hence it is not mandatory for your Company to undertake initiatives under "Corporate Social Responsibility".

## BOARD EVALUATION

In accordance with the provisions of Section 178 of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017, the Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors and review its implementation and compliance.

In view of the above, the Board evaluated the performance of Board, its Committees and individual Directors.

Also, the performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

## REMUNERATION POLICY

Your Company has revised the Nomination and Remuneration/Compensation Policy (NRC Policy) in accordance with the provisions of the Guidelines on 'Remuneration of Non-executive Directors and Managing Director / Chief Executive Officer / Whole-time Directors of Insurers' dated 5<sup>th</sup> August, 2016 issued by IRDAI.

The Policy, interalia pertaining to the remuneration of Directors, Key managerial personnel and other employees, ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors; the relationship of remuneration to performance is clear, and meets appropriate performance benchmarks; the remuneration to Directors, Key managerial personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The policy is annexed to the Directors' Report. The copy of the policy of the Company is available on [www.manipalcigna.com](http://www.manipalcigna.com).

## SALIENT FEATURES OF THE POLICY

- To ensure that the remuneration payable shall be reasonable and sufficient to attract, retain and motivate the working potential of the Director(s), Key managerial Personnel (KMP) and other employees of the Company;
- To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure that the remuneration to the Director(s), Key managerial Personnel (KMP) and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- To lay down criteria with regard to identifying persons who are qualified to become Directors and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry;
- To carry out evaluation of the performance of Director(s), Key Managerial Personnel and other employees to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and

- To lay down criteria for appointment, removal of Directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY AND INTERNAL AUDIT**

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The internal audit function is guided by Internal Audit Policy, as approved by the Audit Committee. Further, the day to day activities of internal audit are guided by the Internal Audit manual. To maintain its objectivity and independence, the Internal Audit function reports to Audit Committee of the Board. The internal audit function formulates an annual risk based audit plan and presents it to the Audit Committee for approval. The Internal Audit Department monitors and evaluates the efficacy and adequacy of Internal Control System in the Company and adherence with established policies and laid down procedures. Based on the internal audit report, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Findings of various audits carried out during the financial year are monitored and periodically presented to the Senior Leadership Team for timely resolution. Significant audit observations thereon are presented to the Audit Committee of the Board. The internal audit function adopts a risk based audit approach and covers core areas such as compliance, operations, financial, technology etc. The Internal Audit team comprises of personnel with professional qualifications, experience and certifications in audit. Internal audits are conducted by in-house Internal Audit team and co-sourced auditors

## **STRATEGY FOR INDIAN ACCOUNTING STANDARD (IND AS) IMPLEMENTATION:**

The Institute of Chartered Accountants of India (ICAI) issued an exposure draft on Insurance Contracts based on IFRS17, in February 2022, on initial application of IND-AS 117. The final notification is yet to be issued by the ICAI with respect to above standard.

The Company has formed a steering committee headed by the CFO to initiate the IND AS implementation process. Implementation team has attended the capacity development training session on the requirement of IND-AS, which is jointly launched by Institute of Actuaries (IAI) and Institute of Chartered Accountants of India (ICAI).

The MCHI IND-AS steering committee has interacted with domain experts and is in the process of evaluating to finalize the knowledge and technology partner for GAP study and implementation readiness.

IRDA held a meeting on 5<sup>th</sup> April 2023 with the CFO's of Insurance companies in order to assess industry's readiness on Implementation of IND AS.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As the provisions of the Section 177(10) of the Companies Act, 2013 are not applicable to your Company; it is not required to establish a vigil mechanism for Directors and employees to report genuine concerns. However, in accordance with the Guidelines on 'Corporate Governance for insurance Sector' dated 18<sup>th</sup> May, 2016 issued by the Insurance Regulatory and Development Authority of India, the Company has a Whistle Blower Policy to deal with the instances of concerns raised about possible irregularities, governance weaknesses, financial reporting issues or other such matters.

It ensures protection to the person raising concerns about any serious irregularities within the Company.

## **PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2022-2023, 2 complaints were received by the Company related to sexual harassment.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

1. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2023 and of the Profit & Loss of your Company for the Year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the annual financial statements have been prepared on a going concern basis; and
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
6. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the year under review were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are approved by the Audit Committee and Board. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 is Annexed in the **Form AOC-2 as Annexure I**.

## **MANAGEMENT REPORT**

The Management Report as stipulated under Regulation 3 of the IRDAI (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, forms part of the financial statements which forms part of Annual Report.

## **SOLVENCY MARGIN**

Your Directors are pleased to report that the value of the assets of your Company are higher than the liabilities and are also sufficient to meet the minimum solvency margin as specified in Section 64 VA of the Insurance Act, 1938 at all times.

## **PRODUCTS**

The health insurance segment has witnessed consistent growth in the last few years with the advent of various government and regulatory initiatives. The severity of the COVID-19 pandemic has changed the customer perception about health insurance as more individuals felt the need to have financial backup to meet unforeseen medical expenditure. Ever since the outbreak of the COVID-19 pandemic in the month of March 2020 and multiple waves in the year 2021 and 2022, health insurance business



in India has grown significantly, as COVID-19 has accelerated the pace of health insurance penetration with more and more customers realizing the importance of health insurance coverage.

ManipalCigna's presence in the health space during this interesting and growing phase of the industry witnessed the company creating its own place in the market through its product and service offerings. It has become a brand name, the customers could relate to, for all their health insurance needs.

Year 2022-23 has been the year of strengthening ManipalCigna's product portfolio with multi-product, multi-channel and multi segment strategy by adding Prime Senior product and Health 360 add-on to the suite.

These array of products have strengthened MCHI's position in the market and have opened new avenues in the multiple customer segments such as Senior Citizens and customers who want to have coverage for Out-patient expenses. In addition, we established our strong presence in Employer Employee or Affinity on the group side through ProHealth and Flexicare group products. The availability of Prime Senior product and Health 360 add-on is further strengthening our retail portfolio. Below is the list of Products launched and active till 31<sup>st</sup> March, 2023:

1. **ManipalCigna ProHealth Insurance (Version 6):** Product with a range of inbuilt, optional and add-on covers for a one stop health solution for hospitalization. The product offers a guaranteed bonus of up to 200% of the Sum Insured and unlimited restorations in a policy year, for unrelated claims.
2. **ManipalCigna Super Top Up (Version 3):** It is a specially designed health insurance plan to offer adequate cover at an affordable premium to hedge against the rising health care costs and constantly evolving family needs. It allows customers to supplement their existing medical insurance cover provided by their company or personal medical coverage like a health insurance policy or health savings, at an economical premium. This product is now enhanced with additional deductible options for customers to choose from the existing Sum Insured.
3. **ManipalCigna Lifetime Health:** Lifetime Health which is value based high sum insured product, comes in two plan variants namely India Plan and Global Plan with flexible optional packages to make the product customizable and comprehensive. While India Plan provides domestic coverage, the Global Plan provides comprehensive domestic coverage for any kind of illness or injury and global coverage for 27 major illnesses. Features such as separate sum insured for domestic and global coverage under the global plan, Loyalty Discount, Premium Waiver Benefit, coverage continuity under portability for sum insured of Rs.10 lacs and above, are some of the unique features making the product one of its kind in the market. The product further offers optional packages such as Health+ and Women+ available under both India Plan and Global Plan and additionally, Global+ available with Global Plan to help customers make the coverage comprehensive and need based
4. **ManipalCigna ProHealth Prime:** ProHealth Prime is a comprehensive health insurance package that gives complete cover on OPD, Non-Medical items and beyond hospitalization expenses as well. It is a customizable product and protects health as well as finances. It allows us to foray into 2 large key segments to cater to the largely untapped market at the same time compete in the existing customer segments too such as mass market and HNI segments:
  1. **Disease Management Segment** for selective diseases such as Diabetes, Hypertension, Dyslipidemia, Obesity and Asthma
  2. **Primary Care Segment** offering cashless OPD cover

The product offers some of the industry first features such as Switch off cover, Premium Waiver benefit, Restore benefit for related illnesses as well, Guaranteed bonus upto 200% of sum insured, coverage towards non-medical items providing assurance of 100% of claim payment and choice of any room category at the time of hospitalization truly making it a highly customizable product. The product has another plan called ProHealth Prime Active which is a specialized healthcare plan for the customers suffering from Diabetes, Hypertension, Dyslipidemia, Obesity and Asthma, covering them from 91<sup>st</sup> day onwards, setting them free from long pre-existing waiting periods.

5. **Arogya Sanjeevani Policy, ManipalCigna:** A standard health insurance indemnity product offering coverage primarily to the customers in need of basic health insurance.
6. **ManipalCigna ProHealth Select:** A protection solution with a unique combination of essential and value added covers. The plan comes with two versions:  
  
 Select A, designed for Affinity partners to create packaged insurance solutions catering to the health needs of their existing customer base.  
  
 Select B, offers a base protection plan with multiple options for prospect to design own insurance coverage as per life stage and premium paying capacity.  
  
 With this product, the company had introduced one of its kind option of Re-assurance benefit for automatic extension of policy for 2 Years on diagnosis of a Critical Illness or Permanent Total Disability. Also it offers 4 different Cumulative Bonus Booster options including inflation protection guaranteed bonus accumulation up to 200%.
7. **ManipalCigna ProHealth Cash:** A Daily Cash plan with fixed benefit for each day of hospitalization with a host of other features.
8. **ManipalCigna Lifestyle Protection - Critical Care:** The plan offers payment of the entire Sum Insured on first diagnosis of any of the covered Critical Illnesses and procedures.
9. **ManipalCigna Lifestyle Protection - Accident Care:** Provides a comprehensive financial coverage towards accidental death or disablement including loss of employment, education fund benefit and multiple optional extensions.
10. **Saral Suraksha Bima, ManipalCigna:** A standard personal accident insurance product offering comprehensive financial coverage towards accidental death or disablement with option to include education fund benefit and accident related hospitalization cover.
11. **ManipalCigna Prime Senior:** Prime Senior is a comprehensive health insurance product designed especially for customers who are close to their retirement stage and Senior Citizens. The product has 2 plans namely Classic and Elite. Classic plan is for mass market due to its competitive premium structure, and the Elite plan caters to the requirements beyond the mass market category through the thoughtful benefit design. Apart from offering various flexibilities with respect to room rent, Co-pay, PED waiting periods the product has features such as restoration of sum insured, non-medical items, air-ambulance that will strengthen the proposition. While the base product has a PED waiting period of 2 years, the same can be reduced to 90 days, similarly the base co-pay of 20% can be modified to 30%, 20% or even 0% basis the customer requirement.
12. **ManipalCigna Health 360:** Health 360 is an add-on to fortify existing product offerings. Apart from enabling the customers to take this add-on either during the new business or renewal stage, this add-on can also be taken during the policy period as well. Thus, providing multiple options to select the add-on to fortify the cover.  
 This add-on comes with 3 options:
  - a. Non Medical Expenses and Durable Medical Equipment
  - b. Any room” category with Unlimited Restoration for same illness and Air Ambulance
  - c. Cashless OPD with 3 flexible packages such as only Dr Consultation or Dr Consultation with prescribed Diagnostics or Dr Consultation with prescribed Diagnostics and Pharmacy expenses
13. **ManipalCigna ProHealth Group Insurance Policy:** One stop insurance solution to Employer-Employee and Affinity groups with a comprehensive suite of healthcare offerings including Base covers for essential benefits and a range of Optional Covers.



With this domestic group mediclaim product, Company has been able to successfully enter the Group mediclaim segment and formed partnerships with Lakshmi Vilas Bank, Saraswat Co-operative Bank, Bajaj Finserv, and many more. The product solutions offered include a combination of base and optional covers under the ProHealth Group plan basis partner's requirements.

- 14. ManipalCigna Global Health Group Policy:** Designed to cater to the health needs of today's mobile workforce that travels overseas regularly. It offers comprehensive health cover to the HNI groups and global workforce to avail worldclass healthcare facilities across the globe.
- 15. ManipalCigna FlexiCare Group Insurance Policy:** Highly flexible group product catering to all risk coverages, from illness, injury, surgery, domestic travel to wellness and capable to offer pocket size insurance coverages to cater to the requirements of the new age digital channels and partners.
- 16. ManipalCigna Lifestyle Protection Group Policy:** Group coverage for Personal Accident & Critical Illness with host of optional covers that will allow creation of customized solutions based on the needs of various groups.
- 17. ManipalCigna Group Overseas Travel Insurance Policy:** Group overseas travel insurance offers all round coverages for business trips, vacations and trip cancellation, travel interruptions and delays, emergency medical and health expenses, lost baggage and many more optional benefits.

For the recently closed Financial Year (2022-23), Company's focus was on increasing new business premium and renewal premium through the retail products as well as to establish a strong base for the group business. Company, through the retail products, was able to achieve Gross Written Premium (GWP) of Rs.207.28 Crores and collected renewal premium with GWP of 380.11 Crores. In the Group space including new business and renewals, the Global Health Group Plan contributed Rs.68.81 Crores as GWP. With ProHealth Group Insurance plan, company has collected a GWP of Rs. 419.96 Crores. The Lifestyle Protection Group Policy - Personal Accident and Critical Illness plans contributed a GWP of Rs.38.45 Crores. FlexiCare Group Insurance contributed a GWP of Rs.243.59 Crores. Group Overseas Travel Policy contributed a GWP of Rs.1.59 Crores.

Product wise New Business & Renewal Business premiums (in Rs. Crores) are indicated below:

| Financial Year 2022-23               |                                    |  |               |
|--------------------------------------|------------------------------------|--|---------------|
| Product Name                         | New Business Base Premium (Crores) | Renewal Business Base Premium (Crores) | Total         |
| Prohealth Insurance                  | 52.65                              | 342.22                                 | 394.87        |
| Lifetime Protect Plan                | 54.16                              | 16.43                                  | 70.59         |
| Arogya Sanjeevani Policy             | 0.15                               | 0.09                                   | 0.24          |
| Saral Suraksha Bima                  | 2.42                               | 0.51                                   | 2.93          |
| Lifestyle Protection – Accident Care | 4.69                               | 1.21                                   | 5.90          |
| Lifestyle Protection – Critical Care | 0.99                               | 1.10                                   | 2.09          |
| ProHealth Cash                       | 0.04                               | 0.29                                   | 0.33          |
| ProHealth Select                     | 4.42                               | 8.53                                   | 12.95         |
| Prime Senior                         | 8.39                               | 0.00                                   | 8.39          |
| Prohealth Prime                      | 73.05                              | 0.04                                   | 73.09         |
| Corona Kavach Policy                 | NA                                 | NA                                     | NA            |
| Corona Rakshak Policy                | NA                                 | NA                                     | NA            |
| Super Top                            | 6.32                               | 9.69                                   | 16.01         |
| <b>Retail Total (A)</b>              | <b>207.28</b>                      | <b>380.11</b>                          | <b>587.39</b> |
| Global Health Group Policy           | 13.63                              | 55.18                                  | 68.81         |

|                                      |               |               |                 |
|--------------------------------------|---------------|---------------|-----------------|
| Lifestyle Protection Group Policy    | 35.78         | 2.67          | 38.45           |
| ProHealth Group Insurance Policy     | 197.17        | 222.79        | 419.96          |
| Group Overseas Travel Insurance      | 0.69          | 0.90          | 1.59            |
| FlexiCare Group Insurance            | 243.55        | 0.04          | 243.59          |
| <b>Group Total (EE+Affinity) (B)</b> | <b>490.82</b> | <b>281.58</b> | <b>772.40</b>   |
| <b>Grand Total (A+B)</b>             | <b>698.10</b> | <b>661.69</b> | <b>1,359.79</b> |

(All premium excluding taxes)

With the focus on multi-product, multi-channel and multi-segment strategy, ManipalCigna has been able to build a comprehensive and sustainable product portfolio. The growing contribution from Lifetime Health has further strengthened the Company's position in the industry and has opened up new avenues in the Upper Middle Class, HNI and Super HNI segments with value for money propositions. The launch of Prime Senior product has opened up a new segment for us and with the good initial response, this product in the coming days shall have reasonable contribution in the overall product mix. The mid-term addition of Health 360 add-on apart from new business and renewal stage attachment will also assist us in garnering more revenue. These products are high margin products and will help the organization to maintain a balanced growth and stability in the future years.

ManipalCigna shall further continue to develop innovative protection solutions in line with the product philosophy and evolving market needs. Addressing the change in the market dynamics and customer behavior, the company is also focusing to introduce product lines like Personal Accident plan, Senior Citizen plan, Disease Specific plan, etc. apart from revisiting the existing products to cater to the specific segment of the population in the coming years.

The focus in the next financial year will be to continue leveraging on the strong portfolio mix of retail and group products leading to a healthy and balanced mix of indemnity and fixed benefit portfolio which will help the Company to build and maintain a healthy balance sheet.

## UNDERWRITING AND OPERATIONS

Your Company continued to adhere to the underwriting principles of being fair and customer centric by assessing risks on merits, using a scientific approach of underwriting with the help of advanced automated underwriting tools. During the year under review, your Company ensured continuous enhancement of the underwriting tool by building frameworks to identify substandard risk and create rules that ensure a balanced portfolio. Your Company has been abreast with market practices and has been able to keep pace with the same without losing focus on creating a good pool of risk.

The emphasis has also been to simplify processes and achieve cost effectiveness. Your Company has ensured that the risk management and underwriting process is managed with minimal manual intervention and everyday experience becomes easy and reliable. The focus has been to achieve consistency in underwriting decisions in the long term by standardizing risk acceptance criteria.

Efficient governance mechanisms have been put in place including quarterly underwriting audits to ensure effective governance of processes & risk selection mechanisms. During the year under review, your Company effectively monitored the volatility of the portfolio by quarterly reviews to identify risks in advance and built measures to mitigate any erosion of portfolio.

Your Company is also continuously engaging segments of population in various wellness initiatives to monitor behavior and its impact on the overall health of the portfolio. Over a period of time this will ensure that the larger population will live a healthier lifestyle, positively impacting the portfolio performance in the long run.

The underwriting principles are bifurcated for different product lines i.e. Indemnity as well as Benefit based products. Wherever required underwriting rules are amended to ensure that the overall risk is balanced from an organizational viewpoint and an individual channel viewpoint to achieve desired underwriting profitability in the long term.

## CLAIMS

Your Company believes in efficient and timely processing of claims and benefit payments to ensure ultimate customer satisfaction. Your Company has ensured faster claims settlement process and turn-around time as prescribed during the financial year 2022-23. During the year under review, your Company processed 4,15,825 claims amounting to Rs.12,55,94,10,083 by settling 3,67,238 cases amounting to Rs.6,96,46,72,240 (i.e.88% of the total cases) and repudiating 40,063 cases amounting to Rs.5,18,35,55,080 (i.e.10% of the cases). All claims were repudiated on the basis of policy terms and conditions, sufficient evidence of non-disclosure of material facts and evidence of fraud / misrepresentation.

## HUMAN RESOURCES

The Company continues to maintain a diverse and inclusive work-force based on the four building blocks- Learning for Success, Supporting Growth, Inspiring Culture and Diverse & Engaging Workplace. The Company has been able to attract 'Best in Class' talent and retention of high performers has been excellent through continual employee engagement and development. The total number of employees of your Company stands at 2477 as on 31<sup>st</sup> March 2023.

The details of the Key Managerial Personnel of the Company is annexed as **Annexure III**.

## MANAGING DIRECTORS' REMUNERATION:

### Qualitative disclosure:

- Information relating to the design and structure of remuneration processes and the key features and objective of remuneration policy are included in the Nomination and Remuneration / Compensation policy.
- Description of the ways in which current and future risks are taken into account in the remuneration processes are included in the Nomination and Remuneration / Compensation policy.
- Description of the ways in which the insurer seeks to link performance, included in the Nomination remuneration policy. This is included in the Nomination and Remuneration / Compensation policy.

### Quantitative disclosure:

- Number of MD/ CEO/ WTDs having received a variable remuneration award during the financial year: **One**
- Number and total amount of sign on awards made during the financial year: **No**
- Details of guaranteed bonus, if any, paid as joining / signing bonus: **INR 0**
- Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms. As per IRDAI Approval dated 22<sup>nd</sup> June 2020:

Mr. Prasun Sikdar was granted 1,20,00,000 Stock Options under Stock Option Plan 2019 on 22<sup>nd</sup> June 2020.

- Total amount of deferred remuneration paid out in the financial year: **Nil**

Breakup of amount of remuneration awarded for the financial year to show fixed and variable, deferred and non-deferred.

| Sl No | Name of MD & CEO    | For the Period          | Fixed Remuneration in INR | Variable Remuneration in INR | Total Remuneration in INR |
|-------|---------------------|-------------------------|---------------------------|------------------------------|---------------------------|
| 1     | Prasun Kumar Sikdar | 1-04-2022 to 31-03-2023 | 3,46,30,200               | 1,17,74,268                  | 4,64,04,468               |

**Remarks:**

1. Fixed remuneration included Employer PF Contribution and NPS Employer contribution.
2. Total Remuneration mentioned herewith doesn't include any value of perquisites additionally added over and above to the total income of the employee for tax purposes.
3. Total Remuneration in Financial Statement as part of the Company's Annual Report is mentioned as INR 4,65,96,575 which includes bonus provision (variable remuneration) as on 31<sup>st</sup> March 2023, Club membership fees and PF administration charges. The variable remuneration mentioned in the table is the on target variable pay amount for FY 2022-23.

## CUSTOMER CARE

"Customer Delight" is paramount to company's vision of being the preferred health insurance service provider. We at ManipalCigna Health Insurance, focus on keeping the Customers at the centre of everything we do, by offering superior and seamless experience. Being a customer-centric organisation in a competitive environment is the cornerstone. For ManipalCigna Health Insurance, Customer experience is our top-most priority for the following reasons:

Companies who successfully implement a customer centric strategy are equipped to:

- ✓ Achieve higher Customer Satisfaction
- ✓ Reduce customer churn
- ✓ Build Trust
- ✓ Increase revenues leading to higher profits

At ManipalCigna Health Insurance, creating a Customer-centric approach across all processes and at every touchpoint is an integral part of all our journeys. With this aspect and keeping the customer in the centre, we have detailed the multiple initiatives and achievement made by us over the last year: We keep our Customers at the centre of everything we do, by offering superior and seamless experience. Our customer centric philosophy has been testified by Industry by conferring various awards in the last few years, namely:

- ✓ Best Customer Centric Company of the 16<sup>th</sup> edition of The Customer Fest Awards 2023 hosted by Kamikaze and Zendesk
- ✓ Most Innovative Insurer – Non Life Category by FICCI Insurance Industry
- ✓ Leader in Customer Engagement Initiative by eLETS, BFSI Tech Innovation Awards
- ✓ Best Health Insurance Company of the Year by 2nd Edition, Future of Insurance Summit & Awards 2023
- ✓ Best CX Strategy of the Year by CX Summit & Awards 2023 by UBS Forums

In the last year, our focus has been on further strengthening out digital capabilities in order to provide superior and seamless experience for our policyholders and intermediaries. Our Digitally enabled sales and services functionalities have made processing easier, faster & convenient for our Customers and Partners leading to higher productivity, better quality to manage a sustainable & scalable service model.

It has been our constant endeavour to leverage technology to provide enhanced customer experience and transparency to our policyholders. Need based Product recommendation, Product comparison calculator, Website personalization and launch of the Manipal Cigna APP has been extended to all our policyholders for their convenience. In addition, QR code based self-servicing, Real time Claim tracker etc. also aids to provide customers accessibility to information anytime & anywhere. Customers have access to flexible product Combination on website with automated underwriting rules, Application trackers for better tracking and faster issuance. We have built differentiated value proposition through

multi-product mix strategy with the latest Prime Product Launch and provided better experience for our customers by implementing various Customer Centric initiatives.

We have built claims experience based on quality and trust. It is our constant endeavour to expeditiously settle genuine claims with an objective to provide seamless experience and stand by our customers at this hour of need.

It our constant endeavour to provide customers accessibility to reach us anytime & anywhere. Our digital service tools provides customers & partners provide access to policy information. Our wellness program - Proactive living with continued focus has gained momentum with higher number of customers enrolling in this program.

While the customer base is significantly growing we have achieved a reduction in YoY Policy Grievance Ratio and Claim Grievance Ratio there by reassuring us of quality of business. Launch of transactional Net Promoters Score (NPS) has enabled us to measure customer satisfaction, proactively identify improvement opportunities and focus on creating best in class customer experience.

We aim to focus on providing omni-channel customer service experience, enabling customers to independently perform transactions and find immediate response to their queries.

Customer Care is an area that needs constant nurturing and with a greater focus on customer experience we will bring a positive impact on customer loyalty, higher retention and increased revenue growth. This is an ongoing journey on focusing on a customer's journey, identifying problems and offering new opportunities to create a better customer experience.

## **RISK MANAGEMENT**

During the Financial year 2022-23, your Company has made progress in the area of Risk Management. Post pandemic, apparently there is an indication of change in disease mix in terms of Health Insurance Claims submitted by the customers. Your Company has shown resilience and has emerged stronger in the process. There are sound risk mitigation practices in place to ensure that the interests of all the stakeholders are safeguarded.

The overall Risk Management is monitored by Risk Management Committee of the Board and managed by the Chief Risk Officer. A Risk Management update is shared with the Committee every quarter to ensure that the Company performance is accomplished and monitored in line with its governance framework.

Your Company has a "**Three layers of Defence**" structure comprising of;

- a. Head of Departments (HOD) of respective functions
- b. Risk Management and Compliance
- c. Internal Audit

Together, these three layers in their respective capacities provide a robust mechanism for risk mitigation.

Your Company has a well-differentiated structure to have focused approach on Enterprise Risk Management, Operational Risk Management, Information and Cyber Security, Fraud Mitigation and Business Continuity.

At an Enterprise level, your Company monitors and maintains a repository of top risks on regular basis and tracks the movement of these risks on a quarterly basis. A Board approved Risk Management policy is in place which acts as a guiding force while carrying out related activities. In the post-pandemic situation, your Company has been closely monitoring the emerging health risks. Company has been taking mitigating steps keeping in mind the interest of all stakeholders. Your Company has ensured seamless movement for both Work-from-Home and Return-to-Work with no interruption. A hybrid model is in place and has been working well.



With an objective to have risk mitigation in place at a Departmental level, your Company has compiled a repository of risks and controls in the form of Risk Control Self-Assessment (RCSA). A process of periodic review of such risks and control testing has been put in place.

Your Company also has a mechanism in place to monitor Operational Losses / Near Miss events at a Departmental level. Such events are reported and tracked on regular basis with a clear focus to avoid repeat instances of similar nature.

Your Company has a robust Information Security system in place to ensure the confidentiality, integrity and availability of personal and health information of the customer. During the year, your Company has no instances of any cyber-attack. A strong information security framework and Policy is in place which is in line with the Industry standards and is also approved by the Board. Your Company has been undertaking Information Security awareness activities throughout the year. Activities like Phish-me, regular educational e-mailers, trainings are also undertaken during the year.

Your Company has ZERO tolerance for any malpractices and frauds. However, if there are any frauds which come to light; a strong governance framework is in place to deal with such instances. There is an Ethics Committee to look into employee matters and Whistle blower complaints. There is also a Market Conduct Committee for Intermediary / market conduct related matters. This helps in focused reviews.

During the year, your Company had adopted multi-product and multi-distribution strategy coupled with price revision of flagship products, which enabled your Company in its growth journey. Living by the philosophy of customer centricity, Your Company had led various product innovations and digital enhancements to provide better customer experience

Your Company also has in place a Board approved Business Continuity Policy and a Plan, the same is being diligently followed. The Plan is also reviewed on a periodic basis.

Overall, it has been an eventful year with notable achievements to maintain business continuity and achieve sustainable business growth calibrated to Risk, Cost and Quality based on multi-product and multi-distribution strategy.

#### **MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY**

No material changes and commitments affecting the financial position of the Company have occurred between the financial year ended 31<sup>st</sup> March, 2023 and the date of this report.

#### **CHANGE IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the year under review.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS/TRIBUNAL IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

There were no significant and material orders passed by regulators, courts or tribunal impacting the going concern status and company's future operations, during the year under review.

#### **DETAILS OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARY/JOINT VENTURES/ASSOCIATES COMPANIES DURING THE YEAR**

No company has become or ceased to be a subsidiary, joint venture or associate Company(ies) of the Company, during the year under review.

## AUDITORS' REPORT

There is no qualification, reservation, adverse remark or disclaimer made by the statutory auditor in his report or by the Company Secretary in practice in his secretarial audit report, during the year under review.

## CORPORATE GOVERNANCE

Your Company has implemented the Corporate Governance Guidelines issued by the IRDAI setting out the systems, process and policies. Your Company has consciously endeavoured to follow the policy of transparency, accountability in the interest of all its stakeholders and has taken the same to be of paramount importance.

## BOARD OF DIRECTORS

Your Company has Eight Directors on its Board with Three Independent Directors, Four Non-Executive Directors, and one Managing Director and CEO as mentioned below:

| Sr. No. | Name                   | Position                        |
|---------|------------------------|---------------------------------|
| 1.      | Mr. Luis Miranda       | Chairman & Independent Director |
| 2.      | Mr. Rajeev Chitrabhanu | Independent Director            |
| 3.      | Ms. Revathy Ashok      | Independent Director            |
| 4.      | Dr. Ranjan Pai         | Non-Executive Director          |
| 5.      | Mr. Jason Sadler       | Non-Executive Director          |
| 6.      | Mr. S. Vaitheeswaran   | Non-Executive Director          |
| 7.      | Mr. Jerome Droesch     | Non-Executive Director          |
| 8.      | Mr. Prasun Sikdar      | Managing Director & CEO         |

## BOARD MEETINGS

The Board held eight meetings during the financial year on 11<sup>th</sup> May 2022, 25<sup>th</sup> July 2022, 4<sup>th</sup> August 2022, 22<sup>nd</sup> September 2022, 9<sup>th</sup> November 2022, 20<sup>th</sup> January 2023 and 6<sup>th</sup> March 2023.

## BOARD COMMITTEES

There are 5 Board level committees which are as follows:

- (I) Audit Committee
- (II) Investment Committee
- (III) Risk Management Committee
- (IV) Policyholders' Protection Committee
- (V) Nomination and Remuneration Committee

The Constitution and functioning of these committees is governed wherever applicable by the relevant provisions of the Companies Act, 2013 as well as the IRDAI regulations. A brief on each committee, its scope, composition, meetings for the year are given below:

| Name of Committee                     | Scope   | Members  | Number of times met during the year and meeting dates   |
|---------------------------------------|---|--|---|
| Audit Committee                       | Responsible for oversight of financial reporting and internal control systems, review of financial statement, review of findings of internal and statutory auditors, review of external auditor's independence, objectivity and effectiveness and recommendation for appointment of statutory auditors and fixing their remuneration. | <ol style="list-style-type: none"> <li>1. Mr. Luis Miranda (Chairman)</li> <li>2. Ms. Revathy Ashok - <i>appointed as member w.e.f 5<sup>th</sup> April, 2022</i></li> <li>3. Mr. Rajeev Chitrabhanu</li> <li>4. Mr. S Vaitheeswaran</li> <li>6. Mr. Jerome Droesch</li> </ol>                                     | <p>Four times on the following dates:</p> <ol style="list-style-type: none"> <li>1) 10<sup>th</sup> May, 2022</li> <li>2) 3<sup>rd</sup> August, 2022</li> <li>3) 8<sup>th</sup> November, 2022</li> <li>4) 19<sup>th</sup> January , 2023</li> </ol> |
| Investment Committee                  | Recommend and review investment policy and changes thereto, review investments and submit Investment Performance Report, provide an analysis of investment portfolio and on the future outlook to enable the Board to look out possible changes and strategies.   | <ol style="list-style-type: none"> <li>1. Mr. Rajeev Chitrabhanu (Chairman)</li> <li>2. Dr. Ranjan Pai</li> <li>3. Mr. Jason Sadler</li> <li>4. Mr. Prasun Sikdar</li> <li>5. Appointed Actuary</li> <li>6. Chief Financial Officer</li> <li>7. Chief Risk Officer</li> <li>8. Chief Investment Officer</li> </ol> | <p>Four times on the following dates:</p> <ol style="list-style-type: none"> <li>1) 11<sup>th</sup> May, 2022</li> <li>2) 4<sup>th</sup> August, 2022</li> <li>3) 9<sup>th</sup> November, 2022</li> <li>5) 20<sup>th</sup> January , 2023</li> </ol> |
| Risk Management Committee             | Responsible to lay down Company's Risk Management Strategy, to maintain a group-wide and aggregated view on the risk profile of the insurer, advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy, mergers and acquisitions and related matters.     | <ol style="list-style-type: none"> <li>1. Mr. Luis Miranda (Chairman)</li> <li>2. Mr. S. Vaitheeswaran</li> <li>3. Mr. Jerome Droesch</li> <li>4. Mr. Prasun Sikdar</li> <li>5. Mr. Sameer Bhatnagar (<i>ceased to be a member w.e.f 4<sup>th</sup> May, 2023</i>)</li> </ol>                                      | <p>Four times on the following dates:</p> <ol style="list-style-type: none"> <li>1) 10<sup>th</sup> May, 2022</li> <li>2) 3<sup>rd</sup> August, 2022</li> <li>3) 8<sup>th</sup> November, 2022</li> <li>6) 19<sup>th</sup> January , 2023</li> </ol> |
| Policyholders' Protection Committee   | Responsible for putting in place proper procedures and effective mechanism to address Complaints and grievances of policyholders and review the status of complaints at periodic intervals, ensure compliance with the statutory requirements, ensure adequacy of disclosure of 'material information' to the policyholders.          | <ol style="list-style-type: none"> <li>1. Mr. Luis Miranda (Chairman)</li> <li>2. Ms. Revathy Ashok</li> <li>3. Mr. S. Vaitheeswaran</li> <li>4. Mr. Jerome Droesch</li> <li>5. Mr. Prasun Sikdar</li> </ol>   | <p>Four times on the following dates:</p> <ol style="list-style-type: none"> <li>1) 10<sup>th</sup> May, 2022</li> <li>2) 3<sup>rd</sup> August, 2022</li> <li>3) 8<sup>th</sup> November, 2022</li> <li>7) 20<sup>th</sup> January , 2023</li> </ol> |
| Nomination and Remuneration Committee | Recommend to the Board appointment and removal of Directors and person  | <ol style="list-style-type: none"> <li>1. Ms. Revathy Ashok (Chairperson) -</li> </ol>   | <p>Two times on the following dates:</p>  |

|  |   |   |   |
|--|---|---|---|
|  | appointed in senior management, carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial personnel and other employees. | designated as Chairperson w.e.f. 5 <sup>th</sup> April, 2022<br>2. Mr. Luis Miranda -<br>3. Dr. Ranjan Pai<br>4. Mr. Jason Sadler | 1) 11 <sup>th</sup> May, 2022<br>2) 6 <sup>th</sup> March, 2023 |
|--|---|---|---|

Company Secretary of the Company functions as the Secretary to all the Board Committees.

Details of the composition of the Board of Directors and Committees mandated, setting out name, qualification, field of specialization, status of directorship for the meeting held during the year are given below:

| Details of Board of Directors |  |   |                                     |                          |
|-------------------------------|--|---|-------------------------------------|--------------------------|
| Name                          | Qualification  | Field of Specialization                 | Status of Directorship / Membership | No. of Meetings attended |
| Mr. Luis Miranda              | M.Com, MBA, ACA  | Finance Services                        | Chairman & Independent Director     | Six                      |
| Mr. Rajeev Chitrabhanu        | M.Com  | Financial Services                      | Independent Director                | Five                     |
| Ms. Revathy Ashok             | Bachelor in Science: PGDM, IIM Bangalore                                     | Business Development                    | Independent Director                | Seven                    |
| Dr. Ranjan Pai                | MBBS   | Hospital and Education                  | Non-Executive Director              | Three                    |
| Mr. Jason Sadler              | Chartered Institute of Management Accountants (ACMA) and BA Business Studies | Insurance                               | Non-Executive Director              | Five                     |
| Mr. S. Vaitheeswaran          | BE (Hons), Graduate Dp in Material Management                                | Sales, Marketing, Operation             | Non-Executive Director              | Seven                    |
| Mr. Jerome Droesch            | Engineering  | Health and Wellness, Insurance Services | Non-Executive Director              | Six                      |
| Mr. Prasun Sikdar             | Post Graduate, Masters in Economics  | Insurance                               | Managing Director and CEO           | Seven                    |

| Details of Audit Committee |  |                         |                                     |                          |
|----------------------------|--|-------------------------|-------------------------------------|--------------------------|
| Name                       | Qualification                            | Field of Specialization | Status of Directorship / Membership | No. of Meetings attended |
| Mr. Luis Miranda           | M.Com, MBA, ACA                          | Finance Services        | Chairman & Independent Director     | Four                     |
| Ms. Revathy Ashok*         | Bachelor in Science: PGDM, IIM Bangalore | Business Development    | Independent Director                | Four                     |

|                        |  |   |                        |      |
|------------------------|--|---|------------------------|------|
| Mr. Rajeev Chitrabhanu | M.Com  | Financial Services                      | Independent Director   | Four |
| Mr. S. Vaitheeswaran   | BE (Hons), Graduate Dp. in Material Management | Sales, Marketing, Operation             | Non-Executive Director | Four |
| Mr. Jerome Drosch      | Engineering                                    | Health and Wellness, Insurance Services | Non-Executive Director | Four |

\*Ms. Revathy Ashok had been appointed as a member w.e.f 5<sup>th</sup> April 2022

| Details of Investment Committee |  |   |                                     |                          |
|---------------------------------|--|---|-------------------------------------|--------------------------|
| Name                            | Qualification  | Field Specialization of                 | Status of Directorship/ Membership  | No. of Meetings attended |
| Mr. Rajeev Chitrabhanu          | M.Com  | Financial Services                      | Chairman & Independent Director     | Three                    |
| Dr. Ranjan Pai                  | MBBS   | Hospital and Education                  | Non-Executive Director              | One                      |
| Mr. Jason Sadler                | Chartered Institute of Management Accountants (ACMA) and BA Business Studies   | Insurance                               | Non-Executive Director              | Three                    |
| Mr. Prasun Sikdar               | Post Graduate, Masters in Economics  | Insurance                               | Managing Director and CEO           | Four                     |
| Mr. Srikanth Kandikonda         | B. Com, Fellow Member of Institute of Cost & Accountants of India and Fellow Member of Institute of Company Secretaries of India                               | Finance                                 | Chief Financial Officer and Member  | Four                     |
| Mr. Joydeep Saha                | Fellow of Institute of Actuaries of India  | Actuarial                               | Appointed Actuary and Member        | Four                     |
| Mr. Sameer Bhatnagar*           | B. Sc (Statistics), LLB, MBA (Finance), LLM, Fellow Insurance Institute of India (F.I.I.I.), Post Graduate Diploma in International Business (PGDIB), DLL, DHR | Legal, Compliance, Secretarial and Risk | Chief Risk Officer and Member       | Four                     |
| Mr. Mahesh Darak                | B.Com and M.M.S (Finance)  | Investment                              | Chief Investment Officer and Member | Four                     |

\*Mr. Sameer Bhatnagar has ceased to be a member w.e.f 4<sup>th</sup> May, 2023

| Details of Risk Management Committee |                 |                         |                                    |                          |
|--------------------------------------|-----------------|-------------------------|------------------------------------|--------------------------|
| Name                                 | Qualification   | Field Specialization of | Status of Directorship/ Membership | No. of Meetings attended |
| Mr. Luis Miranda                     | M.Com, MBA, ACA | Finance Services        | Chairman & Independent Director    | Four                     |



|                       |   |   |                           |      |
|-----------------------|---|---|---------------------------|------|
| Mr. S. Vaitheeswaran  | BE (Hons), Graduate Dp. in Material Management  | Sales, Marketing, Operation             | Non-Executive Director    | Four |
| Mr. Prasun Sikdar     | Post Graduate, Masters in Economics   | Insurance                               | Managing Director and CEO | Four |
| Mr. Jerome Droesch    | Engineering   | Health and Wellness, Insurance Services | Non-Executive Director    | Four |
| Mr. Sameer Bhatnagar* | B. Sc (Statistics), LLB, MBA(Finance), LLM, Fellow Insurance Institute of India (F.I.I.I.), Post Graduate Diploma in International Business (PGDIB), DLL, DHR | Insurance                               | Chief Risk Officer        | Four |

\*Mr. Sameer Bhatnagar has ceased to be a member w.e.f 4<sup>th</sup> May, 2023

| Details of Policyholders' Protection Committee |  |  |  |                          |
|--|--|--|--|--------------------------|
| Name   | Qualification                                  | Field of Specialization                | Status of Directorship/ Membership             | No. of Meetings attended |
| Mr. Luis Miranda                               | M.Com, MBA, ACA                                | Finance Services                       | Chairman and Independent Director              | Three                    |
| Ms. Revathy Ashok                              | Bachelor in Science: PGDM, IIM Bangalore       | Business Development                   | Independent Director (Customer Representative) | Four                     |
| Mr. S. Vaitheeswaran                           | BE (Hons), Graduate Dp. in Material Management | Sales, Marketing, Operation            | Non-Executive Director                         | Four                     |
| Mr. Prasun Sikdar                              | Post Graduate, Masters in Economics            | Insurance                              | Managing Director and CEO                      | Four                     |
| Mr. Jerome Droesch                             | Engineering                                    | Health and Wellness Insurance Services | Non-Executive Director                         | Four                     |

| Details of Nomination and Remuneration Committee |  |                         |                                      |                          |
|--|--|-------------------------|--------------------------------------|--------------------------|
| Name   | Qualification  | Field of Specialization | Status of Directorship/ Membership   | No. of Meetings attended |
| Ms. Revathy Ashok*                               | Bachelor in Science: PGDM, IIM Bangalore                                     | Business Development    | Chairperson and Independent Director | Two                      |
| Mr. Luis Miranda                                 | M.Com, MBA, ACA  | Finance Services        | Independent Director                 | Two                      |
| Dr. Ranjan Pai                                   | MBBS   | Hospital and Education  | Non-Executive Director               | Two                      |
| Mr. Jason Sadler                                 | Chartered Institute of Management Accountants (ACMA) and BA Business Studies | Insurance               | Non-Executive Director               | Two                      |

\*Ms. Revathy Ashok had been designated as Chairperson w.e.f 5<sup>th</sup> April, 2022

The details of the attendance of Directors / members at the Board meetings and Committee meetings held during FY 2022-23 are given below:

| Details of Board of Directors |                           |                      | Date of Meetings |            |           |            |           |            |           |
|-------------------------------|---------------------------|----------------------|------------------|------------|-----------|------------|-----------|------------|-----------|
| Name of Director              | Nature of Directorship    | Designation in Board | 11.05.2022       | 25.07.2022 | 4.08.2022 | 22.09.2022 | 9.11.2022 | 20.01.2023 | 6.03.2023 |
| Mr. Luis Miranda              | Independent Director      | Chairman             | Present          | Present    | Present   | Present    | Present   | Absent     | Present   |
| Mr. Rajeev Chitrabhanu        | Independent Director      | Director             | Absent           | Present    | Present   | Absent     | Present   | Present    | Present   |
| Ms. Revathy Ashok             | Independent Director      | Director             | Present          | Present    | Present   | Present    | Present   | Present    | Present   |
| Dr. Ranjan Pai                | Non-Executive Director    | Director             | Absent           | Absent     | Present   | Present    | Absent    | Absent     | Present   |
| Mr. Jason Sadler              | Non-Executive Director    | Director             | Present          | Absent     | Present   | Present    | Present   | Absent     | Present   |
| Mr. S. Vaitheeswaran          | Non-Executive Director    | Director             | Present          | Present    | Present   | Present    | Present   | Present    | Present   |
| Mr. Jerome Droesch            | Non-Executive Director    | Director             | Present          | Present    | Present   | Present    | Present   | Present    | Absent    |
| Mr. Prasun Sikdar             | Managing Director and CEO | Director             | Present          | Present    | Present   | Present    | Present   | Present    | Present   |

| Details of Audit Committee |                        |                                | Date of Meetings |           |           |            |
|----------------------------|------------------------|--------------------------------|------------------|-----------|-----------|------------|
| Name of Director           | Nature of Directorship | Designation in Audit Committee | 10.05.2022       | 3.08.2022 | 8.11.2022 | 19.01.2023 |
| Mr. Luis Miranda           | Independent Director   | Chairman                       | Present          | Present   | Present   | Present    |
| Ms. Revathy Ashok*         | Independent Director   | Member                         | Present          | Present   | Present   | Present    |
| Mr. Rajeev Chitrabhanu     | Independent Director   | Member                         | Present          | Present   | Present   | Present    |
| Mr. S. Vaitheeswaran       | Non-Executive Director | Member                         | Present          | Present   | Present   | Absent     |
| Mr. Jerome Droesch         | Non-Executive Director | Member                         | Present          | Present   | Present   | Present    |

\*Ms. Revathy Ashok had been appointed as a member w.e.f 5<sup>th</sup> April 2022.

| Details of Investment Committee |                           |                                     | Date of Meetings |           |           |            |
|---------------------------------|---------------------------|-------------------------------------|------------------|-----------|-----------|------------|
| Name of Director                | Nature of Directorship    | Designation in Investment Committee | 11.05.2022       | 4.08.2022 | 9.11.2022 | 20.01.2023 |
| Mr. Rajeev Chitrabhanu          | Independent Director      | Chairman                            | Absent           | Present   | Present   | Present    |
| Dr. Ranjan Pai                  | Non-Executive Director    | Member                              | Absent           | Present   | Absent    | Absent     |
| Mr. Jason Sadler                | Non-Executive Director    | Member                              | Present          | Present   | Present   | Absent     |
| Mr. Prasun Sikdar               | Managing Director and CEO | Member                              | Present          | Present   | Present   | Present    |
| Mr. Srikanth Kandikonda         | Chief Financial Officer   | Member                              | Present          | Present   | Present   | Present    |
| Mr. Joydeep Saha                | Appointed Actuary         | Member                              | Present          | Present   | Present   | Present    |

|                       |                          |        |         |         |         |         |
|-----------------------|--------------------------|--------|---------|---------|---------|---------|
| Mr. Sameer Bhatnagar* | Chief Risk Officer       | Member | Present | Present | Present | Present |
| Mr. Mahesh Darak      | Chief Investment Officer | Member | Present | Present | Present | Present |

\*Mr. Sameer Bhatnagar has ceased to be a member w.e.f 4<sup>th</sup> May, 2023

| Details of Risk Management Committee |                           |  | Date of Meetings |            |            |            |
|--------------------------------------|---------------------------|--|------------------|------------|------------|------------|
| Name of Director                     | Nature of Directorship    | Designation in Risk Management Committee | 10.05.2022       | 03.08.2022 | 08.11.2022 | 19.01.2023 |
| Mr. Luis Miranda                     | Independent Director      | Chairman                                 | Present          | Present    | Present    | Present    |
| Mr. S. Vaitheeswaran                 | Non-Executive Director    | Member                                   | Present          | Present    | Present    | Absent     |
| Mr. Prasun Sikdar                    | Managing Director and CEO | Member                                   | Present          | Present    | Present    | Present    |
| Mr. Jerome Driesch                   | Non-Executive Director    | Member                                   | Present          | Present    | Present    | Present    |
| Mr. Sameer Bhatnagar*                | Chief Risk Officer        | Member                                   | Present          | Present    | Present    | Present    |

\*Mr. Sameer Bhatnagar has ceased to be a member w.e.f 4<sup>th</sup> May, 2023

| Details of Policyholders' Protection Committee |                           |  | Date of Meetings |            |            |            |
|--|---------------------------|--|------------------|------------|------------|------------|
| Name of Director                               | Nature of Directorship    | Designation in Policyholders' Protection Committee | 10.05.2022       | 03.08.2022 | 08.11.2022 | 20.01.2023 |
| Mr. Luis Miranda                               | Independent Director      | Chairman   | Present          | Present    | Present    | Absent     |
| Ms. Revathy Ashok                              | Independent Director      | Member & Customer Representative                   | Present          | Present    | Present    | Present    |
| Mr. S. Vaitheeswaran                           | Non-Executive Director    | Member   | Present          | Present    | Present    | Present    |
| Mr. Prasun Sikdar                              | Managing Director and CEO | Member   | Present          | Present    | Present    | Present    |
| Mr. Jerome Driesch                             | Non-Executive Director    | Member   | Present          | Present    | Present    | Present    |

| Details of Nomination and Remuneration Committee |                        |  | Date of Meetings |            |
|--|------------------------|--|------------------|------------|
| Name of Director                                 | Nature of Directorship | Designation in Nomination and Remuneration Committee | 11.05.2022       | 06.03.2023 |
| Ms. Revathy Ashok*                               | Independent Director   | Chairperson  | Present          | Present    |
| Mr. Luis Miranda***                              | Independent Director   | Member   | Present          | Present    |
| Dr. Ranjan Pai                                   | Non-Executive Director | Member   | Present          | Present    |
| Mr. Jason Sadler                                 | Non-Executive Director | Member   | Present          | Present    |

\*Ms. Revathy Ashok had been designated as Chairperson w.e.f. 5<sup>th</sup> April, 2022

## INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

## STATUTORY AUDITORS

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and in accordance with the provisions of 'Guidelines for Corporate Governance for insurers in India' issued by Insurance Regulatory & Development Authority of India bearing reference No. IRDA/F&A/GDL/CG/100/05/2016 dated 18<sup>th</sup> May 2016, M/s. CNK & Associates LLP, Chartered Accountants (Firm Registration No. 108296W) were re-appointed as Joint Statutory Auditors of the Company at the 10<sup>th</sup> AGM to hold office till the conclusion of the 13<sup>th</sup> AGM.

M/s V.P.Thacker & Company, Chartered Accountants (Firm Registration No.118696W) were re-appointed as Joint Statutory Auditors of the Company at the 11<sup>th</sup> AGM to hold office till the conclusion of 14<sup>th</sup> AGM.

## SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. GMJ & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company for the Financial Year 2022-23. The Secretarial Audit Report is annexed as **Annexure II**.

## STATUTORY INFORMATION

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### Conservation of energy:

| Particulars   | Management's Response |
|---|-----------------------|
| 1. Steps taken/ impact on conservation of energy                        | None                  |
| 2. Steps taken by the Company for utilizing alternate sources of energy | None                  |
| 3. Capital investment on energy conservation equipment                  | None                  |

#### Technology absorption:

| Particulars  | Management Response  |
|--|--|
| 1. Efforts made towards technology absorption  | 2. Your company launched various critical health insurance products like Prohealth Prime, Prohealth Prime Senior, and Health 360 across various core systems and digital platforms ensuring complete |
| 2. Benefits derived like product improvement, cost reduction, product development or import substitution |  |

|  |   |
|--|---|
|  | <p>automation with added features and benefits.</p> <ol style="list-style-type: none"> <li>3. Your Company upgraded the group policy admin system with enhanced processing capability and functional modules. Volume processing capability increased by 10 times of the existing.</li> <li>4. Your company launched a new tool for improved efficiencies in rural classification required for regulatory reporting.</li> <li>5. Your company automated the group data transfer to TPA by implementing transfers through API instead of manual approach.</li> <li>6. Your Company launched a NPS module for critical key processes to capture customer feedback and strengthen related processes.</li> <li>7. Your company launched differentiated treatment for HNI customers by flagging them in respective systems and corresponding processes.</li> <li>8. Your company launched the online claim intimation and submission journey directly on corporate web site, where user can submit claim information and upload document. Earlier user was able to raise claim using the platform of TPA.</li> <li>9. Your company launched completely online portability on sell online platform. This eliminated need of submitting physical form.</li> <li>10. Your company migrated from old platform to new renewal digital platform for renewal of group policies ensuring better customer experience</li> <li>11. Your company made live API integration of agent onboarding journey with agent management system to create completely digital flow,</li> <li>12. Your company launched wellness program on Wellthy mobile application for MCHI Prohealth Prime customers.</li> <li>13. Your company made live brand new customer servicing portal for retail as well as group customers to promote self-servicing</li> <li>14. Your company automated communication for UW related milestones during new business journey</li> <li>15. Your company automated mailing of welcome kit for renewal cases.</li> <li>16. Your company made live NLP powered Chatbot was made live on customer website to assist customer with frequent queries.</li> <li>17. Your company made live Digital IVR to help customer to be able to self-assist in case they reach out to call center</li> </ol> |
|--|---|



|  |   |
|--|---|
|  | Your company made live phase -1 for customer mobile application. Customer can download the application from google play store and Apple App store. These applications are single window for customers to meet all servicing requirements. |
| 3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - |   |
| a) details of technology imported  | Nil   |
| b) year of import  | NA  |
| c) whether the technology been fully absorbed  | NA  |
| d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and                           | NA  |
| 4. expenditure incurred on Research and Development  | Nil   |

#### Foreign exchange earnings and outgo:

| (Figures in Lakhs)        |   |   |
|---------------------------|---|---|
| Particulars               | For the Year Ended<br>31 <sup>st</sup> March 2023 | For the Year Ended<br>31 <sup>st</sup> March 2022 |
| Foreign Exchange earnings | 11.52   | 13.84   |
| Foreign exchange outgo    | 4,435.16  | 4,418.41  |

#### DETAILS OF EMPLOYEE STOCK OPTIONS

The disclosure shall include the following details of all the Employee Stock Options Scheme(s) implemented from time to time:

- (a) options granted: Nil
- (b) options vested: Nil
- (c) options exercised: Nil
- (d) the total number of shares arising as a result of exercise of option: Nil
- (e) options lapsed: 34,39,397 (because of exit before vesting)
- (f) the exercise price: Nil
- (g) variation in terms of options: Nil
- (h) money realised by exercise of options: Nil
- (i) total number of options in force: 3,59,85,065
- (j) employee wise details of options granted to:
  - (i) Key Managerial Personnel: No fresh options granted during FY 2022-23.
  - (ii) any other employee who receives a grant of options in any one year of options amounting to five percent or more of total options granted during that year: Nil
  - (iii) identified employees who were granted options, during any one year, equal to or exceeding one percent of the issued capital, excluding outstanding warrants and conversions, of the company at the time of grant: Nil

## **ANNUAL RETURN**

As per the provisions of the Section 92 of the Companies Act, 2013, the Annual Return of the Company can be accessed on the website of the Company at <https://www.manipalcigna.com/disclosures/public-disclosures>.

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY THE AUDITORS UNDER SECTION 143(12) OF COMPANIES ACT, 2013**

There are no frauds reported by the Auditor, which are required to be disclosed under Section 143(12) of Companies Act, 2013.

## **STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013:**

As per the provisions of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 all the Independent Directors have submitted declaration to the effect that they meet with the criteria of 'independence' as required under Section 149(7) of the Companies Act, 2013.

## **COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS**

The Company has complied with the applicable secretarial standards for the Financial year 2022-23.

## **ACKNOWLEDGMENTS**

The Board of Directors sincerely thank the Chairman, the members and other officials of the IRDAI for their advice, counsel and guidance from time to time.

Your Directors also place on record their appreciation for the excellent assistance and co-operation received from the Governing Body Insurance Council, Registrar of Companies (ROC) and the Bankers of the Company.

The Board also thank the shareholders and its policyholders for the support given and the confidence reposed in the operations of the Company.

Your Directors record their appreciation of the dedicated efforts and contribution of the employees at all levels for the growth of the Company achieved during the year.

## **FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**



**CHAIRMAN**

**DIN: 01055493**

**Place: Mumbai**

**Date: 28<sup>th</sup> April, 2023**

**ANNEXURE – I**

**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: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis: Nil

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**



**CHAIRMAN**

**DIN: 01055493**  
**Place: Mumbai**

**Date: 28<sup>th</sup> April, 2023**

**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023**  
(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,**  
**MANIPALCIGNA HEALTH INSURANCE COMPANY LIMITED**  
401/402, 4<sup>th</sup> Floor, Raheja Titanium,  
Western Express Highway,  
Goregaon (East), Mumbai - 400 063.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MANIPALCIGNA HEALTH INSURANCE COMPANY LIMITED** (hereinafter called the Company). 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 Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions of the applicable Acts 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, minutes, forms and returns filed and other records maintained by **MANIPALCIGNA HEALTH INSURANCE COMPANY LIMITED** for the financial year ended on **March 31, 2023** according to the provisions of:

**Cont.2....**



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- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Company, being a health insurance company, has complied with following acts:
  - a) The Insurance Act, 1938 including amendments and part thereof;
  - b) The Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
  - c) The Rules, regulations, guidelines, circulars and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a Health Insurance Company.
- v. The Company has its own robust compliance system and the Company is also subject to monitoring by and reporting of compliances to IRDAI.
- vi. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

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

We report that during the conduct of the audit, in our opinion, adequate systems exist in the Company to monitor and ensure compliance with general laws.

We report that the Compliance by the Company of applicable financial laws, like direct, indirect tax laws and Goods and Service Tax has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

**Cont.3....**



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We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.
2. 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.
3. Adequate notices are given to all directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well 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. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that during the audit period, the Company had the following specific events:

1. The Members of the Company have approved the issue of 1,92,30,769 Equity Shares of Rs.10/- each at a premium of Rs. 3/- and 1,84,76,620 Equity shares of Rs.10/- each at a premium of Rs. 3.5306/- on Preferential Basis at their Extra Ordinary General Meeting held on May 10, 2022.

However, the shares were allotted by passing a Circular Resolution on May 26, 2022, the 1,59,57,447 Equity Shares at a premium of Rs 4.10/- and 1,53,31,663 Equity Shares at a premium of Rs. 4.6755/-

Further, the Members at their Extra Ordinary General Meeting held on July 25, 2022 have approved withdrawal of issue of remaining 64,18,279 Equity Shares on private placement basis which was approved earlier by the Board in dated May 10, 2022.

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2. The Members of the Company have approved the issue of 4,86,71,950 Equity Shares of Rs. 10/- each at a premium of Rs. 4.10/- and Rs. 4.6755/- on Preferential Basis at their Extra Ordinary General Meeting held on July 25, 2022.

However, the shares were allotted by the Company in the following tranches:

- By passing a Circular Resolution on July 28, 2022, the 70,92,199 Equity Shares at a premium of Rs 4.10/- and 68,14,073 Equity Shares at a premium of Rs. 4.6755/-
  - By passing a Circular Resolution on August 24, 2022, the 1,77,30,496 Equity Shares at a premium of Rs 4.10/- and 1,70,35,182 Equity Shares at a premium of Rs. 4.6755/-
3. The Members of the Company have approved the issue of Equity Shares of Rs. 10/- each aggregating to an amounting of Rs. 170 Crore on Preferential Basis at their Extra Ordinary General Meeting held on September 22, 2022.

However, the shares were allotted by the Company in the following tranches:

- By passing a Circular Resolution on October 28, 2022, the 2,83,68,794 Equity Shares at a premium of Rs 4.10/- and 2,72,56,292 Equity Shares at a premium of Rs. 4.6755/-
- By passing a Circular Resolution on December 20, 2022, the 1,31,20,567 Equity Shares at a premium of Rs 4.10/- and 1,26,06,034 Equity Shares at a premium of Rs. 4.6755/-
- By passing a Circular Resolution on January 25, 2023, the 2,07,03,125 Equity Shares at a premium of Rs 2.8000/- and 1,98,91,237 Equity Shares at a premium of Rs. 3.322455/-

**Cont.5....**



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4. The Members of the Company have approved the issue of Equity Shares of Rs. 10/- each upto a limit of Rs. 87 Crore on Preferential Basis at their Extra Ordinary General Meeting held on March 06, 2023 in one or more tranches.

However, the shares were allotted by passing a Circular Resolution on March 16, 2023, 1,25,00,000 Equity Shares at a premium of Rs 2.80/- and 1,20,09,803 Equity Shares at a premium of Rs. 3.3224/-

5. The Board of Directors in their meeting dated March 06, 2023 have approved the re-appointment of Mr. Prasun Sikdar, Managing Director and CEO for the period of 5 years effective from April 18, 2023 and applied for an approval from IRDAI.
6. The Board of Directors in their meeting dated March 06, 2023 have approved the modification in the scheme of Employee Stock Option Scheme of 2019 and 2021 and Vesting Period and Vesting Conditions were approved by the members of the Company at their Extra Ordinary General Meeting held on March 06, 2023.

As informed, the Company has responded appropriately to notices/emails received from the statutory/regulatory authorities including by taking corrective measures wherever found necessary.

**For GMJ & ASSOCIATES**  
Practising Company Secretaries  
ICSI Unique Code P2011MH023200

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**MAHESH SONI**  
PARTNER

Membership No: F3706  
Certificate of Practice No.: 2324  
UDIN: F003706E000221440

Peer Review Certificate No.: 647/2019

Place: Mumbai  
Date: April 28, 2023

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**Cont.6....**

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**ANNEXURE A**

To,  
The Members,  
**MANIPALCIGNA HEALTH INSURANCE COMPANY LIMITED**  
401/402, 4th Floor, Raheja Titanium,  
Western Express Highway,  
Goregaon (East), Mumbai – 400 063.

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of 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. Wherever 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 and regulations, standards is the responsibility of the management. 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.

**For GMJ & ASSOCIATES**  
Practising Company Secretaries  
ICSI Unique Code P2011MH023200

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**MAHESH SONI**  
PARTNER

Membership No: F3706  
Certificate of Practice No.: 2324  
UDIN: F003706E000221440

Peer Review Certificate No.: 647/2019

Place: Mumbai  
Date: April 28, 2023



C N K & Associates LLP,  
Chartered Accountants  
501-502, Narain Chambers,  
M.G. Road, Vile Parle East  
Mumbai - 400057

V P Thacker & Co.  
Chartered Accountants  
402, Embassy Centre,  
207, Nariman Point  
Mumbai - 400021

## INDEPENDENT AUDITORS' REPORT

The Members  
**ManipalCigna Health Insurance Company Limited**

### Report on audit of the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of **ManipalCigna Health Insurance Company Limited** ("the Company") (*formerly known as "CignaTTK Health Insurance Company"*), which comprise the Balance Sheet as at March 31, 2023, the related Revenue Account (also called the "Policyholders' Account", or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account", or "Non-Technical Account"), and the Receipts and Payments Account each for the year ended March 31, 2023 and summary of significant accounting policies and other explanatory information.

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 Financials Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations"), Companies Act 2013 ("the Act") to the extent applicable and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2023;
- (b) in the case of the Revenue Account, of the net surplus for the year ended on that date;
- (c) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (d) in the case of the 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' 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, 1938, the IRDA Act and the Regulations thereunder, 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.

**C N K & Associates LLP,**  
**Chartered Accountants**  
501-502, Narain Chambers,  
M.G. Road, Vile Parle East  
Mumbai - 400057

**V P Thacker & Co.**  
**Chartered Accountants**  
402, Embassy Centre,  
207, Nariman Point  
Mumbai - 400021

#### **Other Matter**

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, 2023 is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary. The 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 the Authority. 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 respect of this matter.

#### **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, Management 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 will 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 when it becomes available 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 Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements to give a true and fair view of the financial position, financial performance and Receipts and Payments of the Company in accordance with the requirements of the Insurance Act read with IRDA, Regulations / orders / directions / circulars / guidelines issued by the Authority in this regard and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016 to the extent applicable and in the manner so required.

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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



**C N K & Associates LLP,**  
**Chartered Accountants**  
501-502, Narain Chambers,  
M.G. Road, Vile Parle East  
Mumbai - 400057

**V P Thacker & Co.**  
**Chartered Accountants**  
402, Embassy Centre,  
207, Nariman Point  
Mumbai - 400021

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

**Auditors' 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 of assurance, but is not a guarantee that an audit conducted in accordance with SAs 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 scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the financial statements, 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 our auditors' 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.

C N K & Associates LLP,  
Chartered Accountants  
501-502, Narain Chambers,  
M.G. Road, Vile Parle East  
Mumbai - 400057

V P Thacker & Co.  
Chartered Accountants  
402, Embassy Centre,  
207, Nariman Point  
Mumbai - 400021

### Report on Other Legal and Regulatory Requirements

1. As required by the Regulations, we have issued a separate certificate dated April 27, 2023, as “**Annexure A**”, certifying the matters specified in paragraphs 3 and 4 of Schedule C to these Regulations.
2. As required by paragraph 2 of schedule C to the IRDA Financial Statement Regulation and 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 and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company, so far as it appears from our examination of those books;
  - (c) As the Company's financial accounting system is centralized, no returns for the purposes of our audit are prepared at the branches of the Company;
  - (d) The Balance Sheet, the Revenue Account, 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 Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Rules, 2016 as amended from time to time to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by the IRDA in this regard;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and / or orders / directions issued by the IRDA in this regard;
  - (g) In our opinion, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards notified under the Act which continue to be applicable in respect of Section 133 of the Companies Act, 2013, and the Rules framed thereunder and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders / directions issued by the IRDA in this regard;
  - (h) On the basis of the written representations received from the Directors, as on March 31, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act;
  - (i) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B** hereto;
  - (j) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that managerial remuneration is governed u/s 34A of the Insurance Act, 1938 and requires IRDAI approval. Accordingly, the provisions of Section 197 read with schedule V to the Act are not applicable, and hence reporting

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**V P Thacker & Co.**  
**Chartered Accountants**  
402, Embassy Centre,  
207, Nariman Point  
Mumbai - 400021

under Section 197(16) is not required. However, sitting fees paid to directors is in compliance with Section 197(5) of the Act.

- (k) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- (i) The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its financial statements – Refer Note No. 3.1 in the Notes to Accounts forming part of financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts.
  - (iii) There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended March 31, 2023.
  - (iv)
    - i. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - ii. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

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- iv. The Company has not declared or paid any dividend during the year, hence Section 123 of the Companies Act, 2013 is not applicable.
- v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a features of recording audit trail (Edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For C N K & Associates LLP**  
**Chartered Accountants**  
Firm Registration No.: 101961W/W-100036

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AI SHAH  
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by HIREN  
SHAH  
Date: 2023.04.28  
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Hiren Shah  
**Partner**  
Membership No: 100052  
Date: April 28, 2023  
Place: Mumbai  
UDIN:23100052BGVTUJ2208

**For V P Thacker & Co.**  
**Chartered Accountants**  
Firm Registration No. 118696W

KALPANA SAGAR  
RAJPURKAR  
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email=k.sagar@vpthacker.com, cn=KALPANA  
SAGAR RAJPURKAR  
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Kalpna Rajpurkar  
**Partner**  
Membership No: 114928  
Date: April 28, 2023  
Place: Mumbai  
UDIN:23114928BGZPXS4106

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**Chartered Accountants**  
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207, Nariman Point  
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**Annexure - A**

**Auditors' Certificate**

(Referred to in paragraph 1 of 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 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") read with Regulation 3 of the IRDA Financial Statements Regulations.

**Management Responsibility**

The 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, 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 IRDA Financial Statements 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 ethical requirements of code of ethics issued by ICAI.

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

**Opinion**

Based on our audit of financial statements for the year ended March 31, 2023 and in accordance with the information and explanations and representations 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 the Company for the year ended March 31, 2023, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2023, 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, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDA;

**V P Thacker & Co.**  
**Chartered Accountants**  
402, Embassy Centre,  
207, Nariman Point  
Mumbai - 400021

Kalpna Rajpurkar  
**Partner**  
Membership No: 114928  
Date: April 28, 2023  
Place: Mumbai  
UDIN:23114928BGZPXS4106



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Chartered Accountants  
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## Annexure – B

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

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

We have audited the internal financial controls over financial reporting of **ManipalCigna Health Insurance Company Limited** (“the Company”) (*formerly known as “CignaTTK Health Insurance Company”*) as of March 31, 2023, 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 (“ICAI”). 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 Act.

#### **Auditors’ 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 with reference to 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements 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 with reference to Financial Statements.

**V P Thacker & Co.**  
**Chartered Accountants**  
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207, Nariman Point  
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Kalpna Rajpurkar  
**Partner**  
Membership No: 114928  
Date: April 28, 2023  
Place: Mumbai  
UDIN:23114928BGZPXS4106



**ManipalCigna Health Insurance Company Limited**  
**(Formerly Known as CignaTTK Health Insurance Company Limited)**  
**IRDA Registration No. 151 Dated November 13, 2013**



| FORM B-RA  |   |          |                                       |                                       |
|--|---|----------|---------------------------------------|---------------------------------------|
| REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2023 (AUDITED) |   |          |                                       |                                       |
| (Miscellaneous Business)                                     |   |          |                                       |                                       |
| Rs '000  |   |          |                                       |                                       |
| S.No   | Particulars   | Schedule | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 |
| 1  | Premiums earned (Net)   | 1        | 1,11,77,737                           | 82,49,845                             |
| 2  | Profit/ (Loss) on sale/redemption of Investments                                      |          |                                       |                                       |
|  | Profit on sale of investments   |          | 14,908                                | 26,589                                |
|  | Less: Loss on sale of investments   |          | -                                     | -                                     |
| 3  | Others  |          |                                       |                                       |
|  | (a) Interest Income   |          | -                                     | -                                     |
|  | (b) Excess provision written back   |          | -                                     | -                                     |
|  | (c) Contribution from Shareholders Funds towards Excess EoM                           |          | 22,15,449                             | 17,43,433                             |
| 4  | Interest, Dividend & Rent – Gross   |          | 4,90,808                              | 3,53,423                              |
|  | <b>TOTAL (A)</b>  |          | <b>1,38,98,902</b>                    | <b>1,03,73,290</b>                    |
| 1  | Claims Incurred (Net)   | 2        | 72,27,888                             | 62,83,835                             |
| 2  | Commission  | 3        | 13,85,466                             | 10,06,352                             |
| 3  | Operating Expenses related to Insurance Business                                      | 4        | 51,82,935                             | 39,78,074                             |
| 4  | Premium Deficiency  |          | -                                     | -                                     |
|  | <b>TOTAL (B)</b>  |          | <b>1,37,96,289</b>                    | <b>1,12,68,261</b>                    |
|  | <b>Operating Profit/(Loss) from Fire/Marine/Miscellaneous Business<br/>C= (A - B)</b> |          | 1,02,613                              | (8,94,971)                            |
|  | <b>APPROPRIATIONS</b>   |          |                                       |                                       |
|  | Transfer to Shareholders' Account   |          | 1,02,613                              | (8,94,971)                            |
|  | Transfer to Catastrophe Reserve   |          | -                                     | -                                     |
|  | Transfer to Other Reserves  |          | -                                     | -                                     |
|  | <b>TOTAL (C)</b>  |          | <b>1,02,613</b>                       | <b>(8,94,971)</b>                     |

Significant accounting policies & Notes to Financial Statements.

16

The Schedules referred to above form an integral part of the Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors.

For CNK & Associates LLP  
Chartered Accountants  
Firm Regn No. 101961W/W-100036

**HIREN  
CHINUBHAI  
SHAH**  
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by HIREN  
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SHAH  
Date: 2023.04.28  
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Hiren Shah  
Partner  
Membership No. 100052

For V.P. Thacker & Co  
Chartered Accountants  
Firm Regn No. 118696W

**KALPANA  
SAGAR  
RAJPURKAR**  
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Kalpana Rajpurkar  
Partner  
Membership No. 114928

**LUIS  
MIRANDA  
A**  
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by LUIS  
MIRANDA  
Date: 2023.04.28  
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Luis Miranda  
Chairman  
DIN: 01055493

**VAITHEE  
SWARAN  
SEETHAR  
AMAN**  
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S Vaitheeswaran  
Director  
DIN:01814726

**Rajeev  
Chitrabhanu**  
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by Rajeev Chitrabhanu  
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Rajeev Chitrabhanu  
Director  
DIN 02174031

**Prasun  
Kumar  
Sikdar**  
Digitally signed  
by Prasun Kumar  
Sikdar  
Date: 2023.04.28  
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Prasun Sikdar  
Managing Director & CEO  
DIN: 08107956

**SRIKANTH  
KANDIKONDA  
NDA**  
Digitally signed  
by SRIKANTH  
KANDIKONDA  
Date: 2023.04.28  
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Srikanth Kandikonda  
Chief Financial Officer

**Gauri  
Anirudh  
Takale**  
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Takale  
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Gauri Takale  
Company Secretary  
Membership No. A26324



**ManipalCigna Health Insurance Company Limited**  
**(Formerly Known as CignaTTK Health Insurance Company Limited)**  
**IRDA Registration No. 151 Dated November 13, 2013**



| FORM B-PL  |  |          |                                       |                                       |
|--|--|----------|---------------------------------------|---------------------------------------|
| PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2023 (AUDITED) |  |          |                                       |                                       |
| (Miscellaneous Business)   |  |          |                                       |                                       |
| Rs '000  |  |          |                                       |                                       |
| S.No   | Particulars  | Schedule | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 |
| 1  | OPERATING PROFIT/(LOSS)                                      |          |                                       |                                       |
|  | (a) Fire Insurance   |          | -                                     | -                                     |
|  | (b) Marine Insurance   |          | -                                     | -                                     |
|  | (c) Miscellaneous Insurance                                  |          | 1,02,613                              | (8,94,971)                            |
| 2  | INCOME FROM INVESTMENTS                                      |          |                                       |                                       |
|  | (a) Interest, Dividend & Rent - Gross                        |          | 2,36,227                              | 1,62,671                              |
|  | (b) Profit on sale of investments                            |          | 5,101                                 | 15,535                                |
|  | Less: Loss on sale of investments                            |          | -                                     | -                                     |
| 3  | OTHER INCOME   |          | 7,736                                 | 10,692                                |
|  | <b>TOTAL (A)</b>   |          | <b>3,51,677</b>                       | <b>(7,06,073)</b>                     |
| 4  | PROVISIONS (Other than taxation)                             |          |                                       |                                       |
|  | (a) For diminution in the value of Investments               |          | -                                     | -                                     |
|  | (b) For doubtful debts                                       |          | 1,065                                 | 2,159                                 |
|  | (c) Others   |          | -                                     | -                                     |
| 5  | OTHER EXPENSES   |          |                                       |                                       |
|  | (a) Expenses other than those related to Insurance Business  |          |                                       |                                       |
|  | Personnel Cost   |          | 34,688                                | 30,146                                |
|  | Legal & professional charges                                 |          | 1,046                                 | 2,696                                 |
|  | Interest & Bank Charges                                      |          | 465                                   | 314                                   |
|  | Share Issue Expenses (Stamp Duty & Franking)                 |          | 189                                   | 160                                   |
|  | Expenses related to issuance of Debentures                   |          | -                                     | 37                                    |
|  | Interest on Non-convertible Debentures                       |          | 99,900                                | 69,887                                |
|  | Miscellaneous Expenses                                       |          | 3,463                                 | 1,239                                 |
|  | Contribution to policyholders Funds towards Excess EOM       |          | 22,15,449                             | 17,43,433                             |
|  | (b) Bad debts written off                                    |          | 4,704                                 | 3,452                                 |
|  | (c) Others   |          | -                                     | -                                     |
|  | <b>TOTAL (B)</b>   |          | <b>23,60,969</b>                      | <b>18,53,523</b>                      |
|  | Profit / (Loss) Before Tax                                   |          | (20,09,292)                           | (25,59,596)                           |
|  | Provision for Taxation                                       |          | -                                     | -                                     |
|  | Profit / (Loss) After Tax                                    |          | (20,09,292)                           | (25,59,596)                           |
|  | <b>APPROPRIATIONS</b>  |          |                                       |                                       |
|  | (a) Interim dividends paid during the year                   |          | -                                     | -                                     |
|  | (b) Proposed final dividend                                  |          | -                                     | -                                     |
|  | (c) Dividend distribution tax                                |          | -                                     | -                                     |
|  | (d) Transfer to any Reserves or Other Accounts               |          | -                                     | -                                     |
|  | Balance of profit/ (loss) brought forward from previous year |          | (1,26,11,104)                         | (1,00,51,508)                         |
|  | <b>Balance carried forward to Balance Sheet</b>              |          | <b>(1,46,20,396)</b>                  | <b>(1,26,11,104)</b>                  |
|  | Earnings Per Share   |          | (1.66)                                | (2.48)                                |

Significant accounting policies & Notes to Financial Statements.

16

The Schedules referred to above form an integral part of the Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors.

For CNK & Associates LLP  
Chartered Accountants  
Firm Regn No. 101961W/W-100036

**HIREN CHINUBHAI SHAH AI SHAH**  
Digitally signed by HIREN CHINUBHAI SHAH  
Date: 2023.04.28 22:07:45 +05'30'

Hiren Shah  
Partner  
Membership No. 100052

For V.P. Thacker & Co  
Chartered Accountants  
Firm Regn No. 118696W

**KALPANA SAGAR RAJPUKAR**  
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Kalpana Rajpurkar  
Partner  
Membership No. 114928

**LUIS MIRANDA A**  
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Luis Miranda  
Chairman  
DIN: 01055493

**VAITHEESWARAN SEETHAR AMAN**  
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S Vaitheeswaran  
Director  
DIN:01814726

**Rajeev Chitrabhanu**  
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Rajeev Chitrabhanu  
Director  
DIN 02174031

**Prasun Kumar Sikdar**  
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Prasun Sikdar  
Managing Director & CEO  
DIN: 08107956

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Srikanth Kandikonda  
Chief Financial Officer

**Gauri Anirudh Takale**  
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Date: 2023.04.28 17:48:58 +05'30'

Gauri Takale  
Company Secretary  
Membership No. A26324



ManipalCigna Health Insurance Company Limited  
(Formerly Known as CignaTTK Health Insurance Company Limited)  
IRDA Registration No. 151 Dated November 13, 2013



| FORM B-B5                                     |   |          |                          |                          |
|---|---|----------|--------------------------|--------------------------|
| BALANCE SHEET AS AT 31st MARCH 2023 (AUDITED) |   |          |                          |                          |
| Rs '000                                       |   |          |                          |                          |
| S.No  | Particulars   | Schedule | As at<br>31st March 2023 | As at<br>31st March 2022 |
|   | <b>Sources of Funds</b>   |          |                          |                          |
| 1   | Share Capital   | 5        | 1,34,40,355              | 1,11,76,186              |
| 2   | Reserves and Surplus  | 6        | 44,47,292                | 35,41,464                |
| 3   | Fair Value Change Account   |          |                          |                          |
|   | Fair Value Change Account - Shareholder                               |          | 306                      | 152                      |
|   | Fair Value Change Account - Policyholder                              |          | 330                      | 118                      |
| 4   | Borrowings  | 7        | 11,10,000                | 11,10,000                |
|   | <b>TOTAL</b>  |          | <b>1,89,98,283</b>       | <b>1,58,27,920</b>       |
|   | <b>Application of Funds</b>   |          |                          |                          |
| 1   | Shareholder's Investments   | 8        | 45,98,434                | 27,97,190                |
| 2   | Policyholder's Investments  | 8A       | 95,23,200                | 65,04,269                |
| 3   | Loans   | 9        | -                        | -                        |
| 4   | Fixed Assets  | 10       | 2,00,317                 | 2,36,395                 |
| 5   | <b>Current Assets</b>   |          |                          |                          |
|   | Cash and Bank Balances  | 11       | 6,04,890                 | 10,99,041                |
|   | Advances and Other Assets   | 12       | 8,33,896                 | 4,44,437                 |
|   | <b>Sub-Total (A)</b>  |          | <b>14,38,786</b>         | <b>15,43,478</b>         |
| 6   | Current Liabilities   | 13       | 48,36,846                | 31,04,654                |
| 7   | Provisions  | 14       | 65,46,004                | 47,59,862                |
|   | <b>Sub-Total (B)</b>  |          | <b>1,13,82,850</b>       | <b>78,64,516</b>         |
|   | <b>Net Current Assets (C) = (A - B)</b>                               |          | <b>(99,44,064)</b>       | <b>(63,21,038)</b>       |
| 8   | Miscellaneous Expenditure (to the extent not written off or adjusted) | 15       | -                        | -                        |
| 9   | Debit Balance in the Profit and Loss Account                          |          | 1,46,20,396              | 1,26,11,104              |
|   | <b>TOTAL</b>  |          | <b>1,89,98,283</b>       | <b>1,58,27,920</b>       |

Significant accounting policies & Notes to Financial Statements.

16

The Schedules referred to above form an integral part of the Financial Statements.

As per our report of even date attached.

For and on behalf of the Board of Directors.

For CNK & Associates LLP  
Chartered Accountants  
Firm Regn No. 101961W/W-100036

HIREN  
CHINUBHAI  
SHAH  
AI SHAH  
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Hiren Shah  
Partner  
Membership No. 100052

For V.P. Thacker & Co  
Chartered Accountants  
Firm Regn No. 118696W

KALPANA  
SAGAR  
RAJPURKAR  
Digitally signed by KALPANA SAGAR RAJPURKAR  
DN: cn=KALPANA SAGAR RAJPURKAR, o=V.P. THACKER & CO., ou=V.P. THACKER & CO., email=k.sagar@vpthacker.co.in, c=IN  
Date: 2023.04.28 19:12:08 +05'30'

Kalpana Rajpurkar  
Partner  
Membership No. 114928

LUIS  
MIRANDA  
A  
Digitally signed by LUIS MIRANDA  
Date: 2023.04.28  
17:39:24 +05'30'

Luis Miranda  
Chairman  
DIN: 01055493

VAITHEES  
WARAN  
SEETHARAMAN  
MAN  
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Date: 2023.04.28  
18:11:02 +05'30'

S Vaitheeswaran  
Director  
DIN:01814726

SRIKANTH  
KANDIKONDA  
NDA  
Digitally signed by SRIKANTH KANDIKONDA  
Date: 2023.04.28  
19:03:08 +05'30'

Srikanth Kandikonda  
Chief Financial Officer

Rajeev  
Chitrabhanu  
u  
Digitally signed by Rajeev Chitrabhanu  
DN: cn=Rajeev Chitrabhanu, o=Manipal Cigna Health Insurance, ou=Manipal Cigna Health Insurance, email=rajeev.chitrabhanu@manipalcigna.co.in, c=IN  
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Rajeev Chitrabhanu  
Director  
DIN 02174031

Prasun  
Kumar  
Sikdar  
Digitally signed by Prasun Kumar Sikdar  
Date: 2023.04.28  
17:42:52 +05'30'

Prasun Sikdar  
Managing Director & CEO  
DIN: 08107956

Gauri  
Anirudh  
Takale  
Digitally signed by Gauri Anirudh Takale  
Date: 2023.04.28  
17:49:13 +05'30'

Gauri Takale  
Company Secretary  
Membership No. A26324



RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023 (AUDITED)

| (Rs. '000) |   |                                       |                                       |
|------------|---|---------------------------------------|---------------------------------------|
| S.no.      | Particulars   | For the Year ended<br>31st March 2023 | For the Year ended<br>31st March 2022 |
| I          | <b>Cash flows from operating activities</b>                                   |                                       |                                       |
| 1          | Premium received from policyholders, including advance receipts               | 1,40,86,213                           | 1,00,54,029                           |
| 2          | Other receipts  | -                                     | -                                     |
| 3          | Payments to the re-insurers, net of commission and claims                     | (1,55,693)                            | (74,211)                              |
| 4          | Payments to co-insurers, net of claims recovery                               | -                                     | -                                     |
| 5          | Payments of claims  | (71,39,269)                           | (64,46,513)                           |
| 6          | Payments of commission and brokerage  | (14,65,624)                           | (10,74,231)                           |
| 7          | Payments of other operating expenses  | (45,60,662)                           | (38,02,256)                           |
| 8          | Deposits, advances and staff loans  | (1,16,842)                            | (34,769)                              |
| 9          | Income taxes paid (Net)   | -                                     | -                                     |
| 10         | Goods & Service Tax   | (80,610)                              | (23,660)                              |
|            | <b>Cash flow before extraordinary items</b>                                   | <b>5,67,513</b>                       | <b>(14,01,611)</b>                    |
|            | Cash flow from extraordinary items  | -                                     | -                                     |
|            | <b>Net cash flow from operating activities (A)</b>                            | <b>5,67,513</b>                       | <b>(14,01,611)</b>                    |
| II         | <b>Cash flows from investing activities</b>                                   |                                       |                                       |
| 1          | Purchase of fixed assets  | (70,144)                              | (47,090)                              |
| 2          | Proceeds from sale of fixed assets  | 193                                   | 356                                   |
| 3          | Purchase of investments   | (65,27,007)                           | (43,65,977)                           |
| 4          | Loans disbursed   | -                                     | -                                     |
| 5          | Sale of investments   | 18,39,597                             | 25,64,224                             |
| 6          | Repayments received   | -                                     | -                                     |
| 7          | Rents / Interests / Dividends received  | 6,96,786                              | 5,14,468                              |
| 8          | Investment in money market instruments and in liquid mutual funds (net)       | (1,84,932)                            | 4,91,183                              |
| 9          | Investment in Fixed Deposit(Net)  | 4,53,000                              | (3,17,100)                            |
|            | <b>Net cash flow from investing activities (B)</b>                            | <b>(37,92,507)</b>                    | <b>(11,59,936)</b>                    |
| III        | <b>Cash flows from financing activities</b>                                   |                                       |                                       |
| 1          | Proceeds from issuance of share capital / share premium                       | 31,69,998                             | 19,99,990                             |
| 2          | Share Issue Expenses  | (189)                                 | (160)                                 |
| 3          | Proceeds from borrowing (Debentures)  | -                                     | 6,80,000                              |
| 4          | Repayments of borrowing   | -                                     | -                                     |
| 5          | Interest / Dividend paid  | 14,034                                | -                                     |
| 6          | Debenture Issue Expenses  | -                                     | (37)                                  |
|            | <b>Net cash flow from financing activities (C)</b>                            | <b>31,83,843</b>                      | <b>26,79,793</b>                      |
|            | <b>Effect of foreign exchange rates on cash and cash equivalents, net (D)</b> | <b>-</b>                              | <b>-</b>                              |
|            | <b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>       | <b>(41,151)</b>                       | <b>1,18,248</b>                       |
|            | Cash and cash equivalents at the beginning of the year                        | <b>5,96,041</b>                       | <b>4,77,793</b>                       |
|            | Cash and cash equivalents at the end of the year*                             | <b>5,54,890</b>                       | <b>5,96,041</b>                       |

\* Reconciliation of cash and cash equivalents with the Balance Sheet:

|  |                 |                 |
|--|-----------------|-----------------|
| Cash and Bank balances   | 6,04,890        | 10,99,041       |
| Less: Deposit Accounts not considered as cash and cash equivalents as defined in AS-3 "Cash Flow Statements" and therefore included in purchase of investments | (50,000)        | (5,03,000)      |
| Cash and cash equivalents at the end of the year   | <b>5,54,890</b> | <b>5,96,041</b> |

As per our report of even date attached.

For and on behalf of the Board of Directors.

For CNK & Associates LLP  
Chartered Accountants  
Firm Regn No. 101961W/W-100036

**HIREN CHINUBHAI SHAH**  
Digitally signed by HIREN CHINUBHAI SHAH  
Date: 2023.04.28 22:09:18 +05'30'

Hiren Shah  
Partner  
Membership No. 100052

For V.P. Thacker & Co  
Chartered Accountants  
Firm Regn No. 118696W

**KALPANA SAGAR RAJPUKAR**  
Digitally signed by KALPANA SAGAR RAJPUKAR  
Date: 2023.04.28 19:03:31 +05'30'

Kalpna Rajpurkar  
Partner  
Membership No. 114928

**LUIS MIRANDA**  
Digitally signed by LUIS MIRANDA  
Date: 2023.04.28 17:39:52 +05'30'

Luis Miranda  
Chairman  
DIN: 01055493

**VAITHEESWARAN SEETHARAMAN**  
Digitally signed by VAITHEESWARAN SEETHARAMAN  
Date: 2023.04.28 18:11:33 +05'30'

S Vaitheeswaran  
Director  
DIN:01814726

**Rajeev Chitrabhanu**  
Digitally signed by Rajeev Chitrabhanu  
Date: 2023.04.28 18:37:46 +05'30'

Rajeev Chitrabhanu  
Director  
DIN 02174031

**Prasun Kumar Sikdar**  
Digitally signed by Prasun Kumar Sikdar  
Date: 2023.04.28 17:43:30 +05'30'

Prasun Sikdar  
Managing Director & CEO  
DIN: 08107956

**SRIKANTH KANDIKONDA**  
Digitally signed by SRIKANTH KANDIKONDA  
Date: 2023.04.28 19:03:31 +05'30'

Srikanth Kandikonda  
Chief Financial Officer

**Gauri Anirudh Takale**  
Digitally signed by Gauri Anirudh Takale  
Date: 2023.04.28 17:49:29 +05'30'

Gauri Takale  
Company Secretary  
Membership No. A26324



**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

**SCHEDULE 1 - PREMIUM EARNED (NET)**

Rs '000

| S.No | Particulars  | Health Insurance                      |                                       | Personal Accident                     |                                       | Consolidated Total                    |                                       |
|------|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|      |  | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 |
|      |  | Audited                               | Audited                               | Audited                               | Audited                               | Audited                               | Audited                               |
|      |  | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         |
| 1    | Premium from direct business written (Net of GST)    | 1,32,89,494                           | 97,15,959                             | 3,08,419                              | 1,45,814                              | 1,35,97,913                           | 98,61,773                             |
| 2    | Add: Premium on reinsurance accepted                 | -                                     | -                                     | -                                     | -                                     | -                                     | -                                     |
| 3    | Less : Premium on reinsurance ceded                  | 5,45,964                              | 5,01,023                              | 40,418                                | 18,736                                | 5,86,382                              | 5,19,759                              |
| 4    | <b>Net Premium</b>                                   | <b>1,27,43,530</b>                    | <b>92,14,936</b>                      | <b>2,68,001</b>                       | <b>1,27,078</b>                       | <b>1,30,11,531</b>                    | <b>93,42,014</b>                      |
| 5    | Adjustment for change in reserve for unexpired risks | 17,63,333                             | 10,72,091                             | 70,461                                | 20,078                                | 18,33,794                             | 10,92,169                             |
|      | <b>Total Premium Earned (Net)</b>                    | <b>1,09,80,197</b>                    | <b>81,42,845</b>                      | <b>1,97,540</b>                       | <b>1,07,000</b>                       | <b>1,11,77,737</b>                    | <b>82,49,845</b>                      |
|      | Premium Income from business effected :              |                                       |                                       |                                       |                                       |                                       |                                       |
|      | In India   | 1,09,81,287                           | 81,42,845                             | 1,96,450                              | 1,07,000                              | 1,11,77,737                           | 82,49,845                             |
|      | Outside India  | -                                     | -                                     | -                                     | -                                     | -                                     | -                                     |
|      | <b>Total Premium Earned (Net)</b>                    | <b>1,09,81,287</b>                    | <b>81,42,845</b>                      | <b>1,96,450</b>                       | <b>1,07,000</b>                       | <b>1,11,77,737</b>                    | <b>82,49,845</b>                      |

**SCHEDULE 2 - CLAIMS INCURRED (NET)**

**Rs '000**

| S.No | Particulars  | Health Insurance                      |                                       | Personal Accident                     |                                       | Consolidated Total                    |                                       |
|------|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|      |  | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 |
|      |  | Audited                               | Audited                               | Audited                               | Audited                               | Audited                               | Audited                               |
|      |  | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         |
|      | Claims paid  |                                       |                                       |                                       |                                       |                                       |                                       |
| 1    | Direct claims  | 72,07,173                             | 64,99,016                             | 41,095                                | 17,758                                | 72,48,268                             | 65,16,774                             |
| 2    | Add : Re-insurance accepted                            | -                                     | -                                     | -                                     | -                                     | -                                     | -                                     |
| 3    | Less : Re-insurance Ceded                              | 3,25,315                              | 3,24,849                              | 11,583                                | 990                                   | 3,36,898                              | 3,25,839                              |
|      | <b>Net Claims Paid</b>                                 | <b>68,81,858</b>                      | <b>61,74,167</b>                      | <b>29,512</b>                         | <b>16,768</b>                         | <b>69,11,370</b>                      | <b>61,90,935</b>                      |
| 4    | Add : Claims Outstanding at the end of the year        | 13,27,162                             | 10,14,766                             | 51,906                                | 47,784                                | 13,79,068                             | 10,62,550                             |
| 5    | Less : Claims Outstanding at the beginning of the year | 10,14,766                             | 9,23,866                              | 47,784                                | 45,784                                | 10,62,550                             | 9,69,650                              |
|      | <b>Total Claims Incurred</b>                           | <b>71,94,254</b>                      | <b>62,65,067</b>                      | <b>33,634</b>                         | <b>18,768</b>                         | <b>72,27,888</b>                      | <b>62,83,835</b>                      |

**SCHEDULE 3 - COMMISSION**

Rs '000

| S.No | Particulars  | Health Insurance                      |                                       | Personal Accident                     |                                       | Consolidated Total                    |                                       |
|------|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|      |  | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 |
|      |  | Audited                               | Audited                               | Audited                               | Audited                               | Audited                               | Audited                               |
|      |  | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         |
|      | <b>Commission paid</b>   |                                       |                                       |                                       |                                       |                                       |                                       |
| 1    | Direct Commission*   | 14,12,863                             | 10,81,652                             | 40,275                                | 18,247                                | 14,53,138                             | 10,99,899                             |
| 2    | Add: Re-insurance Accepted   | -                                     | -                                     | -                                     | -                                     | -                                     | -                                     |
| 3    | Less: Commission on Re-insurance Ceded   | 64,738                                | 89,401                                | 2,934                                 | 4,146                                 | 67,672                                | 93,547                                |
|      | <b>Net Commission</b>  | <b>13,48,125</b>                      | <b>9,92,251</b>                       | <b>37,341</b>                         | <b>14,101</b>                         | <b>13,85,466</b>                      | <b>10,06,352</b>                      |
|      | <b>Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:</b> |                                       |                                       |                                       |                                       |                                       |                                       |
|      | Agents   | 4,78,777                              | 3,82,813                              | 7,708                                 | 6,876                                 | 4,86,485                              | 3,89,689                              |
|      | Brokers  | 5,57,348                              | 3,72,077                              | 9,570                                 | (1,879)                               | 5,66,918                              | 3,70,198                              |
|      | Corporate Agency   | 3,65,621                              | 3,19,568                              | 22,942                                | 13,212                                | 3,88,563                              | 3,32,780                              |
|      | Referral   | -                                     | -                                     | -                                     | -                                     | -                                     | -                                     |
|      | Others   | 11,117                                | 7,194                                 | 55                                    | 38                                    | 11,172                                | 7,232                                 |
|      | <b>TOTAL (B)</b>   | <b>14,12,863</b>                      | <b>10,81,652</b>                      | <b>40,275</b>                         | <b>18,247</b>                         | <b>14,53,138</b>                      | <b>10,99,899</b>                      |

\*Includes an amount of Rs 227,619 thousand during the year ended 31st March 2023 (previous year ended 31st March 2022 Rs 119,109 thousand) towards Reward or Remuneration to Agents & Intermediaries

**SCHEDULE 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

Rs '000

| S.No | Particulars  | Health Insurance                      |                                       | Personal Accident                     |                                       | Consolidated Total                    |                                       |
|------|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|      |  | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 | For the Year Ended<br>31st March 2023 | For the Year Ended<br>31st March 2022 |
|      |  | Audited                               | Audited                               | Audited                               | Audited                               | Audited                               | Audited                               |
|      |  | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         | Miscellaneous                         |
| 1    | Employees' remuneration & welfare benefits             | 19,57,791                             | 16,80,160                             | 45,436                                | 25,215                                | 20,03,227                             | 17,05,375                             |
| 2    | Travel, conveyance and vehicle running expenses        | 46,729                                | 14,908                                | 1,084                                 | 224                                   | 47,813                                | 15,132                                |
| 3    | Training expenses                                      | 25,936                                | 1,01,043                              | 602                                   | 1,516                                 | 26,538                                | 1,02,559                              |
| 4    | Rents, rates & taxes                                   | 98,870                                | 89,517                                | 2,295                                 | 1,343                                 | 1,01,165                              | 90,860                                |
| 5    | Repairs  | 5,559                                 | 1,839                                 | 129                                   | 28                                    | 5,688                                 | 1,867                                 |
| 6    | Printing & stationery                                  | 17,328                                | 11,927                                | 402                                   | 179                                   | 17,730                                | 12,106                                |
| 7    | Communication  | 35,113                                | 38,062                                | 815                                   | 571                                   | 35,928                                | 38,633                                |
| 8    | Legal & professional charges                           | 2,87,069                              | 2,25,560                              | 6,663                                 | 3,385                                 | 2,93,732                              | 2,28,945                              |
| 9    | Auditors' fees, expenses etc                           |                                       |                                       |                                       |                                       |                                       |                                       |
|      | (a) as auditor (Statutory Auditor)                     | 2,346                                 | 2,167                                 | 54                                    | 33                                    | 2,400                                 | 2,200                                 |
|      | (b) as adviser or in any other capacity, in respect of | -                                     | -                                     | -                                     | -                                     | -                                     | -                                     |
|      | (i) Taxation matters (Tax Audit)                       | 147                                   | 99                                    | 3                                     | 1                                     | 150                                   | 100                                   |
|      | (ii) Insurance matters                                 | -                                     | -                                     | -                                     | -                                     | -                                     | -                                     |
|      | (iii) Management services; and                         | -                                     | -                                     | -                                     | -                                     | -                                     | -                                     |
|      | (c) in any other capacity - Others                     | 254                                   | 257                                   | 6                                     | 4                                     | 260                                   | 260                                   |
|      | (d) out of pocket expenses                             | 47                                    | 45                                    | 1                                     | 1                                     | 48                                    | 46                                    |
| 10   | Advertisement and publicity                            | 19,69,603                             | 12,17,964                             | 45,710                                | 18,279                                | 20,15,313                             | 12,36,243                             |
| 11   | Interest & Bank Charges                                | 29,437                                | 28,372                                | 683                                   | 426                                   | 30,120                                | 28,798                                |
| 12   | <b>Others</b>  |                                       |                                       |                                       |                                       |                                       |                                       |
|      | Membership and Subscription Fees                       | 5,908                                 | 5,112                                 | 137                                   | 77                                    | 6,045                                 | 5,189                                 |
|      | Information Technology Related Expenses                | 1,98,368                              | 1,62,102                              | 4,604                                 | 2,433                                 | 2,02,972                              | 1,64,535                              |
|      | Equipments, Software and amenities - Usage Cost        | 84,460                                | 44,479                                | 1,960                                 | 668                                   | 86,420                                | 45,147                                |
|      | Business Promotion                                     | 1,12,406                              | 1,31,773                              | 2,609                                 | 1,978                                 | 1,15,015                              | 1,33,751                              |
|      | Office Expenses  | 34,898                                | 28,449                                | 810                                   | 427                                   | 35,708                                | 28,876                                |
|      | Policy Related Expenses                                | 39,475                                | 36,444                                | 916                                   | 547                                   | 40,391                                | 36,991                                |
|      | Directors Sitting Fees                                 | 3,176                                 | 4,433                                 | 74                                    | 67                                    | 3,250                                 | 4,500                                 |
|      | Miscellaneous Expenses                                 | 2,984                                 | 257                                   | 69                                    | 4                                     | 3,053                                 | 261                                   |
|      | Foreign Exchange Gain/Loss                             | 4,110                                 | 822                                   | 95                                    | 12                                    | 4,205                                 | 835                                   |
| 13   | Depreciation   | 1,03,365                              | 93,462                                | 2,399                                 | 1,403                                 | 1,05,764                              | 94,865                                |
|      | <b>TOTAL</b>   | <b>50,65,379</b>                      | <b>39,19,253</b>                      | <b>1,17,556</b>                       | <b>58,820</b>                         | <b>51,82,935</b>                      | <b>39,78,074</b>                      |

**SCHEDULE 5 - SHARE CAPITAL**

| S.No | Particulars   | Rs '000                  |                          |
|------|---|--------------------------|--------------------------|
|      |   | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|      |   | Audited                  | Audited                  |
| 1    | Authorised Capital  | 1,50,00,000              | 1,50,00,000              |
|      | 150,00,00,000 (Previous Year: 1,500,000,000) Equity Shares of Rs. 10 each                   |                          |                          |
| 2    | Issued Capital  | 1,34,40,355              | 1,11,76,186              |
|      | 1,344,035,478 (Previous Year: 1,117,618,566) Equity Shares of Rs. 10 each                   |                          |                          |
| 3    | Subscribed Capital  | 1,34,40,355              | 1,11,76,186              |
|      | 1,344,035,478 (Previous Year: 1,117,618,566) Equity Shares of Rs. 10 each                   |                          |                          |
| 4    | Called-up Capital   | 1,34,40,355              | 1,11,76,186              |
|      | 1,344,035,478 (Previous Year: 1,117,618,566) Equity Shares of Rs. 10 each                   |                          |                          |
|      | Less : Calls unpaid   | -                        | -                        |
|      | Add : Equity Shares forfeited (amount originally paid up)                                   | -                        | -                        |
|      | Less : Par Value of Equity Shares bought back   | -                        | -                        |
|      | Less : Preliminary Expenses   | -                        | -                        |
|      | Less : Expenses including commission or brokerage on underwriting or subscription of shares | -                        | -                        |
|      | <b>TOTAL</b>  | <b>1,34,40,355</b>       | <b>1,11,76,186</b>       |

**SCHEDULE 5A - PATTERN OF SHAREHOLDING SCHEDULE (As certified by the management)**

| Shareholder  | As at 31st March 2023 |              | As at 31st March 2022 |              |
|--------------|-----------------------|--------------|-----------------------|--------------|
|              | Number of Shares      | % of Holding | Number of Shares      | % of Holding |
| Promoters    |                       |              |                       |              |
| - Indian     | 68,54,58,120          | 51%          | 56,99,85,492          | 51%          |
| - Foreign    | 65,85,77,358          | 49%          | 54,76,33,074          | 49%          |
| Others       |                       |              |                       |              |
| <b>TOTAL</b> | <b>1,34,40,35,478</b> | <b>100%</b>  | <b>1,11,76,18,566</b> | <b>100%</b>  |



#### SCHEDULE 6 - RESERVES AND SURPLUS

|      |  | Rs '000                  |                          |
|------|--|--------------------------|--------------------------|
| S.No | Particulars                                    | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|      |  | Audited                  | Audited                  |
|      |  |                          |                          |
| 1    | Capital Reserve                                | -                        | -                        |
| 2    | Capital Redemption Reserve                     | -                        | -                        |
| 3    | Share Premium                                  | 44,47,292                | 35,41,464                |
| 4    | General Reserves                               | -                        | -                        |
|      | Less: Debit balance in Profit and Loss Account | -                        | -                        |
|      | Less: Amount utilized for Buy-back             | -                        | -                        |
| 5    | Catastrophe Reserve                            | -                        | -                        |
| 6    | Other Reserves                                 | -                        | -                        |
| 7    | Balance of Profit in Profit & Loss Account     | -                        | -                        |
|      | <b>TOTAL</b>                                   | <b>44,47,292</b>         | <b>35,41,464</b>         |

## SCHEDULE 7 - BORROWINGS

|      |                               | Rs '000                  |                          |
|------|-------------------------------|--------------------------|--------------------------|
| S.No | Particulars                   | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|      |                               | Audited                  | Audited                  |
|      |                               |                          |                          |
| 1    | 9% Non-Convertible Debentures | 11,10,000                | 11,10,000                |
| 2    | Banks                         | -                        | -                        |
| 3    | Financial Institutions        | -                        | -                        |
| 4    | Others                        | -                        | -                        |
|      | <b>TOTAL</b>                  | <b>11,10,000</b>         | <b>11,10,000</b>         |

**SCHEDULE 8 - INVESTMENTS - SHAREHOLDERS**

| S.No | Particulars   | Rs '000               |                       |
|------|---|-----------------------|-----------------------|
|      |   | As at 31st March 2023 | As at 31st March 2022 |
|      |   | Audited               | Audited               |
|      | <b>In India</b>   |                       |                       |
|      | <b>LONG TERM INVESTMENTS</b>  |                       |                       |
| 1    | Government securities and Government guaranteed bonds including Treasury Bills (Refer Note 1) | 11,10,316             | 7,34,670              |
| 2    | Other Approved Securities   | 12,43,133             | 7,93,459              |
| 3    | Other Investments   |                       |                       |
|      | (a) Shares  | -                     | -                     |
|      | (aa) Equity   | -                     | -                     |
|      | (bb) Preference   | -                     | -                     |
|      | (b) Mutual Funds  | -                     | -                     |
|      | (c) Derivative Instruments  | -                     | -                     |
|      | (d) Debentures/ Bonds   | 9,97,531              | 2,06,478              |
|      | (e) Other Securities  | -                     | -                     |
|      | (f) Subsidiaries  | -                     | -                     |
|      | (g) Investment Properties-Real Estate   | -                     | -                     |
| 4    | Investments in Infrastructure and Social Sector   | 7,82,930              | 8,39,682              |
| 5    | Other than Approved Investments   | -                     | -                     |
|      | Less : Provisions for doubtful debts  | -                     | -                     |
|      | <b>Sub-total</b>  | -                     | -                     |
|      | <b>TOTAL OF LONG TERM INVESTMENTS</b>   | <b>41,33,910</b>      | <b>25,74,289</b>      |
|      | <b>SHORT TERM INVESTMENTS</b>   |                       |                       |
| 1    | Government securities and Government guaranteed bonds including Treasury Bills                | 51,018                | 98,286                |
| 2    | Other Approved Securities   | -                     | -                     |
| 3    | Other Investments   | -                     | -                     |
|      | (a) Shares  | -                     | -                     |
|      | (aa) Equity   | -                     | -                     |
|      | (bb) Preference   | -                     | -                     |
|      | (b) Mutual Funds  | 33,054                | 18,697                |
|      | (c) Derivative Instruments  | -                     | -                     |
|      | (d) Debentures/ Bonds   | 1,00,269              | 1,00,325              |
|      | (e) Other Securities - Certificate of Deposit/Commercial Paper                                | -                     | -                     |
|      | (f) Subsidiaries  | -                     | -                     |
|      | (g) Investment Properties-Real Estate   | -                     | -                     |
| 4    | Investments in Infrastructure and Social Sector   | 2,50,168              | -                     |
| 5    | Other than Approved Investments   | 30,015                | 5,593                 |
|      | Less : Provisions for doubtful debts  | -                     | -                     |
|      | <b>Sub-total</b>  | 30,015                | 5,593                 |
|      | <b>TOTAL OF SHORT TERM INVESTMENTS</b>  | <b>4,64,524</b>       | <b>2,22,901</b>       |
|      | <b>TOTAL</b>  | <b>45,98,434</b>      | <b>27,97,190</b>      |

**Notes:**

- Aggregate historical cost of investments other than listed equity securities and derivative instruments is Rs.4,569,994 Thousand (Previous Year - Rs.2,791,282 Thousand). Aggregate market value of such investments as at 31.03.2023 is Rs. 4,443,745 Thousand (Previous Year - Rs. 2,743,776 Thousand)
- IRDA vide circular no : IRDAI/F&A/CIR/CPM/056/03/2016, dated 04th April 2016, the company has segregated the Policyholders and Shareholders funds.

**SCHEDULE 8A - INVESTMENTS - POLICYHOLDERS**

| S.No | Particulars   | Rs '000               |                       |
|------|---|-----------------------|-----------------------|
|      |   | As at 31st March 2023 | As at 31st March 2022 |
|      |   | Audited               | Audited               |
|      | <b>In India</b>   |                       |                       |
|      | <b>LONG TERM INVESTMENTS</b>  |                       |                       |
| 1    | Government securities and Government guaranteed bonds including Treasury Bills (Refer Note 1) | 18,48,642             | 12,47,842             |
| 2    | Other Approved Securities   | 24,11,982             | 14,07,608             |
| 3    | Other Investments   | -                     | -                     |
|      | (a) Shares  | -                     | -                     |
|      | (aa) Equity   | -                     | -                     |
|      | (bb) Preference   | -                     | -                     |
|      | (b) Mutual Funds  | -                     | -                     |
|      | (c) Derivative Instruments  | -                     | -                     |
|      | (d) Debentures/ Bonds   | 13,26,947             | 8,41,430              |
|      | (e) Other Securities  | -                     | -                     |
|      | (f) Subsidiaries  | -                     | -                     |
|      | (g) Investment Properties-Real Estate   | -                     | -                     |
| 4    | Investments in Infrastructure and Housing   | 22,22,628             | 18,91,614             |
| 5    | Other than Approved Investments   | -                     | -                     |
|      | Less : Provisions for doubtful debts  | -                     | -                     |
|      | <b>Sub-total</b>  | -                     | -                     |
|      | <b>TOTAL OF LONG TERM INVESTMENTS</b>   | <b>78,10,199</b>      | <b>53,88,494</b>      |
|      | <b>SHORT TERM INVESTMENTS</b>   | -                     | -                     |
| 1    | Government securities and Government guaranteed bonds including Treasury Bills                | 4,01,620              | 2,50,640              |
| 2    | Other Approved Securities   | -                     | -                     |
| 3    | Other Investments   | -                     | -                     |
|      | (a) Shares  | -                     | -                     |
|      | (aa) Equity   | -                     | -                     |
|      | (bb) Preference   | -                     | -                     |
|      | (b) Mutual Funds  | 2,17,300              | 1,00,669              |
|      | (c) Derivative Instruments  | -                     | -                     |
|      | (d) Debentures/ Bonds   | 4,01,230              | 2,00,956              |
|      | (e) Other Securities - Certificate of Deposit/Commercial Paper                                | -                     | -                     |
|      | (f) Subsidiaries  | -                     | -                     |
|      | (g) Investment Properties-Real Estate   | -                     | -                     |
| 4    | Investments in Infrastructure and Housing   | 6,50,304              | 5,55,718              |
| 5    | Other than Approved Investments   | 42,547                | 7,792                 |
|      | Less : Provisions for doubtful debts  | -                     | -                     |
|      | <b>Sub-total</b>  | <b>42,547</b>         | <b>7,792</b>          |
|      | <b>TOTAL OF SHORT TERM INVESTMENTS</b>  | <b>17,13,001</b>      | <b>11,15,775</b>      |
|      | <b>TOTAL</b>  | <b>95,23,200</b>      | <b>65,04,269</b>      |

**Notes:**

- Aggregate historical cost of investments other than listed equity securities and derivative instruments is Rs.9,347,996 Thousand (Previous Year - Rs.6,463,630 Thousand). Aggregate market value of such investments as at 31.03.2023 is Rs.9,097,753 Thousand (Previous Year - Rs. 6,353,738 Thousand)
- IRDA vide circular no : IRDAI/F&A/CIR/CPM/056/03/2016, dated 04th April 2016, the company has segregated the Policyholders and Shareholders funds.

## SCHEDULE 9 - LOANS

|      |  | Rs '000                  |                          |
|------|--|--------------------------|--------------------------|
| S.No | Particulars                              | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|      |  | Audited                  | Audited                  |
| 1    | SECURITY-WISE CLASSIFICATION             |                          |                          |
|      | Secured                                  |                          |                          |
|      | (a) On mortgage of property              |                          |                          |
|      | (aa) In India                            | -                        | -                        |
|      | (bb) Outside India                       | -                        | -                        |
|      | (b) On Shares, Bonds, Govt. Securities   | -                        | -                        |
|      | (c) Others                               | -                        | -                        |
|      | Unsecured                                | -                        | -                        |
|      | <b>TOTAL</b>                             | -                        | -                        |
| 2    | BORROWER-WISE CLASSIFICATION             |                          |                          |
|      | (a) Central and State Governments        | -                        | -                        |
|      | (b) Banks and Financial Institutions     | -                        | -                        |
|      | (c) Subsidiaries                         | -                        | -                        |
|      | (d) Industrial Undertakings              | -                        | -                        |
|      | (e) Others                               | -                        | -                        |
|      | <b>TOTAL</b>                             | -                        | -                        |
| 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                       | -                        | -                        |
|      | <b>TOTAL</b>                             | -                        | -                        |
| 4    | MATURITY-WISE CLASSIFICATION             |                          |                          |
|      | (a) Short Term                           | -                        | -                        |
|      | (b) Long Term                            | -                        | -                        |
|      | <b>TOTAL</b>                             | -                        | -                        |

**SCHEDULE 10 - FIXED ASSETS**

**Rs '000**

| Particulars   | Cost / Gross Block   |                           |   |                       | Depreciation         |                    |   |                       | Net Block             |                       |
|---|----------------------|---------------------------|---|-----------------------|----------------------|--------------------|---|-----------------------|-----------------------|-----------------------|
|   | As at 1st April 2022 | Additions during the year | Deductions/ adjustments during the year | As at 31st March 2023 | As at 1st April 2022 | For the year ended | Deductions/ adjustments during the year | As at 31st March 2023 | As at 31st March 2023 | As at 31st March 2022 |
|   | Audited              | Audited                   | Audited                                 | Audited               | Audited              | Audited            | Audited                                 | Audited               | Audited               | Audited               |
| Goodwill  | -                    | -                         | -                                       | -                     | -                    | -                  | -                                       | -                     | -                     | -                     |
| Intangibles (Software)  | 2,65,562             | 78,337                    | -                                       | 3,43,899              | 1,51,239             | 76,303             | -                                       | 2,27,542              | 1,16,357              | 1,14,323              |
| Land-Freehold   | -                    | -                         | -                                       | -                     | -                    | -                  | -                                       | -                     | -                     | -                     |
| Leasehold Improvements  | 38,799               | 590                       | (2,219)                                 | 37,170                | 34,111               | 2,094              | (1,889)                                 | 34,316                | 2,854                 | 4,688                 |
| Buildings   | -                    | -                         | -                                       | -                     | -                    | -                  | -                                       | -                     | -                     | -                     |
| Furniture & Fittings  | 12,661               | 802                       | (885)                                   | 12,578                | 9,988                | 1,177              | (735)                                   | 10,430                | 2,148                 | 2,673                 |
| IT Equipments   | 1,55,939             | 12,466                    | -                                       | 1,68,405              | 96,276               | 23,815             | -                                       | 1,20,091              | 48,314                | 59,663                |
| Vehicles  | -                    | -                         | -                                       | -                     | -                    | -                  | -                                       | -                     | -                     | -                     |
| Office Equipment  | 17,579               | 835                       | (539)                                   | 17,875                | 12,771               | 2,375              | (453)                                   | 14,693                | 3,182                 | 4,808                 |
| Others  | -                    | -                         | -                                       | -                     | -                    | -                  | -                                       | -                     | -                     | -                     |
| <b>TOTAL</b>  | <b>4,90,540</b>      | <b>93,030</b>             | <b>(3,643)</b>                          | <b>5,79,927</b>       | <b>3,04,385</b>      | <b>1,05,764</b>    | <b>(3,077)</b>                          | <b>4,07,072</b>       | <b>1,72,855</b>       | <b>1,86,155</b>       |
| Capital Work in progress (including intangible under development) | 50,240               | 57,877                    | (80,655)                                | 27,462                | -                    | -                  | -                                       | -                     | 27,462                | 50,240                |
| <b>Grand Total</b>  | <b>5,40,780</b>      | <b>1,50,907</b>           | <b>(84,298)</b>                         | <b>6,07,389</b>       | <b>3,04,385</b>      | <b>1,05,764</b>    | <b>(3,077)</b>                          | <b>4,07,072</b>       | <b>2,00,317</b>       | <b>2,36,395</b>       |
| <b>Previous Year</b>  | <b>4,94,599</b>      | <b>1,77,660</b>           | <b>(1,31,480)</b>                       | <b>5,40,780</b>       | <b>2,10,210</b>      | <b>94,866</b>      | <b>(691)</b>                            | <b>3,04,385</b>       | <b>2,36,395</b>       | <b>2,84,388</b>       |



#### SCHEDULE 11 - CASH AND BANK BALANCE

| S.No | Particulars  | Rs '000                  |                          |
|------|--|--------------------------|--------------------------|
|      |  | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|      |  | Audited                  | Audited                  |
| 1    | Cash (including cheques, drafts and stamps)          | 22,873                   | 18,977                   |
| 2    | Bank Balances  |                          |                          |
|      | (a) Deposit Accounts                                 |                          |                          |
|      | (aa) Short-term (due within 12 months)               | 1,50,000                 | 7,54,800                 |
|      | (bb) Others *  | 2,500                    | 2,500                    |
|      | (b) Current Accounts                                 | 4,29,517                 | 3,22,764                 |
|      | (c) Others   | -                        | -                        |
| 3    | Money at Call and Short Notice                       |                          |                          |
|      | (a) With Banks                                       | -                        | -                        |
|      | (b) With other Institutions                          | -                        | -                        |
| 4    | Others   | -                        | -                        |
|      | <b>TOTAL</b>   | <b>6,04,890</b>          | <b>10,99,041</b>         |
|      | Balance with non-scheduled banks included in 2 above | -                        | -                        |

\* Deposit of Rs 2,500 thousand has been lien marked with bank

## SCHEDULE 12 - ADVANCES AND OTHER ASSETS

|      |   | Rs '000                  |                          |
|------|---|--------------------------|--------------------------|
| S.No | Particulars   | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|      |   | Audited                  | Audited                  |
|      | <b>ADVANCES</b>   |                          |                          |
| 1    | Reserve deposits with ceding companies  | -                        | -                        |
| 2    | Application money for investments   | -                        | -                        |
| 3    | Prepayments   | 29,885                   | 29,987                   |
| 4    | Advances to Directors/Officers  | -                        | -                        |
| 5    | Advance tax paid and taxes deducted at source (Net of provision for taxation) | 3,112                    | 3,996                    |
| 6    | Others  |                          |                          |
|      | Security Deposits   | 47,372                   | 41,373                   |
|      | Advance to Employees against expenses   | 8,580                    | 5,592                    |
|      | Less : Provisions for doubtful debts  | (6,693)                  | (4,015)                  |
|      | <b>Sub-total</b>  | <b>1,887</b>             | <b>1,577</b>             |
|      | Advance to others   | 1,26,094                 | 65,311                   |
|      | <b>TOTAL (A)</b>  | <b>2,08,350</b>          | <b>1,42,244</b>          |
|      | <b>OTHER ASSETS</b>   |                          |                          |
| 1    | Income accrued on investments   | 3,43,801                 | 2,52,979                 |
| 2    | Outstanding Premiums  | 5,571                    | 8,484                    |
| 3    | Receivable from Agents  | 5,571                    | 4,773                    |
|      | Less : Provisions for doubtful debts  | (4,644)                  | (4,773)                  |
|      | <b>Sub-total</b>  | <b>927</b>               | -                        |
| 4    | Recoverable unallocated premium   | 6,208                    | 4,320                    |
|      | Less : Provisions for doubtful debts  | (2,152)                  | (2,944)                  |
|      | <b>Sub-total</b>  | <b>4,056</b>             | <b>1,376</b>             |
| 5    | Excess refund recoverable from policyholders                                  | 1,833                    | 2,336                    |
|      | Less : Provisions for doubtful debts  | (1,514)                  | (1,915)                  |
|      | <b>Sub-total</b>  | <b>319</b>               | <b>421</b>               |
| 6    | Excess claim recoverable  | 1,289                    | 1,568                    |
|      | Less : Provisions for doubtful debts  | (985)                    | (1,276)                  |
|      | <b>Sub-total</b>  | <b>304</b>               | <b>292</b>               |
| 7    | Foreign Agencies Balances   | -                        | -                        |
| 8    | Due from other entities carrying on insurance business (including reinsurers) | -                        | -                        |
| 9    | Due from subsidiaries/ holding  | -                        | -                        |
| 10   | Deposit with Reserve Bank of India  | -                        | -                        |
| 11   | Others  |                          |                          |
|      | GST Input Tax Credit  | 1,87,679                 | 22,907                   |
|      | Less : Provisions for doubtful debts  | -                        | -                        |
|      | Deposit with GST Authority (Refer note 3.14 of Schedule 16)                   | 55,187                   |                          |
|      | <b>Sub-total</b>  | <b>2,42,866</b>          | <b>22,907</b>            |
|      | Investment For Unclaimed Amount*  | 27,400                   | 13,861                   |
|      | Income on Unclaimed Amount of Policyholders (Investment)                      | 302                      | 1,873                    |
|      | Sundry Receivable   | -                        |                          |
|      | <b>TOTAL (B)</b>  | <b>6,25,546</b>          | <b>3,02,193</b>          |
|      | <b>TOTAL (A+B)</b>  | <b>8,33,896</b>          | <b>4,44,437</b>          |

\* Investment for Unclaimed Amount includes reinvestment of Income on Investment for Unclaimed Amount

### SCHEDULE 13 - CURRENT LIABILITIES

| S.No | Particulars  | Rs '000               |                       |
|------|--|-----------------------|-----------------------|
|      |  | As at 31st March 2023 | As at 31st March 2022 |
|      |  | Audited               | Audited               |
|      |  |                       |                       |
| 1    | Agents' Balances   | 96,929                | 91,359                |
| 2    | Balances due to other insurance companies                          | 87,443                | 37,911                |
| 3    | Deposits held on re-insurance ceded                                | -                     | -                     |
| 4    | Premiums received in advance                                       | 90,945                | 82,655                |
| 5    | Unallocated Premium  | 10,97,275             | 6,33,364              |
| 6    | Unclaimed Amount of Policyholders (Refer note 3.17 of Schedule 16) | 20,954                | 12,218                |
| 7    | Income on Unclaimed Amount of Policyholders                        | 3,929                 | 1,873                 |
| 8    | Sundry creditors   | 45,751                | 59,697                |
| 9    | Due to subsidiaries/ holding company                               | -                     | -                     |
| 10   | Claims Outstanding*  | 13,79,069             | 10,62,551             |
| 11   | Due to Officers/ Directors   | -                     | -                     |
| 12   | Others -   |                       |                       |
|      | Statutory Dues   | 3,65,031              | 2,26,900              |
|      | Refund Payable - Premium   | 18,871                | 13,901                |
|      | Provision for expenses   | 14,23,830             | 7,33,734              |
|      | Stale Cheque   | 322                   | -                     |
|      | Employee Related Liability   | 1,634                 | 5,257                 |
|      | Claims Payable   | 1,757                 | 4,492                 |
|      | Interest accrued and due on Borrowings                             | 2,03,106              | 1,38,742              |
|      | <b>TOTAL</b>   | <b>48,36,846</b>      | <b>31,04,654</b>      |

\*Claims Outstanding are shown net of reinsurance

#### SCHEDULE 14 - PROVISIONS

| Rs '000 |   |                          |                          |
|---------|---|--------------------------|--------------------------|
| S.No    | Particulars   | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|         |   | Audited                  | Audited                  |
|         |   |                          |                          |
| 1       | Reserve for Unexpired Risk  | 65,05,765                | 46,71,005                |
| 2       | For taxation (less advance tax paid and taxes deducted at source)                 | -                        | -                        |
| 3       | For proposed dividends  | -                        | -                        |
| 4       | For dividend distribution tax   | -                        | -                        |
| 5       | Others  |                          |                          |
|         | Provision for Gratuity (Net of Contribution towards Employee Gratuity Fund Trust) | 5,933                    | 55,891                   |
|         | Provision for Leave Encashment  | 28,904                   | 26,599                   |
|         | Deferred Tax Liability  | -                        | -                        |
|         | Freelook Reserve  | 5,402                    | 6,367                    |
| 6       | Reserve for Premium Deficiency  | -                        | -                        |
|         | <b>TOTAL</b>  | <b>65,46,004</b>         | <b>47,59,862</b>         |

#### SCHEDULE 15 - MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Rs '000

| S.No | Particulars                                     | As at 31st<br>March 2023 | As at 31st<br>March 2022 |
|------|---|--------------------------|--------------------------|
|      |   | Audited                  | Audited                  |
|      |   |                          |                          |
| 1    | Discount Allowed in issue of shares/ debentures | -                        | -                        |
| 2    | Others  | -                        | -                        |
|      | <b>Total</b>                                    | <b>-</b>                 | <b>-</b>                 |

## **16 - Significant accounting policies and Notes to Financial Statements**

### **1. Background**

ManipalCigna Health Insurance Company Limited (erstwhile known as CignaTTK Health Insurance Company Limited) was incorporated on 12<sup>th</sup> March 2012, as a company under The Companies Act, 1956. The Company received the license to commence business from the Insurance Regulatory and Development Authority of India (IRDAI) on 13<sup>th</sup> November 2013, to transact and underwrite health Insurance business under the miscellaneous segment in India.

The Company is a joint venture between Manipal Education and Medical Group India Private Limited (9.21%), MEMG Fund Advisors LLP (41.79%), and Cigna Holdings Overseas, Inc. (49%).

### **2. Significant Accounting Policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP) and comply with the applicable accounting standards referred to in section 133 of the Companies Act, 2013, and in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable), in the manner so required and current practices prevailing within the insurance industry in India. Accounting policies applied have been consistent with the previous year, except where differential treatment is required as per new pronouncements made by the regulatory authorities.

#### **2.2 Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities in the financial Statements. The estimates and assumptions used in the accompanying 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 the estimates and assumptions used in preparing the accompanying financial statements. Differences between actual and estimates are recognised in the year in which the actual materialises, or are known. Any revision to accounting estimates is recognised prospectively in the year in which such revision is made.

## **2.3 Revenue recognition**

### **(i) Premium**

Premium (net of goods and service tax) is recognised as income over the contract period or the period of risk, whichever is appropriate, on a gross basis. Any subsequent revisions to or cancellations of premiums are recognised in the year in which they occur. Premium received in advance represents premium received prior to commencement of the risk.

### **(ii) Interest / dividend income**

Interest income is recognised on accrual basis and dividend income is recognised when the right to receive the dividend is established.

### **(iii) Premium / discount on purchase of investments**

Premium or discount on acquisition, as the case may be, in respect of Debt securities, is amortized / accreted on yield to maturity (YTM) basis over the period of maturity / holding.

### **(iv) Profit / loss on sale of securities**

Profit or loss on sale / redemption of securities is recognised on trade date basis and includes effects of accumulated fair value changes, previously recognised and debited / credited to Fair Value Change, for specific investments sold / redeemed during the year.

### **(v) Commission on Reinsurance Ceded**

Commission received on reinsurance ceded is recognised as income in the year in which reinsurance premium is ceded. Profit commission under reinsurance treaties recognised in the year of determination of the profits as per the terms of the treaties.

## **2.4 Reinsurance Ceded**

Premium ceded on reinsurance is recognised as and when incurred and due and in accordance with the Reinsurance treaties with the Reinsurer. Any subsequent revision to, refunds or cancellations of premiums are recognized in the year in which they occur.



## **2.5 Acquisition costs**

Acquisition costs, defined as costs that vary with, and are primarily related to, the acquisition of insurance contracts viz., commission, rewards and recognition, policy issue expenses etc., are expensed in the year in which they are incurred.

## **2.6 Reserve for unexpired risk**

Represents that part of the net premium (i.e., premium, net of reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Company under contractual obligations on contract period basis or risk period basis. Effective financial year 2016-17, such reserves are recognised at 50% of Net Written Premium of preceding 12 months basis.

## **2.7 Premium deficiency**

Premium deficiency is recognised for the Company as a whole on an annual basis. Premium deficiency is recognised if the sum of the expected claim costs, related expenses and maintenance cost (related to claims handling) exceeds related reserve for unexpired risk. The expected claim costs are calculated and duly certified by the Appointed Actuary.

## **2.8 Claims**

Claims incurred comprises of claims paid (net of recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER'). Further, claims incurred also include claim related and specific claim settlement costs.

## **2.9 Claims Incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER)**

IBNR represents that amount of all claims that may have been incurred prior to the end of the current accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims incurred but not enough reported (IBNER). The said liability is determined based on actuarial principles by the Appointed Actuary. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI and, accordingly, the liability determined is certified as adequate by the Actuary.

## 2.10 Property Plant and Equipment and Depreciation / Amortisation

### (i) Tangible assets

Tangible assets are stated at cost less accumulated depreciation. Depreciation is provided on the straight-line method, on pro-rata basis from the month in which the asset is ready for use, in accordance with the provisions of Schedule II of the Companies Act, 2013. All assets individually costing up to Rs. 5,000 are fully depreciated / amortised in the year in which they are acquired.

Assets not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

### (ii) Intangible assets

Intangible assets comprising software are stated at cost less amortization. Significant expenditure on improvements to software are capitalized when it is probable that such expenditure will enable the asset to generate future economic benefits. Significant improvements to software are capitalized and amortized over the remaining useful life of such improvements made. All assets individually costing up to Rs. 5,000 are fully depreciated / amortized in the year in which they are acquired. Assets not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

### (iii) Depreciation

| Asset Class  | Estimated Useful Life | Useful Life as per Companies Act, 2013 |
|--|-----------------------|--|
| Information Technology Equipment – Servers and Network | 6 years               | 6 years                                |
| Information Technology Equipment – End-user devices    | 3 years               | 3 years                                |
| Computer Software                                      | 3 years               | 3 years                                |
| Office Equipment                                       | 5 years               | 5 years                                |
| Furniture and Fixtures*                                | 5 years               | 10 years                               |

The Estimated useful life of leasehold Improvements is 5 Years or remaining lease period which is shorter.

\* In respect of furniture & fixtures life of the asset has been assessed as five years, considering the nature of the asset, the estimated usage, operating conditions of the asset and past replacement history.

## 2.11 Investments

Investments are recorded on trade date at cost. Cost includes brokerage, transaction taxes as applicable, etc. and excludes pre-acquisition interest, if any.

### (i) Classification:

Investments maturing within twelve months from the balance sheet date and investments made with the specific intention to dispose of within twelve months from the balance sheet date, are classified as short-term investments. Investments other than short term investments are classified as long-term investments.

### (ii) Valuation:

#### Debt Securities

All debt securities are considered as 'held to maturity' and, accordingly, stated at historical cost and are adjusted for amortization of premium or accretion of discount on yield to maturity (YTM) basis in the revenue accounts and profit and loss account over the period held to maturity / holding. The realized gain or loss on the securities is the difference between the sale consideration and the amortized cost in the books of the Company as on the date of sale.

#### Mutual Funds

All mutual fund investments are valued at net asset value as at the Balance Sheet date. In accordance with the Regulations, any unrealised gains / losses arising due to change in fair value of mutual fund investments are accounted in "Fair Value Change Account".

The investments have been segregated into Policyholder's and Shareholder's fund at the security level, as per the IRDAI circular no. IRDAI/F&A/CIR/056/03/2016 dated April 4, 2016 and, accordingly, investment income has also stands segregated between Policyholder's and Shareholder's fund.

#### Investment Impairment Policy

The Company assesses, whether any diminution other than temporary has occurred on its investments in debt securities or units of mutual fund, at each Balance Sheet date. If any such indication exists, then carrying value of such investment is reduced to its recoverable amount/market value on the Balance Sheet date and the impairment loss is recognised in the Profit and Loss Account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists then impairment loss, earlier recognised in Profit and loss Account, is reversed in Profit and loss account and the investment is restated to that extent.

## 2.12 Employee Retirement Benefits

### Short term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the year in which the employee renders the related service.

### Long term employee benefits

#### a) Defined Contribution Plans:

##### Provident Fund

Provident Fund is a defined contribution scheme and contributions payable by the Company to the Regional Provident Fund Authority are provided on the basis of prescribed percentage of salary and are expensed in the year when the contributions are made.

#### b) Defined Benefit Plans:

##### Gratuity

Gratuity benefit, a defined benefit scheme, is provided on the basis of actuarial valuation, including actuarial gains / losses at the balance sheet date and the incremental liability for the year is charged as an expense.

#### c) Other Long Term Employee Benefits

##### **Compensated Absences**

Compensated absences are provided for based on actuarial valuation including actuarial gains / losses at balance sheet date and are charged as expense in the relevant period of valuation.

#### d) Employee Stock Option Plan (ESOP)

The Company follows the intrinsic method for computing the compensation cost, for options granted under the Plan in accordance with the Accounting Standard and Guidance note issued ICAI. The difference if any, between the fair value of the share and the grant price, being the compensation cost is amortised over the vesting period of the options.

### **2.13 Leases**

Lease arrangements, wherein the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease Rent under operating leases is recognised in the revenue account or profit and loss account, as appropriate on a straight line basis, over the period of the lease.

### **2.14 Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Foreign exchange denominated monetary assets and liabilities are restated at the rates prevalent at the date of the balance sheet. Exchange difference either on settlement or on translation is recognised in the Revenue Accounts or Profit and Loss Account, as applicable.

### **2.15 Income Taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### **2.16 Impairment of assets**

The carrying values of assets forming part of any cash generating units at Balance Sheet date are reviewed for impairment at each balance sheet date. If any indication for such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. 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.

## **2.17 Goods and Services Tax**

Goods and Services Tax (GST) collected is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized credits, if any, are carried forward under “Advances and other Assets” in Schedule 12, for adjustment in subsequent years.

## **2.18 Provisions and Contingencies**

A provision is recognised when an enterprise has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised or disclosed in the balance sheet.

## **2.19 Earnings per share**

The basic earnings per share is computed by dividing the net profit / loss in the Profit and Loss Account attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the reporting year. The number of shares used in computing diluted EPS comprises of weighted average number of shares considered for deriving basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

## **2.20 Segment Reporting**

In the case of Health Insurance business, based on the primary segments identified under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002, read with AS 17 on “Segment Reporting” issued by Institute of Chartered Accountants of India, the Company has classified and disclosed segment information for Health Insurance and Personal Accident Insurance.

There are no reportable geographical segments, since all business is written in India.

The allocation of revenue and expenses to specific segments is done in the following manner, which is applied on a consistent basis.

Income and expenses which are directly identifiable to the business segments are allocated on actuals;

Income and expenditure (including depreciation) which are not directly identifiable to the business segments are apportioned on either of the following, as may be appropriate:

- Gross written premium; and
- Number of policies
- Commission

The method of apportionment is decided by the management, based on the nature of the expenses and their logical correlation with various business segments, wherever possible.

### **2.21 Receipts and Payments Account**

- a) 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.

**b) Cash (including cheques, drafts and stamps)**

Cash 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.

### **2.22 Unclaimed amount of policyholders**

Assets held for unclaimed amount of policyholders is created and maintained in accordance with the requirement of IRDAI Master Circular on “Unclaimed Amounts of Policyholders” dated July 25, 2017 and Investment Regulations, 2016 as amended from time to time:

Unclaimed amount of policyholders is invested in money market instruments and / or fixed deposits of scheduled banks which is valued at historical cost or market value whichever is lower.

Income on unclaimed amount of policyholders (net of fund management charges) is credited to the respective unclaimed account and is accounted for on an accrual basis.

### **2.23 Share & debenture issue expenses**

The share and debenture issue expenses shall be written off to the Profit and Loss Account in the same financial year in which they are incurred.



### 3. Notes to Accounts forming part of Financial Statements

#### 3.1 Contingent Liabilities

| Particulars   | Rs' 000               |                       |
|---|-----------------------|-----------------------|
|   | As at March 31st 2023 | As at March 31st 2022 |
| Partly paid-up investments  | Nil                   | Nil                   |
| Claims, other than those under policies, not acknowledged as debts                                    | Nil                   | Nil                   |
| Underwriting commitments outstanding  | Nil                   | Nil                   |
| Guarantees given by or on behalf of the Company   | Nil                   | Nil                   |
| Statutory demands / liabilities in dispute, not provided for  | 9,081                 | 9,081                 |
| Reinsurance obligations to the extent not provided for in accounts                                    | Nil                   | Nil                   |
| Insurance related claims / mis-selling disputed by the Company, to the extent not provided / reserved | 44,392                | 40,040                |

The Company has received notice dated 19<sup>th</sup> Apr'23 for the AY 2016-17 U/s 148 of the Income Tax Act, wherein the department has view of income escaped assessment on account of transactions amounting to Rs. 56,048 thousands. The Company is in the process of filing of appropriate response.

**3.2** All assets of the Company are free from encumbrances, other than those disclosed in Schedule 11 of the financial statements.

#### 3.3 Capital Commitments:

Commitments made and outstanding for acquisition of fixed assets amount to Rs.78,948 thousand (Previous Year Rs.72,356 thousand).

#### 3.4 Premium less reinsurance written during the year:

| Particulars   | Rs' 000                           |                                   |
|---------------|-----------------------------------|-----------------------------------|
|               | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| In India      | 1,30,11,531                       | 93,42,014                         |
| Outside India | -                                 | -                                 |
| <b>Total</b>  | <b>1,30,11,531</b>                | <b>93,42,014</b>                  |

No premium income is recognized on "varying risk pattern" basis.

### 3.5 Provision for Free Look period

The Provision for Free Look period is Rs.5,402 thousand (previous year Rs.6,367 thousand), as certified by the Appointed Actuary.

### 3.6 Claims:

**3.6.1** The company has received intimation and paid claims (net of reinsurance and excluding TPA fees and Claim investigation fees) amounting to Rs. 6,723,870 thousand during the year ended March 31<sup>st</sup> 2023 (Previous year Rs.6,039,320 thousand).

**3.6.2** The amount of claims outstanding (net of reinsurance) to be settled for the year ended March 31<sup>st</sup> 2023 is Rs. 1,379,069 thousand (Previous year Rs. 1,062,551 thousand).

**3.6.3** Claims paid to claimants in / outside India are as under (net of reinsurance and excluding TPA fees and Claim investigation fees):

| Rs' 000       |                                   |                                   |
|---------------|-----------------------------------|-----------------------------------|
| Particulars   | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| In India      | 6,439,215                         | 5,730,853                         |
| Outside India | 284,655                           | 308,467                           |
| <b>Total</b>  | <b>6,723,870</b>                  | <b>6,039,320</b>                  |

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

| Rs' 000              |                                   |                                   |
|----------------------|-----------------------------------|-----------------------------------|
| Particulars          | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| More than six months | 12,215                            | 15,067                            |
| Others               | 1,366,854                         | 1,047,484                         |
| <b>Total</b>         | <b>1,379,069</b>                  | <b>1,062,551</b>                  |

### 3.7 Percentage of Business Sector – Wise

| As at March 31 <sup>st</sup> 2023 |                       |                 |                    |                            | As at March 31 <sup>st</sup> 2022 |                 |                  |                            |
|-----------------------------------|-----------------------|-----------------|--------------------|----------------------------|-----------------------------------|-----------------|------------------|----------------------------|
| Sector                            | Gross Written Premium | No. of Policies | No. of Lives       | % of Gross Written Premium | Gross Written Premium             | No. of Policies | No. of Lives     | % of Gross Written Premium |
| Rural                             | 952,127               | 15,793          | 19,24,378          | 7.00%                      | 24,03,331                         | 83,236          | 36,64,802        | 24.37%                     |
| Social *                          | 109,446               | -               | 7,05,058           | 0.81 %                     | 32,055                            | -               | 2,16,144         | 0.33%                      |
| Urban                             | 125,36,340            | 3,33,440        | 1,08,41,083        | 92.19%                     | 74,26,387                         | 2,49,702        | 49,87,419        | 75.30%                     |
| <b>Total</b>                      | <b>135,97,913</b>     | <b>3,49,233</b> | <b>1,34,70,519</b> | <b>100%</b>                | <b>98,61,773</b>                  | <b>3,32,938</b> | <b>88,68,365</b> | <b>100%</b>                |

\* The percentage of social sector lives is 7.95% of total lives in the preceding financial year.

### 3.8 Extent of Risk Retained and Reinsured

| Particulars        | As at March 31st 2023 | As at March 31st 2022 |
|--------------------|-----------------------|-----------------------|
| Risk Retained (%)  | 96%                   | 95%                   |
| Risk Reinsured (%) | 4%                    | 5%                    |

### 3.9 Value of unsettled Contracts in relation to Investments

Rs'000

| Particulars                           | As at March 31st 2023 | As at March 31st 2022 |
|---------------------------------------|-----------------------|-----------------------|
| Purchase where deliveries are pending | Nil                   | Nil                   |
| Sales where payments are overdue      | Nil                   | Nil                   |

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

Historical cost of Investments which are valued at Fair Value

Rs'000

| Particulars  | As at March 31st 2023 |                 | As at March 31st 2022 |                 |
|--------------|-----------------------|-----------------|-----------------------|-----------------|
|              | Fair Value            | Historical Cost | Fair Value            | Historical Cost |
| Mutual Funds | 322,916               | 322,280         | 132,748               | 132,478         |

### 3.10 Employee Benefit Plans

#### 3.10.1 Defined Contribution Plan

The Company has recognized following amounts towards defined contribution plans as expenses in the Revenue Account:

Rs'000

| Particulars    | As at March 31st 2023 | As at March 31st 2022 |
|----------------|-----------------------|-----------------------|
| Provident Fund | 84,814                | 73,107                |

#### 3.10.2 Defined Benefit Plan

##### 3.10.2.1 Gratuity Plan

Gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per the projected unit credit method. Disclosure as per AS-15 (Revised) on 'Employee Benefits' is as under:

##### i. Investment Pattern of Gratuity Funds:

Rs'000

| Particulars                         | As at March 31st 2023 | As at March 31st 2022 |
|-------------------------------------|-----------------------|-----------------------|
| Birla Sun Life Group Fixed Interest | 50,511                | Nil                   |
| <b>Total Funds*</b>                 | <b>50,511</b>         | <b>Nil</b>            |

\* The funds are maintained and managed by Aditya Birla Sun Life Insurance Co. Limited.

**ii. Assumptions Used:**

**Rs'000**

| Particulars                      | As at March 31st 2023                        | As at March 31st 2022                      |
|----------------------------------|--|--|
| Mortality                        | Indian Assured Lives Mortality (2012-14)     | Indian Assured Lives Mortality (2012-14)   |
| Discount Rate                    | 7.30%  | 5.65%                                      |
| Rate of increase in compensation | 7.00%  | 7.00%                                      |
| Withdrawal rate                  | Between 83.20% & 0.00% depending on age band | Between 46.61% & 13% depending on age band |

**iii. Changes in benefit obligations:**

**Rs'000**

| Particulars   | As at March 31st 2023 | As at March 31st 2022 |
|---|-----------------------|-----------------------|
| Present value of obligations at the beginning of year | 55,891                | 48,954                |
| Interest cost   | 2,823                 | 2,334                 |
| Current Service Costs                                 | 13,162                | 12,430                |
| Past Service Cost                                     | Nil                   | Nil                   |
| Benefits Paid   | (11,799)              | (8,257)               |
| Actuarial (gain)/loss on obligation                   | (3,633)               | 430                   |
| Transfer In / (Out) Obligation                        | Nil                   | Nil                   |
| Present value of obligations at end of year           | 56,444                | 55,891                |

**iv. Amounts recognized in Profit & Loss Account:**

**Rs.'000**

| Particulars  | As at March 31st 2023 | As at March 31st 2022 |
|--|-----------------------|-----------------------|
| Current Service Cost                                 | 13,162                | 12,430                |
| Interest Cost  | 2,823                 | 2,334                 |
| Past Service Cost                                    | Nil                   | Nil                   |
| Unrecognized Past Service Cost – Non-vested benefits | Nil                   | Nil                   |
| Expected Return on Plan Assets                       | (37)                  | Nil                   |
| Net Actuarial (Gain)/loss recognized for the year    | (6,471)               | 430                   |
| Transfer In / (Out) Obligation                       | Nil                   | Nil                   |
| Amount recognized in Profit & loss Account           | 9,477                 | 15,193                |

**v. Amounts recognized in Balance Sheet:**

**Rs.'000**

| Particulars   | As at March 31st 2023 | As at March 31st 2022 |
|---|-----------------------|-----------------------|
| Present value of obligations at end of the year       | (56,444)              | (55,891)              |
| Fair Value of Plan Assets at end of year              | 50,511                | Nil                   |
| Funded Status   | Nil                   | Nil                   |
| Unrecognized Past Service Cost – Non-vested benefits  | Nil                   | Nil                   |
| Net Asset/(Liability) recognized in the balance sheet | (5,933)               | (55,891)              |

**vi. Balance Sheet Reconciliation:**

**Rs.'000**

| Particulars                                       | As at March 31st 2023 | As at March 31st 2022 |
|---|-----------------------|-----------------------|
| Opening Net Liability/(Asset)                     | 55,891                | 48,954                |
| Current Service Cost                              | 13,162                | 12,430                |
| Interest Cost                                     | 2,823                 | 2,334                 |
| Net Actuarial (Gain)/loss recognized for the year | (3,633)               | 430                   |
| Contribution Paid                                 | Nil                   | Nil                   |
| Transfer In / (Out) Obligation                    | Nil                   | Nil                   |
| Benefits Paid                                     | (11,799)              | (8,257)               |
| Past service cost                                 | Nil                   | Nil                   |
| Closing Net Liability/(Asset)                     | 56,444                | 55,891                |

**vii. Experience Adjustments**

**Rs.'000**

| Particulars                                | March 31, 2023 | March 31, 2022  | March 31, 2021  | March 31, 2020  | March 31, 2019  |
|--|----------------|-----------------|-----------------|-----------------|-----------------|
| Defined Benefit Obligation                 | (56,444)       | (55,891)        | (48,954)        | (42,674)        | (29,930)        |
| Plan Assets                                | 50,511         | -               | -               | -               | -               |
| <b>Surplus/Deficit</b>                     | <b>(5,933)</b> | <b>(55,891)</b> | <b>(48,954)</b> | <b>(42,674)</b> | <b>(29,930)</b> |
| Experience adjustments on plan liabilities | 4,391          | 1,058           | (3,122)         | (7,082)         | 5,102           |
| Experience adjustments on plan assets      | (2,838)        | -               | -               | -               | -               |

### 3.10.2.2 Leave Encashment

Leave Encashment liability is determined on the basis of Actuarial valuation carried as on 31<sup>st</sup> March 2023.

Rs.'000

| Particulars                          | As at March 31st 2023 | As at March 31st 2022 |
|--------------------------------------|-----------------------|-----------------------|
| Opening Balance                      | 26,599                | 33,777                |
| Add : Provision made during the year | 14,007                | 4,058                 |
| Less : Benefits paid                 | (11,701)              | (11,236)              |
| Closing Balance                      | 28,905                | 26,599                |

#### Breakup of provision for Leave encashment

Rs.'000

| Particulars           | As at March 31st 2023 | As at March 31st 2022 |
|-----------------------|-----------------------|-----------------------|
| Current Liability*    | 21,260                | 10,034                |
| Non-Current Liability | 7,644                 | 16,565                |
| Net Liability         | 28,904                | 26,599                |

\*Current Liability is calculated as expected benefits for next 12 months.

### 3.11 Managerial Remuneration

In terms of the disclosure requirements of Para 9 of IRDAI Corporate Governance Guidelines for Insurers in India, 2016, the elements of remuneration paid to Managing Director and Chief Executive Officer (MD & CEO), all other directors and Key Management Persons are as follows:-

- (a) The Managing Director and Chief Executive Officer (MD & CEO) is remunerated in terms of the approval granted by IRDAI. Details of the MD & CEO's remuneration included in employee remuneration and welfare benefits are as follows:

Rs' 000

| Particulars                    | As at March 31st 2023 | As at March 31st 2022 |
|--------------------------------|-----------------------|-----------------------|
| Salaries and Allowances        | 44,548                | 40,519                |
| Contribution to Provident Fund | 1,732                 | 1,604                 |
| Perquisites*                   | 317                   | 243                   |
| <b>Total</b>                   | <b>46,597</b>         | <b>42,366</b>         |

\*Perquisites to the extent paid / incurred by the company are according to the books of accounts.

- (b) During the year, the Company has paid an amount of Rs.3,250 thousand (previous year Rs.4,500) has been paid as fees to Non-executive Directors for attending board/Committee meetings.

(c) Details of the elements of remuneration paid to Key Management Persons (KMPs) excluding whole time director as defined under Corporate Governance Guidelines for Insurers in India, 2016, are as follows:-

| Rs'000                         |                       |                       |
|--------------------------------|-----------------------|-----------------------|
| Particulars                    | As at March 31st 2023 | As at March 31st 2022 |
| Salaries and Allowances        | 125,384               | 121,462               |
| Contribution to Provident Fund | 4,931                 | 4,493                 |
| Perquisites                    | 2,033                 | 1,730                 |
| <b>Total</b>                   | <b>132,348</b>        | <b>127,685</b>        |

In addition to the above, Managing Directors and KMPs are entitled to ESOPs under the Company's ESOP Scheme.

Expenses towards gratuity funding and leave encashment provision are determined actuarially on an overall company basis annually and accordingly have not been considered in the above information.

### 3.12 Outsourcing, business development and marketing support expenses

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

| Rs '000               |                       |                       |
|-----------------------|-----------------------|-----------------------|
| Particulars           | As at March 31st 2023 | As at March 31st 2022 |
| Outsourcing Expenses* | 2,161,234             | 1,881,113             |
| Marketing Support     | 316                   | 1,598                 |

\* Also includes activities which was suggested by IRDAI to consider as outsourcing.

### 3.13 Details of penal actions taken by various Govt. authorities during year ended March 31st 2023

| Rs' 000 |  |                            |                 |              |                          |
|---------|--|----------------------------|-----------------|--------------|--------------------------|
| Sr. No. | Authority  | Non-Compliance / Violation | Penalty Awarded | Penalty Paid | Penalty Waived / Reduced |
| 1.      | Insurance Regulatory and Development Authority   | Nil                        | Nil             | Nil          | Nil                      |
| 2.      | Service Tax/GST Authority  | Nil                        | Nil             | Nil          | Nil                      |
| 3.      | Income Tax Authority   | Nil                        | Nil             | Nil          | Nil                      |
| 4.      | Any Other Tax Authority  | Nil                        | Nil             | Nil          | Nil                      |
| 5.      | Enforcement Directorate/ Adjudicating Authority/Tribunal or any Authority under FEMA               | Nil                        | Nil             | Nil          | Nil                      |
| 6.      | Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies | Nil                        | Nil             | Nil          | Nil                      |



|     |   |     |     |     |     |
|-----|---|-----|-----|-----|-----|
|     | Act, 2013/1956  |     |     |     |     |
| 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 Govt. / Statutory Authority (Tariff Advisory Committee)                       | Nil | Nil | Nil | Nil |

**3.14** The Directorate General of GST Intelligence (DGGI) Officers have carried out an inquiry in respect of certain services for the period from 1<sup>st</sup> July 2017 to 31<sup>st</sup> July 2022. In order to support the ongoing GST inquiry, the company has proactively deposited GST amount of Rs. 55,187 thousand. This amount has been disclosed as 'Deposits with GST Authority' under Schedule 12 – Advances and other Assets; after conclusion of the inquiry appropriate accounting adjustments shall be made in books.

### 3.15 Leases

The Company's operating leasing arrangements are for office and residential premises and other related amenities. In respect of premises taken on operating lease, the agreements are generally mutually renewable or cancellable by the lessor/lessee.

An amount of Rs.84,416 thousand (previous year: Rs.77,282 thousand) towards said lease payments has been recognized in the statement of revenue account.

The details of future rentals under Non-cancellable operating Leases are as under:

| Particulars                                  | Rs'000                   |                          |
|--|--------------------------|--------------------------|
|  | As at March 31st<br>2023 | As at March 31st<br>2022 |
| Not Later than 1 Year                        | 9,261                    | 9,569                    |
| Later than 1 year and not later than 5 years | 3,952                    | Nil                      |
| Later than 5 years                           | Nil                      | Nil                      |

### 3.16 Micro & Small Scale Business Entities

The Company has a process of identification of suppliers registered under the “The Micro, Small and Medium Enterprises Development (‘MSMED’) Act, 2006” by obtaining confirmations from suppliers. Details are given below:

| Particulars   | Rs'000                      |                             |
|---|-----------------------------|-----------------------------|
|   | 31 <sup>st</sup> March 2023 | 31 <sup>st</sup> March 2022 |
| <b><u>Principal amount due</u></b> to suppliers registered under the MSMED Act and remaining unpaid as at year end  | 806                         | 412                         |
| <b><u>Interest due</u></b> to suppliers registered under the MSMED Act and remaining unpaid as at year end  | -                           | -                           |
| <b><u>Principal amounts paid</u></b> to suppliers registered under the MSMED Act, beyond the appointed day during the year                                    | 4,016                       | 2,859                       |
| <b><u>Interest paid</u></b> , other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | -                           | -                           |
| <b><u>Interest paid</u></b> , under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year            | -                           | -                           |
| <b><u>Interest due and payable</u></b> towards suppliers registered under MSMED Act, for payments already made  | -                           | -                           |
| Further <b><u>interest remaining due and payable</u></b> for earlier years  | -                           | -                           |

### 3.17 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31<sup>st</sup> 2023

Disclosure required by IRDA circular no IRDA/F&A/CIR/Misc/282 /11/2020 dated November 17<sup>th</sup> 2020 is tabulated below:

| Rs.'000   |               |              |              |              |              |              |              |               |                      |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
| Particulars   | Total Amount  | 0-6 Months   | 7-12 months  | 13-18 months | 19-24 months | 25-30 months | 31-36 Months | 36-120 months | More than 120 months |
| Claims settled but not paid to the policyholders/beneficiaries due to any reasons except under litigation from the policyholders/beneficiaries  | 2,595         | 598          | 880          | 322          | 61           | 33           | 82           | 619           | -                    |
| Sum due to the policyholders/beneficiaries on maturity or otherwise   | N.A           | N.A          | N.A          | N.A          | N.A          | N.A          | N.A          | N.A           | N.A                  |
| Any excess collection of the premium/tax or any other charges which is refundable to the policyholders/beneficiaries either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far | 14,018        | 4,488        | 1,707        | 3,583        | 2,502        | 620          | 619          | 499           | -                    |
| Cheques issued but not encashed by the policyholder/beneficiaries   | 4,341         | 1,765        | 2            | -            | 105          | 46           | 218          | 2,205         | -                    |
| Accrued Investment Income (ITD)   | 3929          |              |              |              |              |              |              |               |                      |
| <b>Total</b>  | <b>24,883</b> | <b>6,851</b> | <b>2,589</b> | <b>3,905</b> | <b>2,668</b> | <b>699</b>   | <b>919</b>   | <b>3,323</b>  | <b>-</b>             |

Rs.'000

| Particulars   | As at 31st Mar 2023 |                | As at 31st Mar 2022 |                |
|---|---------------------|----------------|---------------------|----------------|
|   | Policy Dues         | Income Accrued | Policy Dues         | Income Accrued |
| Opening Balance   | 12,218              | 1,873          | 9,413               | 1,875          |
| Add : Amount transferred to Unclaimed Fund  | 42,735              | -              | 9,065               | -              |
| Add : Cheques Issued out of the Unclaimed amount but not encashed by the Policyholders (To be included only when the cheques are stale) | -                   | -              | -                   | -              |
| Add : Investment Income to Unclaimed Fund   | -                   | 2,409          | -                   | 351            |
| Less : Amount of Claims Paid during the quarter   | 33,999              | 353            | 6,259               | 353            |
| Less : Amount transferred to SCWF (net of Claims paid in respect of amounts transferred earlier)  | -                   | -              | -                   | -              |
| Closing Balance Unclaimed Amount Fund   | <b>20,954</b>       | <b>3929</b>    | <b>12,218</b>       | <b>1,873</b>   |

### 3.18 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31<sup>st</sup> 2022

Disclosure required by IRDA circular no IRDA/F&I/CIR/CMP/174/11/2010 dated November 4<sup>th</sup> 2010 is tabulated below:

| Rs.'000   |               |              |              |              |              |              |              |               |                      |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|
| Particulars   | Total Amount  | 0-6 Months   | 7-12 months  | 13-18 months | 19-24 months | 25-30 months | 31-36 Months | 36-120 months | More than 120 months |
| Claims settled but not paid to the policyholders/beneficiaries due to any reasons except under litigation from the policyholders/beneficiaries  | 963           | -            | 456          | 78           | 12           | 53           | 197          | 165           | 2                    |
| Sum due to the policyholders/beneficiaries on maturity or otherwise   | N.A           | N.A          | N.A          | N.A          | N.A          | N.A          | N.A          | N.A           | N.A                  |
| Any excess collection of the premium/tax or any other charges which is refundable to the policyholders/beneficiaries either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far | 8,609         | 3,415        | 1,328        | 583          | 558          | 292          | 296          | 2,137         | -                    |
| Cheques issued but not encashed by the policyholder/beneficiaries   | 2648          | -            | -            | 146          | 107          | 173          | 199          | 2023          | -                    |
| Accrued Investment Income (ITD)   | 1873          |              |              |              |              |              |              |               |                      |
| <b>Total</b>  | <b>14,091</b> | <b>3,415</b> | <b>1,784</b> | <b>807</b>   | <b>677</b>   | <b>518</b>   | <b>692</b>   | <b>4325</b>   | <b>2</b>             |

### 3.19 Segment Information

The operating expenses and investment and other income have been allocated to various segments as per accounting policies and notes to the financials disclosed above. Segment revenue and segment results have been incorporated in the financial statements. However, due to the nature of the business, segment assets and liabilities have been allocated to the various segments to the extent possible. There are no reportable geographical segments during the year. Financial information about the business segment is given below:

| Particulars                  | Year Ended 31st March 2023 |                   |            | Year Ended 31st March 2022 |                   |            |
|------------------------------|----------------------------|-------------------|------------|----------------------------|-------------------|------------|
|                              | Health                     | Personal Accident | Total      | Health                     | Personal Accident | Total      |
| Segmental Revenue            | 13,639,644                 | 259,258           | 13,898,902 | 10,234,895                 | 138,395           | 10,373,290 |
| Segmental Result *           | 31,884                     | 70,729            | 102,613    | (941,681)                  | 46,708            | (894,971)  |
| <b>Segmental Liabilities</b> |                            |                   |            |                            |                   |            |
| Net Claims Outstanding       | 1,327,162                  | 51,906            | 1,379,068  | 1,014,767                  | 47,784            | 1,062,551  |
| Unexpired Risk Reserve       | 6,371,765                  | 134,000           | 6,505,765  | 4,606,725                  | 64,283            | 4,671,005  |
| Premium received in Advance  | 90,685                     | 260               | 90,945     | 82,375                     | 280               | 82,655     |
| <b>Segmental Assets:-</b>    |                            |                   |            |                            |                   |            |
| Outstanding Premiums         | 5,571                      | -                 | 5,571      | 8,484                      | -                 | 8,484      |

\*Segmental result is in line with Revenue Account (Form B-RA)

### 3.20 Disclosure on other Work given to Auditors

| Particulars          | Services rendered   | Rs.'000                           |                                   |
|----------------------|---------------------|-----------------------------------|-----------------------------------|
|                      |                     | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| CNK & Associates LLP | Audit Certification | 185                               | 185                               |
|                      | Tax Audit           | 150                               | 100                               |
| V P Thacker & Co.    | Audit Certification | 75                                | 75                                |
| <b>Total</b>         |                     | <b>410</b>                        | <b>360</b>                        |

### **3.21 Expenses of Management**

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. All Other Operating expenses which cannot be directly attributed and allocated to any segment are apportioned on the basis of Gross Premium written for each segment.

The Company has been granted forbearance by authority from EoM for FY 2022-23 vide letter dated April 6, 2023, subject to bringing down EoM within applicable limits by FY 2025-26.

As required under EOM regulation to be read with IRDAI Circular Ref. No.: IRDA/F&A/CIR/MISC/081/05/2019 dated May 20, 2019, on preparation of financial statements for FY 2019-20 and onwards, in the current year a sum of Rs.2,215,449 thousand (Previous year Rs.1,743,433 thousand) which is in the excess of expenses of management over the allowable limit has been transferred from Revenue Account to Profit and Loss account (Shareholder Account).

### **3.22 Deferred Taxes**

In accordance with paragraph 18 of AS 22 Accounting for Taxes, stipulates that, in the case of unabsorbed depreciation or carry forward of losses under tax laws, an enterprise recognizes deferred tax assets to the extent that it has timing differences, the reversal of which will result in sufficient income, i.e. to the extent of deferred tax liability, without considering any other evidence regarding future taxable income. In conformity with the said Paragraph, the Company has recognized Nil deferred tax asset & liability in the books. Deferred tax asset & liability represents timing difference on account of Fixed Assets, employee benefits and carry forward business losses as per the above guidance.

### 3.23 Related Party Disclosures

As per Accounting Standard-18 Related Party Disclosures, the related parties with whom the Company has transacted during the year and the related amounts have been provided below.

#### (a) Names of the related parties and description of relationship as per Companies Act, 2013:

1. Cigna Holding Overseas Inc.
2. Manipal Education and Medical Group India Private Limited.
3. MEMG Fund Advisors LLP
4. Prasun Sikdar – MD & CEO
5. Chandrima Sikdar- Relative of MD & CEO
6. Pradip Kumar Sikdar – Relative of MD & CEO
7. Parthiv Sikdar – Relative of MD & CEO
8. Pritha Sikdar - Relative of MD & CEO
9. Ranjan Ramdas Pai – Non - Executive Director
10. Stempeutics Research Pvt Ltd
11. MEMG International India Private Limited

#### Other – entities in which directors have interest or concern

1. Qess Corp Limited.
2. Health Vista India Pvt. Ltd.
3. Manipal Health Enterprises Private Limited
4. Manipal Global Education Services Pvt. Ltd.
5. Merittrac Services Private Limited.
6. UNEXT Learning Private Limited

Rs'000

| Relationship | Related Party   | Nature of Transactions              | Transactions for the year Ended March 23 | Transactions for the year Ended March 2022 | Balances as at 31st March 2023 | Balances as at 31st March 2022 |
|--------------|---|-------------------------------------|--|--|--------------------------------|--------------------------------|
| Shareholder  | - Cigna Holdings Overseas, Inc.                             | Capital Contribution (incl Premium) | 1,584,999                                | 999,990                                    | 1,04,98,946                    | 8,913,948                      |
| Shareholder  | - Manipal Education and Medical Group India Private Limited | Capital Contribution (incl Premium) | -  | -  | 1,237,300                      | 1,237,300                      |
| Shareholder  | - MEMG Fund Advisors, LLP                                   | Capital Contribution (incl Premium) | 1,585,000                                | 1,000,000                                  | 6,151,401                      | 4,566,401                      |
| Shareholder  | - Manipal Education and Medical Group India Private Limited | Issue of Debentures                 | -  | 340,000                                    | 340,000                        | 340,000                        |
| Shareholder  | - Manipal Education and Medical Group India Private Limited | Interest on Debentures              | 30,600                                   | 15,593                                     | 30,600                         | 15,593                         |



|   |   |                       |         |         |        |         |
|---|---|-----------------------|---------|---------|--------|---------|
| <b>Director</b>   | - Ranjan Pai  | Premium               | 115     | -       | -      | -       |
| <b>MD &amp; CEO</b>   | - Prasun Sikdar   | Premium               | 64      | 42      | -      | -       |
|   |   | Remuneration          | 46,597  | 42,366  |        |         |
| <b>Relative of MD &amp; CEO</b>                                     | - Mrs. Chandrima Sikdar   | Premium               | 80      | 42      | -      | -       |
| <b>Relative of MD &amp; CEO</b>                                     | - Pradip Kumar Sikdar   | Premium               | 59      | -       | -      | -       |
| <b>Relative of MD &amp; CEO</b>                                     | - Parthiv Sikdar  | Premium               | -       | 20      | -      | -       |
| <b>Relative of MD &amp; CEO</b>                                     | - Pritha Sikdar   | Premium               | -       | 10      | -      | -       |
| <b>Other – entities in which directors have interest or concern</b> | - Manipal Global Education Services Pvt. Ltd<br>- Manipal Health Enterprises Pvt Ltd<br>- MEMG International India Private Limited<br>- Merittrac Services Private Limited<br>- Stempeutics Research Pvt Ltd<br>- UNEXT Learning Private Limited  | Gross Written Premium | 96,708  | 68,851  |        |         |
| <b>Other – entities in which directors have interest or concern</b> | - Manipal Health Enterprises Private Limited.   | Claims Expenses       | 149,358 | 132,661 |        |         |
| <b>Other – entities in which directors have interest or concern</b> | - Stempeutics Research Pvt Ltd<br>- Manipal Health Enterprises Pvt Ltd.<br>- Manipal Global Education Services Pvt. Ltd<br>- MEMG International India Private Limited<br>- Merittrac Services Private Limited<br>- UNEXT Learning Private Limited | Unallocated Premium   | -       | -       | 94,265 | 102,688 |
| <b>Other – entities in which directors have interest or concern</b> | - Manipal Health Enterprises Pvt Ltd.   | Claims Outstanding    | -       | -       | 7,484  | 6,892   |
| <b>Other – entities in which</b>                                    | - Qess Corp. Limited  |                       | 8,085   | 4,695   | -      | -       |

|  |                                      |                 |       |       |   |   |
|--|--------------------------------------|-----------------|-------|-------|---|---|
| directors have interest or concern                         |                                      | Office Expenses |       |       |   |   |
| Other entities in which directors have interest or concern | - Health Vista India Private Limited | Office Expenses | 1,046 | 2,696 | - | - |

### (b) Transactions with other group entities

In addition to transactions with related parties disclosed under (a) above, transactions with Manipal and Cigna entities, are disclosed below for better corporate governance.

#### List of entities:-

1. Cigna European Services (CESL)
2. Cigna HLA Technology Services Company Limited (CHALTS)
3. Cigna APAC Holdings Ltd.
4. Cigna Global Holdings (CGH)
5. Cigna International Corporation (CIC)
6. Sikkim Manipal University
7. Jigsaw Academy Education Private Limited
8. Srishti Manipal Institute of Art Design and Technology
9. Manipal University Jaipur
10. Healthmap Diagnostics Private Limited
11. Human Care Medical Chari Trust
12. Manipal Hospitals (Jaipur) Private Limited
13. Manipal Hospitals (Dwarka)Private LTD
14. Manipal Academy of Higher Education
15. Manipal Tata Medical College
16. Columbia Asia Hospital Private Limited
17. Manipal Hospitals Bengaluru Pvt Ltd
18. Manipal Hospitals Pvt. Ltd.
19. MEMG International India Private Limited
20. Stempeutics Research Pvt Ltd
21. Manipal Academy of Higher Education (Bengaluru Campus)
22. Manipal Ankur Healthcare
23. T A Pai Management Institute
24. Dr. TMA Pai Hospital
25. Manipal Healthmap

Rs'000

| Particulars  | Group entities                           |  |                              |                              |
|--|--|--|------------------------------|------------------------------|
| Description  | Transactions for the year Ended March 23 | Transactions for the year Ended March 22 | Balances as at Mar 31st 2023 | Balances as at Mar 31st 2022 |
| <b><u>INCOME:</u></b>  |  |  |                              |                              |
| - Premium from direct business                               | 2,52,159                                 | 2,24,188                                 | -                            | -                            |
| - Other Income   |  |  |                              |                              |
| <b><u>EXPENSES:</u></b>                                      |  |  |                              |                              |
| - Claims Expenses  | 3,52,004                                 | 2,86,877                                 | -                            | -                            |
| - Interest on debentures                                     | 69,300                                   | 54,293                                   | -                            | -                            |
| - Information Technology & Professional Consultancy Expenses | 102,053                                  | 70,143                                   | -                            | -                            |
| <b><u>Assets:</u></b>  |  |  |                              |                              |
| <b>Transactions during the year</b>                          |  |  |                              |                              |
| - Other Receivable   | -  | 209                                      | -                            | 209                          |
| <b><u>LIABILITIES:</u></b>                                   |  |  |                              |                              |
| <b><u>Account Balances:-</u></b>                             |  |  |                              |                              |
| - Issue of Debentures  | -  | 340,000                                  | 770,000                      | 770,000                      |
| - Interest Payable on debentures                             | -  | -  | 1,75,566                     | 1,24,708                     |
| - Outstanding Expense Payable                                | -  | -  | 16,030                       | 8,870                        |
| - Unallocated Premium  | -  | -  | 42,842                       | 16,658                       |
| - Claims Outstanding   | -  | -  | 13,569                       | 16,596                       |
| - Claims Payable   | -  |  | 53                           | 21                           |

### 3.24 Summary of Financial Statements

Rs '000

| Particulars                             | As at 31st Mar 2023 | As at 31st Mar 2022 | As at 31st Mar 2021 | As at 31st Mar 2020 | As at 31st Mar 2019 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>OPERATING RESULTS</b>                |                     |                     |                     |                     |                     |
| Gross Written Premium                   | 1,35,97,913         | 98,61,773           | 75,54,912           | 57,61,942           | 48,48,222           |
| Net Premium Income #                    | 1,30,11,531         | 93,42,014           | 71,61,944           | 54,68,772           | 45,91,477           |
| Income from Investment @                | 5,05,715            | 3,80,012            | 1,81,850            | 3,33,242            | 2,48,467            |
| Other Income                            | -                   | -                   | -                   | -                   | -                   |
| <b>TOTAL INCOME</b>                     | <b>1,35,17,246</b>  | <b>97,22,026</b>    | <b>73,43,794</b>    | <b>58,02,015</b>    | <b>48,39,944</b>    |
| Commission                              | 13,85,466           | 10,06,352           | 8,21,188            | 6,30,251            | 5,93,975            |
| Operating Expenses                      | 51,82,935           | 39,78,074           | 32,91,640           | 28,81,132           | 28,38,814           |
| Net Incurred Claims                     | 72,27,888           | 62,83,835           | 38,59,547           | 31,03,170           | 24,31,392           |
| Change in Unexpired Risk Reserve        | 18,33,794           | 10,92,169           | 8,48,277            | 4,34,415            | 6,66,304            |
| Operating Profit/Loss                   | 1,02,613            | (8,94,971)          | 51,965              | 2,36,274            | (16,90,541)         |
| <b>NON-OPERATING RESULT</b>             |                     |                     |                     |                     |                     |
| Total income under shareholders account | (21,11,906)         | (16,64,626)         | (12,26,055)         | (15,73,417)         | 36,512              |
| Profit/(Loss) before Tax                | (20,09,292)         | (25,59,596)         | (11,74,090)         | (13,37,143)         | (16,54,030)         |
| Provision for Taxation                  | -                   | -                   | -                   | -                   | -                   |
| Profit/(Loss) after Tax                 | (20,09,292)         | (25,59,596)         | (11,74,090)         | (13,37,143)         | (16,54,030)         |
| <b>MISCELLANEOUS</b>                    |                     |                     |                     |                     |                     |
| <b>POLICYHOLDER'S ACCOUNT :</b>         |                     |                     |                     |                     |                     |
| Total Funds                             | 95,23,200           | 65,04,269           | 53,05,386           | 38,68,095           | 34,51,423           |
| Total investments                       | 95,23,200           | 65,04,269           | 53,05,386           | 38,68,095           | 34,51,423           |
| Yield on Investments                    | -                   | -                   | -                   | -                   | -                   |
| <b>SHAREHOLDER'S ACCOUNT:</b>           |                     |                     |                     |                     |                     |
| Total Funds                             | 45,98,434           | 27,97,190           | 27,16,039           | 21,85,023           | 19,08,653           |
| Total investments                       | 45,98,434           | 27,97,190           | 27,16,039           | 21,85,023           | 19,08,653           |
| Yield on Investments                    |                     |                     |                     |                     |                     |
| Paid up equity capital                  | 1,34,40,355         | 1,11,76,186         | 94,19,022           | 72,89,022           | 59,08,630           |
| Net Worth                               | 32,67,251           | 21,06,546           | 26,66,150           | 17,10,241           | 16,39,397           |
| Total Assets                            | 1,57,60,736         | 1,10,81,332         | 93,03,435           | 68,63,571           | 60,98,289           |
| Yield on Total Investments (Annualized) | 6.33%               | 6.30%               | 5.04%               | 9.38%               | 7.77%               |
| Earnings Per Share                      | (1.66)              | (2.48)              | (1.40)              | (2.17)              | (3.42)              |
| Book Value Per Share                    | 2.43                | 1.88                | 2.83                | 2.35                | 2.77                |
| Total Dividend                          | -                   | -                   | -                   | -                   | -                   |
| Dividend Per Share                      | -                   | -                   | -                   | -                   | -                   |

# Net of reinsurance

@ Net of Losses

### 3.25 Analytical Ratios

| Analytical Ratios |   |                       |      |                       |      |
|-------------------|---|-----------------------|------|-----------------------|------|
| Sr.No.            | Performance Ratios  | As at 31st March 2023 |      | As at 31st March 2022 |      |
|                   |   | Health                | PA   | Health                | PA   |
| 1                 | Gross Direct Premium Growth Rate  | 37%                   | 112% | 30%                   | 50%  |
| 2                 | Gross Direct Premium to Net Worth Ratio                                 | 4.07                  | 0.09 | 4.61                  | 0.07 |
| 3                 | Growth Rate of Net Worth  | 55%                   |      | -21%                  |      |
| 4                 | Net Retention Ratio   | 96%                   | 87%  | 95%                   | 87%  |
| 5                 | Net Commission Ratio  | 11%                   | 14%  | 11%                   | 11%  |
| 6                 | Expenses of Management to Gross Direct Premium Ratio                    | 49%                   |      | 51%                   |      |
| 7                 | Expenses of Management to Net Written Premium Ratio                     | 51%                   |      | 54%                   |      |
| 8                 | Net Incurred Claims to Net Earned Premium                               | 65%                   |      | 76%                   |      |
| 9                 | Combined Ratio  | 116%                  |      | 130%                  |      |
| 10                | Technical Reserves to Net Premium Ratio                                 | 0.61                  |      | 0.61                  |      |
| 11                | Underwriting Balance Ratio  | -0.23                 |      | -0.37                 |      |
| 12                | Operating Profit Ratio  | -19%                  |      | -32%                  |      |
| 13                | Liquid Assets to Liability Ratio  | 0.30                  |      | 0.37                  |      |
| 14                | Net Earnings Ratio  | -15%                  |      | -27%                  |      |
| 15                | Return on Net Worth Ratio   | -61%                  |      | -121%                 |      |
| 16                | Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio | 1.56                  |      | 1.68                  |      |
| 17                | NPA Ratio   | -                     |      | -                     |      |

- i. As required by circular reference no IRDA/ F&A/ CIR/MISC/081/05/2019 on “Preparation of Financial Statements for FY 2019-20 and Onwards” dated May 20, 2019, travel insurance has been clubbed with health insurance.
- ii. Operation loss ratio has been calculated as per master circular IRDA/ F&I/CIR/F&A/231/10/2012 dated 05<sup>th</sup> October 2012 and IRDA/F&A/CIR/FA/126/07/2013

### 3.26 Earnings per share

| Particulars   | As at 31st March 2023 | As at 31st March 2022 |
|---|-----------------------|-----------------------|
| Net profit/ (loss) as per Profit & Loss account (Rs '000)         | (2,009,292)           | (2,559,596)           |
| Weighted Average number of Equity Shares used for calculating EPS | 1,213,783,796         | 1,034,048,884         |
| Basic Earnings Per Share  | (1.66)                | (2.48)                |
| Diluted Earnings Per Share *                                      | (1.66)                | (2.48)                |

\* Diluted EPS is restricted to basic EPS.

### 3.27 Borrowings

The Company, in line with IRDAI Regulations, issued Unsecured Non-Convertible Debentures, by way of Subordinated Debt. The debentures are redeemable after a period of 10 years from the date of issue and interest being payable subject to solvency ratio maintained as per IRDAI (Other Forms of Capital) Regulations, 2015.

| Amount in Rs.'000 |   |                   |                   |          |   |
|-------------------|---|-------------------|-------------------|----------|---|
| Period            | Subscriber  | Debentures ('000) | Annual Interest % | Tenure   | Interest Accrued as on 31 <sup>st</sup> March, 2023 |
| FY 2016-17        | Cigna APAC Holdings                                     | 430,000           | 9%                | 10 Years | 1,46,589  |
| FY 2021-22        | Cigna APAC Holdings                                     | 340,000           | 9%                | 10 Years | 28,977  |
| FY 2021-22        | Manipal Education & Medical Group India Private Limited | 340,000           | 9%                | 10 Years | 27,540  |
| <b>Total</b>      |   | <b>1,111,000</b>  |                   |          | <b>203,106</b>                                      |

Since there are accumulated losses, no Debenture Redemption Reserve has been created. On application the Company received approval for accrual/payment of Non-Convertible Debentures for FY21-22. The Company is in the process of seeking approval from the Authority for FY 22-23.

### 3.28 Employee Stock Option Plan (ESOP) (2022-23)

In FY 2019-20, the Company had had instituted an Employee Stock Option Plan 2019 ("ESOP 2019") to enable employees of the company to participate in future growth. The eligible employees are granted options to acquire equity shares of the company.

No new options were granted during the FY 2022-23. The scheme allowed a vesting of over a period of 4 years from the date of grant; however as the original conditions of vesting were not satisfied the vesting period has been extended further for 2 years. The options will be exercisable over a period of 3 years from the respective dates of vesting. During the year 48,58,337 options were lapsed/forfeited.

The company has adopted intrinsic value method for computing the compensation cost for the option granted. Since the exercise price is not less than the intrinsic value of shares on the date of grant, value

of option is Nil and accordingly no compensation cost is recognized in the books. The fair value of options has been estimated using Black-Scholes model.

Had the company followed the fair value method for valuing its options for the year, the charge to the Revenue accounts and Profit and Loss account would have been higher by Rs. 32,044 thousand (Previous year Rs. 36,184 thousand) and losses after tax would have been increased by Rs. 32,044 thousand (Previous year Rs. 36,184 thousand) .

Consequently, the Company's basic and diluted earnings per share would have been Rs. (1.68) and Rs. (1.68) respectively.

#### Movement in the options under ESOP 2019

| Particulars                              | As At March 31, 2023 | As At March 31, 2022 |
|--|----------------------|----------------------|
| Outstanding at the Beginning of the year | 3,94,24,462          | 3,62,86,657          |
| Granted During the year                  | -                    | 38,25,805            |
| Exercised during the year                | -                    | -                    |
| Lapsed during the year                   | 48,58,337            | 6,88,000             |
| Outstanding at the end of the year       | 3,45,66,125          | 3,94,24,462          |
| Unvested at the end of the year          | -                    | -                    |
| Vested at the end of the year            | -                    | -                    |
| Weighted average price per Option        | Rs. 5.00             | Rs. 3.76             |

#### Fair Value Methodology: -

The fair value of options has been estimated using **Black-Scholes model**. The Key assumptions used in Black-Scholes model for calculation fair value under ESOP 2019 are as follows:

| Particulars | Risk Free Interest Rate                     | Expected Life          | Expected Volatility | Expected dividend yield |
|-------------|---|------------------------|---------------------|-------------------------|
| ESOP 2019   | 6.90% to 6.88%<br>(Continuously compounded) | 3.5 Years to 5.1 Years | 30%                 | 0%                      |

#### Information in respect of Options outstanding

| Particulars | Exercise Price (Rs.) | No. of Options | Weighted Average remaining life |
|-------------|----------------------|----------------|---------------------------------|
| ESOP 2019   | 10                   | 3,11,17,558    | 2 Years to 3.59 Years           |
| ESOP 2019   | 13                   | 34,48,567      | 2.42 Years to 2.97 Years        |

### 3.29 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would 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. The final rules and the effective date of the code is awaited. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period when the code becomes effective.

### 3.30 Update on IND-AS Implementation

The Institute of Chartered Accountants of India (ICAI) issued an exposure draft on Insurance Contracts based on IFRS17, in February 2022, on initial application of IND-AS 117. The final notification is yet to be issued by the ICAI with respect to above standard. The Company has formed a steering committee to initiate the IND AS implementation process. The steering committee has interacted with domain experts and is in the process of evaluating to finalize the knowledge and technology partner for GAP study and implementation readiness.

### 3.31 Previous year figures have been regrouped, wherever required to confirm to the current year classification:-

The details of restatement of such cost is as follows:-

Rs.'000

| Sr No | Regrouped from  | Regrouped to  | Period ended                   | Amount  |
|-------|---|---|--------------------------------|---------|
| 1.    | Sch 8A – Reclass of Housing Sector bonds from head “Debentures/Bonds”                             | Sch 8A – Reclass of Housing Sector bonds to head “Investments in Infrastructure and housing”  | 31 <sup>st</sup> of March 2022 | 968,575 |
| 2.    | Sch 8 – Reclass of Housing Sector bonds from head “Debentures/Bonds”                              | Sch 8 – Reclass of Housing Sector bonds from head “Investment in Infrastructure and Social Sector”  | 31 <sup>st</sup> of March 2022 | 54,990  |
| 3.    | Sch 4 – Operating Expenses related to Insurance Business under the category “ Business Promotion” | Sch 4 – Operating Expenses related to Insurance Business under the category:<br>- Employees Remuneration and welfare benefits<br>- Training Expenses &<br>- Advertisement and Publicity | 31 <sup>st</sup> of March 2022 | 57,587  |



|    |   |   |                                |       |
|----|---|---|--------------------------------|-------|
| 4. | Sch 4 – Operating Expenses related to Insurance Business under the category “ Legal and Professional Charges” | Sch 4 – Operating Expenses related to Insurance Business under the category “Auditors’ Fees – (c) any other capacity” | 31 <sup>st</sup> of March 2022 | 60    |
| 5. | Schedule 12 – Advance and Other Assets under the category “Advance to Employees against expenses”             | Schedule 12 – Advance and Other Assets under the category “Advance to Others”   | 31 <sup>st</sup> of March 2022 | 4,720 |

As per our report of even date attached.

For and on behalf of the Board of Directors.

For CNK & Associates LLP  
Chartered Accountants  
Firm Regn No. 101961W/W-100036

**HIREN CHINUBHAI SHAH**  
Digitally signed by HIREN CHINUBHAI SHAH  
Date: 2023.04.28 22:11:17 +05'30'

Hiren Shah

Partner  
Membership No. 100052

For V.P. Thacker & Co  
Chartered Accountants  
Firm Regn No. 118696W

**KALPANA SAGAR RAJPURKAR**  
Digitally signed by KALPANA SAGAR RAJPURKAR  
DN: cn=KALPANA SAGAR RAJPURKAR, o=V.P. THACKER & CO, ou=V.P. THACKER & CO, postalCode=400006, email=karpurkar@vp.co.in, serialNumber=676469c280f245798f59504, c=IN  
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Kalpana Rajpurkar

Partner  
Membership No. 114928

**LUIS MIRANDA A**  
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Date: 2023.04.28 17:40:24 +05'30'

Luis Miranda  
Chairman

DIN: 01055493

**VAITHEESWARAN SEETHARAMAN**  
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Date: 2023.04.28 18:13:19 +05'30'

S Vaitheeswaran

Director  
DIN: 01814726

**SRIKANTH KANDIKONDA NDA**  
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Date: 2023.04.28 19:03:56 +05'30'

Srikanth Kandikonda  
Chief Financial Officer

**Rajeev Chitrabhanu**  
Digitally signed by Rajeev Chitrabhanu  
DN: cn=Rajeev Chitrabhanu, o=Manipal Cigna Health Insurance, ou=Manipal Cigna Health Insurance, postalCode=400006, email=rajeev.chitrabhanu@manipal.com, serialNumber=676469c280f245798f59504, c=IN  
Date: 2023.04.28 16:40:42 +05'30'

Rajeev Chitrabhanu  
Director

DIN: 02174031

**Prasun Kumar Sikdar**  
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Date: 2023.04.28 17:41:05 +05'30'

Prasun Sikdar  
Managing Director & CEO  
DIN: 08107956

**Gauri Anirudh Takale**  
Digitally signed by Gauri Anirudh Takale  
Date: 2023.04.28 17:45:34 +05'30'

Gauri Takale  
Company Secretary  
Membership No. A26324

Place: Mumbai  
Date: April 28, 2023

## Management Report

In accordance with the provisions of the Insurance Regulatory & Development Authority (IRDA) (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('Regulation') the following Management Report is submitted:

1. The Certificate of Registration under Section 3 of the Insurance Act, 1938 was granted by IRDA on 13th November 2013. The Company has paid annual fee for the financial year 2022-23 as required under Section 3A read with Section 3 of the Insurance Act, 1938.
2. All the dues payable to the statutory authorities will be duly paid within the due date.
3. The Company's Share holding pattern during the year is in accordance with the requirements of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000 and during the year there is no transfer of shares
4. The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDA, outside India.
5. The required solvency margin has been maintained at all times.
6. The values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value.
7. The Company has made progress in the area of Risk Management. There are sound mitigation practices in place to ensure interests of the stakeholders are safeguarded.

The overall Risk Management is monitored by Risk Management Committee of the Board and managed by the Chief Risk Officer. The Risk Management Report is shared with the Committee for ensuring that the key risks emerging from the activities carried out by Company are monitored in line with its governance framework.

The Company has "Three layers of Defence" structure comprising of;

- a. Head of Departments (HOD) of respective functions
- b. Risk Management and Compliance
- c. Internal Audit

Together, these three layers in their respective capacities provide a robust mechanism for risk mitigation.

At an Enterprise level, the Company monitors top risks on regular basis and tracks / reports the movement of these risks on a Quarterly basis. A Board approved Risk Management policy is in place, which acts as a guiding force while carrying out related activities.

With an objective to have risk mitigation in place at a Departmental level, the Company has compiled a repository of risks and controls; in the form of Risk Control Self-Assessment (RCSA). The Company has been put in place a process of periodic review of risks and testing of controls.

The Company also has a mechanism in place to monitor Operational Losses / Near Miss events at a Departmental level. Such events are reported and tracked on regular basis with a clear focus to avoid repeat instances of similar nature.

The Company has absolutely ZERO tolerance for any frauds. However, once frauds or malpractice is identified, a strong governance framework is in place to deal with such instances. The Company has an Ethics Committee to look into employee matters and a Market Conduct Committee for Intermediary related matters. This helps in focused reviews.

During the year, Company had adopted multi-product and multi-distribution strategy coupled with price revision of flagship products, which enabled Company in its growth journey. Living by the philosophy of customer centricity, Company had led various product innovations and digital enhancements to provide better customer experience

The Company also has in place a Board approved Business Continuity Plan and same is being followed.

8. The Company does not have insurance operations in any other country.
9. During the current year the company has received intimation for claims and settled claims amounting to INR 6,723,870 thousand (net of reinsurance and excluding TPA fees and Claim investigation fees). The amount of claims outstanding including IBNR (net of reinsurance) to be settled for the year ended March 31st 2023 is INR 1,379,069 thousand.

Ageing analysis of claims outstanding and average claims settlement time is given below:

Ageing of Claims Outstanding on Gross basis (other than IBNR and Pre- authorizations claims)

| Total mount<br>(Amount in 000s) | As at 31 Mar,<br>2023 |                 | As at 31 Mar,<br>2022 |                 | As at 31 Mar,<br>2021 |                | As at 31 Mar,<br>2020 |                | As at 31 Mar,<br>2019 |               |
|---------------------------------|-----------------------|-----------------|-----------------------|-----------------|-----------------------|----------------|-----------------------|----------------|-----------------------|---------------|
|                                 | No of<br>claims       | Amount          | No of<br>claims       | Amount          | No of<br>claims       | Amount         | No of<br>claims       | Amount         | No of<br>claims       | Amount        |
| 30 days                         | 8111                  | 3,72,157        | 3816                  | 1,77,311        | 3657                  | 1,79,248       | 1655                  | 76,021         | 1526                  | 62,907        |
| 31days-6 months                 | 377                   | 33,613          | 803                   | 83,333          | 965                   | 96,617         | 664                   | 49,647         | 117                   | 17,217        |
| 6 months – 1 year               | 19                    | 4,649           | 20                    | 3,003           | 7                     | 3,066          | 8                     | 7,738          | 11                    | 1,708         |
| 1 year - 5 years                | 17                    | 763             | 5                     | 250             | 1                     | 200            | 1                     | 58             | 1                     | 9             |
| 5 Years & above                 | -                     | -               | -                     | -               | -                     | -              | -                     | -              | -                     | -             |
| <b>Total</b>                    | <b>8524</b>           | <b>4,11,182</b> | <b>4644</b>           | <b>2,63,897</b> | <b>4630</b>           | <b>279,131</b> | <b>2328</b>           | <b>133,464</b> | <b>1655</b>           | <b>81,841</b> |

Trend in Claims Settlement:

| Particulars   | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|---|---------|---------|---------|---------|---------|
| Overall Average claim settlement time (In working days) | 5       | 6       | 6       | 5       | 5       |

10. We certify that the Investments made in debt securities have been valued at historical cost subject to amortization of premium / discount in accordance with the regulation. For the purpose of comparison, the fair value of debt securities has been arrived based on the Security Level Valuations (SLV) provided by CRISIL Limited (A SEBI Registered Rating Agency) in respect of Bonds and Government securities. Mutual Fund Investments are stated at their fair value, being the closing Net Asset Value as at balance sheet date.

11. All Investments as on 31<sup>st</sup> March 2023 are performing assets. Investments are managed by competent personnel under the supervision of the investment committee appointed by the Board of Directors of the Company. The quality and performance of assets are subject to periodical review by such committee. The Company invests only in high credit quality instruments.

12. We also Confirm that :-

- 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 for the year ended 31<sup>st</sup> March 2023 and of the operating loss and of the cumulative loss of the Company for the year ended;

- iii) the management has taken proper and sufficient care for the maintenance of adequate accounts records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938) / 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 ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

### 13. Payment made to entities in which Directors are interested

| Entity in which Director is interested | Name of the Director            | Interested as | Amount (Rs'000) |
|--|---------------------------------|---------------|-----------------|
| Manipal Health Enterprise Pvt Ltd      | Dr.Ranjan Pai & S Vaitheeswaran | Director      | 1,49,358        |
| Quess Corp Limited                     | Revathy Ashok                   | Director      | 8,085           |

### For and on behalf of the Board of Directors.

**LUIS MIRANDA**  
Digitally signed by LUIS MIRANDA  
Date: 2023.04.28 17:33:57 +05'30'

**Luis Miranda**  
Chairman  
DIN: 01055493

**VAITHEESWARAN SEETHARAMAN**  
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Date: 2023.04.28 18:08:50 +05'30'

**S Vaitheeswaran**  
Director  
DIN: 01814726

**SRIKANTH KANDIKONDA**  
Digitally signed by SRIKANTH KANDIKONDA  
Date: 2023.04.28 17:34:43 +05'30'

**Srikanth Kandikonda**  
Chief Financial Officer

Place : Mumbai  
Date : April 28, 2023

**Rajeev Chitrabhanu**  
Digitally signed by Rajeev Chitrabhanu  
Date: 2023.04.28 18:08:50 +05'30'

**Rajeev Chitrabhanu**  
Director  
DIN: 0002174031

**Prasun Kumar Sikdar**  
Digitally signed by Prasun Kumar Sikdar  
Date: 2023.04.28 17:32:08 +05'30'

**Prasun Sikdar**  
Managing Director & CEO  
DIN: 08107956

**Gauri Anirudh Takale**  
Digitally signed by Gauri Anirudh Takale  
Date: 2023.04.28 17:33:00 +05'30'

**Gauri Takale**  
Company Secretary  
Membership No. A26324

**“Certification for compliance of the Corporate Governance Guidelines”**

I, Gauri Takale, hereby certify that ManipalCigna Health Insurance Company Limited has complied with the Corporate Governance Guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

**For ManipalCigna Health Insurance Company Limited**



**Gauri Takale  
Company Secretary**

**Place: Mumbai**

**Date: 28<sup>th</sup> April, 2023**

**ManipalCigna Health Insurance Company Limited**

(Formerly known as CignaTTK Health Insurance Company Limited). CIN U66000MH2012PLC227948. IRDAI Reg. No. 151.

Reg. Office: 401/402, 4<sup>th</sup> Floor, Raheja Titanium, off Western Express Highway, Goregaon (East), Mumbai- 400 063.

Toll free number: 1800-102-4462, Website address: [www.manipalcigna.com](http://www.manipalcigna.com)

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