

DIRECTORS' REPORT

The Directors of your Company have pleasure in presenting the Fourth 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 31st March 2016, the Balance Sheet as at 31st March 2016 along with the Report of the Auditors thereon and the Management Report for the Financial Year 2015-16 to the Members of CignaTTK Health Insurance Company Limited.

BRIEF OVERVIEW

Your Company, CignaTTK Health Insurance Company Limited, was incorporated on 12th 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 13th November 2013 to carry on business of General (Health) Insurance in India. Your Company has total sixteen branches/units as on 31st March 2016.

Your Company's mission is to improve the health, well-being and sense of security of the people it serve.

KEY FINANCIAL RESULTS

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

(Amount in INR `000)

Particulars	Financial Year ended 31.03.2016	Financial Year ended 31.03.2015
Income:		
Premium earned (Net)	7,09,570	66,747
Reinsurance ceded		
Profit/Loss on sale/redemption of Investments	12,176	21,515
Other Income	-	-
Interest, Dividend & Rent	1,25,521	1,08,086
Expenses:		
Claims incurred (Net)	(5,58,151)	(42,937)
Commission	(1,20,031)	(14,898)
Operating expenses	(18,77,253)	(12,83,982)
Premium Deficiency	(28,051)	-
Funds for future appropriation	-	-
Profit /(Loss) for the year	(17,36,218)	(11,45,469)

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 44% from Rs. 143.94 Crores as at 31st March 2015 to Rs.206.63 Crores as at 31st March 2016. The investment income for the year under review was Rs.13.77 Crores as against Rs. 12.96 Crores generated in the previous

year, an increase of 7%. The weighted average return on Investments for the year ended 31st March 2016 was at 9.23% per annum (excluding unrealized gains/losses from debt securities).

As on 31st March 2016, your Company invested Rs. 75.39 Crores (36%) in government securities & approved securities, Rs. 44.95 Crores (22%) in securities of the infrastructure sector and Rs.19.95 Crores (10%) in the housing sector. Further, the Company also held Rs.26 Crores (13%) in bank fixed deposits and liquid mutual funds.

Your Company held 88.83 % of its debt assets in Sovereign and AAA/A1+ or equivalent rated assets, reflecting high degree of safety.

DIVIDEND

Since your Company is in initial stages of its business and there is an overall deficit for the year under review, the Directors do not recommend any Dividend for the Financial Year 2015-16.

RESOURCES AND LIQUIDITY

The Authorised Share Capital of the Company is Rs. 300,00,00,000. During the year under review, the paid-up share capital of your Company increased by Rs. 40,02,80,630 to finance further expansion of business taking the paid-up share capital to Rs. 240,02,80,630 as on 31st March 2016. The share premium as on 31st March 2016 stood at Rs. 195,12,01,163.

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 February 13, 2015, the provisions of Section 186 of the Companies Act, 2013 relating to Loans, Guarantees and Investments do 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

The Board of Directors of the Company had on the recommendation of the Nomination & Remuneration Committee appointed Ms. Susan Stevenson as an Additional Director of the Company in the category of Non-Executive Director with effect from 31st March 2015. Thereafter, at the Annual General Meeting of the Company held on 13th August 2015, the Members of the Company appointed the said Director as Non-Executive Director of the Company in compliance with the provisions of the Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

In accordance with the provisions of the Companies Act, 2013, Mr. Jason Sadler retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend his re-appointment.

KEY MANAGERIAL PERSONNEL

During the year under review, the Company had the following Key Managerial Personnel:

- Mr. Sandeep Patel, Managing Director & CEO,
- Mr. Anand Amrit Raj, Company Secretary, and
- Mr. Vivek Mathur, Chief Financial Officer.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Your Company is not covered under the provisions of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, hence it is not mandatory for your company to undertake initiatives under "Corporate Social Responsibility".

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board evaluated its own performance, the performance of all individual directors as well as the working of its Committees namely Risk Management Committee, Policyholders' Protection Committee, Investment Committee, Audit Committee and Nomination & Remuneration Committee. The performance evaluation of each director including independent directors was carried out by all the directors except the director being evaluated. Further, separate exercise was carried out by the Nomination & Remuneration Committee to evaluate the performance of individual directors including the Chairman of the Board. Also, the performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

REMUNERATION POLICY

The Company has adopted Nomination and Remuneration/Compensation Policy, inter alia, pertaining to the remuneration of directors, key managerial personnel and other employees.

The Policy 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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Policy approved by Board. To maintain its objectivity and independence, the Internal Audit function reports to Audit Committee of the Board. The Internal Audit works in consultation with Audit Committee based on a defined Audit Plan. 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 report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

STRATEGY FOR INDIAN ACCOUNTING STANDARD (IND AS) IMPLEMENTATION:

Ministry of Corporate Affairs (MCA) has outlined roadmap for implementation of International Financial Reporting Standards (IFRS) converged Indian Accounting Standards (Ind AS) vide its press release No 11/10/2009 CI-V dated 18th January 2016. Further, the Insurance Regulatory and Development Authority of India (IRDAI) has further issued circular vide reference no IRDAI/F&A/Cir/IFRS/038/03/2016 dated 1st March 2016 providing guidance for implementation of the

Ind AS. In accordance with the aforesaid circular the Company is required to prepare Ind AS based financial statements for accounting period beginning from 1st April 2018 with comparison for the periods ending 31st March 2018.

In order to implement the Ind AS, a Steering Committee is being setup in accordance with the aforesaid circular issued by the IRDAI. The implementation is planned to be done in a phased manner in order to have preparedness to submit proforma Ind AS financial statements to the IRDAI from the quarter ended 31st December 2016.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

As the Company is not covered under the provisions of the Section 177(10) of the Companies Act, 2013, 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 5th August 2009 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 2015-2016, no 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 31st March 2016, 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 31st March 2016 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**.

MANAGEMENT REPORT

The Management Report as stipulated under Regulation 3 of the IRDA (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

Your Company has achieved strong diversification in its Product Portfolio during the financial year 2015-16 with launching of 3 new products. The new products have helped your Company to enter into the domestic group segment and to achieve a comprehensive Product Portfolio Mix with a total of 5 Products across different categories i.e. Indemnity, Critical Illness, Accident & Daily Cash for Retail Lines and Domestic and Global Groups catering to the group segments. The new Products launched listed below:

1. ProHealth Cash – A daily Cash Plan with fixed benefit for each day of hospitalization with a host of other features.
2. Lifestyle Protection Group Policy – Group Coverage for Personal Accident & Critical Illness with optional covers that will allow creation of plans customized solutions for each group based on their individual requirement.
3. ProHealth Insurance (Revised) – Revamped version of existing product with an Industry first Health Savings plan - ProHealth Accumulate.

India's first Health Savings plan by any standalone health/general insurer has been launched by your Company in March 2016. With this product your company has continued to be a pioneer in introducing innovative products in the Indian market. Your Company will continue to capitalize on this lead and will build a strong business in the coming years. With the domestic group products, your Company has been able to successfully enter the domestic group personal accident market through the retail and group distribution channels.

During the year under review, your Company's focus was on new business premium through the retail products as well as to establish a strong base for the group business and was able to add 85,544 policies through the retail products with a premium of Rs. 89.53 Crores and 38 accounts in the Group business with a premium of Rs 54.29 Crores.

Product wise New Business premiums indicated below:

Product Name	Base Premium (Crs)
ProHealth Insurance	69.06
Lifestyle Protection - Accident Care	7.91
Lifestyle Protection - Critical Care	11.51
ProHealth Cash	1.05
Retail Total	89.53
Global Health Group Policy	28.87
Lifestyle Protection Group Policy	0.09
Group Health (Co-share)	25.34
Group Total	54.29
Grand Total	143.82

Your Company has filed a channel specific retail product with the Insurance Regulatory and Development Authority of India (IRDAI) and in line with the product philosophy, it shall continue to develop and introduce niche products for Diabetes as well as specialized Critical Illness propositions towards target markets. The focus for the forthcoming year will be to achieve a strong portfolio mix of retail and group products including a balanced portfolio of indemnity and fixed benefit business which will help your Company to diversify the risk and achieve a balanced portfolio. With the introduction of the Group Health products, your company will also continue to strengthen the domestic group health portfolio in the forthcoming months. Your Company will continue to come up with the innovative products and at the same time will focus on creating product solutions to meet the specific needs of their target customer segments.

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. Your Company has ensured that the risk management and underwriting process is managed with minimal manual intervention. During the year under review, your Company had 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. The attention has been driven to achieve consistency in underwriting decisions in the long term by standardizing risk acceptance criteria.

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

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.

The underwriting principles are bifurcated for different product lines i.e. Indemnity as well as Benefit based products and are continuously monitored against actual underwritten risk v/s portfolio benchmarks. Wherever required underwriting rules are amended to ensure that the overall risk is

balanced from an organizational view point and an individual channel view point 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 claims settlement process turn-around time of 4 days on the receipt of the last relevant document, during the financial year 2015-16. During the year under review, your Company processed 19,195 claims amounting to Rs. 47,74,19,904 by settling 17,876 cases amounting to Rs. 36,51,37,617 (i.e. 93.13 % of the total cases) and repudiating 1,021 cases amounting to Rs. 2,98,40,610 (i.e. 5.3 % 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

Your Company has created an enabling work environment based on four building blocks- Healthy Careers, Healthy Living, Healthy Rewards and Healthy Culture. Your Company have set up a scalable Recruitment & Training process with a focus on creating a culture of high performance. Your Company have been able to attract 'Best in Class' talent and our retention of high performers has been excellent. The total number of employees of your Company stands at 755 as on 31st March 2016.

CUSTOMER CARE

"Customer Delight" is your Company's essence. Your Company focus on keeping the customers at the heart of everything by offering them the superior and seamless experience. During the year under review, the phased migration of the Contact Center to Wipro BPS is completed.

The Contact Center manages the following processes:

- Inbound Contact Center
- E Mail management
- Welcome Calls
- Benefit Utilization & Renewals intervention

Your Company believes that the outsourcing of the Contact Center will help to scale new summits in the journey towards achieving customer service excellence. This move is another step towards commitment of giving customers "MORE".

Your Company was awarded with the ISO 9001:2008 certifications in June 2015 considering the efficiency of the Company in process and documentation. Ongoing process of obtaining feedback from the customers through Net Promoters Score (NPS) has enabled to measure customer satisfaction scores, proactively address problems and focus on creating best in class customer experience. Further, leveraging the NPS feedback to dig deeper has enabled in identification of actionable decisions that can cater to evolving customer needs.

Your Company aims to focus on providing multi-channel customer service by enhancing existing channels of communication and introduce web based channel as an additional environment for customers to communicate. This method of self-service will enable customers to independently perform transactions and find immediate response to their queries.

RISK MANAGEMENT

Your company is in the process of implementing overall Enterprise Risk Management Framework which includes determining risk appetite & consider the risk tolerance limit of the business with respect to investments, financial strength and sensitivities and other relevant factors.

Risk appetite is the level of aggregate risk that your organization can undertake and successfully manage over an extended period of time. Enterprise Risk Management would enable to determine the level of risk which can be accepted in order to build shareholder value.

The objective of the Enterprise Risk Management Framework is to ensure that the financial and non-financial risk position on the key financial indicators; Earnings, Revenue, Value and Benefits, Products and Net Promoters' Score; is monitored and they are used as basis of decision making process. Risk would be broadly categorized into Market Risk, Insurance Risk, Operational Risk, Insurance Risk, Reputational Risk, Financial Risk and People Risks. Risk tolerance limits for individual functional area (Finance, Investments, Operation, IT, HR, etc.) would be defined for each sub risk category identified for stated main risk categories. Key risk indicators would be identified for each sub risk and breach of established limit would be monitored closely. Risk mitigation and control options would be selected after evaluating cost effectiveness, time and resource constraints wherein key risk owners would be identified to implement the selected option within stipulated time frame.

The aggregated risk tolerance limit of the organization would be kept under defined limits after accounting for interactions between different risk categories and available control options.

The above process is monitored by Risk Management Committee and managed by Chief Risk Officer. This Committee is meeting at least once in a quarter or earlier if the need arises. The Risk Management Report is shared with Board members on regular basis to keep them aware of the evolving risk management process. Your Company has Board approved Risk Management Policy in place.

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 31st March 2016 and the date of this report.

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 have 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 Seven Directors on its Board, with two Independent Directors, four Non-Executive Directors and one Managing Director. Your Company has appointed Mr. Jagannathan Thattai Thiruvallur as a full time Chairman of the Company.

Name	Position
Dr. Narottam Puri	Independent Director
Mr. Hemant Kaul	Independent Director
Mr. Jagannathan Thattai Thiruvallur	Chairman & Non-Executive Director
Mr. Raghunathan Thattai Thiruvallur	Non-Executive Director
Mr. Jason Sadler	Non-Executive Director
Ms. Susan Stevenson	Non-Executive Director
Mr. Sandeep Patel	Managing Director & CEO

The Board of Directors are responsible for overall Corporate Strategy and other related matters. Managing Director & CEO oversees implementation of strategy, achievement of the business plan and day-to-day activities and operations related issues.

BOARD MEETINGS

The Board held six meetings during the financial year on 9th May 2015, 24th July 2015, 13th August 2015, 4th November 2015, 15th January 2016 and 4th February 2016.

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	No. 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"> i. Mr. Hemant Kaul, Chairman and Independent Director ii. Dr. Narottam Puri, Independent Director and Member iii. Mr. Jagannathan Thattai Thiruvallur, Non-Executive Director and Member 	<p>Four times on the following dates:</p> <ol style="list-style-type: none"> i. 9th May 2015 ii. 13th August 2015 iii. 4th November 2015 iv. 4th February 2016

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.	<ul style="list-style-type: none"> i. Mr. Jagannathan Thattai Thiruvallur, Chairman and Non-Executive Director ii. Mr. Raghunathan Thattai Thiruvallur, Non-Executive Director and Member iii. Dr. Narottam Puri, Independent Director and Member[#] iv. Mr. Sandeep Patel, Managing Director & CEO and Member v. Mr. Vivek Mathur, Chief Financial Officer and Member vi. Mrs. Raunak Jha, Appointed Actuary and Member vii. Mr. Mahesh Darak, Chief Investment Officer and Member 	Four times on the following dates: i. 9 th May 2015 ii. 13 th August 2015 iii. 4 th November 2015 iv. 4 th February 2016
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.	<ul style="list-style-type: none"> i. Mr. Jagannathan Thattai Thiruvallur, Chairman and Non-Executive Director ii. Mr. Raghunathan Thattai Thiruvallur, Non-Executive Director and Member iii. Dr. Narottam Puri, Independent Director and Member[#] iv. Mr. Sandeep Patel, Managing Director & CEO and Member 	Four times on the following dates: i. 9 th May 2015 ii. 13 th August 2015 iii. 4 th November 2015 iv. 4 th February 2016
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.	<ul style="list-style-type: none"> i. Mr. Jagannathan Thattai Thiruvallur, Chairman and Non-Executive Director ii. Mr. Raghunathan Thattai Thiruvallur, Non-Executive Director and Member iii. Dr. Narottam Puri, Independent Director and Member[#] iv. Mr. Sandeep Patel, Managing Director & CEO and Member 	Four times on the following dates: i. 9 th May 2015 ii. 13 th August 2015 iii. 4 th November 2015 iv. 4 th February 2016

Nomination and Remuneration Committee	Recommend to the Board appointment and removal of directors and person 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.	i. Mr. Hemant Kaul, Independent Director and Member ii. Dr. Narottam Puri, Independent Director and Member iii. Mr. Jagannathan Thattai Thiruvallur, Non-Executive Director and Member	Three Times on the following dates: i. 9 th May 2015 ii. 4 th November 2015 iii. 4 th February 2016
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* Reconstituted vide Board Meeting dated 4th February 2016.

Inducted as a Member effective 4th February 2016.

Mr. Anand Amrit Raj, Compliance Officer & Company Secretary 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
Dr. Narottam Puri	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director	Five
Mr. Hemant Kaul	BSc (Hons.) and MBA	Financial Services	Independent Director	Four
Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S. (Operations Research).	Manufacture and Marketing	Chairman and Non-Executive Director	Five
Mr. Raghunathan Thattai Thiruvallur	Bachelor of Commerce	Manufacture and Marketing	Non-Executive Director	Five
Mr. Jason Sadler	Chartered Institute of Management Accountants (ACMA) and BA Business Studies	Insurance	Non-Executive Director	Two
Ms. Susan Stevenson	BA (Hons) History and Diploma in Direct Marketing	Insurance	Non-Executive Director	One
Mr. Sandeep Patel	Bachelors of Science – Actuarial Science	Insurance	Managing Director & CEO	Six

Details of Audit Committee				
Name	Qualification	Field of Specialization	Status of Directorship/ Membership	No. of Meetings attended
Dr. Narottam Puri	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director	Three
Mr. Hemant Kaul	BSc (Hons.) and MBA	Financial Services	Chairman and Independent Director	Two

Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S. (Operations Research).	Manufacture and Marketing	Non-Executive Director	Three
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Details of Investment Committee				
Name	Qualification	Field of Specialization	Status of Directorship/ Membership	No. of Meetings attended
Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S. (Operations Research).	Manufacture and Marketing	Chairman & Non-Executive Director	Three
Mr. Raghunathan Thattai Thiruvallur	Bachelor of Commerce	Manufacture and Marketing	Non-Executive Director and Member	Two
Dr. Narottam Puri*	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director and Member	One
Mr. Sandeep Patel	Bachelors of Science – Actuarial Science	Insurance	Managing Director & CEO	Four
Mr. Vivek Mathur	B.Com (Honours) and Chartered Accountants	Finance	Chief Financial Officer and Member	Four
Mrs. Raunak Jha	B.Sc (Hons), Fellow of Institute of Actuaries of India	Actuarial	Appointed Actuary and Member	Three
Mr. Mahesh Darak	B.Com and M.M.S (Finance)	Investment	Chief Investment Officer and Member	Four

* Dr. Narottam Puri inducted as a member effective 4th February 2016

Details of Risk Management Committee				
Name	Qualification	Field of Specialization	Status of Directorship/ Membership	No. of Meetings attended
Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S. (Operations Research).	Manufacture and Marketing	Chairman & Non-Executive Director	Three
Mr. Raghunathan Thattai Thiruvallur	Bachelor of Commerce	Manufacture and Marketing	Non-Executive Director	Two
Dr. Narottam Puri*	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director	One
Mr. Sandeep Patel	Bachelors of Science – Actuarial Science	Insurance	Managing Director & CEO	Four

* Dr. Narottam Puri inducted as a member effective 4th February 2016

Details of Policyholders' Protection Committee				
Name	Qualification	Field of Specialization	Status of Directorship/ Membership	No. of Meetings attended
Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S. (Operations Research)	Manufacture and Marketing	Chairman & Non-Executive Director	Three
Mr. Raghunathan Thattai Thiruvallur	Bachelor of Commerce	Manufacture and Marketing	Non-Executive Director	Two
Dr. Narottam Puri*	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director	One
Mr. Sandeep Arunbhai Patel	Bachelors of Science – Actuarial Science	Insurance	Managing Director & CEO	Four

* Dr. Narottam Puri inducted as a member effective 4th February 2016

Details of Nomination and Remuneration Committee				
Name	Qualification	Field of Specialization	Status of Directorship/ Membership	No. of Meetings attended
Dr. Narottam Puri	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director	Two
Mr. Hemant Kaul	BSc (Hons.) and MBA	Financial Services	Independent Director	One
Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S. (Operations Research).	Manufacture and Marketing	Non-Executive Director	Three

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.

Both the Independent Directors were present at the Meeting.

STATUTORY AUDITORS

In accordance with the provisions of the Circular bearing reference No. 36/7/F&A/EMPL/74/July/05 dated 25th July, 2005 issued by Insurance Regulatory and Development Authority of India (IRDAI), M/s. S. Viswanathan, LLP and M/s. N. M. Rajji & Co., Chartered Accountants, were appointed as Joint Statutory Auditors of your Company at 3rd Annual General Meeting of the Company held on 13th August 2015 for the term of 4 years and 5 years i.e. till the conclusion of the 4th Annual General Meeting and 6th Annual General Meeting respectively.

Further, Insurance Regulatory & Development Authority of India has issued the draft 'Guidelines for Corporate Governance for insurers in India' on 12th February 2016. If the aforesaid guidelines gets notified the audit firm may be appointed as Joint Statutory Auditors for two terms of five years i.e. for continuous period of up to ten years. The Board of Directors shall approve the appointment of Joint Statutory Auditors before the notice of forthcoming Annual General Meeting of the Company is approved and circulated to the Members, considering the provisions of the aforesaid guidelines, if notified. The resolution proposing appointment of Statutory Auditors shall form part of the aforesaid Notice.

SECRETARIAL AUDIT

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 2015-16. The Secretarial Audit Report is annexed herewith.

STATUTORY INFORMATION

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are set out in the annexure to the Directors Report. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto.

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	1. Distributor Portal enhanced for Sales Managers/BMs which will reduce the channel servicing cost and enable the frontline sales employees with an online platform for quick and better service. Policy issuance enabled from Cigna's Distributor Portal to reduce the Operational cost and for better customer service.
2. Benefits derived like product improvement, cost reduction, product development or import substitution	2. Tab based selling powered by ilinks (mobile app) - initiated. Pilot with 25 top agents of CDO club commenced to enable policy sourcing and issuance electronically.
	3. As part of the continued focus on launching new products, the ProHealth (Medi-Claim product) has been revised this year to include additional and enhanced benefits for the customer. The same has been successfully launched through Cigna systems thus enabling a wider choice of products/benefits for customers.
	4. Online Intermediary Module (OIM) has been launched for Quote creation and policy

	<p>purchase to reduce the channel servicing cost and enable the business partners with an online platform for quick and better service. It is also an initiative towards empowering and equipping the insurance advisors and other business partners to enable customer end to end online policy purchase.</p> <p>5. CignaTTK has undertaken technology initiatives in the space of health and wellness, thereby enabling customers to better manage their health and wellbeing. CignaTTK website is integrated with our wellness partner to offer a variety of ProActive living programs to its customers. CignaTTK customers may enroll in any of these health and wellness programs and earn rewards for the same.</p> <p>6. Mobile Activity Management Application for agency managers which can help them track/manage their activities on a daily basis is on the Verge of Go Live. CignaTTK will therefore have a robust Activity Management System which can facilitate agency managers in capturing and tracking various activities involved in the recruitment and sales process on a daily basis, thereby helping towards better results.</p> <p>7. Partner specific digital channel- enabling robust capabilities to source business from Bank original systems and fulfillment on CignaTTK policy systems (currently under final stages of testing with a local Bank).</p> <p>8. New initiative to build an India instance of policy admin system is in progress. This Project involves new development of functionalities like Product Setup, Campaign Setup, Premium Rates, Underwriting, Accounting, Endorsements.</p> <p>9. CignaTTK is planning on implementing a group policy admin system for Domestic Group Business. This will be an end to end solution which will cater administration and servicing of group policies sourced to insurable groups like corporates bodies, affinity partners, mass policies.</p> <p>10. CignaTTK is planning on implementing a customer 360 solution which will address a consistent omni channel experience and lead to better control of servicing SLA for requests and complaints.</p> <p>11. As part of the digitization initiative CignaTTK is planning on building a customer servicing and</p>
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	wellness proposition on the mobile – this will eventually build a platform for engaging customers and addressing an omni channel experience for them across the contact centre, web and the mobile.
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

(INR in Lacs)

Particulars	Financial Year ended 31.03.2016	Financial Year ended 31.03.2015
Foreign Exchange earnings	-	-
Foreign exchange outgo	2847.32	218.60

EXTRACT OF ANNUAL RETURN

As per the provisions of the Companies Act, 2013, an extract of the Annual Return of the Company (in the prescribed Form MGT 9) has been attached as Annexure to the Directors' Report, and forms part of this Report.

ACKNOWLEDGMENTS

The Board of Directors sincerely thanks 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 Life Council, the Governing Body Insurance Council, Registrar of Companies (ROC) and the Bankers of the Company.

The Board thanks 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



Sandeep Patel
Managing Director & CEO



Raghunathan Thattai Thiruvallur
Director

Place: Chennai
Date: 4th May 2016

CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES

I, Anand Amrit Raj, hereby certify that the Company has complied with the Corporate Governance Guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

For CignaTTK Health Insurance Company Limited

A handwritten signature in black ink, appearing to read "Anand Amrit Raj".

Anand Amrit Raj
Chief Compliance Officer & Company Secretary

Place: Chennai
Date: 4th May 2016

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:

I. Details of agreement between the Company & CHSI for application development:

Sl. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	Name of the related party: Cigna Health Solutions India Private Limited (CHSI) Nature of relationship: Mr. Sandeep Patel is a common director of CignaTTK and the related party
(b)	Nature of contracts/arrangements/transactions	Application development for the Company by CHSI
(c)	Duration of the contracts / arrangements/transactions	3 years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	To create & enhance the Company Infrastructure & application suite and development of all applications for the Company as per requirements from time to time. The payments shall be made over a period of 36 months from the date of implementation of each sub-system. Value of the Agreement: Up to Rs. 16.60 Crores (inclusive of set up cost, if any) plus mark-up of 15% or as advised by the tax consultant.
(e)	Date(s) of approval by the Board, if any	30 th January 2015
(f)	Amount paid as advances, if any	Nil

II. Details of agreement between the Company & CHSI for application maintenance:

Sl. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	Name of the related party: Cigna Health Solutions India Private Limited (CHSI) Nature of relationship: Mr. Sandeep Patel is a common director of CignaTTK and the related party
(b)	Nature of contracts/arrangements/transactions	Application maintenance for the Company by CHSI
(c)	Duration of the contracts / arrangements/transactions	3 years

(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Maintenance of all applications used by CignaTTK for its Insurance operations. The payment shall be made in advance quarterly. Value of the Agreement: Up to Rs. 14.30 Crore plus mark-up of 15% or as advised by tax consultant
(e)	Date(s) of approval by the Board, if any	30 th January 2015
(f)	Amount paid as advances, if any	Nil


III. Details of agreement between the Company & CHSI for sharing workstations:

Sl. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	Name of the related party: Cigna Health Solutions India Private Limited (CHSI) Nature of relationship: Mr. Sandeep Patel is a common director of CignaTTK and the related party
(b)	Nature of contracts/arrangements/transactions	Sharing of workstations with CHSI for its employees/consultants.
(c)	Duration of the contracts / arrangements/transactions	3 years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Sharing of workstations and all related office amenities with CHSI for its employees/consultants. Value of the Agreement: Up to Rs. 35000 per month per workstation.
(e)	Date(s) of approval by the Board, if any	30 th January 2015
(f)	Amount paid as advances, if any	Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Sandeep Patel
Managing Director & CEO



Raghunathan Thattai Thiruvallur
Director

Annexure to Directors' Report
Statement pursuant to the Rule (5)(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name	Designation/ Nature of duties as on 31 st Mar, 2016	Total Remuneration received (INR)	Experience (years)	Qualification	Date of the commencement of employment	Age (years)	Last Employment
Mr. Sandeep Patel	Managing Director & CEO	76,399,634	23	Bachelors of Science - Actuarial Science	12.03.2012	47	Cigna Health Solutions India Private Limited
Ms. Jyoti Punja	Chief Operating Officer	10,610,124	14	B.Sc., L.L.B., E.M.B.A.	17.12.2012	50	Bharti Axa Life Insurance
Mr. Vivek Mathur	Chief Financial Officer	8,875,790	23	B.Com, C.A	01.10.2013	49	TATA AIA Life Insurance Co. Ltd
Mrs. Reena Tyagi	Head-HR	7,990,302	23	BSc (Hons) Physics, MBA	01.02.2012	45	Bharti Airtel Limited
Mr. Kamlesh Manuja	Head - Service Delivery	6,332,035	16	B.Pharm, Masters in Mktg Mgmt	10.11.2014	39	ICICI Prudential Life Insurance

NOTES:

1. Total remuneration includes salary, commission, allowances, rent paid for providing accommodation, leave pay, group and accident insurance premium, Company's contribution to provident, superannuation and gratuity funds and also the monetary value of other perquisites.
2. All the above employees are employed on contractual basis.
3. Experience includes number of years' service elsewhere, wherever applicable.
4. None of the employee mentioned above held any equity shares in the Company within the meaning of clause 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5. None of the employee mentioned above is a relative of any director or manager of the Company.
6. None of the employees of the Company is drawing remuneration in excess of the limits prescribed under Rule (5)(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Sandeep Patel
Managing Director & CEO
Place: Chennai
Date: 4th May 2016



Raghunathan Thattai Thiruvallur
Director

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended 31st March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS		
i)	CIN	U66000MH2012PLC227948
ii)	Registration Date	12/03/2012
iii)	Name of the Company	CignaTTK Health Insurance Company Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares - Indian Non -Government Company.
v)	Address of the Registered office and contact details	401/402, 4 th Floor, Raheja Titanium, Western Express Highway, Goregaon (East), Mumbai – 400063, Maharashtra Telephone: +91 22 61703600
vi)	Whether listed company	Unlisted
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Health insurance and related products and services	Division 65 and Group 651	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No	NAME AND ADDRESS OF THE COMPANY/BOADIES CORPORATE	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
-	-	-	-	-	-

i) Category-wise Share Holding

[illegible]

e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	20,00,00,000	20,00,00,000	100	0	24,00,28,063	24,00,28,063	100	0

(ii) Shareholding of promoters

Sl. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No of Shares	% of total shares of company	%of Shares Pledged / encumbered to total shares	No of Shares	% of total shares of company	%of Shares Pledged / encumbered to total shares	
1	TTK Partners LLP	14,79,99,994	74	0	17,76,20,764	74	0	-
2	Cigna Holdings Overseas ING	5,20,00,000	26	0	6,24,07,293	26	0	-
3	Thiruvallur Thattai Jagannathan	1	0	0	1	0	0	-
4	Thiruvallur Thattai Raghunathan	1	0	0	1	0	0	-
5	Thiruvallur Jagannathan Latha	1	0	0	1	0	0	-
6	Thiruvallur Raghunathan Bhanu	1	0	0	1	0	0	-
7	Thiruvallur Jagannathan Lakshman	1	0	0	1	0	0	-
8	Thiruvallur Raghunathan Sriram	1	0	0	1	0	0	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	20,00,00,000	100	20,00,00,000	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
1.	Preferential allotment dated 29 th June 2015	1,03,37,898	100	21,03,37,898	100
2.	Preferential allotment dated 31 st July 2015	1,03,37,898	100	22,06,75,796	100
3.	Preferential allotment dated 29 th September 2015	1,03,37,837	100	23,10,13,633	100
4.	Preferential allotment dated 4 th November 2015	17,12,408	100	23,27,26,041	100
5.	Preferential allotment dated 7 th December 2015	11,70,754	100	23,38,96,795	100
6.	Preferential allotment dated 21 st December 2015	11,70,891	100	23,50,67,686	100
7.	Preferential allotment dated 29 th February 2016	18,03,756	100	23,68,71,442	100
8.	Preferential allotment dated 28 th March 2016	31,56,621	100	24,00,28,063	100
	At the End of the year	24,00,28,063	100	24,00,28,063	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of top ten Shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each of the Directors and Key Managerial Personnel				
	At the beginning of the year:				
1.	Mr. Thattai Thiruvallur Jagannathan	1*	0	1*	0
2.	Mr. Thattai Thiruvallur Raghunathan	1*	0	1*	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year				
1.	Mr. Thattai Thiruvallur Jagannathan	1*	0	1*	0
2.	Mr. Thattai Thiruvallur Raghunathan	1*	0	1*	0

*Share held by Mr. Thattai Thiruvallur Jagannathan and Mr. Thattai Thiruvallur Raghunathan as a nominee of TTK Partners LLP.

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Sandeep Patel, Managing Director & CEO	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,42,91,823	6,42,91,823
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,21,10,311	1,21,10,311
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify: Contribution to Provident Fund	23,33,339	23,33,339
	Total (A)	7,87,35,473	7,87,35,473

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Hemant Kaul, Independent Director	Dr. Narottam Puri, Independent Director	Mr. Jagannathan T T, Non-Executive Director	Mr. Raghunathan T T, Non-Executive Director	
	1. Independent Directors					
	• Fee for attending board / committee meetings	1,40,000	2,60,000	-	-	4,00,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	1,40,000	2,60,000	-	-	4,00,000
	2. Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	4,00,000	2,20,000	6,20,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	4,00,000	2,20,000	6,20,000
	Total (B)=(1+2)	1,40,000	2,60,000	4,00,000	2,20,000	10,20,000


C. Remuneration to Key Managerial Personnel other than MD/Manager/MTD:

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Anand Amrit Raj, Company Secretary	Mr. Vivek Mathur, CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	40,43,645 0 0	1,17,34,044 0 0	1,57,77,689 0 0
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify			
	Total	40,43,645	1,17,34,044	1,57,77,689

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


Sandeep Patel
 Managing Director & CEO


Raghunathan Thattai Thiruvallur
 Director

CignaTTK Health Insurance Company Limited

Nomination and Remuneration/ Compensation Policy

Owner: Company Secretary and Head-HR

Approver: CignaTTK Board of Directors

Version: 1.1

Effective Date: 13th August, 2015

Review History

<u>Date of Review</u>	<u>Changes to Section</u>	<u>Review initiated by</u>	<u>Review signed off by</u>	<u>Review Approved by</u>	<u>Version Number</u>	<u>Effective from</u>
NA	New Policy	Secretarial	Company Secretary	Board	1.0	30 th March 2015
30 th June 2015	Annual Review	Secretarial	Company Secretary	Board	1.1	13 th August 2015

Contents

1. Purpose of the Policy
2. Definitions
3. Role of Committee
4. Membership
5. Frequency of the Meetings
6. Committee Members' Interest
7. Secretary
8. Minutes of Committee Meeting

Confidentiality Clause:

All information held about the procedure or in connection with the procedure and any of the above is to be regarded as confidential. One will not at any time during tenure of employment or afterwards, disclose to any person any information as to the business, dealings, practice, accounts, finances, trading, software, know-how, affairs of the procedure or otherwise connected with the procedure. Any breach of this clause would constitute very serious disciplinary action.

Nomination and Remuneration/ Compensation Policy

The Board of Directors of CignaTTK Health Insurance Company Limited ("the Company") constituted the "Nomination and Remuneration Committee" at the Meeting held on 5th May 2014 consisting of three (3) Non-Executive Directors of which majority are Independent Directors.

1. Purpose of the Policy:

The Nomination and Remuneration Committee ("Committee") of the Company and this Policy is in compliance with the provisions of Section 178 of the Companies Act, 2013, the Insurance Act, 1938 read with the provisions of the Guidelines on 'Corporate Governance for Insurance Sector' issued by Insurance Regulatory & Development Authority ('IRDA') and such other rules / regulations as may be applicable to the Company.

The Policy is framed with the objective(s):

1. 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;
2. To ascertain that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
3. 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;
4. To lay down criteria with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration;
5. 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;
6. 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
7. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

2. Definitions:

- 2.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 **Board** means Board of Directors of the Company.
- 2.3 **Directors** mean Directors of the Company
- 2.4 **Policy or this Policy** means, "Nomination and Remuneration Policy."
- 2.5 **Key Managerial Personnel** means
- 2.5.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.5.2. Whole-time director;
 - 2.5.3. Chief Financial Officer;
 - 2.5.4. Company Secretary; and
 - 2.5.5. such other officer as may be prescribed.
- 2.6 **Senior management** shall mean all executives directly reporting to the Managing Director & Chief Executive Officer of the Company.

3. ROLE OF COMMITTEE:

3.1 **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee.**

The Committee shall:

- 3.1.1 identify persons who are qualified to become director(s), Key Managerial Personnel (KMP) and who may be appointed in senior management in accordance with the criteria laid down.
- 3.1.2 recommend to the Board appointment and removal of directors, KMP and person appointed in senior management and shall carry out evaluation of every director's performance.
- 3.1.3 formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.4 recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial personnel and other employees.
- 3.1.5 Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 3.1.6 make independent/ discreet references, where necessary, well in time to verify the accuracy of the information furnished by the applicant.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1 Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2 Criteria for Remuneration to employees of the Company

- a) **Performance:** The Company shall while determining remuneration ensure that the performance of the employees and their commitment and efficiency is constructive and beneficial in generating commercial for the Company.
- b) **Responsibilities and Accountability:** The roles and responsibilities towards the organization and the position of the employees shall be formerly evaluated to fix the remuneration.
- (c) **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- (d) **Flexibility:** The Remuneration payable shall be flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other legislation.
- (e) **Affordability and Sustainability:** The remuneration payable is affordable and on a sustainable basis.

(f) Others:

- Conducting benchmarking with companies of similar type on the remuneration package;
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Clear linkage of remuneration and appropriate performance benchmarking; and
- Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working of the Company and its goals.

3.2.3 Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

3.2.4 Evaluation

The Committee shall carry out evaluation of performance of every Director and KMP at regular interval (yearly).

3.2.5 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

3.2.6 Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

3.3 Policy relating to the Remuneration for the Whole-time Director and KMP.

3.3.1 General

- a) The remuneration / compensation / commission etc. to the Whole-time Director and KMP will be determined by the Committee and recommend to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and/or Insurance Regulatory and Development Authority and/or Central Government, wherever required.
- b) In determining the remuneration of Whole-time Director and KMP the Committee should consider among others:
 - 1. Conducting benchmarking with companies of similar type on the remuneration package;
 - 2. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - 3. Clear linkage of remuneration and appropriate performance benchmarking; and
 - 4. Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives to the working of the Company and its goals.
- c) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- d) Increments including bonuses, incentive and other rewards to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders of the Company and/or Insurance Regulatory and Development Authority and/or Central Government, wherever required.

- e) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

3.3.2 Remuneration to Non- Executive / Independent Director

The Non- Executive / Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

4. Membership

- 4.1 Members of the Committee shall be appointed by the Board with a minimum of three Non-Executive Directors out of which not less than one-half shall be Independent Director.
- 4.2 The Chairman of the Committee shall be elected from members amongst themselves who shall be an Independent Director. In the absence of the Committee's Chairman, the remaining members present shall elect one of themselves to chair the meeting.
- 4.3 Only members of the Committee have the right to attend and vote at the Committee meetings and any other person required to attend the meeting will have no right to vote.
- 4.4 The Chairperson of the Committee or, in his absence, any other member of the Committee authorized by him in this behalf shall attend the general meetings of the Company.

5. Frequency of the meetings

The Committee shall meet at such times so as to enable it to carry out its powers, functions, roles & responsibilities.

6. Committee Members' Interests

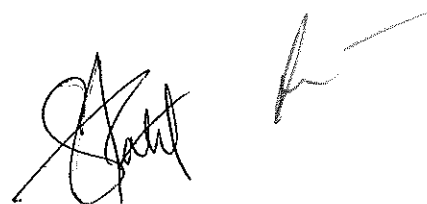
- 6.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 6.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

7. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

8. Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

Two handwritten signatures in black ink. The signature on the left is more complex and stylized, while the one on the right is simpler and more fluid.

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 2015-16 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 by May 2016.
3. The Company's Share holding pattern and any transfer of shares 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.
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 initiated the process of developing risk appetite framework which would consider the risk tolerance of the business with respect to our product offerings, investments, financial strength and sensitivities and other relevant factors. The objective of the risk appetite process is to ensure that the financial and non-financial risk position on the key financial indicators; Earnings, Revenue, Value and Benefits, Products and Net Promoters' Score; is monitored and they are used as basis of decisions on appropriate limits to risk exposures. We would broadly be categorizing risks into four main categories- Financial Risk, Insurance Risk, Operational Risk and Other Risks. Risk tolerance limits for each individual function area (Finance, marketing, sales, IT, HR, etc.) would be defined for each sub risk category identified for stated main risk categories. Key risk indicators would be identified for each sub risk and breach of established limit would be monitored closely. Risk mitigation and control options would be selected after evaluating cost effectiveness, time and resource constraints wherein key risk owners would be identified to implement the selected option within stipulated time frame. The aggregated risk tolerance limit of the organization would be kept under defined limits after accounting for interactions between different risk categories and available control options. The above process is monitored by Risk Management Committee and managed by Chief Risk Officer. This committee is meeting at least once in a quarter or earlier if the need arises. The Risk Management Report is shared with Board members on regular basis to keep them aware of the evolving risk management process. Your Company has Board approved Risk Management Policy in place.



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 349,769 thousand. The amount of claims outstanding (net of reinsurance) to be settled for the year ended March 31st 2016 is INR 241,350 thousand.
10. Ageing analysis of claims outstanding and average claims settlement time is given below:

Ageing of Claims Outstanding:

	As at 31 Mar, 2016		As at 31 Mar, 2015		As at 31 Mar, 2014	
Days	No of claims	(Rs. '000s)	No of claims	(Rs. '000s)	No of claims	(Rs. '000s)
30 days	48	2552.31	32	1549.01	-	-
30 days to 6 months	15	928.67	-	-	-	-
6 months to 1 year	-	-	-	-	-	-
1 year to 5 years	-	-	-	-	-	-
5 Years and above	-	-	-	-	-	-

Trend in Claims Settlement:

Particulars	2015-2016	2014-2015	2013-2014
Overall Average claims settlement time (In working days)	4	3	-

11. 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 on a Yield to Maturity (YTM) basis by using the appropriate discount rates derived from the yield curve data provided by the Fixed Income and Money Market Dealers Association (FIMMDA) in respect of Government securities.

12. All Investments at the period and are performing investments. 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 Investments only in high credit quality instruments.




13. We also Confirm that:-

- i) In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
- ii) the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended and of the operating Loss and of the 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.

14. Payment made to entities in which Directors are interested


Entity in which Director is interested	Name of the Director	Interested as	Amount (Rs'000)
Cigna Health Solutions India Pvt. Ltd.	Sandeep Patel	Chairman and Director	5,607


For and on behalf of Board of Directors


Raghunathan Thattai Thiruvallur
Chairman


Jason Dominic Sadler
Director


Vivek Mathur
Chief Financial Officer


Narottam Puri
Director


Sandeep Arunbhai Patel
Managing Director & CEO


Anand Amrit Raj
Company Secretary

Chennai
4th May, 2016

N. M. Raiji & Co.
Chartered Accountants
Universal Insurance Building
6th Floor, Sir P. M. Road
Mumbai – 400001

S. Viswanathan LLP
Chartered Accountants
27/34, 2nd Floor,
Nandidurga Road, JayaMahal Extension,
Bangalore - 560046

Independent Auditors' Report

TO THE MEMBERS OF CIGNATTK HEALTH INSURANCE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **CignaTTK Health Insurance Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Revenue Account, the Profit and Loss Account and the Receipts and Payment Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company, in accordance with the accounting principles generally accepted in India, including 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 Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA") in this regard, the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable. This responsibility also includes maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.



We have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, orders / directions issued by the IRDA, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, the Insurance Regulatory and Development Act, 1999, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and the Companies Act, 2013, 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, 2016;
- b. in the case of the Revenue Account, of the deficit 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 of the Company for the year ended on that date.

Other Matters:

The estimate of claims Incurred But Not Reported (IBNR), claims Incurred But Not Enough Reported (IBNER) and provisioning for Premium Deficiency, Free Look Reserve and Future Benefit Reserve as at March 31, 2016, has been duly certified by the Company's Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ("the Authority") and the Actuarial Society of India in concurrence with the Authority. We have relied



upon the Appointed 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

Report on Other Legal and Regulatory Requirements

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate in Annexure – A dated May 4, 2016, certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, as amended from time to time.
2. As required by Schedule C of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, Section 143 (3) and other provisions of the Companies Act, 2013, to the extent applicable, we report that:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
 - 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 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, Revenue Account, Profit and Loss Account and Receipts and Payments Account, dealt with by this Report, are in agreement with the books;
 - e. in our opinion, the Balance Sheet, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account, dealt with by this report, comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, 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. based on the information and explanations received in the normal course of our audit and management representations, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration;
- i. on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013;
- j. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- k. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (a) The Company has does not have any pending litigations which would impact its financial position
- (b) The Company did not have any long-term contracts including derivative contracts.
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N. M. Raiji & Co.
Chartered Accountants
(Registration No.: 108296W)


Vinay D. Balse
Partner
(Membership No. 39434)



For S. Viswanathan LLP
Chartered Accountants
(Registration No. 004770S / S200025)


C.N. Srinivasan
Partner
(Membership No. 18205)



Place: Chennai
Date: May 4th, 2016

N. M. Raiji & Co.
Chartered Accountants
Universal Insurance Building
6th Floor, Sir P. M. Road
Mumbai – 400 001

S. Viswanathan LLP
Chartered Accountants
27/34, 2nd Floor,
Nandidurga Road, JayaMahal Extension,
Bangalore – 560 046

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 dated May 4, 2016)

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.

The Company's Management 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

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.

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by CignaTTK Health Insurance Company Limited (the "Company") for the year ended March 31, 2016, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2016, 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;
3. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2016, by actual inspection or on the



basis of certificates/ confirmations received from the Custodian and/or Depository Participants appointed by the Company, as the case may be;


4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and investments of the Policyholders' Funds.

For N.M.Raiji & Co
Chartered Accountants
(Registration No.: 108296W)


Vinay D. Balse
Partner
(Membership No. 39434)



For S. Viswanathan LLP
Chartered Accountants
(Registration No. 004770S / S20025)


C.N.Srinivasan
Partner
(Membership No. 18205)

Place: Chennai
Date: May 4th, 2016



N. M. Raiji & Co.
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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(j) of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated May 04, 2016)

We have audited the internal financial controls over financial reporting of **CignaTTK Health Insurance Company Limited** ("the Company") as of March 31, 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

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


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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".

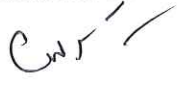
For N.M.Raiji & Co
Chartered Accountants
(Registration No.: 108296W)


Vinay D. Balse
Partner
(Membership No. 39434)



Place: Chennai
Date: May 4th, 2016

For S. Viswanathan LLP
Chartered Accountants
(Registration No. 004770S/S20025)


C.N.Srinivasan
Partner
(Membership No. 18205)



FORM B-RA
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016
(Miscellaneous Business)

Rs '000

S.No	Particulars	Schedule	For the year ended 31 st Mar 2016	For the year ended 31 st Mar 2015
1	Premiums earned (Net)	1	709,570	66,747
2	Profit/ (Loss) on sale/redemption of Investments		3,995	1,278
3	Others		-	-
4	Interest, Dividend & Rent – Gross		46,815	4,626
	TOTAL (A)		760,380	72,651
1	Claims Incurred (Net)	2	558,151	42,937
2	Commission	3	120,031	14,898
3	Operating Expenses related to Insurance Business	4	1,796,294	1,223,788
4	Premium Deficiency		28,051	-
	TOTAL (B)		2,502,527	1,281,623
	Operating Profit/(Loss) from Fire/Marine/Miscellaneous Business C= (A - B)		(1,742,147)	(1,208,972)
	APPROPRIATIONS			
	Transfer to Shareholders' Account		(1,742,147)	(1,208,972)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		(1,742,147)	(1,208,972)

Significant accounting policies & Notes to Financial Statements.
The Schedules referred to above form an integral part of the Financial Statements.

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As required by Section 40C of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Health Insurance business transactions in India by the Company have been fully recognised in the revenue account as expenses.

As per our report of even date attached.

For S.Viswanathan LLP
Chartered Accountants
Firm Regn No. 004770S/S200025

C. N. Srinivasan
Partner
Membership No. 018205

For N M Raiji & Co
Chartered Accountants
Firm Regn No. 108296W

Vinay D. Balse
Partner
Membership No. 039434

For and on behalf of the Board of Directors.

Raghunathan Thattai Thiruvallur
Chairman

Narottam Puri
Director

Vivek Mathur
Chief Financial Officer

Jason Sadler
Director
Sandeep Patel
Managing Director & CEO

Anand Amrit Raj
Company Secretary

Place : Chennai
Date : 4th May, 2016



FORM B-PL
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016
 (Miscellaneous Business)

Rs '000

S.No	Particulars	Schedule	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015
1	OPERATING PROFIT/(LOSS)			
	(a) Fire Insurance		-	-
	(b) Marine Insurance		-	-
	(c) Miscellaneous Insurance		(1,742,147)	(1,208,972)
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent – Gross		78,706	103,460
	(b) Profit on sale of investments		8,182	20,237
	Less: Loss on sale of investments		-	-
3	OTHER INCOME			-
	TOTAL (A)		(1,655,259)	(1,085,275)
4	PROVISIONS (Other than taxation)			
	(a) For diminution in the value of Investments		-	-
	(b) For doubtful debts		-	-
	(c) Others		-	-
5	OTHER EXPENSES			
	(a) Expenses other than those related to Insurance Business			
	Personnel Cost		67,539	50,695
	Rents, rates & taxes		-	-
	Share Issue Expenses (Stamp Duty & Franking)		11,752	9,500
	Miscellaneous Expenses		1,368	-
	(b) Bad debts written off		-	-
	(c) Others (Provision for doubtful debts)		301	-
	TOTAL (B)		80,959	60,195
	Profit / (Loss) Before Tax		(1,736,218)	(1,145,470)
	Provision for Taxation			
	Profit / (Loss) After Tax		(1,736,218)	(1,145,470)
	APPROPRIATIONS			
	(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		(1,750,014)	(604,544)
	Balance carried forward to Balance Sheet		(3,486,232)	(1,750,014)
	Earnings Per Share		(7.84)	(7.51)

Significant accounting policies & Notes to Financial Statements.

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

As per our report of even date attached.

 For S.Viswanathan LLP
 Chartered Accountants
 Firm Regn No. 004770S/S200025


 C. N. Srinivasan
 Partner
 Membership No. 018205

 For N M Rajji & Co
 Chartered Accountants
 Firm Regn No. 108296W



 Vinay D. Balse
 Partner
 Membership No. 039434

 Place : Chennai
 Date : 4th May, 2016


16

For and on behalf of the Board of Directors.


 Raghunathan Thattai Thiruvallur
 Chairman


 Narottam Puri
 Director


 Vivek Mathur
 Chief Financial Officer


 Jason Sadler
 Director


 Sandeep Patel
 Managing Director & CEO


 Anand Amrit Raj
 Company Secretary

FORM B-BS
BALANCE SHEET AS ON 31ST MARCH 2016

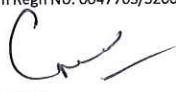
Rs '000

S.No	Particulars	Schedule	As at 31st March 2016	As at 31st March 2015
	SOURCES OF FUNDS			
1	SHARE CAPITAL	5	2,400,281	2,000,000
2	SHARE APPLICATION MONEY		-	-
3	RESERVES AND SURPLUS	6	1,951,201	901,961
4	FAIR VALUE CHANGE ACCOUNT		191	846
5	BORROWINGS	7	-	-
	TOTAL		4,351,672	2,902,807
	APPLICATION OF FUNDS			
1	INVESTMENTS	8	1,911,297	1,439,418
2	LOANS	9	-	-
3	FIXED ASSETS	10	322	471
4	DEFERRED TAX ASSET		-	-
5	CURRENT ASSETS			
	Cash and Bank Balances	11	258,541	24,021
	Advances and Other Assets	12	307,699	290,562
	Sub-Total (A)		566,240	314,583
6	CURRENT LIABILITIES	13	779,284	444,530
7	PROVISIONS	14	833,136	157,149
8	DEFERRED TAX LIABILITY		-	-
	Sub-Total (B)		1,612,419	601,679
	NET CURRENT ASSETS (C) = (A - B)		(1,046,179)	(287,096)
9	MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
10	DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		3,486,232	1,750,014
	TOTAL		4,351,672	2,902,807

Significant accounting policies & Notes to Financial Statements.
The Schedules referred to above form an integral part of the Financial Statements.

As per our report of even date attached.

For S.Viswanathan LLP
Chartered Accountants
Firm Regn No. 004770S/S200025


C. N. Srinivasan
Partner
Membership No. 018205

For N M Rajji & Co
Chartered Accountants
Firm Regn No. 108296W



Vinay D. Balse
Partner
Membership No. 039434


Place : Chennai
Date : 4th May, 2016




16

For and on behalf of the Board of Directors.


Raghunathan Thattai Thiruvallur
Chairman


Narottam Puri
Director


Vivek Mathur
Chief Financial Officer


Jason Sadler
Director


Sandeep Patel
Managing Director & CEO


Anand Amrit Raj
Company Secretary



RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016

(Rs. '000)

S.no.	Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
I	Cash flows from operating activities		
1	Premium received from policyholders, including advance receipts	1,388,480	241,973
2	Other receipts	-	-
3	Payments to the re-insurers, net of commission and claims	(46,088)	-
4	Payments to co-insurers, net of claims recovery	-	-
5	Payments of claims	(349,577)	(10,578)
6	Payments of commission and brokerage	(102,284)	(12,544)
7	Payments of other operating expenses	(1,695,255)	(1,126,727)
8	Preliminary and pre-operative expenses	-	-
9	Deposits, advances and staff loans	(39)	(116,657)
10	Income taxes paid (Net)	-	-
11	Service tax Paid	(44,379)	(4,980)
12	Retirement Benefits	-	-
	Cash flow before extraordinary items	(849,142)	(1,029,513)
	Cash flow from extraordinary items	-	-
	Net cash flow from operating activities (A)	(849,142)	(1,029,513)
II	Cash flows from investing activities		
1	Purchase of fixed assets	-	(198)
2	Proceeds from sale of fixed assets	-	-
3	Purchase of investments	(878,282)	(4,462,578)
4	Loans disbursed	-	-
5	Sale of investments	357,296	3,144,565
6	Repayments received	-	-
7	Rents / Interests / Dividends received/profit on sale of investment*	122,508	106,714
8	Investment in money market instruments and in liquid mutual funds (net)	(61,549)	(92,656)
9	Expenses related to investments	(4,080)	(406)
	Net cash flow from investing activities (B)	(464,107)	(1,304,559)
III	Cash flows from financing activities		
1	Proceeds from issuance of share capital**	1,449,521	1,450,980
2	Share Issue Expenses	(11,752)	(9,500)
3	Proceeds from borrowing	-	-
4	Repayments of borrowing	-	-
5	Interest / Dividend paid	-	-
	Net cash flow from financing activities (C)	1,437,769	1,441,480
	Effect of foreign exchange rates on cash and cash equivalents, net (D)	-	-
	Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	124,520	(892,592)
	Cash and cash equivalents at the beginning of the year	24,021	916,613
	Cash and cash equivalents at the end of the year***	148,541	24,021

*Includes Profit on Sale of Investments amounting to INR 12,176 thousand (previous year INR 21,514 thousand),

** Includes proceeds from Share Premium amounting to INR 1,049,240 thousand (Previous year INR 450,980 thousand)

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

Cash and Bank balances

258,541

24,021

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

(110,000)

Cash and cash equivalents at the end of the year

148,541

24,021

As per our report of even date attached.

For S.Viswanathan LLP
Chartered Accountants
Firm Regn No. 004770S/S200025

C. N. Srinivasan
Partner
Membership No. 018205

For N M Rajji & Co
Chartered Accountants
Firm Regn No. 108296W

Vinay B. Balse
Partner
Membership No. 039434

Place : Chennai
Date : 4th May, 2016



For and on behalf of the Board of Directors.

Ragunathan Thattai Thiruvallur
Chairman

Narottam Puri
Director

Vivek Mathur
Chief Financial Officer

Jason Sadler
Director

Sandeep Patel
Managing Director & CEO

Amrit Raj
Company Secretary

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 31st Mar 2016	For the year ended 31st Mar 2015	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015
1	Premium from direct business written	1,358,208	212,386	79,958	5,886	1,438,166	218,272
2	Add: Premium on reinsurance accepted	-	-	-	-	-	-
3	Less : Premium on reinsurance ceded	84,246	10,619	7,385	294	91,631	10,914
4	Net Premium	1,273,962	201,767	72,573	5,592	1,346,535	207,359
5	Adjustment for change in reserve for unexpired risks	580,194	135,200	56,771	5,411	636,965	140,612
	Total Premium Earned (Net)	693,768	66,567	15,802	180	709,570	66,747
	Premium Income from business effected :						
	In India	693,768	66,567	15,802	180	709,570	66,747
	Outside India	-	-	-	-	-	-
	Total Premium Earned (Net)	693,768	66,567	15,802	180	709,570	66,747



SCHEDULE 2 - CLAIMS INCURRED (NET)

Rs '000

S.No	Particulars	Health Insurance		Personal Accident		Consolidated Total	
		For the year ended 31st Mar 2016	For the year ended 31st Mar 2015	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015
	Claims paid						
1	Direct claims	368,078	10,578	90	-	368,168	10,578
2	Add : Re-insurance accepted	-	-	-	-	-	-
3	Less : Re-insurance Ceded	18,306	535	93	-	18,399	535
	Net Claims Paid	349,772	10,043	(3)	-	349,769	10,043
4	Add : Claims Outstanding at the end of the year	231,584	32,869	9,766	99	241,350	32,968
5	Less : Claims Outstanding at the beginning of the year	32,869	74	99	-	32,968	74
	Total Claims Incurred	548,487	42,837	9,664	99	558,151	42,937
	Claims paid to claimants:						
	In India	198,368	10,043	(3)	-	198,365	10,043
	Outside India	151,405	-	-	-	151,405	-
	Total Claims Incurred	349,772	10,043	(3)	-	349,769	10,043



SCHEDULE 3 - COMMISSION

Rs '000

S.No	Particulars	Health Insurance		Personal Accident		Consolidated Total	
		For the year ended 31st Mar 2016	For the year ended 31st Mar 2015	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015
	Commission paid						
1	Direct Commission	117,537	15,628	11,926	848	129,463	16,476
2	Add: Re-insurance Accepted	-	-	-	-	-	-
3	Less: Commission on Re-insurance Ceded	8,832	1,535	601	44	9,433	1,579
	Net Commission	108,706	14,094	11,325	804	120,031	14,898
	Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:						
	Agents	42,488	10,347	2,427	470	44,916	10,817
	Brokers	45,661	2,476	1,762	79	47,423	2,555
	Corporate Agency	29,334	2,805	7,734	299	37,069	3,104
	Referral	-	-	-	-	-	-
	Others	54	-	2	-	57	-
	TOTAL (B)	117,537	15,628	11,926	848	129,463	16,476



SCHEDULE 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Rs '000

S.No	Particulars	Health Insurance		Personal Accident		Consolidated Total	
		For the year ended 31st Mar 2016	For the year ended 31st Mar 2015	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015	For the year ended 31st Mar 2016	For the year ended 31st Mar 2015
1	Employees' remuneration & welfare benefits	567,539	461,054	33,411	5,792	600,950	466,846
2	Travel, conveyance and vehicle running expenses	61,325	46,822	3,610	812	64,935	47,634
3	Training expenses	18,903	4,545	1,113	73	20,015	4,618
4	Rents, rates & taxes	78,475	67,054	4,620	1,272	83,094	68,325
5	Repairs	2,332	2,554	137	125	2,470	2,679
6	Printing & stationery	17,184	8,083	1,012	139	18,195	8,221
7	Communication	42,046	28,906	2,475	1,005	44,521	29,911
8	Legal & professional charges	228,503	150,886	13,452	2,905	241,956	153,791
9	Auditors' fees, expenses etc					-	-
	(a) as auditor	850	700	50	0	900	700
	(b) as adviser or in any other capacity, in respect of	-	-	-	-	-	-
	(i) Taxation matters	-	-	-	-	-	-
	(ii) Insurance matters	-	-	-	-	-	-
	(iii) Management services; and	-	-	-	-	-	-
	(c) in any other capacity	283	99	17	1	300	100
	(d) out of pocket expenses	49	56	3	1	52	57
10	Advertisement and publicity	294,018	234,639	17,309	3,952	311,327	238,592
11	Interest & Bank Charges	5,057	1,582	298	31	5,355	1,613
12	Others					-	-
	Membership and Subscription Fees	2,722	2,928	160	23	2,882	2,951
	Information Technology Related Expenses	155,370	91,946	9,147	2,342	164,517	94,288
	Equipments, Software and amenities - Usage Cost	103,121	57,384	6,071	544	109,192	57,928
	Business Promotion	8,654	13,747	509	232	9,164	13,979
	Office Expenses	32,303	14,949	1,902	184	34,205	15,133
	Policy Related Expenses	70,976	14,358	4,178	273	75,154	14,631
	Directors Sitting Fees	963	733	57	7	1,020	740
	Miscellaneous Expenses	514	686	30	64	544	751
	Foreign Exchange Gain/Loss	5,098	174	300	3	5,398	177
13	Depreciation	141	122	8	1	149	123
	TOTAL	1,696,425	1,204,008	99,869	19,780	1,796,294	1,223,788



SCHEDULE 5 - SHARE CAPITAL

S.No	Particulars	Rs '000	
		As at 31st March 2016	As at 31st March 2015
		Audited	Audited
1	Authorised Capital 300,000,000 (Previous Year: 200,000,000) Equity Shares of Rs. 10 each	3,000,000	2,000,000
2	Issued Capital 240,028,063 (Previous Year: 200,000,000) Equity Shares of Rs. 10 each	2,400,281	2,000,000
3	Subscribed Capital 240,028,063 (Previous Year: 200,000,000) Equity Shares of Rs. 10 each	2,400,281	2,000,000
4	Called-up Capital 240,028,063 (Previous Year: 200,000,000) Equity Shares of Rs. 10 each	2,400,281	2,000,000
	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	-	-
	TOTAL	2,400,281	2,000,000





CignaTTK Health Insurance Company Limited

IRDA Registration No. 151 Dated November 13, 2013

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

Shareholder	As at 31st March 2016		As at 31st March 2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	177,620,770	74%	148,000,000	74%
- Foreign	62,407,293	26%	52,000,000	26%
Others				
TOTAL	240,028,063	100%	200,000,000	100%



SCHEDULE 6 - RESERVES AND SURPLUS

		Rs '000	
S.No	Particulars	As at 31st March 2016	As at 31st March 2015
		Audited	Audited
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	1,951,201	901,961
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	-	-
	TOTAL	1,951,201	901,961



SCHEDULE 7 - BORROWINGS

			Rs '000
S.No	Particulars	As at 31st March 2016	As at 31st March 2015
		Audited	Audited
1	Debentures/ Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-



SCHEDULE 8 - INVESTMENTS

			Rs '000	
S.No	Particulars		As at 31st March 2016	As at 31st March 2015
			Audited	Audited
	LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note 1)		546,552	437,887
2	Other Approved Securities		207,298	154,446
3	Other Investments			
	(a) Shares		-	-
	(aa) Equity		-	-
	(bb) Preference		-	-
	(b) Mutual Funds		-	-
	(c) Derivative Instruments		-	-
	(d) Debentures/ Bonds		503,575	452,413
	(e) Other Securities		-	-
	(f) Subsidiaries		-	-
	(g) Investment Properties-Real Estate		-	-
4	Investments in Infrastructure and Social Sector		449,509	301,170
5	Other than Approved Investments		-	-
	SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills		-	-
2	Other Approved Securities		-	-
3	Other Investments		-	-
	(a) Shares		-	-
	(aa) Equity		-	-
	(bb) Preference		-	-
	(b) Mutual Funds		84,560	65,879
	(c) Derivative Instruments		-	-
	(d) Debentures/ Bonds		49,967	-
	(e) Other Securities - Certificate of Deposit		49,414	-
	(f) Subsidiaries		-	-
	(g) Investment Properties-Real Estate		-	-
4	Investments in Infrastructure and Social Sector		-	-
5	Other than Approved Investments		20,422	27,624
	TOTAL		1,911,297	1,439,418

Notes:

- Government securities includes security deposit held under section 7 of Insurance Act 1938, having book value - NIL (Previous Year - Rs. 45,925 Thousand). IRDA vide circular no : IRDAI/F&I/CIR/INV/093/04/2015, dated 30th April 2015 has dispensed with the requirement of maintaining the deposit under Section 7 of the Insurance Act, 1938.
- Aggregate historical cost of investments other than listed equity securities and derivative instruments is Rs.1,912,183 Thousand (Previous Year - Rs. 1,438,766 Thousand). Aggregate market value of such investments as at 31.03.2016 is Rs.1,971,645 thousand (Previous Year - Rs. 1,506,969 Thousand).



SCHEDULE 9 - LOANS

		Rs '000	
S.No	Particulars	As at 31st March 2016	As at 31st March 2015
		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	-	-
	TOTAL	-	-
2	BORROWER-WISE CLASSIFICATION		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	TOTAL	-	-
3	PERFORMANCE-WISE CLASSIFICATION		
	(a) Loans classified as standard	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non-performing loans less provisions	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	TOTAL	-	-
4	MATURITY-WISE CLASSIFICATION		
	(a) Short Term	-	-
	(b) Long Term	-	-
	TOTAL	-	-



SCHEDULE 10 - FIXED ASSETS

Rs '000

Particulars	Cost/ Gross Block				Depreciation			Net Block	Net Block
	Opening	Additions during the year	Deductions/ adjustments during the year	As at 31st March 2016	Opening	For the year ended	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
Goodwill	-	-	-	-	-	-	-	-	-
Intangibles (Software)	246	-	-	246	56	78	133	112	190
Land-Freehold	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Furniture & Fittings	22	-	-	22	22	-	22	-	-
IT Equipments	6	-	-	6	1	1	2	4	4
Vehicles	-	-	-	-	-	-	-	-	-
Office Equipment	370	-	-	370	93	70	164	207	277
Others	-	-	-	-	-	-	-	-	-
TOTAL	643	-	-	643	172	149	321	322	471
Work in progress	-	-	-	-	-	-	-	-	-
Grand Total	643	-	-	643	172	149	321	322	471
Previous Year	445	198	-	643	49	123	172	471	396



SCHEDULE 11 - CASH AND BANK BALANCE

S.No	Particulars	Rs '000	
		As at 31st March 2016	As at 31st March 2015
		Audited	Audited
1	Cash (including cheques, drafts and stamps)	31,091	9,918
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	155,000	-
	(bb) Others	-	-
	(b) Current Accounts	72,450	14,103
	(c) Others	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	TOTAL	258,541	24,021
		-	-



SCHEDULE 12 - ADVANCES AND OTHER ASSETS

S.No	Particulars	Rs '000	
		As at 31st March 2016 Audited	As at 31st March 2015 Audited
	ADVANCES		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	36,027	38,676
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	-	-
6	Others		
	Security Deposits	101,309	107,149
	Advance to Employees	1,618	-
	Advance to others	7,112	203
	TOTAL (A)	146,066	146,027
	OTHER ASSETS		
1	Income accrued on investments	57,269	42,079
2	Outstanding Premiums	-	-
3	Agents' Balances (Net of provision for doubtful agents balance amounting to INR 301 thousands)	385	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	13,871	-
6	Due from subsidiaries/ holding	-	-
7	Deposit with Reserve Bank of India	-	-
8	Others		
	Receivable from Related Parties	-	105
	TDS Receivable	445	-
	Cenvat Credit	89,664	102,350
	TOTAL (B)	161,633	144,535
	TOTAL (A+B)	307,699	290,562



SCHEDULE 13 - CURRENT LIABILITIES

S.No	Particulars	Rs '000	
		As at 31st March	As at 31st March
		2016 Audited	2015 Audited
1	Agents' Balances	22,256	4,124
2	Balances due to other insurance companies	95,419	8,942
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	5,236	2,281
5	Unallocated Premium	53,334	23,032
6	Unclaimed Amount of Policyholders	23,728	900
7	Sundry creditors	134,739	178,873
8	Due to subsidiaries/ holding company	-	-
9	Claims Outstanding*	241,350	32,968
10	Due to Officers/ Directors	-	-
11	Others -	-	-
	Statutory Dues	60,562	27,865
	Refund Payable - Premium	11,032	2,344
	Provision for expenses	82,181	42,280
	Payable to Related Parties	33,025	117,493
	Contracts for Investments	0	-
	Stale Cheque	89	-
	Payable to Employees	16,333	3,428
	TOTAL	779,284	444,530

*Claims Outstanding are shown net of reinsurance



SCHEDULE 14 - PROVISIONS

		Rs '000	
S.No	Particulars	As at 31st March 2016	As at 31st March 2015
		Audited	Audited
1	Reserve for Unexpired Risk	777,303	143,674
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	9,313	5,466
	Provision for Leave Encashment	15,133	8,009
	Deferred Tax Liability	-	-
	Freelook Reserve	3,336	-
6	Reserve for Premium Deficiency	28,051	-
	TOTAL	833,136	157,149



SCHEDULE 15 - MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Rs '000

S.No	Particulars	As at 31st March 2016	As at 31st March 2015
		Audited	Audited
1	Discount Allowed in issue of shares/ debentures	-	-
2	Others	-	-
	Total	-	-



Schedule 16 - Significant accounting policies and Notes to Financial Statements

1. Background

Cigna TTK Health Insurance Company Limited was incorporated on 12th 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 (IRDA) on 13th November 2013 to transact and underwrite health Insurance business under the miscellaneous segment in India.

The Company is a joint venture between TTK Partners LLP (74%) and Cigna Holdings Overseas Inc. (26%).

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) followed in India under the historical cost convention and accrual basis of accounting and in accordance with the statutory requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations') and orders and guidelines/directions issued by the IRDA in this behalf, the Companies Act, 2013 ('The Act') to the extent applicable and comply with the notified accounting standards issued by Companies Accounting Standard Rules, 2006 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs)

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 in the financial Statements. The estimates and assumptions used in 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. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Revenue recognition

(i) Premium

Premium (net of service tax) is recognized 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 recognized in the year in which they occur.



(ii) Interest / dividend income

Interest income is recognized on accrual basis and dividend income is recognized 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 /accrued 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 recognized on trade date basis and includes effects of accumulated fair value changes, previously recognized and debited/credited to Fair Value Reserve, for specific investments sold/redeemed during the year.

(v) Commission on Reinsurance Ceded

Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded.

2.4 Reinsurance Ceded

Premium ceded on reinsurance is recognized 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, policy issue expenses etc., are expensed in the year in which they are incurred.

Acquisition costs pertaining to premium received in advance are recognized as prepaid expenses.

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. Such reserves are recognized on a pro-rata basis under 1/365 basis, subject to minimum reserve requirements under Section 64 V(1) (ii)(b) of the Insurance Act, 1938 at the portfolio level.



2.7 Claims incurred and Recoveries on account of reinsured claims

Claims are recognized as and when reported or intimated to the company. Claims include specific claims settlement cost but not expenses of management. Reinsurance recoveries on claims are accounted for, in the same period/month as the related claims.

2.8 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 IRDA and, accordingly, the liability determined is certified as adequate by the Actuary.

2.9 Future Benefit Reserves

Future Benefit Reserves are required to cover long term aspect of risk insured under health insurance policy due to life-long renewability of the underlying contract. This guarantee of life long renewability exposes the company to long term insurance risk due to fluctuation in future medical inflation and seasonal diseases trends. The said reserve is determined based on actuarial principles by the Appointed Actuary. The methodology and assumptions on the basis of which the reserve has been determined has also been certified by the Actuary to be appropriate.

2.10 Fixed Assets and Depreciation / Amortization

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on the straight-line method pro-rata from the month of acquisition in accordance with the provisions of Schedule II of the Companies Act, 2013.

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 balance sheet date and investments made with the specific intention to dispose of within twelve months from balance sheet date are classified as short-term investment. 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 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 Balance Sheet date. In accordance with the Regulations, any unrealized gains/losses arising due to change in fair value of mutual fund investments are accounted in "Fair Value Change Account".

(iii) **Allocation of Investment Income**

Investment income is allocated to Revenue Account and to Profit and Loss Account on the basis of average technical reserve and shareholders' funds. Technical reserves includes unexpired risk reserve and claims outstanding.

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 recognized in the period 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 is expensed in the period when contribution is 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 balance sheet date and is charged as expense in the relevant period of valuation.



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.

2.13 Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease Rent under operating leases are recognized in the profit and loss account on straight line basis.

2.14 Foreign Currency Transactions

Transactions denominated in foreign currencies, if any, are recorded at the exchange rate prevailing on the date of the transaction. Foreign exchange denominated monetary assets and liabilities, if any, are restated at the rates prevalent at the date of the balance sheet. Exchange difference either on settlement or on translation is recognized 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 at the Balance Sheet date. Deferred tax assets are recognized 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 realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized 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 unrecognized deferred tax assets. It recognizes unrecognized 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 realized.

2.16 Service Tax

Service tax collected is considered as a liability against which service tax 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 adjustments in subsequent periods.

2.17 Provisions and Contingencies

A provision is recognized 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 estimate 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 recognized or disclosed in the balance sheet.

2.18 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 weighted average number of equity shares outstanding during the reporting year.

2.19 Segment Reporting

In case of Health Insurance business, based on the primary segments identified under 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

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.



3. Notes to Accounts forming part of Financial Statements

3.1 Contingent Liabilities

Rs' 000

Particulars	As at March 31 st 2016	As at March 31 st 2015
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	Nil	Nil
Reinsurance obligations to the extent not provided for in accounts	Nil	Nil

3.2 All assets of the Company are free from encumbrances.

3.3 Capital Commitments :

Commitments made and outstanding for acquisition of fixed assets amount to INR Nil (Previous Period INR Nil).

3.4 Claims

3.4.1 The company has received intimation and paid claims (net of reinsurance) amounting to INR 349,769 thousand during the year ended March 31st 2016(Previous year INR 10,043 thousand)

3.4.2 The amount of claims outstanding (net of reinsurance) to be settled for the year ended March 31st 2016 is INR 241,350 thousand (Previous year INR 32,968 thousand).

3.5 Percentage of business sector – wise

Rs' 000

Sector	As at March 31 st 2016				As at March 31 st 2015			
	Net Premium	No. of Policies	No. of Lives	% of Net Premium	Net Premium	No. of Policies	No. of Lives	% of Net Premium
Rural	92,652.45	9,770	18,038	6.44%	5,915.96	645	1,310	2.71%
Social	152.33	1	8,463	0.01%	482.12	5,703	5,704	0.22%
Urban	1,345,360.87	75,793	147,034	93.55%	211,874.07	19,435	39,286	97.07%
Total	1,438,165.65	85,564	173,535	100.00%	218,272.15	25,783	46,300	100.00%

3.6 Extent of Risk Retained and Reinsured

Particulars	As at March 31 st 2016	As at March 31 st 2015
Risk Retained (%)	94%	95%
Risk Reinsured (%)	6%	5%



3.7 Value of unsettled Contracts in relation to Investments:

Rs'000

Particulars	As at March 31 st 2016	As at March 31 st 2015
Purchase where deliveries are pending	Nil	Nil
Sales where payments are overdue	Nil	Nil

3.8 Investment made pursuant to section 7 of Insurance Act, 1938, are as follow

Rs'000

Detail of Investment	As at March 31 st 2016	As at March 31 st 2015
8.30% GOI CG 31-12-2042	Nil	45,925

IRDAI vide circular no: IRDAI/F&I/CIR/INV/093/04/2015, dated 30th April 2015 has dispensed with the requirement of maintaining the deposit under Section 7 of the Insurance Act, 1938.

- 3.9 The investments as at year-end have not been allocated between Policy Holders' and Shareholders' accounts since the same are not earmarked separately.

3.10 Employee Benefit Plans

3.10.1 Leave Encashment

3.10.2 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 31 st 2016	As at March 31 st 2015
Provident Fund	28,503	17,583

3.10.3 Defined Benefit Plan

3.10.3.1 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. Assumptions Used:

Particulars	As at March 31 st 2016	As at March 31 st 2015
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	8.1%	7.80%
Rate of increase in compensation	7%	7%
Withdrawal rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

ii. Changes in benefit obligations:

Particulars	Rs'000	
	As at March 31 st 2016	As at March 31 st 2015
Present value of obligations at the beginning of year	5,465	2,167
Interest cost	426	197
Current Service Cost	5,856	3,223
Past Service Cost	Nil	Nil
Benefits Paid	Nil	Nil
Actuarial (gain)/loss on obligation	(2434)	(92)
Transfer In /(Out) Obligation	Nil	(30)
Present value of obligations at end of year	9,313	5,465

iii. Amounts recognized in Profit & Loss Account:

Particulars	Rs' 000	
	As at March 31 st 2016	As at March 31 st 2015
Current Service Cost	5,856	3,223
Interest Cost	426	197
Past Service Cost	Nil	Nil
Unrecognized Past Service Cost – Non-vested benefits	Nil	Nil
Expected Return on Plan Assets	Nil	Nil
Net Actuarial (Gain)/loss recognized for the year	(2434)	(92)



Transfer In / (Out) Obligation	Nil	(30)
Amount recognized in Profit & loss Account	3,848	3,298

Amounts recognized in Balance Sheet:

	Rs '000	
Particulars	As at March 31 st 2016	As at March 31 st 2015
Present value of obligations at end of the year	9,313	5,465
Fair Value of Plan Assets at end of year	Nil	Nil
Funded Status	Nil	Nil
Unrecognized Past Service Cost – Non-vested benefits	Nil	Nil
Net Asset/(Liability) recognized in the balance sheet	(9313)	(5,465)

iv. Balance Sheet Reconciliation :

	Rs '000	
Particulars	As at March 31 st 2016	As at March 31 st 2015
Opening Net Liability/(Asset)	5,465	2,167
Expenses as above	3,848	3,328
Contribution Paid	9,313	5,495
Transfer In / (Out) Obligation	Nil	(30)
Closing Net Liability/(Asset)	9,313	5,465

3.10.3.2 Leave Encashment

The Company has a scheme for accrual of leave for employees, the liability for which is determined on the basis of Actuarial Valuation carried out at the year end.

	Rs '000	
Particulars	As at March 31 st 2016	As at March 31 st 2015
Opening Balance	8,009	2,344
Add : Provision made during the year	7,123	5,665
Closing Balance	15,132	8,009

Breakup of provision for Leave encashment as at March 31st 2016



Particulars	Rs.000
Current Liability*	887
Non-Current Liability	14,245
	15,132

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

3.11 Managerial Remuneration

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:

Particulars	Rs' 000	
	As at March 31 st 2016	As at March 31 st 2015
Salaries & Allowances	64,292	43,651
Contribution to Provident Fund	2,333	2,590
Perquisites*	13,954	15,228

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

3.12 Outsourcing, business development and marketing support expenses

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

Particulars	Rs '000	
	As at March 31 st 2016	As at March 31 st 2015
Outsourcing Expenses	251,300	131,698
Marketing Support	20,761	40,650

3.13 Details of penal actions taken by various Govt. authorities during year ended March 31st 2016

Sr No.	Authority	Non-Compliance / Violation	Rs' 000		
			Penalty Awarded	Penalty Paid	Penalty Waived /Reduced
1.	Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
2.	Service Tax 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 Act, 1956	Nil	Nil	Nil	Nil
7.	Penalty awarded by any Court/Tribunal for any matter including	Nil	Nil	Nil	Nil



	claim settlement but excluding Compensation				
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 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.

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

Rs '000

Particulars	As at March 31 st 2016	As at March 31 st 2015
Not Later than 1 Year	Nil	Nil
later than 1 year and not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil

3.15 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. Based on the information available with the Company there are no dues payable to the suppliers as defined under the "The Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006", as at March 31st 2016.

3.16 Future Benefit Reserve

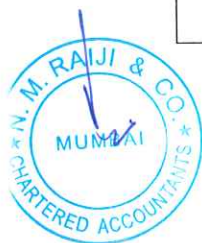
Future Benefit Reserve has been created to cover the long term aspect of risk insured under health insurance policy due to life-long renewability of the underlying contract. Future Benefit Reserve has been created amounting to INR 21,519 thousand.



3.17 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31st 2016

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

Rs '000								
Particulars	Total Amount	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
Claims settled but not paid to the policyholders/ insured's due to any reasons except under litigation from the insured/ policyholders	97	96	1	NIL	NIL	NIL	NIL	NIL
Sum due to the insured/ Policyholders on maturity or otherwise	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 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	23,630.91	21,032.11	1,150.45	1,282.04	166.11	0.20	NIL	NIL
Cheques issued but not encashed by the policyholder/ insured	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL	23,727.91	21,128.11	1,151.45	1,282.04	166.11	0.20	NIL	NIL



3.18 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 2016			Year Ended 31st March 2015		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Segmental Revenue	741,753	18,626	760,380	72,283	367	72,650
Segmental Result	(1,639,915)	(102,231)	(1,742,147)	(1,188,656)	(20,315)	(1,208,971)

Segmental Liabilities

Net Claims Outstanding	231,584	9,766	241,350	32,869	99	32,968
Unexpired Risk Reserve	715,439	61,864	777,303	138,263	5,411	143,674
Premium received in Advance	5,228	8	5,236	2,281	-	2,281

Segmental Assets

Outstanding Premium	Nil	Nil	Nil	Nil	Nil	Nil
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3.19 Fixed Assets and Depreciation

Asset Class	As per Companies Act, 2013	
	Estimated Useful Life	Depreciation Rate (SLM)
Information Technology Equipment	6 years	15.83%
Computer Software	3 years	31.67%
Office Equipment	5 years	19.00%
Furniture and Fixtures	10 years	9.50%



3.20 As per sub section (1) of section 40C of the Insurance Act, 1938 if an insurer has incurred in any year such expenses in excess of the prescribed limits, it shall not be a contravention if the amount of excess expenses is within the limits as may be fixed in respect of the year by the Authority in consultation with Executive Committee of the General Insurance Council. The Company had applied to Executive Committee of the General Insurance Council to recommend to IRDA to grant exemption from complying with the provisions of the aforesaid section up to FY 2018-2019 from the commencement of operations, including the partial year (2013-14) when the operations started, and has accordingly received the exemption during FY 2014 - 2015.

3.21 Deferred Taxes

In accordance with the provisions of AS-22, deferred tax liability amounting to INR 6 thousand has been recognized in the books. Paragraph 18 of AS 22 Accounting for Taxes, stipulates that, in 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 deferred tax asset to the extent of INR 6 thousand in the books. Deferred tax Liability represent timing difference on account of Fixed Assets and Deferred Tax Asset represent timing difference for unabsorbed losses as per the above guidance.

3.22 Related Party Disclosures

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

Rs '000

Relationship	Related Party	Nature of Transactions	Current Year	Previous Period	As at March 31 st 2016	As at March 31 st 2015
Associate Firm	TTK & Co	Expenses	-	-	-	-
Shareholder	TTK Partners LLP	Capital Contribution	296,208	740,000	-	-
Shareholder	Cigna Holdings Overseas Inc.	Capital Contribution	104,073	260,000	-	-
		Share Premium	1049,240	450,980	-	-
Associate Enterprise	Cigna Health Solutions India Ltd	Expenses	44,966	107,324	33,830	117,493
		Workstation Cost	(4,341)	(105)	(805)	(105)
Key Managerial Personnel	Mr.Sandeep Arunbhai Patel	Remuneration	80,579	61,469	16,188	-



3.23 Summary of Financial Statements

Rs '000

Particulars	As at 31st Mar 2016	As at 31st Mar 2015	As at 31st Mar 2014
OPERATING RESULTS			
Gross Written Premium	1,438,166	218,272	3,354
Net Premium Income #	1,346,535	207,359	3,186
Income from Investment @	50,810	5,904	17
Other Income	-	-	-
TOTAL INCOME	1,397,345	213,262	3,203
Commission	120,031	14,898	306
Operating Expenses	1,796,294	1,223,788	627,157
Net Incurred Claims	558,151	42,937	74
Change in Unexpired Risk Reserve	636,965	140,612	3,062
Operating Profit/Loss	(1,714,096)	(1,208,971)	(627,397)
NON-OPERATING RESULT			
Total income under shareholders account	5,929	63,502	24,238
Profit/(Loss) before Tax	(1,736,218)	(1,145,470)	(603,159)
Provision for Taxation	-	-	-
Profit/(Loss) after Tax	(1,736,218)	(1,145,470)	(603,159)
MISCELLANEOUS			
POLICYHOLDER'S ACCOUNT :			
Total Funds	1,018,653	176,720	3,137
Total investments	1,018,653	176,720	3,137
Yield on Investments	-	-	-
SHAREHOLDER'S ACCOUNT:			
Total Funds	1,047,645	1,262,698	931,722
Total investments	1,047,645	1,262,698	931,722
Yield on Investments	-	-	-
Paid up equity capital	2,400,281	2,000,000	1,000,000
Net Worth	865,250	1,151,947	846,436
Total Assets	2,477,860	1,754,473	1,755,659
Yield on Total Investments (Annualized)	9.23%	10.34%	8.15%
Earnings Per Share	(7.84)	(7.51)	(10.40)
Book Value Per Share	3.60	5.76	8.46
Total Dividend	-	-	-
Dividend Per Share	-	-	-

Net of reinsurance

@ Net of Losses



3.24 Analytical Ratios

Analytical Ratios					
Sr.No.	Performance Ratios	As at 31 Mar, 2016		As at 31 Mar, 2015	
		Health	PA	Health	PA
1	Gross Direct Premium Growth Rate	539%	1258%	6232%	NA
2	Gross Direct Premium to Net Worth Ratio	1.57	0.09	0.01	0.01
3	Growth Rate of Net Worth	-25%		36%	
4	Net Retention Ratio	94%	91%	95%	95%
5	Net Commission Ratio	9%	16%	7%	14%
6	Expenses of Management to Gross Direct Premium Ratio	134%		574%	
7	Expenses of Management to Net Written Premium Ratio	143%		604%	
8	Net Incurred Claims to Net Earned Premium	79%		64%	
9	Combined Ratio	221%		662%	
10	Technical Reserves to Net Premium Ratio	1.48		2.65	
11	Underwriting Balance Ratio	-2.49		-18.24	
12	Operating Profit Ratio	-245.52%		-1785.38%	
13	Liquid Assets to Liability Ratio	0.45		0.67	
14	Net Earnings Ratio	-128.94%		-552.41%	
15	Return on Net Worth Ratio	-200.66%		-99.44%	
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio	1.54		2.10	
17	NPA Ratio	-		-	

3.25 Earnings per share

Particulars	As at March 31 st 2016	As at March 31 st 2015
Net profit/ (loss) as per Profit & Loss account (Rs '000)	(1,736,218)	(1,145,469)
Weighted Average number of Equity Shares used for calculating EPS	221,513,052	152,547,204
Basic Earnings Per Share	(7.84)	(7.51)

There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.



3.26 Previous period comparatives

Previous period figures have been re-grouped in respect of the following items for better presentation, understanding and comparable with those of the current year.

- i. Legal & professional charges, amounting to INR 103,297 thousand which was classified under Advertisement and publicity under Schedule 4 – Operating Expenses Related to Insurance Business have been reclassified under Legal & professional charges under Schedule 4 – Operating Expenses Related to Insurance Business. As a result, Advertisement and publicity have reduced by INR 103,297 thousand and Legal & professional charges have increased to the same extent.
- ii. Reinsurance on Claims Outstanding amounting to INR 77 thousand which was classified under Schedule 13 Current Liabilities – Balances due to other insurance companies have been reclassified under Schedule 13 Current Liabilities – Claims Outstanding (Net of Reinsurance).
- iii. Mutual Funds amounting to INR 93,502 thousand under Schedule 8 Investments have been reclassified as Approved Investments INR 65,879 thousand and Other than Approved Investments INR 27,624 thousand.
- iv. Business Promotion expenses, amounting to INR 13,979 thousand which was classified under Advertisement and Publicity under Schedule 4 – Operating Expenses Related to Insurance Business have been classified under Business Promotion under Schedule 4 – Operating Expenses Related to Insurance Business. As a result, Advertisement and publicity have reduced by INR 13,979 thousand and Business Promotion expenses have increased to the same extent.

As per our report of even date attached.

For S.Viswanathan LLP
Chartered Accountants
Firm Regn No. 004770S/S200025



C. N. Srinivasan
Partner
Membership No. 018205

For N M Raiji & Co
Chartered Accountants
Firm Regn No. 108296W




Vinay D. Balse
Partner
Membership No. 039434



Place : Chennai
Date : May 4, 2016



For and on behalf of the Board of Directors.



Raghunathan Thattai Thiruvallur
Chairman



Narottam Puri
Director



Vivek Mathur
Chief Financial Officer



Jason Sadler
Director



Sandeep Patel
Managing Director & CEO



Anand Amrit Raj
Company Secretary