

DIRECTORS' REPORT

The Directors of your Company have pleasure in presenting the Fifth 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 2017 and the Balance Sheet as at 31st March 2017 along with the Report of the Auditors thereon and the Management Report for the Financial Year 2016-17 to the Members of CignaTTK Health Insurance Company Limited ("the Company").

BRIEF OVERVIEW

Your Company, CignaTTK Health Insurance Company Limited, was incorporated on 12th March 2012 and 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 19 (Nineteen) branches/units as on 31st March 2017.

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 31.03.2017	Financial Year ended 31.03.2016
Income:		
Premium earned (Net)	18,17,686	7,09,570
Reinsurance ceded	-	
Profit/Loss on sale/redemption of Investments	10,682	12,176
Other Income	-	-
Interest, Dividend & Rent	1,91,348	1,25,521
Expenses:		
Claims incurred (Net)	(8,74,998)	(5,58,151)
Commission	(2,45,913)	(1,20,031)
Operating expenses	(22,77,395)	(18,77,253)
Premium Deficiency	28,051	(28,051)
Funds for future appropriation	-	-
Profit /(Loss) for the year	(13,50,538)	(17,36,218)

INVESTMENT AND INVESTMENT INCOMES

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 37.59% from Rs. 206.63 Crores as at 31st March 2016 to Rs. 284.31 Crores as at 31st March 2017. The investment income for the year under review was Rs.20.23 Crores as against Rs.13.77 Crores generated in the previous year, an increase of 46.88%. The weighted average return on Investments for the year ended 31st March 2017 was at 8.15 % (excluding unrealized gains/losses from debt securities).

As on 31st March 2017, the Company has invested Rs. 91.52 Crores (32.19%) in government securities & approved securities, Rs.75.29 Crores (26.48%) in securities of the infrastructure sector and Rs. 29.93 Crores (10.53%) in the housing sector. Further, the Company also held Rs. 32.54 Crores (11.45%) in bank fixed deposits and liquid mutual funds.

The Company held 90% 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 2016-17.

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.11,33,69,990 to finance further expansion of business taking the paid-up share capital to Rs. 2,51,36,50,620 as on 31st March 2017. The share premium as on 31st March 2017 stood at Rs. 3,22,58,12,563.

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 and rules made thereunder.

DIRECTORS

The Board of Directors had on the recommendation of the Nomination & Remuneration Committee appointed Mr. Rajeev Chitrabhanu as an Additional Director of your Company in the category of Independent Director with effect from 4th May 2016. Thereafter, at the Annual General Meeting of the Company held on 31st August 2016, the Members appointed the said Director as an Independent 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. Further, Ms. Susan Stevenson and Mr. Hemant Kaul ceased to be a Director effective 2nd November 2016. Subsequently, 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, Mr. Susan Stevenson was appointed as an Additional Director of the Company effective 2nd February 2017.

In accordance with the provisions of the Companies Act, 2013, Mr. T T Jagannathan retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment and 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 (till 13th October 2016),
- Mr. Jigar Shah, Company Secretary (effective 2th November 2016 till 31st March 2017)
- Mr. Vivek Mathur, Chief Financial Officer (till 2th February 2017), and
- Mr. Manoj Naik, Chief Financial Officer (effective 3rd February 2017)

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Provisions of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to your Company, 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, Policyholder's 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 revised the Nomination and Remuneration / Compensation Policy in accordance with the provisions of the Guidelines on 'Remuneration of Non-executive Directors and Managing Director / Chief Executive Officer / Whole-time Directors of Insurer's dated 5th August 2016 issued by IRDAI.

The Policy, inter alia pertaining to the remuneration of directors, key managerial personnel and other employees, ensures that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors; the relationship of remuneration to performance is clear, and meets appropriate performance benchmarks; the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. The policy is annexed to the Director's Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The 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 owner's undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations 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 view of the above, M/s N. M. Raiji was engaged to review preliminary readiness to comply with Ind-AS. Based on the preliminary review, draft quarterly financial statements were prepared with the required disclosures and no material change was noticed in accounting on Ind-AS compliance. The draft quarterly financial statements for the quarter ended 31st December 2016 was filed with the IRDAI. Further, IRDAI has issued exposure draft of IRDAI (Preparation of Financial Statements of Insurers) Regulations, 2017 on 15th March 2017 which shall be effective from 1st April 2018. The Company will evaluate the implications in the financial year 2017-18, on the basis of this regulation the implementation is planned to be done in the financial year 2017-18, in order to have comprehensive readiness from 1st April 2018.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

As the provisions of the Section 177(10) of the Companies Act, 2013 is not applicable to the Company; it is not required to establish a vigil mechanism for directors and employees to report genuine concerns. However, in accordance with the Guidelines on 'Corporate Governance for insurance Sector' dated 18th May 2016 issued by the IRDAI, 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 2016-2017, 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, the Directors of the Company 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 2017, 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 2017 and of the Profit & Loss of the 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 the Board. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is Annexed in the **Form AOC-2 as Annexure-I**.

MANAGEMENT REPORT

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

SOLVENCY MARGIN

The Directors are pleased to report that the value of the assets of the 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

During the year under review, your Company has achieved strong diversification in its Product Portfolio with launching of Group Health product. The new product have helped your Company to enter into the domestic group segment and to achieve a comprehensive Product Portfolio Mix with a total of 7 Products across different categories i.e. Indemnity, Critical Illness, Accident & Daily Cash for Retail Lines and Domestic and Global Group catering to the group segments. Below is a list of Products launched till 31st March 2017:

1. **ProHealth Group Insurance** – designed to provide insurance solution to Employer-Employee and Non Employer-Employee groups with a full circle of healthcare including Base covers for essential benefits and a range of Optional Covers.
2. **ProHealth Insurance (Revised)** – Revamped version of existing product with an Industry first Health Savings plan - ProHealth Accumulate.
3. **ProHealth Cash** – A daily Cash Plan with fixed benefit for each day of hospitalization with a host of other features.
4. **Lifestyle Protection - Critical Care**: The Plan offers payment of the entire Sum Insured on first diagnosis of covered Critical Illnesses and procedures.

5. **Lifestyle Protection - Accident Care:** Provides a comprehensive financial coverage towards accidental death or disablement including loss of employment, education fund benefits and multiple optional extensions.
6. **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.
7. **Global Health Group Policy** - Designed to cater to the health needs of today's mobile workforce that travels overseas regularly. It covers Indian locals and expatriates working abroad under one umbrella.

With the launch of domestic group mediclaim product, the Company has been able to successfully enter the Group mediclaim segment. The Company has entered into new bancassurance partnerships with Andhra Bank and Bank of Maharashtra during the year under review. The product solutions offered include a combination of base and optional covers under the ProHealth Group plan basis partner's requirements.

During the year under review, the company's flagship product ProHealth Insurance was revised to re-calibrate the offering & also introducing an innovative concept of Health Savings (Accumulate) for the first time in Indian Health Insurance market. With this product your company not only caters to the in-patient hospitalization module but extends to the out-patient module with a new dimension of health savings for the customer. Your Company will continue to capitalize on this lead and will build a strong business in the coming years.

In the Group Personal Accident (PA) and Critical Illness (CI) market, we continue to offer corporate solutions with tailor made benefits 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 128,863 policies through the retail products with a premium of Rs. 152.9 Crores and 20 accounts in the Group Mediclaim business with a premium of Rs. 12.07 Crores. The Group PA and CI plan contributed a premium of Rs. 0.26 Crores from 77 accounts. The Global Group Health Plan brought in Rs. 31.61 Crores with a total of 10 accounts.

Product wise New Business premiums indicated below:

	Financial Year 2016-17
Product Name	Base Premium (Crores)
ProHealth Insurance	137.73
Lifestyle Protection - Accident Care	14.9
Lifestyle Protection - Critical Care	20.74
ProHealth Cash	1.78
Retail Total	175.15
Global Health Group Policy	31.61
Lifestyle Protection Group Policy	0.26
Group Health (Co-share)	12.07
ProHealth Group Insurance Policy	2.76
Group Total	46.70
Grand Total	221.85

A Diabetic Care insurance plan has been shaped out of ProHealth Group Insurance Policy to cater to this segment. The plan is targeted to cover population with Type II Diabetes or Pre-Diabetes (Impaired Fasting Glucose / Impaired Glucose Tolerance). Product design provides day 1 coverage to

diabetes related treatment expenses along with an integrated Condition Management Program to manage the condition of the insured person. It offers an indemnity cover for hospitalization expenses on individual basis for treatment of disease / illness / injury, with an optional cover towards Critical Illness Indemnity and Out-patient.

The Company has filed a channel specific retail product with IRDAI and in line with the product philosophy, it shall continue to develop and introduce niche products for Lifestyle diseases 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, the company will also continue to strengthen the domestic group health portfolio in the forthcoming months. The 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

The Company continued to adhere to the underwriting principles of being fair and customer centric by assessing risks on merits, using a scientific approach of underwriting with the help of advanced automated underwriting tools. During the year under review, the Company had ensured continuous enhancement of the underwriting tool by building frameworks to identify substandard risk and create rules that ensure a balanced portfolio. The 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 Company has ensured that the risk management and underwriting process is managed with minimal manual intervention and everyday experience becomes easy and reliable. The focus has been to achieve consistency in underwriting decisions in the long term by standardizing risk acceptance criteria.

Efficient governance mechanisms have been put in place including quarterly underwriting audits to ensure effective governance of processes & risk selection mechanisms. During the year under review, the 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 Company is also continuously engaging segments of population in various wellness initiatives to monitor behavior and its impact on the overall health of the portfolio. Over a period of time this will ensure that the larger population will live a healthier lifestyle, positively impacting the portfolio performance in the long run.

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

CLAIMS

The Company believes in efficient and timely processing of claims and benefit payments to ensure ultimate customer satisfaction. The Company has ensured claims settlement process turn-around time of 5 days on the receipt of the last relevant document, during the financial year 2016-17. During the year under review, the Company processed 43,215 claims amounting to Rs. 1,13,62,39,361 by settling 38,170 cases amounting to Rs. 846,791,415 (i.e. 88 % of the total cases) and repudiating 4,682 cases amounting to Rs. 175,112,760 (i.e. 11 % of the cases). All claims were repudiated on the basis of policies' terms and conditions, sufficient evidence of non-disclosure of material facts and evidence of fraud / misrepresentation.

HUMAN RESOURCES

The Company has created a diverse and inclusive work-force based on the four building blocks- Healthy Careers, Healthy Life, Healthy Returns and Healthy Culture. The Company has been able to attract 'Best in Class' talent and retention of high performers has been excellent through continual employee engagement and development. The total number of employees of the Company stands at 890 as on 31st March 2017.

CUSTOMER CARE

"Customer Delight" is paramount to the company's roadmap in being the preferred health insurance service provider. The Company focusses on keeping the customers at the heart of everything by offering them superior and seamless experience.

Higher productivity, better quality & cost efficiency are the 3 key cornerstones for sustainable & scalable service model. Towards this initiative, the Company is optimizing business partnerships in order to get maximum value for customers at a competitive cost, while ensuring that the Company provide qualitative and seamless support. This move is another step towards commitment of giving customers "MORE".

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.

The 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

The Company has made significant progress in implementation of Enterprise Risk Management Framework. Keeping in line with the objectives of framework, following are the areas where significant progress has been made:

At Enterprise level, the Company is tracking top risks (Market Risk, Insurance Risk, Operational Risk, Reputational Risk, Financial Risk and People Risks) along with key parameters defined at entity level (Key Business Risks Parameters) quarter on quarter. Risk tolerance levels have been updated for some parameters and for remaining it is in the process of defining the same.

Under Operational Risk Framework, Annual Functional Reviews (Risk Control & Self-Assessment) for all the functions were initiated in the Financial Year 2016-17 and are expected to be closed by 31st December 2017. Post completion of the exercise, Key Risk Indicators at functional level will be established to ensure a robust feedback mechanism based on timely reporting & development of mitigation plans. Operational Losses are already tracked month on month along with development & implementation of mitigation plans.

Monitoring of Fraud Risk Framework has also been implemented and tracked by the Company.

The Company has successfully developed & launched a workflow system for monitoring & tracking of risks which includes all the modules of Enterprise, Operational & Fraud Risk Framework. The system is expected to be fully operational by 31st December 2017 which will help in process of automated tracking & generation of alerts.

We had launched various initiatives on Risk Awareness Programs within the organization for the employees and would be taking more such initiatives to ensure that our employees are well aware of benefits of Risk Framework so that they keep on contributing towards its objectives.

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.

With the implementation of the full ERM framework, the Company will also re-look at the existing ERM & Fraud Policies; update the same in line with the end stage to be achieved.

The above process is monitored by Risk Management Committee and managed by Chief Risk Officer. The Risk Management Report is shared with Board of Directors for ensuring that company is in line with its governance framework & future growth strategy. The 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 2017 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

The Company has implemented the Corporate Governance Guidelines issued by the IRDAI setting out the systems, process and policies. The 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

The 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. Rajeev Chitrabhanu	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

*Ceased to be a Director effective 2nd November 2016.

**Appointed as an Additional Director effective 4th May 2016

#Ceased to be a Director effective 2nd November 2016 and was subsequently appointed as an Additional Director effective 2nd February 2017.

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 four meetings during the financial year on 4th May, 2016, 9th August, 2016, 2nd November, 2016 and 2nd February, 2017.

BOARD COMMITTEES

There are 5 Board level committees which are as follows:

- (I) Audit Committee
- (II) Investment Committee
- (III) Risk Management Committee
- (IV) Policyholder's 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 held for the year are given below:

Name of Committee	Scope	Members	No. of times met during the year and meeting dates
Audit Committee	<ul style="list-style-type: none"> 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, Independent Director and Member ii. Dr. Narottam Puri, Independent Director and Member iii. **Mr. Rajeev Chitrabhanu, Independent Director and Member iv. Mr. Jagannathan Thattai Thiruvallur, Non-Executive Director and Member 	Four times on the following dates: i. 4 th May 2016 ii. 9 th August 2016 iii. 2 nd November 2016 iv. 2 nd February 2017
Investment Committee	<ul style="list-style-type: none"> Recommend and review investment policy and changes thereto, Review investments and submit Investment Performance Report, Provide an analysis of investment portfolio and 	<ol 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 	Four times on the following dates: i. 4 th May 2016 ii. 9 th August 2016 iii. 2 nd November 2016 iv. 2 nd February 2017

	on the future outlook to enable the Board to look out possible changes and strategies.	iii. Dr. Narottam Puri, Independent Director and Member iv. **Mr. Rajeev Chitrabhanu, Independent Director and Member v. Mr. Sandeep Patel, Managing Director & CEO and Member vi. \$Mr. Vivek Mathur, Chief Financial Officer and Member vii. \$Mr. Manoj Naik, Chief Financial Officer and Member viii. ^Mr. Raunak Jha, Appointed Actuary and Member ix. ^Mr. Biresh Giri, Appointed Actuary and Member x. @Ms. Arpita Naik, Chief Risk Officer and Member x. Mr. Mahesh Darak, Chief Investment Officer and Member	
Risk Management Committee	<ul style="list-style-type: none"> 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. 	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. Rajeev Chitrabhanu, Independent Director and Member v. Mr. Sandeep Patel, Managing Director & CEO and Member	Four times on the following dates: i. 4 th May 2016 ii. 9 th August 2016 iii. 2 nd November 2016 iv. 2 nd February 2017
Policyholder's Protection Committee	<ul style="list-style-type: none"> 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 	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. Rajeev	Four times on the following dates: i. 4 th May 2016 ii. 9 th August 2016 iii. 2 nd November 2016 iv. 2 nd February 2017

	disclosure of 'material information' to the policyholders.	Chitrabhanu, Independent Director and Member iv. Mr. Sandeep Patel, Managing Director & CEO and Member	
Nomination and Remuneration Committee	<ul style="list-style-type: none"> 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. Rajeev Chitrabhanu, Independent Director and Member iv. Mr. Jagannathan Thattai Thiruvallur, Non-Executive Director and Member	Four times on the following dates: i. 4 th May 2016 ii. 9 th August 2016 iii. 2 nd November 2016 iv. 2 nd February 2017

*Ceased to be a Member effective 2nd November 2016.

**Inducted as a Member effective 4th May 2016.

§Mr. Vivek Mathur ceased to be a Member effective 2nd February 2017 and Mr. Manoj Naik was inducted as Member effective 3rd February 2017.

^Mr. Raunak Jha ceased to be a Member effective 13th June 2016 and Mr. Biresh Giri was inducted as a Member effective 30th September 2016.

@Inducted as a Member effective 12th July 2016.

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

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

Details of Board of Directors				
Name	Qualification	Field of Specialization	Status of Directorship/ Membership	No. of Meetings attended
Dr. Narottam Puri	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director	Three
*Mr. Hemant Kaul	BSc (Hons.) and MBA	Financial Services	Independent Director	Two
**Mr. Rajeev Chitrabhanu	M.Com	Financial Services	Independent Director	Three
Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S.(Operations Research).	Manufacture and Marketing	Chairman and Non-Executive Director	Three
Mr. Raghunathan Thattai Thiruvallur	Bachelor of Commerce	Manufacture and Marketing	Non-Executive Director	Two
Mr. Jason Sadler	Chartered Institute of Management Accountants	Insurance	Non-Executive Director	Three

	(ACMA) and BA Business Studies			
*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	Four

*Ceased to be a Director effective 2nd November 2016.

**Appointed as an Additional Director effective 4th May 2016.

#Ceased to be a Director effective 2nd November 2016 and was subsequently appointed as an Additional Director effective 2nd February 2017.

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. Rajeev Chitrabhanu	M.Com	Financial Services	Independent Director	Three
Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S. (Operations Research).	Manufacture and Marketing	Non-Executive Director	Three

*Ceased to be a Director effective 2nd November 2016.

**Inducted as Member effective 4th May 2016.

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.NarottamPuri	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director and Member	Three
**Mr. Rajeev Chitrabhanu	M.Com	Financial Services	Independent Director	Three
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
*Mr. Manoj Naik	B.E, PGDM - IIM Bangalore	Finance	Chief Financial Officer and Member	N.A
^Mrs. Raunak Jha	B.Sc (Hons), Fellow of Institute of Actuaries of India	Actuarial	Appointed Actuary and Member	One
^Mr. Biresh Giri	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
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****Inducted as member effective 4th May 2016**

\$Mr. Vivek Mathur ceased to be a Member effective 2nd February 2017 and Mr. Manoj Naik was inducted as Member effective 3rd February 2017.

^Mrs. Raunak Jha ceased to be a Member effective 13th June 2016 and Mr. Biresh Giri was inducted as a Member effective 30th September 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.NarottamPuri	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director	Three
**Mr. Rajeev Chitrabhanu	M.Com	Financial Services	Independent Director	Three
Mr. Sandeep Patel	Bachelors of Science – Actuarial Science	Insurance	Managing Director & CEO	Four

****Mr. Rajeev Chitrabhanu inducted as member effective 4th May 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.NarottamPuri	MBBS, MS, FICS, FIAMS ADHA	Health Care	Independent Director	Three
**Mr. Rajeev Chitrabhanu	M.Com	Financial Services	Independent Director	Three
Mr. Sandeep Arunbhai Patel	Bachelors of Science – Actuarial Science	Insurance	Managing Director & CEO	Four

****Mr. Rajeev Chitrabhanu inducted as member effective 4th May 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	Three
Mr. Hemant Kaul	BSc (Hons.) and MBA	Financial Services	Independent Director	Two
**Mr. Rajeev Chitrabhanu	M.Com	Financial Services	Independent Director	Three
Mr. Jagannathan Thattai Thiruvallur	Mechanical Engineer and M.S. (Operations Research).	Manufacture and Marketing	Non-Executive Director	Three

****Mr. Rajeev Chitrabhanu inducted as member effective 4th May 2016.**

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 namely Dr. Narottam Puri and Mr. Rajeev Chitrabhanu were present at the Meeting.

STATUTORY AUDITORS

M/s. S. Viswanathan LLP, Chartered Accountants (Firm Registration No. 004770S/S200025) were appointed as Joint Statutory Auditors of the Company at the last Annual General Meeting (AGM) held on 31st August 2016, to hold office till the conclusion of the 5th AGM.

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and in accordance with the provisions of 'Guidelines for Corporate Governance for insurers in India' issued by Insurance Regulatory & Development Authority of India bearing reference No. IRDA/F&A/GDL/CG/100/05/2016 dated 18th May 2016, M/s. S. Viswanathan LLP, Chartered Accountants will complete one term of 5 years on the conclusion of 5th AGM. A proposal for the appointment of M/s. CNK & Associates LLP, Chartered Accountants as Statutory Auditors from the conclusion of the 5th AGM till the conclusion of the 10th AGM has been included in the Notice of the ensuing Annual General Meeting.

M/s. N. M. Rajji & Co., Chartered Accountants (Firm Registration No. 108296W) were appointed as Joint Statutory Auditors of the Company at the 1st AGM to hold office till the conclusion of the 6th AGM, subject to ratification by the shareholders at every AGM. The Board of Directors recommends the ratification of appointment of M/s. N. M. Rajji & Co., Chartered Accountants to hold office till the conclusion of the 6th AGM.

The Company has received letters from M/s. CNK & Associates LLP, Chartered Accountants and M/s. N. M. Rajji & Co., Chartered Accountants that their appointment, if made, shall be in accordance with the conditions as laid down under the provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and they do not attract any disqualification under section 141 of the Companies Act, 2013.

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 2016-17. The Secretarial Audit Report is annexed herewith as **Annexure -II**.

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-III** 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. Your Company has launched Go health for digital application sourcing – for the broker channel. This enables straight through issuance of policies which do not require medical underwriting. The application has been adopted well and close to 40% of the new business premium logged in the channel is via the Go health application.
2. Benefits derived like product improvement, cost reduction, product development or import substitution	2. To augment the productivity and performance of agents, your Company has introduced two mobile applications. Instaquote is mobile premium calculator which works offline and thereby is more accurate, faster and saves agent the loss in productivity of consulting a paper booklet besides reducing carbon footprint associated with printing zone wise booklets (your Company has 3 premium booklets). Further an Activity Management application has been launched to aid sales managers to measure the daily productivity of their front line staff. 3. To become more efficient in using technology while on the move, front line employees in agency, Bancassurance and Broking teams have been provided Samsung 8 inch tablets which enable a host of mobile apps to be accessed such as the above and improve productivity, besides being more efficient in use of capital. 4. To enable rapid growth of the business across multiple channels, the domestic group business has been launched in 2016. This has been made possible by enabling on a front to back policy administration chassis called Health Buzz. The platform was launched within 90 days of the

	<p>approval of the product. There is an aggressive roadmap to grow the group domestic business by adding the group personal accident and group critical illness products soon.</p> <p>5. Your Company has undertaken technology initiatives in the space of health and wellness, thereby enabling customers to better manage their health and wellbeing. Your Company has launched the Get ProActiv App for its customers to maintain their fitness levels. The activity tracker is integrated with Google Fit, apple Health and with 3rd party fitness bands like Fitbit. The application has been launched coinciding with various Marathon events and has been received well.</p> <p>6. Your Company 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>
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 31.03.2017	Financial Year ended 31.03.2016
Foreign Exchange earnings	-	-
Foreign exchange outgo	3909.55	2847.32

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- IV** to 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.

The Directors also placed 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.

The 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


Jagannathan Thattai Thiruvallur
Chairman
DIN: 00191522

Place: Bangalore
Date: 4th May 2017

**CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES FOR
THE FINANCIAL YEAR 2016-17**

I, Sameer Bhatnagar, 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



Sameer Bhatnagar
Head-Legal, Secretarial & Chief Compliance Officer

Place: Bangalore
Date: 4th May 2017

ANNEXURE-I

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

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

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


Jagannathan Thattai Thiruvallur
Chairman
DIN: 00191522

Form No.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
 (Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
 (Appointment and Remuneration Personnel) Rules, 2014)

To,
 The Members,
CIGNATTK HEALTH INSURANCE COMPANY LIMITED
 401/402, 4th Floor, Raheja Titanium,
 Western Express Highway,
 Goregaon (East),
 Mumbai - 400063

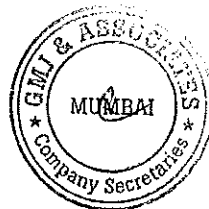
We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CIGNATTK HEALTH INSURANCE COMPANY LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions of the applicable Acts listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **CIGNATTK HEALTH INSURANCE COMPANY LIMITED** for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii. Foreign Exchange Management Act, 1999 ('FEMA') and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment;
- iii. The Company, being a health insurance company, has complied with the Insurance Act, 1938 and regulations, guidelines and directions issued by the Insurance Regulatory & Development Authority of India (IRDAI). The Company has its own robust compliance system and the Company is also subject to monitoring by and reporting of compliances to IRDAI.
- iv. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

Cont.2.



-2-

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

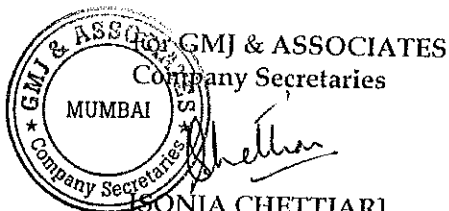
We further report that the Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

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

Adequate notice is given to all directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the audit period no specific events/actions took place that having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.



For GMJ & ASSOCIATES
Company Secretaries

[SONIA CHETTIAR]

PARTNER

ACS: 27582 COP: 10130

PLACE: MUMBAI

DATE: MAY 4, 2017.

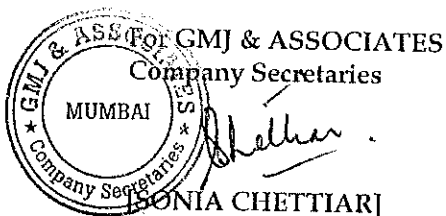
Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
CIGNATTK HEALTH INSURANCE COMPANY LIMITED
401/402, 4th Floor, Raheja Titanium,
Western Express Highway,
Goregaon (East),
Mumbai -400063

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

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



SONIA CHETTIAR]

PARTNER

ACS: 27582 COP: 10130

PLACE: MUMBAI

DATE: MAY 4, 2017.

Annexure-III 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, 2017	Total Remuneration received (INR)	Experience (years)	Qualification	Date of the commencement of employment	Age (years)	Last Employment
Jyoti Punja	Deputy - CEO	18,848,799	16.5	B.Sc., L.L.B., E.M.B.A & III (Associateship)	01-Dec-13	51	Cigna Health Solutions India Pvt Ltd
Manoj Naik	Chief Financial Officer	4,075,000	25.5	B.E, "PGDM - IIM Bangalore"	03-Jan-17	49	Air Works India Engineering Private Limited

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



Jagannathan Thattai Thiruvallur
Chairman
DIN: 00191522

Place: Bangalore
Date: 4th May 2017

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the Financial Year ended 31st March 2017

[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
-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

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	24,00,28,063	24,00,28,063	100	0	25,13,65,062	25,13,65,062	100	0

(ii) Shareholding of promoters

Sl. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	17,76,20,764	74	0	18,60,10,145	74	0	-
2	Cigna Holdings Overseas ING	6,24,07,293	26	0	6,53,54,911	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	24,00,28,063	100	24,00,28,063	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 28 th April 2016	11,58,756	100	24,11,86,819	100
2.	Preferential allotment dated 1 st June 2016	20,74,316	100	24,32,61,135	100
3.	Preferential allotment dated 29 th June 2016	18,03,756	100	24,50,64,891	100
4.	Preferential allotment dated 29 th July 2016	18,03,756	100	24,68,68,647	100
5.	Preferential allotment dated 30 th September 2016	10,22,523	100	24,78,91,170	100
6.	Preferential allotment dated 24 th October 2016	10,22,523	100	24,89,13,693	100
7.	Preferential allotment dated 22 nd November 2016	10,22,523	100	24,99,36,216	100
8.	Preferential allotment dated 27 th February 2017	14,28,846	100	25,13,65,062	100
	At the End of the year	25,13,65,062	100	25,13,65,062	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	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

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	5,73,83,961	5,73,83,961
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	91,69,012	91,69,012
	(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	-	-
	Total (A)	6,65,52,973	6,65,52,973

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	Mr. Rajeev Chitrabhanu	
1.	Independent Directors						
	• Fee for attending board / committee meetings	1,80,000	5,40,000	-	-	5,40,000	12,60,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	1,80,000	5,40,000	-	-	5,40,000	12,60,000
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	-	5,40,000	2,40,000	-	7,80,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	5,40,000	2,40,000	-	7,80,000
	Total (B)=(1+2)	1,80,000	5,40,000	5,40,000	2,40,000	5,40,000	20,40,000

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Anand Amrit Raj, Company Secretary	Mr. Jigar Shah, Company Secretary	Mr. Vivek Mathur, CFO	Mr. Manoj Naik, CFO	Total
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,23,282	3,56,253	1,29,51,336	37,95,972	1,97,37,430
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	0	0	0	0	0
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify					
	Total	21,23,282	3,56,253	1,29,51,336	37,95,972	1,97,37,430

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


Jagannathan Thattai Thiruvallur
 Chairman
 DIN: 00191522

Place: Bangalore
 Date: 4th May 2017

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 the annual fee for the financial year 2016-17, as required under Section 3A, read with Section 3 of the Insurance Act, 1938.
2. All the dues payable to the statutory authorities will be duly paid within the due date.
3. The Company's share holding pattern during the year is in accordance with the requirements of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000 and during the year there is no transfer of shares
4. The management has not invested any funds of holders of policies in India, directly or indirectly as required by IRDA, outside India.
5. The required solvency margin has been maintained at all times.
6. The values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value.
7. The Company has made significant progress in the implementation of Enterprise Risk Management Framework. Keeping in line with the objectives of the framework, following are the areas where significant progress has been made:

At the enterprise level, the Company is tracking the top risks (Market Risk, Operational Risk, Insurance Risk, Reputational Risk, Financial Risk and People Risks), along with key parameters defined at the entity level (Key Business Risks Parameters), quarter on quarter. Risk tolerance levels have been updated for some parameters and for the remaining parameters the Company is in the process of defining the same.

Under the Operational Risk Framework, Annual Functional Reviews (Risk Control & Self-Assessment) for all the functions were initiated in the financial year 2016-17 and are expected to be closed by Q2 of the current financial year. Post completion of the exercise, Key Risk Indicators at the functional level will be established to ensure a robust feedback mechanism based on timely reporting and development of mitigation plans. Operational Losses are already tracked month on month along with the development & implementation of mitigation plans.

Monitoring of Fraud Risk Framework has also been implemented and tracked within the organization.

The Company has successfully developed and launched a workflow system for monitoring and tracking of risks, which includes all the modules of Enterprise, Operational & Fraud risk framework. The system is expected to be fully operational by the end of December 2017, which will help in the automated tracking and generation of alerts.

We had launched various initiatives on Risk Awareness programs within the organization for the employees and would be taking more such initiatives to ensure that our employees are well aware of the benefits of Risk Framework, so that they keep on contributing towards its objectives.

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. A Risk Appetite Statement will define these limits which will evolve once the risk framework is fully developed.

With the implementation of the full ERM framework, we will also re-look at the existing ERM & Fraud Policies and update the same in line with the end stage to be achieved.

The above process is monitored by the 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 the Board members for ensuring that the Company is in line with its governance framework and future growth strategy. Your Company has a 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 804,267 thousand. The amount of claims outstanding (net of reinsurance) to be settled for the year ended 31st March 2017, is INR 312,142 thousand.

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

Ageing of Claims Outstanding:

	As at 31 Mar, 2017		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)	No of claims	(Rs. '000s)
30 days	576	30,796.51	48	2,552.31	32	1,549.01	-	-
30 days to 6 months	116	27,141.49	15	928.67	-	-	-	-
6 months to 1 year	2	118.50	-	-	-	-	-	-
1 year to 5 years	-	-	-	-	-	-	-	-
5 Years and above	-	-	-	-	-	-	-	-

Trend in Claims Settlement:

Particulars	2016-2017	2015-2016	2014-2015	2013-2014
Overall Average claims settlement time (In working days)	5	4	3	-

10. We certify that the investments made in debt securities have been valued at historical cost, subject to amortization of premium / discount in accordance with the regulation. For the purpose of comparison, the fair value of debt securities has been arrived at 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.
11. All Investments as on 31st March 2017 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 the Committee. The Company invests only in high credit quality instruments.
12. We also confirm that:-
- In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
 - the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the year ended 31st March 2017 and of the operating loss and of the cumulative loss of the Company for the year then ended;
 - 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;
 - the management has prepared the financial statements on a going concern basis;
 - the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

13. Payment made to entities in which Directors are interested (net of receipt)

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	144,330

As per our report of even date attached.

For and on behalf of the Board of Directors.

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

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

Jagannathan Thattai Thiruvallur
Chairman
DIN: 00191522

Jason Sadler
Director
DIN: 06440304

C. N. Srinivasan
Partner
Membership No. 018205

Vinay D. Balse
Partner
Membership No. 039434

Narottam Puri
Director
DIN: 01077709

Sandeep Patel
Managing Director & CEO
DIN: 03210271

Place : Bengaluru
Date : 4th May, 2017



Manoj Naik
Chief Financial Officer

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, 2017, 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 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, 2017;
- 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 and Free Look Reserve as at March 31, 2017, 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, 2017, 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 April 1 , 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 disclosed the impact of pending litigations on its financial statements – Refer Schedule 16 – Note 3.1
 - (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: Bengaluru
Date: May 4, 2017

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, 2017)

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, 2017, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2017, 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: Bengaluru
Date: May 4, 2017

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 – 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 4, 2017)

We have audited the internal financial controls over financial reporting of **CignaTTK Health Insurance Company Limited** ("the Company") as of March 31, 2017, 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. 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, 2017, 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)



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



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



Place: Bengaluru
Date: May 4, 2016

FORM B-RA
REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017
(Miscellaneous Business)

Rs '000

S.No	Particulars	Schedule	For the Year ended 31st March 2017	For the Year ended 31st March 2016
1	Premiums earned (Net)	1	1,817,686	709,570
2	Profit/ (Loss) on sale/redemption of Investments		5,526	3,995
3	Others		-	-
4	Interest, Dividend & Rent – Gross		122,514	46,815
	TOTAL (A)		1,945,726	760,380
1	Claims Incurred (Net)	2	874,998	558,151
2	Commission	3	245,913	120,031
3	Operating Expenses related to Insurance Business	4	2,223,723	1,796,294
4	Premium Deficiency		(28,051)	28,051
	TOTAL (B)		3,316,583	2,502,527
	Operating Profit/(Loss) from Fire/Marine/Miscellaneous Business C= (A - B)		(1,370,857)	(1,742,147)
	APPROPRIATIONS			
	Transfer to Shareholders' Account		(1,370,857)	(1,742,147)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	TOTAL (C)		(1,370,857)	(1,742,147)

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

16

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 and on behalf of the Board of Directors.

For S.Viswanathan LLP
Chartered Accountants
Firm Regn No. 0047705/S200025

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

C. N. Srinivasan
Partner
Membership No. 018205

Vinay D. Balse
Partner
Membership No. 039434



Jagannathan Thattai Thiruvallur
Chairman
DIN: 00191522

Jason Sudler
Director
DIN: 06440304

Narottam Puri
Director
DIN: 01077709

Sandeep Patel
Managing Director & CEO
DIN: 03210271

Place : Bengaluru
Date : 4th May, 2017



Manoj Naik
Chief Financial Officer

FORM B-PL
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017
(Miscellaneous Business)

Rs '000

S.No	Particulars	Schedule	For the Year ended 31st March 2017	For the Year ended 31st March 2016
1	OPERATING PROFIT/(LOSS)			
	(a) Fire Insurance		-	-
	(b) Marine Insurance		-	-
	(c) Miscellaneous Insurance		(1,370,857)	(1,742,147)
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent – Gross		68,835	78,706
	(b) Profit on sale of investments		5,157	8,182
	Less: Loss on sale of investments		-	-
3	OTHER INCOME			-
	TOTAL (A)		(1,296,865)	(1,655,259)
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		48,192	67,539
	Interest & Bank Charges		175	-
	Share Issue Expenses (Stamp Duty & Franking)		1,388	11,752
	Expenses related to issuance of Debentures		2,338	-
	Miscellaneous Expenses		1,134	1,367
	(b) Bad debts written off		-	-
	(c) Others (Provision for doubtful debts)		445	301
	TOTAL (B)		53,672	80,959
	Profit / (Loss) Before Tax		(1,350,537)	(1,736,218)
	Provision for Taxation			
	Profit / (Loss) After Tax		(1,350,537)	(1,736,218)
	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		(3,486,232)	(1,750,014)
	Balance carried forward to Balance Sheet		(4,836,769)	(3,486,231)
	Earnings Per Share		(5.47)	(7.84)

Significant accounting policies & Notes to Financial Statements.

16

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

As per our report of even date attached.

For and on behalf of the Board of Directors.

For S.Viswanathan LLP
Chartered Accountants
Firm Regn No. 0047705/S200025

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

C. N. Srinivasan
Partner
Membership No. 018205

Vinay D. Balse
Partner
Membership No. 039434



Jagannathan Thattai Thiruvallur
Chairman
DIN: 00191522

Jason Sadler
Director
DIN: 06440304

Narottam Puri
Director
DIN: 01077709

Sandeep Pate
Managing Director & CEO
DIN: 03210271

Manoj Naik
Chief Financial Officer

Place : Bengaluru
Date : 4th May, 2017



FORM B-BS
BALANCE SHEET AS ON 31ST MARCH 2017

Rs '000

S.No	Particulars	Schedule	As at 31st March 2017	As at 31st March 2016
	SOURCES OF FUNDS			
1	SHARE CAPITAL	5	2,513,651	2,400,281
2	SHARE APPLICATION MONEY		0	-
3	RESERVES AND SURPLUS	6	3,225,813	1,951,201
4	FAIR VALUE CHANGE ACCOUNT		157	191
5	BORROWINGS	7	430,000	-
	TOTAL		6,169,621	4,351,672
	APPLICATION OF FUNDS			
1	INVESTMENTS	8 & 8A	2,760,053	1,911,297
2	LOANS	9	-	-
3	FIXED ASSETS	10	16,616	322
4	DEFERRED TAX ASSET		-	-
5	CURRENT ASSETS			
	Cash and Bank Balances	11	231,933	258,541
	Advances and Other Assets	12	284,634	307,760
	Sub-Total (A)		516,567	566,301
6	CURRENT LIABILITIES	13	899,172	779,345
7	PROVISIONS	14	1,061,212	833,136
8	DEFERRED TAX LIABILITY		-	-
	Sub-Total (B)		1,960,384	1,612,481
	NET CURRENT ASSETS (C) = (A - B)		(1,443,817)	(1,046,179)
9	MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
10	DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		4,836,769	3,486,231
	TOTAL		6,169,621	4,351,672

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

16

As per our report of even date attached.

For and on behalf of the Board of Directors.

For S.Viswanathan LLP
Chartered Accountants
Firm Regn No. 0047705/S200025

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

C. N. Srinivasan
Partner
Membership No. 018205

Vinay D. Balse
Partner
Membership No. 039434



Jagannathan Thattai Thiruvallur
Chairman
DIN: 00191522

Narottam Puri
Director
DIN: 01077709

Manoj Malik
Chief Financial Officer

Jason Sadler
Director
DIN: 06440304

Sanjeev Patel
Managing Director & CEO
DIN: 03210271

Place : Bengaluru
Date : 4th May, 2017





CignaTTK Health Insurance Company Limited
IRDA Registration No. 151 Dated November 13, 2013

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

		(Rs. '000)	
S.no.	Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
I	Cash flows from operating activities		
1	Premium received from policyholders, including advance receipts	2,244,229	1,388,480
2	Other receipts	-	-
3	Payments to the re-insurers, net of commission and claims	(159,329)	(46,088)
4	Payments to co-insurers, net of claims recovery	-	-
5	Payments of claims	(895,713)	(349,577)
6	Payments of commission and brokerage	(225,723)	(102,284)
7	Payments of other operating expenses	(2,207,143)	(1,699,335)
8	Deposits, advances and staff loans	(6,356)	(39)
9	Income taxes paid (Net)	-	-
10	Service tax	40,110	(44,379)
	Cash flow before extraordinary items	(1,209,926)	(853,222)
	Cash flow from extraordinary items	-	-
	Net cash flow from operating activities (A)	(1,209,926)	(853,222)
II	Cash flows from investing activities		
1	Purchase of fixed assets	(10,175)	-
2	Proceeds from sale of fixed assets	-	-
3	Purchase of investments	(1,250,627)	(878,282)
4	Loans disbursed	-	-
5	Sale of investments	535,101	357,296
6	Repayments received	-	-
7	Rents / Interests / Dividends received	173,376	122,508
8	Investment in money market instruments and in liquid mutual funds (net)	(51,612)	(61,549)
	Net cash flow from investing activities (B)	(603,938)	(460,027)
III	Cash flows from financing activities		
1	Proceeds from issuance of share capital / share premium	1,387,981	1,449,521
2	Share Issue Expenses	(1,388)	(11,752)
3	Proceeds from borrowing (Debentures)	430,000	-
4	Repayments of borrowing	-	-
5	Interest / Dividend paid	-	-
6	Debenture Issue Expenses	(2,338)	-
	Net cash flow from financing activities (C)	1,814,255	1,437,769
	Effect of foreign exchange rates on cash and cash equivalents, net (D)	-	-
	Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	392	124,520
	Cash and cash equivalents at the beginning of the year	148,541	24,021
	Cash and cash equivalents at the end of the year***	148,933	148,541

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

Cash and Bank balances	231,933	258,541
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	(83,000)	(110,000)
Cash and cash equivalents at the end of the year	148,933	148,541

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



For and on behalf of the Board of Directors.

Jagannathan Thattai Thiruvallur
Chairman
DIN: 00191522

Jason Sadler
Director
DIN: 06440804

Narottam Puri
Director
DIN: 01077709

Sandeep Pate
Managing Director & CEO
DIN: 03210271

Manoj Naik
Chief Financial Officer

Place : Bengaluru
Date : 4th May, 2017





CignaTTK Health Insurance Company Limited
IRDA Registration No. 151 Dated November 13, 2013

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 March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016
		Audited	Audited	Audited	Audited	Audited	Audited
		Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous
1	Premium from direct business written	2,066,380	1,358,208	151,663	79,958	2,218,043	1,438,166
2	Add: Premium on reinsurance accepted	-	-	-	-	-	-
3	Less : Premium on reinsurance ceded	122,781	84,246	14,052	7,385	136,833	91,631
4	Net Premium	1,943,599	1,273,962	137,611	72,573	2,081,210	1,346,535
5	Adjustment for change in reserve for unexpired risks	256,528	580,194	6,995	56,771	263,524	636,965
	Total Premium Earned (Net)	1,687,071	693,768	130,616	15,802	1,817,686	709,570
	Premium Income from business effected :						
	In India	1,687,071	693,768	130,616	15,802	1,817,686	709,570
	Outside India	-	-	-	-	-	-
	Total Premium Earned (Net)	1,687,071	693,768	130,616	15,802	1,817,686	709,570



CignaTTK Health Insurance Company Limited
IRDA Registration No. 151 Dated November 13, 2013

SCHEDULE 2 - CLAIMS INCURRED (NET)

Rs '000

S.No	Particulars	Health Insurance		Personal Accident		Consolidated Total	
		For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016
		Audited	Audited	Audited	Audited	Audited	Audited
		Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous
	Claims paid						
1	Direct claims	841,608	368,017	4,990	90	846,598	368,107
2	Add : Re-insurance accepted	-	-	-	-	-	-
3	Less : Re-insurance Ceded	42,080	18,306	250	93	42,330	18,399
	Net Claims Paid	799,527	349,711	4,740	(3)	804,267	349,708
4	Add : Claims Outstanding at the end of the year	282,613	233,408	29,529	8,003	312,142	241,411
5	Less : Claims Outstanding at the beginning of the year	233,408	32,869	8,003	99	241,411	32,968
	Total Claims Incurred	848,733	550,250	26,266	7,901	874,998	558,151



CignaTTK Health Insurance Company Limited
IRDA Registration No. 151 Dated November 13, 2013

SCHEDULE 3 - COMMISSION

Rs '000

S.No	Particulars	Health Insurance		Personal Accident		Consolidated Total	
		For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016
		Audited	Audited	Audited	Audited	Audited	Audited
		Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous
	Commission paid						
1	Direct Commission	238,505	117,537	22,876	11,926	261,381	129,463
2	Add: Re-insurance Accepted	-	-	-	-	-	-
3	Less: Commission on Re-insurance Ceded	14,337	8,832	1,131	601	15,468	9,433
	Net Commission	224,167	108,706	21,745	11,325	245,913	120,031
	Break-up of the expenses (Gross) incurred to procure business to be furnished as per details indicated below:						
	Agents	86,172	42,488	4,147	2,427	90,319	44,916
	Brokers	78,429	45,661	3,803	1,762	82,232	47,423
	Corporate Agency	69,021	29,388	14,926	7,737	83,947	37,125
	Referral	0	-	(0)	-	-	-
	Others	4,882	-	-	-	4,882	-
	TOTAL (B)	238,505	117,537	22,876	11,926	261,381	129,463

SCHEDULE 4 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Rs '000

S.No	Particulars	Health Insurance		Personal Accident		Consolidated Total	
		For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016
		Audited	Audited	Audited	Audited	Audited	Audited
		Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous
1	Employees' remuneration & welfare benefits	730,321	567,539	53,602	33,411	783,923	600,950
2	Travel, conveyance and vehicle running expenses	53,464	61,325	3,924	3,610	57,388	64,935
3	Training expenses	33,385	18,903	2,450	1,113	35,835	20,015
4	Rents, rates & taxes	61,024	78,475	4,479	4,620	65,503	83,094
5	Repairs	1,814	2,332	133	137	1,947	2,470
6	Printing & stationery	39,033	17,184	2,865	1,012	41,898	18,195
7	Communication	53,842	42,046	3,952	2,475	57,794	44,521
8	Legal & professional charges	304,455	253,817	22,346	14,942	326,801	268,759
9	Auditors' fees, expenses etc						
	(a) as auditor	713	850	52	50	765	900
	(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	367	283	27	17	394	300
	(d) out of pocket expenses	41	49	3	3	44	52
10	Advertisement and publicity	360,349	294,018	26,448	17,309	386,797	311,327
11	Interest & Bank Charges	9,202	5,057	675	298	9,877	5,355
12	Others						
	Membership and Subscription Fees	1,951	2,722	143	160	2,094	2,882
	Information Technology Related Expenses	213,843	155,370	15,695	9,147	229,538	164,517
	Equipments, Software and amenities - Usage Cost	103,169	103,121	7,572	6,071	110,741	109,192
	Business Promotion	5,393	8,654	396	509	5,789	9,164
	Office Expenses	26,254	32,303	1,927	1,902	28,181	34,205
	Policy Related Expenses	70,833	45,662	5,199	2,688	76,032	48,350
	Directors Sitting Fees	1,901	963	139	57	2,040	1,020
	Miscellaneous Expenses	632	514	46	30	678	544
	Foreign Exchange Gain/Loss	(669)	5,098	(49)	300	(718)	5,398
13	Depreciation	356	141	26	8	382	149
	TOTAL	2,071,672	1,696,425	152,052	99,869	2,223,723	1,796,294



CignaTTK Health Insurance Company Limited
IRDA Registration No. 151 Dated November 13, 2013

SCHEDULE 4A - OPERATING EXPENSES NOT RELATED TO INSURANCE BUSINESS

Rs '000

S.No	Particulars	Health Insurance		Personal Accident		Consolidated Total	
		For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016	For the Year ended 31st March 2017	For the Year ended 31st March 2016
1	Personnel Cost	44,897	63,784	3,295	3,755	48,192	67,539
2	Travel, conveyance and vehicle running expenses	-	-	-	-	-	-
3	Training expenses	-	-	-	-	-	-
4	Rents, rates & taxes	-	-	-	-	-	-
5	Repairs	-	-	-	-	-	-
6	Printing & stationery	-	-	-	-	-	-
7	Communication	-	-	-	-	-	-
8	Legal & professional charges	-	-	-	-	-	-
9	Auditors' fees, expenses etc	-	-	-	-	-	-
10	Advertisement and publicity	-	-	-	-	-	-
11	Interest & Bank Charges	163	-	12	-	175	-
12	Others	-	-	-	-	-	-
	Share Issue Expenses (Stamp Duty & Franking)	1,293	11,099	95	653	1,388	11,752
	Expenses related to issuance of Debentures	2,178	-	160	-	2,338	-
	Membership and Subscription Fees	-	-	-	-	-	-
	Initial Infrastructure Setup	-	-	-	-	-	-
	Miscellaneous Expenses	1,056	1,291	78	76	1,134	1,367
	Provision for doubtful agent balances	414	284	30	17	445	301
	TOTAL	50,001	76,458	3,670	4,501	53,672	80,959



CignaTTK Health Insurance Company Limited
IRDA Registration No. 151 Dated November 13, 2013

SCHEDULE 5 - SHARE CAPITAL

S.No	Particulars	Rs '000	
		As at 31st March 2017 Audited	As at 31st March 2016 Audited
1	Authorised Capital 300,000,000 (Previous Year: 300,000,000) Equity Shares of Rs. 10 each	3,000,000	3,000,000
2	Issued Capital 251,365,062 (Previous Year: 240,028,063) Equity Shares of Rs. 10 each	2,513,651	2,400,281
3	Subscribed Capital 251,365,062 (Previous Year: 240,028,063) Equity Shares of Rs. 10 each	2,513,651	2,400,281
4	Called-up Capital 251,365,062 (Previous Year: 240,028,063) Equity Shares of Rs. 10 each	2,513,651	2,400,281
	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	2,513,651	2,400,281



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 2017		As at 31st March 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	186,010,151	74%	177,620,770	74%
- Foreign	65,354,911	26%	62,407,293	26%
Others				
TOTAL	251,365,062	100%	240,028,063	100%



CignaTTK Health Insurance Company Limited
IRDA Registration No. 151 Dated November 13, 2013

SCHEDULE 6 - RESERVES AND SURPLUS

S.No	Particulars	Rs '000	
		As at 31st March 2017	As at 31st March 2016
		Audited	Audited
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	3,225,813	1,951,201
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	3,225,813	1,951,201



CignaTTK Health Insurance Company Limited
IRDA Registration No. 151 Dated November 13, 2013

SCHEDULE 7 - BORROWINGS

		Rs '000	
S.No	Particulars	As at 31st March 2017	As at 31st March 2016
		Audited	Audited
1	9% Non-Convertible Debentures	430,000	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	430,000	-

SCHEDULE 8 - INVESTMENTS - SHAREHOLDERS

		Rs '000	
S.No	Particulars	As at 31st March 2017	As at 31st March 2016
		Audited	Audited
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note 1)	286,072	262,185
2	Other Approved Securities	104,015	99,443
3	Other Investments	-	-
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	199,363	241,569
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	428,200	215,633
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	85,999	40,564
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	20,000	23,970
	(e) Other Securities - Certificate of Deposit	-	23,704
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	-	-
5	Other than Approved Investments	-	9,797
	TOTAL	1,123,649	916,863

Notes:

- Aggregate historical cost of investments other than listed equity securities and derivative instruments is Rs.1,124,100.757 Thousand (Previous Year - Rs.900,415.156 Thousand). Aggregate market value of such investments as at 31.03.2017 is Rs.1,175,478.176 thousand (Previous Year - Rs.928,414.770 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.
- IRDA vide circular no : IRDAI/F&A/CIR/CPM/056/03/2016, dated 04th April 2016 we have segregated the Policyholders and Shareholders funds.

SCHEDULE 8A - INVESTMENTS - POLICYHOLDERS

		Rs '000	
S.No	Particulars	As at 31st March 2017	As at 31st March 2016
		Audited	Audited
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note 1)	422,509	284,367
2	Other Approved Securities	102,579	107,856
3	Other Investments	-	-
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	453,159	262,006
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	324,714	233,876
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	156,403	43,996
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	130,182	25,998
	(e) Other Securities - Certificate of Deposit/Comercial Paper	46,857	25,710
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	-	-
5	Other than Approved Investments	-	10,626
	TOTAL	1,636,403	994,434

Notes:

- Aggregate historical cost of investments other than listed equity securities and derivative instruments is Rs.1,637,794.279 Thousand (Previous Year - Rs.1,011,768.216 Thousand). Aggregate market value of such investments as at 31.03.2017 is Rs.1,699,200.740 thousand (Previous Year - Rs. 1,043,230.502 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.
- IRDA vide circular no : IRDAI/F&A/CIR/CPM/056/03/2016, dated 04th April 2016 we have segregated the Policyholders and Shareholders funds.



SCHEDULE 9 - LOANS

		Rs '000	
S.No	Particulars	As at 31st March 2017	As at 31st March 2016
		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	-	-



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SCHEDULE 10 - FIXED ASSETS

Rs '000

Particulars	Cost/ Gross Block				Depreciation			Net Block	
	Opening	Additions during the period	Deductions/ adjustments during the period	As at 31st March 2017	Opening	For the period ended	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
Goodwill	-	-	-	-	-	-	-	-	-
Intangibles (Software)	246	-	-	246	133	78	211	35	112
Land-Freehold	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Furniture & Fittings	22	-	-	22	22	-	22	-	-
IT Equipments	6	7,617	-	7,623	2	217	219	7,403	4
Vehicles	-	-	-	-	-	-	-	-	-
Office Equipment	370	233	-	603	164	87	251	352	207
Others	-	-	-	-	-	-	-	-	-
TOTAL	643	7,850	-	8,493	321	382	703	7,790	322
Work in progress	-	8,826	-	8,826	-	-	-	8,826	-
Grand Total	643	16,676	-	17,319	321	382	703	16,616	322
Previous Year	643	-	-	643	172	149	321	322	471



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SCHEDULE 11 - CASH AND BANK BALANCE

S.No	Particulars	Rs '000	
		As at 31st March 2017 Audited	As at 31st March 2016 Audited
1	Cash (including cheques, drafts and stamps)	23,987	31,091
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	83,000	155,000
	(bb) Others	-	-
	(b) Current Accounts	124,946	72,450
	(c) Others	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others		
	TOTAL	231,933	258,541
	Balance with non-scheduled banks included in 2 above	-	-



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SCHEDULE 12 - ADVANCES AND OTHER ASSETS

		Rs '000	
S.No	Particulars	As at 31st March	As at 31st March
		2017 Audited	2016 Audited
	ADVANCES		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	50,342	36,027
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	671	445
6	Others		
	Security Deposits	68,416	101,309
	Advance to Employees	5,211	1,618
	Advance to others	28,453	7,174
	TOTAL (A)	153,093	146,572
	OTHER ASSETS		
1	Income accrued on investments	81,274	57,269
2	Outstanding Premiums	-	-
3	Agents' Balances (Net of provision for doubtful agents balance amounting to INR 745 thousands)	713	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	-	-
	Cenvat Credit	49,554	89,664
	TOTAL (B)	131,541	161,188
	TOTAL (A+B)	284,634	307,760



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SCHEDULE 13 - CURRENT LIABILITIES

		Rs '000	
S.No	Particulars	As at 31st March 2017	As at 31st March 2016
		Audited	Audited
1	Agents' Balances	42,773	22,256
2	Balances due to other insurance companies	59,052	95,419
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	11,258	5,236
5	Unallocated Premium	73,943	53,334
6	Unclaimed Amount of Policyholders	8,007	23,728
7	Sundry creditors	162,000	134,739
8	Due to subsidiaries/ holding company	-	-
9	Claims Outstanding*	312,142	241,411
10	Due to Officers/ Directors	-	-
11	Others -	-	-
	Statutory Dues	53,797	60,562
	Refund Payable - Premium	10,587	11,032
	Provision for expenses	103,973	82,181
	Payable to Related Parties	10,848	33,025
	Contracts for Investments	49,999	0
	Stale Cheque	44	89
	Payable to Employees	5	16,333
	Claims Payable	744	-
	TOTAL	899,172	779,345

*Claims Outstanding are shown net of reinsurance



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SCHEDULE 14 - PROVISIONS

		Rs '000	
S.No	Particulars	As at 31st March 2017	As at 31st March 2016
		Audited	Audited
1	Reserve for Unexpired Risk	1,040,605	777,303
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	17,050	9,313
	Provision for Leave Encashment	(0)	15,133
	Deferred Tax Liability	-	-
	Freelook Reserve	3,557	3,336
6	Reserve for Premium Deficiency	-	28,051
	TOTAL	1,061,212	833,136



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SCHEDULE 15 - MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Rs '000

S.No	Particulars	As at 31st March 2017	As at 31st March 2016
		Audited	Audited
1	Discount Allowed in issue of shares/ debentures	-	-
2	Others	-	-
	Total	-	-

16 - Significant accounting policies and Notes to Financial Statements

1. Background

Cigna TTK Health Insurance Company Limited was incorporated on 12th March 2012 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 have been prepared and presented under the historical cost convention, unless otherwise specifically stated, on the accrual basis of accounting, and comply with the applicable accounting standards referred to in section 133 of the Companies Act, 2013, and are in accordance with the provisions of the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ('the Regulations') and orders / directions prescribed by the IRDAI in this behalf, the provisions of the Companies Act, 2013 (to the extent applicable) in the manner so required and current practices prevailing within the insurance industry in India.

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 / accreted on yield to maturity (YTM) basis over the period of maturity/holding.

(iv) Profit / loss on sale of securities

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

(v) Commission on Reinsurance Ceded

Commission on reinsurance ceded is recognized as income as and when the reinsurance premium is ceded.

2.4 Reinsurance Ceded

Premium ceded on reinsurance is recognized as an expense as and when incurred and due and in accordance with the Reinsurance agreements with the Reinsurer. Any subsequent revision resulting in 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. Effective financial year 2016-17, such reserves are recognized at 50% of the Net Written Premium during the preceding 12 months.

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 do not include 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 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 in which the asset is ready for use, in accordance with the provisions of Schedule II of the Companies Act, 2013. All assets, including intangibles individually costing up to Rs 5,000, are fully depreciated/amortised in the year in which they are acquired.

2.10 Investments

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

(i) Classification:

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

(ii) Valuation:

Debt Securities

All debt securities are considered as 'held to maturity' and, accordingly, are 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".

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

2.11 Employee Retirement Benefits

i. 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.

ii. 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 a prescribed percentage of salary and are expensed in the period in which contributions are made.

b) Defined Benefit Plans:

Gratuity

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

2.12 Leases

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

2.13 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.

2.14 Income Taxes

Tax expense comprises of 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.

2.15 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.

2.16 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.

2.17 Earnings per share

The basic earnings per share is computed by dividing the net profit / loss in the Profit and Loss Account, attributable to the equity shareholders, by the weighted average number of equity shares outstanding during the reporting year.

2.18 Segment Reporting

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

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

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

- (a) Income and expenses which are directly identifiable to the business segments are allocated based on actuals;
- (b) 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 or
 - Number of policies; and
- (c) 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 2017	As at March 31 st 2016
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
Insurance related claims/mis-selling, disputed by the Company, to the extent not provided/reserved	17,127	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 year: INR Nil).

3.4 Claims

3.4.1 The Company has received intimation and paid claims (net of reinsurance) amounting to INR 804,267 thousand during the year ended March 31st 2017 (previous year: INR 349,708 thousand).

3.4.2 The amount of claims outstanding (net of reinsurance) to be settled for the year ended March 31st 2017 is INR 312,142 thousand (previous year INR 241,411 thousand).

3.5 Percentage of business sector – wise

Rs' 000

Sector	As at March 31 st 2017				As at March 31 st 2016			
	Gross Written Premium	No. of Policies	No. of Lives	% of Gross Written Premium	Gross Written Premium	No. of Policies	No. of Lives	% of Gross Written Premium
Rural	324,370	29,537	60,736	14.62%	92,652	9,770	18,038	6.44%
Social*	1,613	3,230	3,230	0.07%	152	1	8,463	0.01%
Urban	1,892,060	117,795	355,893	85.30%	1,345,362	75,793	147,034	93.55%
Total	2,218,043	150,562	419,859	100.00%	1,438,166	85,564	173,535	100.00%

* The percentage of social sector lives is 1.86% of total business procured in the preceding financial year.

3.6 Extent of Risk Retained and Reinsured

Particulars	As at March 31 st 2017	As at March 31 st 2016
Risk Retained (%)	94%	94%
Risk Reinsured (%)	6%	6%

3.7 Value of unsettled contracts in relation to Investments:

Particulars	Rs'000	
	As at March 31 st 2017	As at March 31 st 2016
Purchase where deliveries are pending T+1 day Purchase: 6.72% NTPC NCD_BONDS 24-11-2021 65	49,996.56	Nil
Sales where payments are overdue	Nil	Nil

3.8 Investments under section 7 of Insurance Act, 1938

IRDAI, vide its 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 Investment Allocation

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

3.10 Employee Benefit Plans

3.10.1 Defined Contribution Plan

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

Particulars	Rs'000	
	As at March 31 st 2017	As at March 31 st 2016
Provident Fund	32,843	28,503

3.10.2 Defined Benefit Plan

3.10.2.1 Gratuity Plan

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

i. Assumptions Used:

Particulars	As at March 31 st 2017	As at March 31 st 2016
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.4%	8.10%
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 2017	As at March 31 st 2016
Present value of obligations at the beginning of the year	9,313	5,465
Interest cost	753	426
Current Service Cost	7,500	5,856
Past Service Cost	Nil	Nil
Benefits Paid	Nil	Nil
Actuarial (gain)/loss on obligation	(643)	(2434)
Transfer In /(Out) Obligation	126	Nil
Present value of obligations at the end of the year	17,050	9,313

iii. Amounts recognized in Profit & Loss Account:

Particulars	Rs' 000	
	As at March 31 st 2017	As at March 31 st 2016
Current Service Cost	7,500	5,856
Interest Cost	753	426
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	(643)	(2,434)
Transfer In / (Out) Obligation	Nil	Nil
Amount recognized in Profit & Loss Account	7,610	3,848

iv. Amounts recognized in Balance Sheet:

Particulars	Rs '000	
	As at March 31 st 2017	As at March 31 st 2016
Present value of obligations at the end of the year	17,050	9,313
Fair Value of Plan Assets at the end of the year	Nil	Nil
Funded Status	Nil	Nil
Unrecognized Past Service Cost – non-vested benefits	Nil	Nil
Net Asset/(Liability) recognized in the balance sheet	(17,050)	(9313)

v. Balance Sheet Reconciliation :

Particulars	Rs '000	
	As at March 31 st 2017	As at March 31 st 2016
Opening Net Liability/(Asset)	9,313	5,465
Expenses as above	7,610	3,848
Contribution Paid	Nil	Nil
Transfer In / (Out) Obligation	126	Nil
Closing Net Liability/(Asset)	17,050	9,313

3.10.2.2 Leave Encashment

The Company till last year had a scheme for accrual of leave for employees, the liability for which was determined on the basis of Actuarial Valuation carried on as of 31st March 2016. During the financial year ending 31st March 2017 the company has discontinued the leave encashment policy.

Rs '000		
Particulars	As at March 31 st 2017	As at March 31 st 2016
Opening Balance	15,132	8,009
Add : Provision net of payment made during the year	(15,132)	7,123
Closing Balance	NIL	15,132

Breakup of provision for Leave encashment

Rs '000		
Particulars	As at March 31 st 2017	As at March 31 st 2016
Current Liability*	NIL	887
Non-Current Liability	NIL	14,245
	NIL	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:

Rs' 000		
Particulars	As at March 31 st 2017	As at March 31 st 2016
Salaries and Allowances	45,376	64,292
Contribution to Provident Fund	2,142	2,333
Perquisites	13,656	13,394
Total	61,173	80,019

*Perquisites to the extent paid/incurred by the Company are according to the books of account.

3.12 Outsourcing, Business Development and Marketing Support Expenses

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

Rs '000		
Particulars	As at March 31 st 2017	As at March 31 st 2016
Outsourcing Expenses	519,878	251,300
Marketing Support	15,667	20,761

3.13 Details of penal actions taken by various Govt. authorities during year ended March 31st 2017

Rs' 000

Sr. No.	Authority	Non-Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived/Reduced
1.	Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
2.	Service Tax 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 claim settlement but excluding Compensation	Nil	Nil	Nil	Nil
8.	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9.	Competition Commission of India	Nil	Nil	Nil	Nil
10.	Any other Central/State/Local Govt. / Statutory Authority (Tariff Advisory Committee)	Nil	Nil	Nil	Nil

3.14 Leases

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

An amount of INR 140,537 thousand (previous year: INR 170,940 thousand) towards the said lease payments has been recognised in the Statement of Revenue Account.

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

Rs '000

Particulars	As at March 31 st 2017	As at March 31 st 2016
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 31st March 2017.

3.16 Future Benefit Reserve

Future Benefit Reserve is INR Nil for the current year (previous year: INR 21,519 thousand). In previous year, Company adopted a conservative approach for valuation, basis on which Future Benefit Reserve was created. In current period it has been reversed, to be in line with industry practice and insurance regulation.

3.17 Unexpired Risk Reserve

During the year, the policy for Reserve for Unexpired Risk was changed from the 1/365 method to 50% of Net Written Premium of the preceding 12 months basis, resulting in the operating loss for the year being lower by INR 260,809 thousand in the financial year 2016-17.

3.18 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended March 31st 2017

Disclosure required by IRDA circular no IRDA/F&I/CIR/CMP/174/11/2010 dated 4th November 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	1,723	738	985	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	3,818	2,293	794	546	175	9	1	NIL

policy or as per law or as may be directed by the Authority but not refunded so far								
Cheques issued but not encashed by the policyholder/insured	2,244	940	1,216	88	NIL	NIL	NIL	NIL
TOTAL *	7,785	3,971	2,995	634	175	9	1	NIL

*Above amount is exclusive of interest payable on unclaimed amount to policyholder

Unclaimed Amount:

Particulars	Rs '000	
	As at March 31 st 2017	As at March 31 st 2016
Opening Balance	23,728	Not Applicable
Add: Amount transferred to unclaimed amount	25,862	Not Applicable
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	-	Not Applicable
Add: Investment Income	222	Not Applicable
Less: Amount paid during the year *	41,805	Not Applicable
Closing Balance of Unclaimed Amount	8,007	Not Applicable

* Includes amount identified and transferred to respective liability account.

3.19 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

3.20 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:

Rs '000

Particulars	Year Ended 31st March 2017			Year Ended 31st March 2016		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Segmental Revenue	1,806,355	139,371	1,945,726	741,753	18,626	760,380
Segmental Result	(1,310,166)	(60,691)	(1,370,857)	(1,639,915)	(102,231)	(1,742,147)

Segmental Liabilities

Net Claims Outstanding	282,613	29,529	312,142	233,408	8,003	241,411
Unexpired Risk Reserve	971,799	68,806	1,040,605	715,439	61,864	777,303
Premium received in Advance	11,214	44	11,258	5,228	8	5,236

Segmental Assets

Outstanding Premium	Nil	Nil	Nil	Nil	Nil	Nil
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3.21 Fixed Assets and Depreciation

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

3.22 As per sub section (1) of section 40C of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 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.

3.23 Deferred Taxes

In accordance with the provisions of AS-22, deferred tax liability amounting to INR 618 thousand (Previous year 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 618 thousand (Previous year 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.

3.24 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 2017	As at March 31 st 2016
Associate Firm	TTK & Co	Expenses	-	-	-	-
Shareholder	TTK Partners LLP	Capital Contribution	83,894	296,208	-	-
Shareholder	Cigna Holdings Overseas Inc.	Capital Contribution	29,476	104,073	-	-
		Share Premium	1,274,611	1049,240	-	-
Associate Enterprise	Cigna Health Solutions India Ltd	Expenses	141,370	44,966	11,489	33,830
		Workstation Cost	(7,757)	(4,341)	(515)	(805)
		Employee Benefits	(126)	-	(126)	-
Key Managerial Personnel	Mr.Sandeep Arunbhai Patel	Remuneration	61,173	80,579	(3,353)	16,188

3.25 Summary of Financial Statements

Rs '000

Particulars	As at 31st Mar 2017	As at 31st Mar 2016	As at 31st Mar 2015	As at 31st Mar 2014
OPERATING RESULTS				
Gross Written Premium	2,218,043	1,438,166	218,272	3,354
Net Premium Income #	2,081,210	1,346,535	207,359	3,186
Income from Investment @	128,039	50,810	5,904	17
Other Income	-	-	-	-
TOTAL INCOME	2,209,249	1,397,345	213,262	3,203
Commission	245,913	120,031	14,898	306
Operating Expenses	2,223,723	1,796,294	1,223,788	627,157
Net Incurred Claims	874,998	558,151	42,937	74
Change in Unexpired Risk Reserve	263,524	636,965	140,612	3,062
Operating Profit/Loss	(1,398,909)	(1,714,096)	(1,208,971)	(627,397)
NON-OPERATING RESULT				
Total income under shareholders account	20,319	5,929	63,502	24,238
Profit/(Loss) before Tax	(1,350,537)	(1,736,218)	(1,145,470)	(603,159)
Provision for Taxation	-	-	-	-
Profit/(Loss) after Tax	(1,350,537)	(1,736,218)	(1,145,470)	(603,159)
MISCELLANEOUS				
POLICYHOLDER'S ACCOUNT :				
Total Funds	1,352,747	1,018,653	176,720	3,137
Total investments	1,352,747	1,018,653	176,720	3,137
Yield on Investments	-	-	-	-
SHAREHOLDER'S ACCOUNT:				
Total Funds	1,490,305	1,047,645	1,262,698	931,722
Total investments	1,490,305	1,047,645	1,262,698	931,722
Yield on Investments	-	-	-	-
Paid up equity capital	2,513,651	2,400,281	2,000,000	1,000,000
Net Worth	902,694	865,250	1,151,947	846,436
Total Assets	3,293,236	2,477,860	1,754,473	1,755,659
Yield on Total Investments (Annualized)	8.15%	9.23%	10.34%	8.15%
Earnings Per Share	(5.47)	(7.84)	(7.51)	(10.40)
Book Value Per Share	3.59	3.60	5.76	8.46
Total Dividend	-	-	-	-
Dividend Per Share	-	-	-	-

Net of reinsurance

@ Net of Losses

3.26 Analytical Ratios

Analytical Ratios					
Sr.No.	Performance Ratios	As at 31 Mar, 2017		As at 31 Mar, 2016	
		Health	PA	Health	PA
1	Gross Direct Premium Growth Rate	52%	90%	539%	1258%
2	Gross Direct Premium to Net Worth Ratio	2.29	0.17	1.57	0.09
3	Growth Rate of Net Worth	4%		-25%	
4	Net Retention Ratio	94%	91%	94%	91%
5	Net Commission Ratio	12%	16%	9%	16%
6	Expenses of Management to Gross Direct Premium Ratio	112%		134%	
7	Expenses of Management to Net Written Premium Ratio	119%		143%	
8	Net Incurred Claims to Net Earned Premium	48%		79%	
9	Combined Ratio	167%		221%	
10	Technical Reserves to Net Premium Ratio	0.74		1.48	
11	Underwriting Balance Ratio	-0.84		-2.49	
12	Operating Profit Ratio	-75.42%		-245.52%	
13	Liquid Assets to Liability Ratio	0.50		0.45	
14	Net Earnings Ratio	-64.89%		-128.94%	
15	Return on Net Worth Ratio	-149.61%		-200.66%	
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio	2.65		1.54	
17	NPA Ratio	-		-	

3.27 Earnings per share

Particulars	As at March 31 st 2017	As at March 31 st 2016
Net profit/ (loss) as per Profit & Loss account (Rs '000)	(1,350,537)	(1,736,218)
Weighted Average number of Equity Shares used for calculating EPS	246,833,722	221,513,052
Basic Earnings Per Share	(5.47)	(7.84)
Diluted Earnings Per Share	(5.47)	(7.84)

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

3.28 Borrowings

During the year i.e. on 31st March 2017, the Company, in line with IRDAI Regulations, issued Unsecured Non-Convertible Debentures by way of Subordinated Debt aggregating Rs. 43 crores, carrying an interest rate of 9%; the debentures being redeemable after a period of 10 years from the date of issue and interest being payable at the time of redemption, subject to solvency ratio being maintained at the required level.

3.29 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 26,804 thousand which were hitherto classified under Policy Related expenses under Schedule 4, have been reclassified under Legal & Professional charges under Schedule 4.
- ii. Break-up of Direct Commission expenses hitherto shown under Schedule 3 under 'Others', amounting to INR 57 thousand, have been reclassified under 'Corporate Agency' under Schedule 3.
- iii. In the Receipts and Payments Account, expenses related to investment, amounting to INR 4,080 hitherto shown as cash flow from investing activities, have been reclassified to payment of other operating expenses under cash flows from operating activities.

As per our report of even date attached.

For and on behalf of the Board of Directors.

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

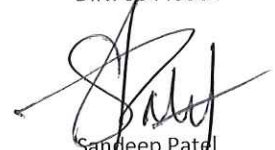


Jagannathan Thattai
Thiruvallur
Chairman
DIN: 00191522

Jason Sadler
Director
DIN: 06440304



Narottam Puri
Director
DIN: 01077709



Sandeep Patel
Managing Director & CEO
DIN: 03210271

Place : Bengaluru
Date : 4th May, 2017



Manoj Naik
Chief Financial Officer