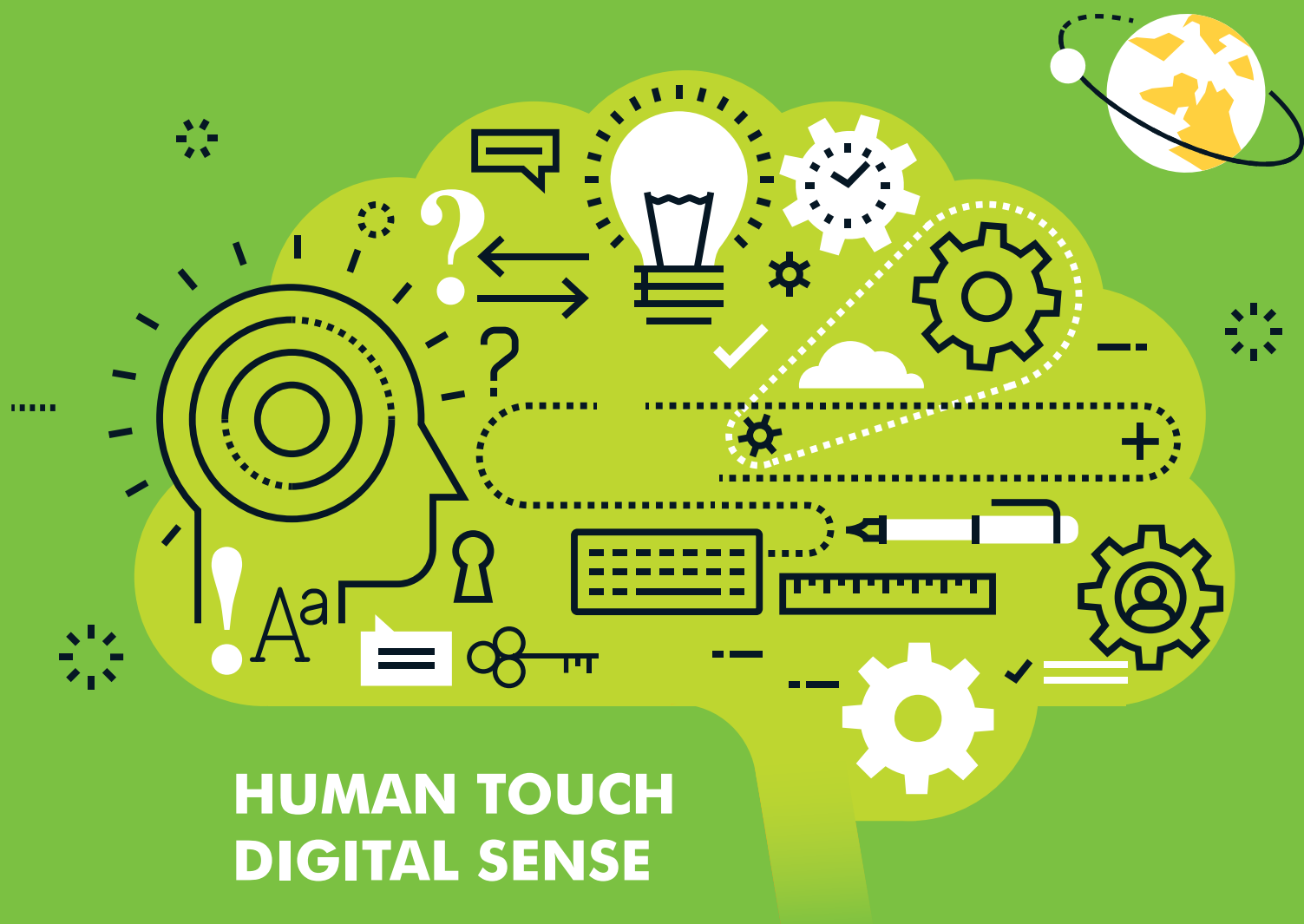


ANNUAL REPORT 2021





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“Business is not just doing deals; business is having great products, doing great engineering, and providing tremendous service to customers. Finally, business is a cobweb of human relationships.”
– Ross Perot

The world is in the middle of a shift. Customer experiences are being shaped not only through human connections but also by digital intervention.

Today, ‘digital’ is seamlessly incorporated into our daily routine, and while the Covid 19 pandemic may have supercharged the process, the human touch is still an indispensable aspect of conducting business.

At Magma HDI, we work with the single goal of achieving customer delight by providing state-of-art services aided by smooth and hassle-free interactions, both human and digital. From product distribution to service, proposal evaluation to policy issuance and claims assessment to settlement, every process is digitally fueled but humanely steered.

We continue to follow the theme of ‘human touch - digital sense’.





Parentage

Magma HDI General Insurance Company Limited, a joint venture between Magma Fincorp Limited (MFL) and HDI Global SE, Germany, provides a host of general insurance solutions for individuals and corporates. From garnering a GWP of Rs. 95.8 crores in our first financial year (FY 12) to a GWP of more than Rs. 1300 crores in FY 21, our growth trajectory has been remarkable. Having served more than 4.6 million customers since inception, Magma HDI is growing stronger every year.

Leadership

The senior leaders are industry veterans who are also new age technology adopters. Coupled with traditional insurance knowledge, they know what works and what does not, and make sure that our customers get the best.

Pillars

Our foundation has been laid on some fundamental pillars:

- i) Our values dovetailing into our tagline 'Truth Must Be Told'
- ii) Digital as a way of life
- iii) Intertwining business growth with prudent risk management
- iv) Creating value for our stakeholders

Products

With 66 products across various categories, we have solutions to secure all major risks in the general insurance sphere. From retail products like Motor (Car, Two-wheeler, Commercial Vehicles, Tractor), Health, Personal Accident, Home to commercial products like Fire, Engineering, Liability, Marine, our wide array of covers coupled with high-quality and agile service delivery have been our major drivers of growth.





We lay strong emphasis on these ideals in all that we do or say. Our vision, mission and values reflect just how people-centric we are.

Vision

To be the most preferred, vibrant, and responsible general insurance company, fulfilling the aspirations of all its stakeholders.

Mission

The company will strive to understand the insurance needs of the consumers and translate it into affordable products that deliver value for money.



Values

Openness and Transparency

- Always strive for clarity in communication & encourage free flow of information
- Be pro-active & look to learn from the best

Integrity and Credibility

- Always be fair, just and right
- Deliver on your commitments & maintain consistency in dealing

Fairness and Impartiality

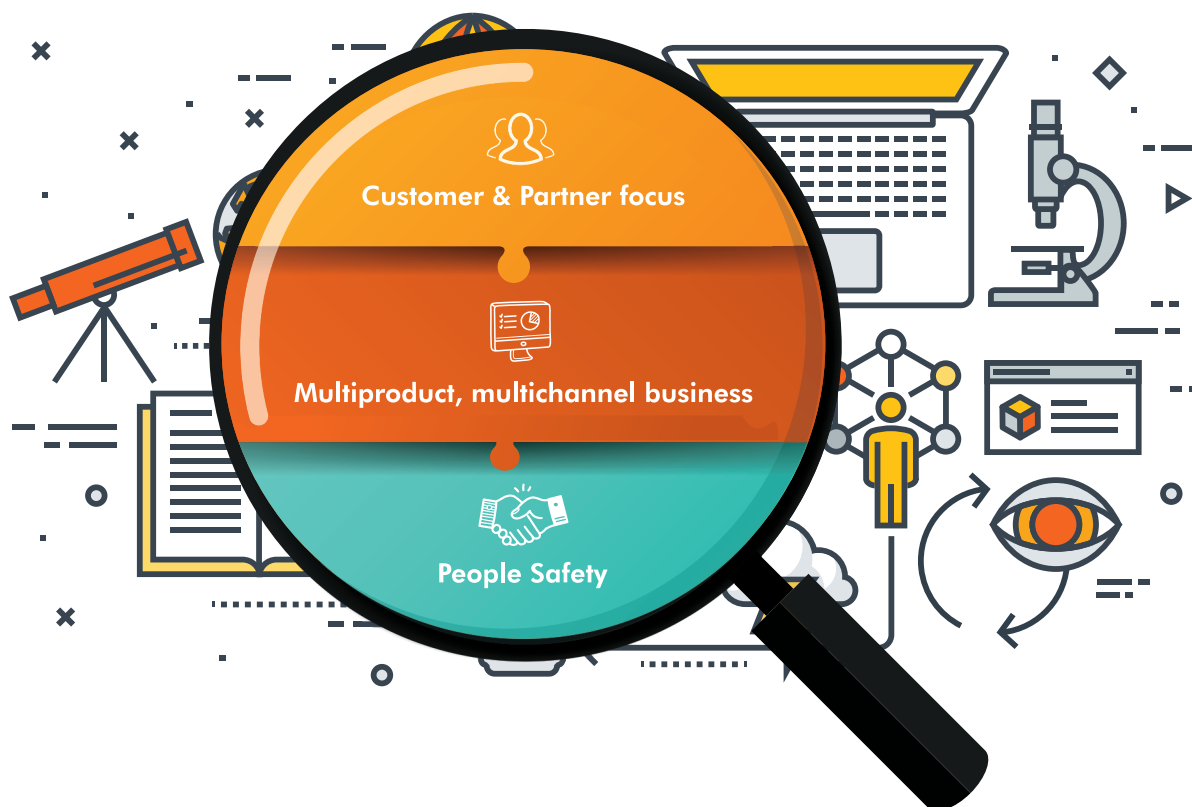
- Always treat everyone as equal
- Fairness should be the bedrock of our dealings with all stakeholders

Trust and Respect for People

- Always have confidence & faith in self & team members
- Show empathy while dealing with colleagues, partners & customers

Demanding Excellence

- Always strive to surpass expectations
- Set targets & timelines and then overachieve it



CUSTOMER & PARTNER FOCUS

Customers and partners are at the centre of our business. To ensure their satisfaction 'man' and 'machine' at Magma HDI work hand-in-hand to deliver best-in-class experiences consistently.

Our product mix is a proof of our customer-centric ideology, with the core focus on being need-based, forward-looking and competitive.

With 66 products to suit specific retail and commercial needs, we provide tailor-made general insurance products across the spectrum.

Claims servicing is the ultimate test for an insurance company and we strive that this particular experience is quick and hassle-free for our customers. In FY 21, our motor (own damage) claims settlement within 30 days was 87.57% and overall motor claims settlement was 94.41%.

Employee roles are aligned around the customer to deliver best in class products and services. We have continued to feature among the general insurance companies with the least number of complaints per 10,000 policies in the industry in FY 21 and were ranked one amongst the top five in Q3 FY 21 as per the last published data.

Prioritizing technological investment across different functions has led to ease of doing business for our teams and partners.

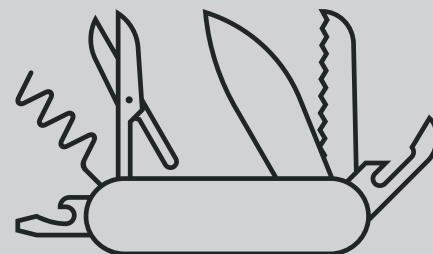
- iClaims, our motor claims App, enables digital processing of claims, with minimal documentation and surveyor intervention, leading to improved customer experience with 45% of motor OD claims processed touchless in FY 21
- On the health insurance front, we have tied up with 13 TPAs and 6125 hospitals across ~600 location in India, to offer seamless claim servicing to our customers



- Our 7630 partners pan India are connected to our self-service platforms and can manage transactions in real-time through their devices
- We have round-the-clock assistance with dedicated teams handling customer queries and grievance. Channel & support teams ensure that company - distributor partnership is successful and mutually rewarding

MULTIPRODUCT, MULTICHANNEL BUSINESS

Magma HDI is a full-service general insurance company and distributes products through various channels. Apart from business tenets, our decisions for product and channel mix are influenced by our customer-first approach. During FY 21, we worked relentlessly in making our solutions available to retail and corporate customers across the country efficiently. Contribution from non-motor lines increased with health gaining significant traction. GWP share from channel partners also changed with Broking and E-sales increasing their pie, which is a testimony to our channel-friendly policies and servicing capabilities. In the years to come, our efforts of bolstering product width and depth will see us fulfilling the needs of customers even better.



PEOPLE SAFETY

Insurance is a synonym for 'safety and security'. In FY 21, people safety was the primary lens used to view our business. Stabilizing and growing our business while ensuring the safety of our customers, employees and partners was the primary endeavor. Employees across functions, be it underwriting, finance, claims settlement, policy & partner servicing etc worked from home smoothly using our tech platforms. A slew of measures were undertaken to protect, physical, mental and financial health including extended work from home, medical aid, helpline, higher engagement, sessions to manage mental health, yoga etc.



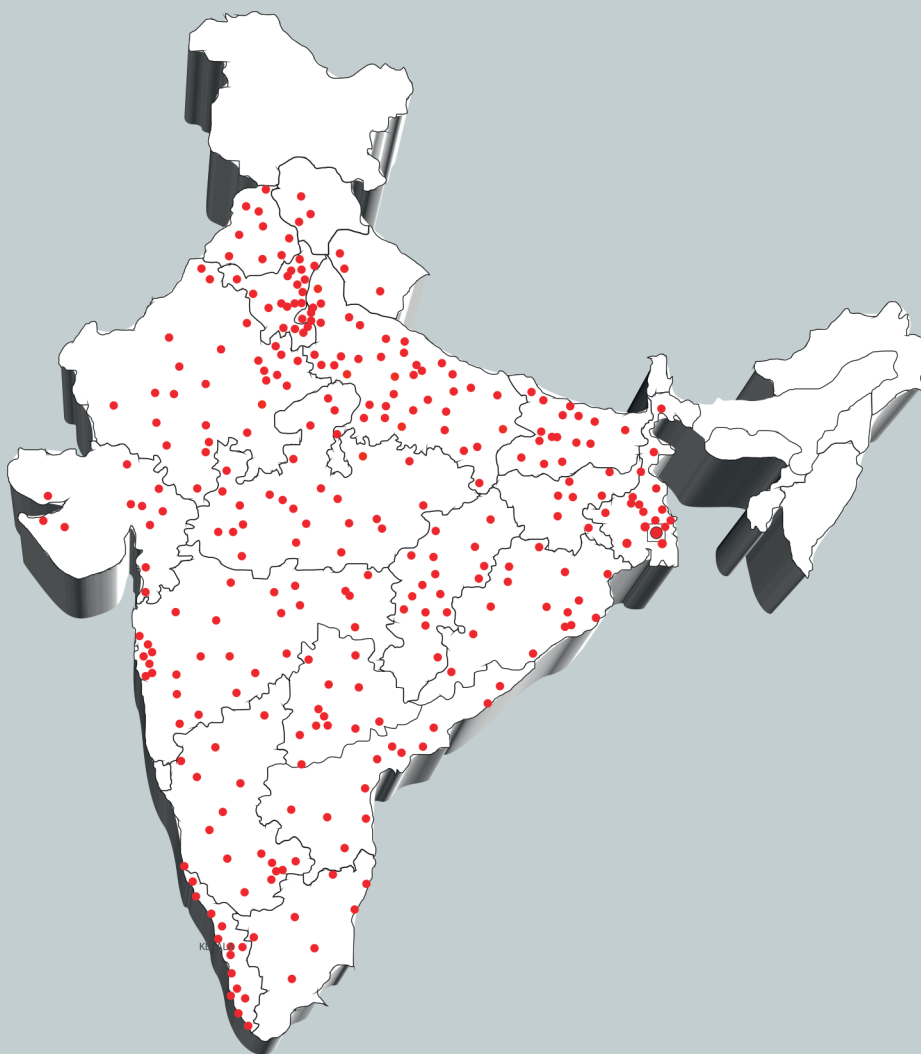


THE HUMAN CONNECT

The human touch is something which is inseparable from the digital construct, and is in-built in Magma HDI's culture.

Digitisation across different functions has been the cornerstone of our business strategy. But, it goes hand-in-hand with the human touch to keep the trajectory of our success graph on a steep northward curve.

- 133 branches across the country
- 7630 partners in ~300 districts
- Helpline available 24x7
- Mobile apps for customers to connect directly with our internal teams and external surveyors
- Family of 1096 employees to serve our customer





BOARD OF DIRECTORS

Mr. Sanjay Chamria

Chairman, Non-Executive Director

Mr. Jens Holger Wohlthat

Vice Chairman, Non-Executive Director

Mr. Mayank Poddar

Non-Executive Director

Mr. Kailash Nath Bhandari

Non-Executive Independent Director

Mr. Sunil Mitra

Non-Executive Independent Director

Mr. V. K. Viswanathan

Non-Executive Independent Director

Ms. Suvalaxmi Chakraborty

Non-Executive Independent Director

Mr. Rajive Kumaraswami

Managing Director and Chief Executive Officer

KEY MANAGEMENT PERSONS

Mr. Vikas Mittal

Deputy Chief Executive Officer

Mr. Amit Bhandari

Chief Technical Officer & Chief Risk Officer

Mr. Gaurav Parasrampur

Chief Financial Officer

Mr. Shivendra Tripathi

Appointed Actuary

Mr. Anand Roop Choudhary

Head Legal & Chief Compliance Officer (upto 05 March 2021)

Ms. Priyanka Jain

Compliance Officer (w.e.f 29 March 2021)

Mr. Amit Loya

Chief Internal Auditor

Mr. Jinesh M. Shah

Chief Investment Officer

Ms. Kavita Modi

Company Secretary (upto 31 August 2020)

Mr. Gufran Ahmed Siddiqui

Company Secretary (w.e.f. 01 September 2020)

BANKERS

- Axis Bank Limited
- State Bank of India
- United Bank of India
- ICICI Bank Limited
- HDFC Bank
- HSBC Bank

JOINT STATUTORY AUDITORS

M/s. Haribhakti & Co. LLP

Chartered Accountants
705, Leela Business Park, Andheri - Kurla Road,
Andheri (E), Mumbai – 400 059

M/s. MSKA & Associates

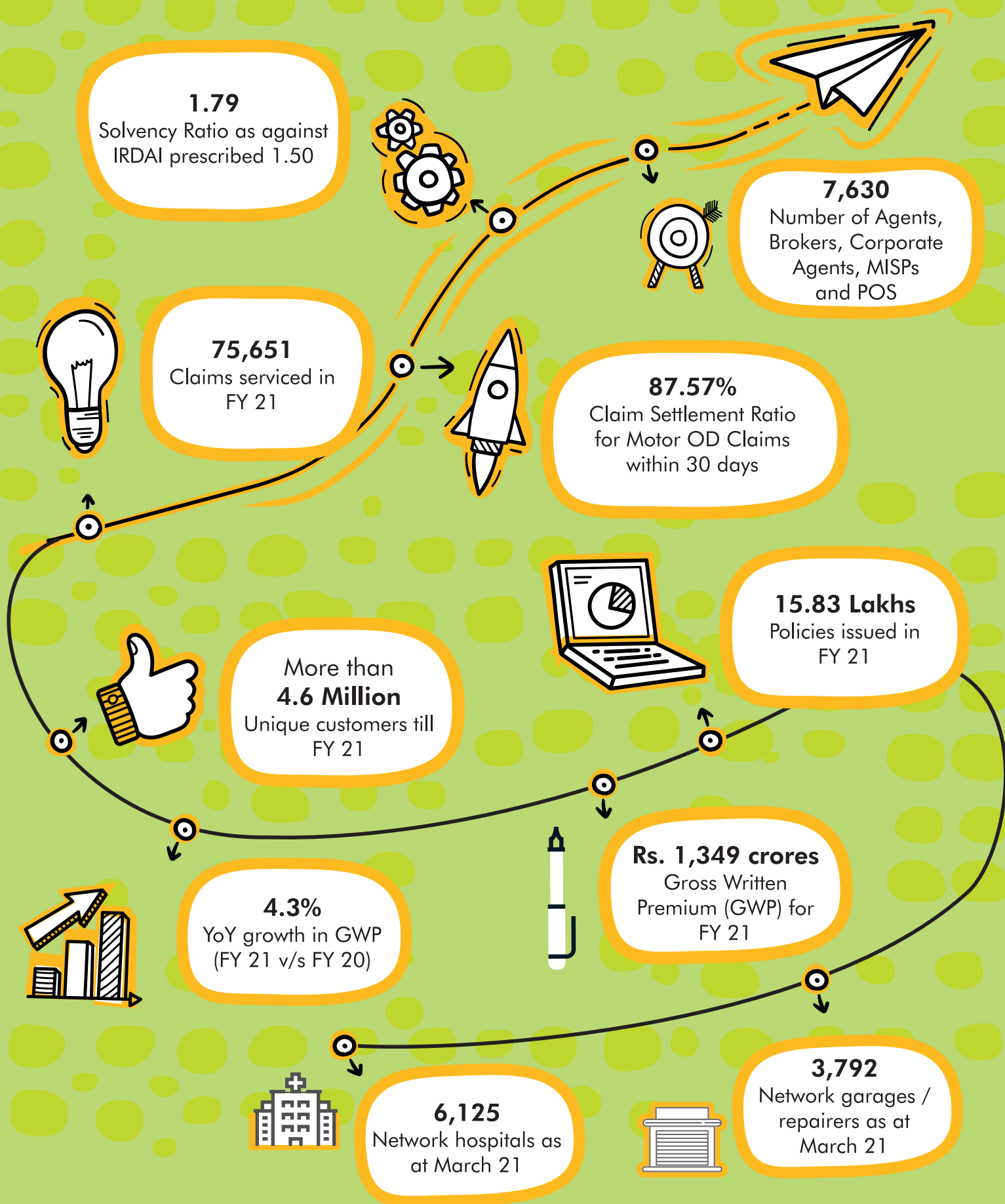
Chartered Accountants
602, Floor 6, Raheja Titanium, Western Express
Highway, Geetanjali, Railway Colony, Ram Nagar,
Goregaon (E), Mumbai – 400 063

SECRETARIAL AUDITOR

Vinod Kothari & Company

Practising Company Secretaries
1006-1009, Krishna Building,
224 A.J.C. Bose Road, Kolkata – 700 017

5. KEY HIGHLIGHTS





Rajive Kumaraswami

Managing Director & Chief Executive
Officer

Dear Stakeholders,

FY 21 was an unprecedented year in all aspects. The prevailing pandemic situation resulted not only in economic crisis but has also changed the mindset in every sphere of life. It had its impact on the General Insurance industry as well. Two large segments of general insurance i.e. Motor and Health had diametrically opposite experience. On one hand, the impact of lower vehicle sales resulted in sharp de-growth of the motor segment, whereas on the other side, heightened realization on the need of health insurance saw handsome growth of the health insurance sector. Further, the third segment i.e. Commercial insurance saw the benefit of rate increase in the year.

In FY 21, Gross Direct Premium collection of non-life insurance companies grew by 5.2% and the industry collected premiums of Rs. 1.99 lakh crores against Rs. 1.89 lakh crores in the previous financial year. Excluding crop segment, this growth would be 7.0%. The minor de-growth of 1.7% in motor segment was counterbalanced by the growth of 11.9% & 17.1% in health & commercial segments respectively.

Commercial line insurance, especially Fire insurance, given the increase in rates for some of the occupancies, grew better than the overall market at 28.6%, followed by Liability at 16.4% and Engineering segments at 13.0%. Marine segment witnessed minor de-growth of 1.2% due to less transits in the lockdown period.

I am delighted to state that even in this tough time, we continued to grow at 4.3% with the GWP increasing to Rs. 1349 crores. The Company has underwritten 1.58 million policies in the year. The Company has been able to grow the business due to its consistent investments in technology over the last five years. Today, our customers can experience the entire lifecycle from purchase to policy servicing to claim intimation to renewal in the digital mode.

The Company has continued to invest in expanding distribution network as well. As at March 21, the Company has 7630 partners inclusive of Agents, Brokers, Corporate Agents, POS and MISPs with wide reach in Tier 2, 3 and 4 towns in addition to Tier 1 towns. During FY 21, the Company has also entered into 8 new OEM relationships, totaling to 14 OEM tie-ups as at March 2021. The Company has already commenced business with new seven partners and one is under integration process with a target to commence the business in first half of FY 22. We are also proud of having tied up with NBFCs and cooperative banks during the year, further making inroads into the bancassurance space. Successful and faster execution of these relationships will give an edge to the Company in the coming years. Our principal focus is on ensuring partner delight, which lays a strong foundation to our business.

During the year, the Company has continued to launch various customer centric initiatives with a focus on digitally serving the customers. The Company increased focus on utilizing our live video streaming application for Motor OD claims without having to visit garages. This has helped us not only manage claims digitally but also ensure safety of our employees. The Company had created various digital assets in the past three years to serve our health customers as well, which continues to see greater adoption. The Company has also utilized other digital tools such as Robotic Process Automation (RPAs) etc to further simplify policy issuance and other related customer processes.

The Company's investment in dedicated agency health channel, branch cross sell to walk-in customers, telesales to existing customer database, etc have continued to help the Company to achieve growth in the retail health insurance segment.

We are one amongst the General Insurance companies with least number of complaints i.e 0.75 received per 10,000 policies issued over year.

This year too, we as a Company have made every effort to keep the business operations near to normal, with early implementation of BCP and at the same time, ensure the safety of our employees. Majority of the employees continued to work from home for a large part of this year. We have also continued to take a hard look at our cost structures to reduce costs and to improve productivity through use of technology keeping the customer at the center of our decisions.

Without further ado, I would like to present the financial statements for the year ended 31 March 2021.



A snapshot of Company performance is as below:

Particulars (Rs. in crores)	FY 20	FY 21
No. of Policies issued (count)	1,622,879	1,583,544
Gross Written Premium	1,293.92	1,349.04
Gross Direct Premium Income	1,224.77	1,283.59
Net earned premium	708.30	761.70
Income from Investments & other Income	200.83	215.73
Profit/(Loss) before tax	1.74	25.65
Profit/(Loss) after tax	(6.01)	19.40

Solvency Margin as on 31 March 2021	
Solvency Margin	IRDAI prescribed limit
179%	150%

I am delighted to inform that our parent company i.e. Magma Fincorp Limited will be a subsidiary of Rising Sun Holdings Private Limited (owned and controlled by Mr. Adar Poonawalla). The Board of Directors and the shareholders of Magma Fincorp Limited, has approved issuance of 49,37,14,286 equity shares of the Company, each having face value of Rs. 2/-, at a price of Rs. 70/- per equity share and for an aggregate consideration of Rs. 3,456 crores, on a preferential basis, in the following manner: (a) 45,80,00,000 equity shares of the Company to Rising Sun Holdings Private Limited, for a consideration of Rs. 3,206 crores; (b) 1,78,57,143 equity shares of the Company to Mr. Sanjay Chamria (a member of the promoter and promoter group of the Company), for a consideration of Rs. 125 crores; and (c) 1,78,57,143 equity shares of the Company to Mr. Mayank Poddar (a member of the promoter and promoter group of the Company), for a consideration of Rs. 125 crores. The funds to be raised through the said Preferential Issue would be utilized to augment the growth of the Company and to further invest in the required growth capital in other group entities. The process for rebranding of Magma Fincorp Limited is underway and the Company would take on the Poonawalla brand upon receipt of all requisite regulatory approvals.

In addition to this, the Company has announced the external fund raise of Rs. 250 crores as primary issuance of 3,27,13,950 Equity Shares on preferential basis having a face value of Rs. 10/- each at a price of Rs. 76.42/- per share including premium of Rs. 66.42/- each aggregating to Rs. 250 crores to India Advantage Fund S4 I ("IAF") and Dynamic India Fund S4 US I ("DIF") (collectively acting through a special purpose vehicle) both funds managed/advised by ICICI Venture Funds Management Company Limited, NHPEA Trisul Holding B.V. (an investment holding Company controlled by funds managed by Morgan Stanley) and a Secondary Market Transaction was also proposed by one of the Promoter of Company i.e. Celica Developers Private Limited for its direct stake sale to identified Investors in order to comply with the RBI directives with respect to dilution of stake by Magma Fincorp Limited and its group companies in the Company. The Company has made necessary application to IRDAI for obtaining its approval for both preferential issue as well as the secondary market transaction. Fresh capital shall provide the growth impetus and substantially enhance the solvency ratio of the Company.

We shall continue to maintain our focus on our retail product classes across Motor & Health and selectively underwrite commercial business. The Company has and shall continue to invest in growing the distribution franchise and keep investing in technology solutions with a view to address the growing needs of customer segments.

I would like to thank the customers, channel partners, service partners, vendors and the employees of the Company and look forward to further strengthening the relationship in the future.

Rajive Kumaraswami

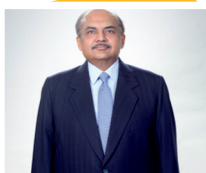
Managing Director & Chief Executive Officer



Mr. Sanjay Chamria is the Non-Executive Chairman of the Company and represents Indian Promoter of the Company, Magma Fincorp Limited, a leading NBFC in the Country. A Fellow Chartered Accountant, he anchors policy formulations, strategy planning and provides overall guidance and support to the Board.



Mr. Jens Holger Wohlthat is the Non-Executive Vice Chairman of the Company. He joined HDI Global SE (HDI), 3rd largest insurance group in Germany in 1980 and has since served in various functions within industrial liability underwriting and international operations. In 2006, he has been appointed Member of the Executive Board (Director) of HDI, responsible for international operations.



Mr. Mayank Poddar is the Non-Executive Director of the Company. He is a commerce graduate and represents Indian Promoters. He contributes to policy formulation and provides overall guidance and support to the Board.



Mr. Kailash Nath Bhandari is the Non-Executive Independent Director of the Company. A law graduate by education; he has been the Chairman and the Managing Director of New India Assurance Company Ltd. and United India Assurance Company Ltd. He has also been a consultant with the World Bank before joining the Board of the Company.



Mr. V. K. Viswanathan is the Non-Executive Independent Director of the Company. He is a commerce graduate from Madras University and a Chartered Accountant from the Institute of Chartered Accountants of India. He was the Chairman of the Board of Directors of Bosch Limited till August, 2019. Prior to this role, Mr. Viswanathan was the Managing Director of Bosch Limited and President, Bosch Group in India. He has been the past President of Indo-German Chamber of Commerce for 2012 - 13. He has also served as the Vice President of ACMA (Automotive Manufacturers' Association) for 2005 - 06. He was also associated with Hindustan Unilever Ltd. in many senior positions for 17 years.



Mr. Sunil Mitra is the Non-Executive Independent Director of the Company. He is an ex-IAS officer retired in June 2011 as a Revenue & Finance Secretary, Government of India after a successful stint of 36 years. During his tenure in the Ministry of Finance, he led the revenue teams in the formulation of the 2010 and 2011 Union Budgets and spearheaded several significant policy initiatives in public finance including a new disinvestment policy and taxation reforms. During his earlier tenures with the West Bengal Government, he led significant public policy reforms in the state-owned Public Sector Enterprises and the state's power sector.



Ms. Suvalaxmi Chakraborty is the Non-Executive Independent Director of the Company. She is a Chartered Accountant and having 32 years of rich experience in the field of banking and financial sector with exposure in to a diverse set of businesses, including project and corporate finance, treasury, and integrated multi-currency fund and asset liability management, corporate banking, rural / agricultural, and micro banking. She featured in Fortune India list of 50 most powerful women in business. Presently she is an Advisor at Fullerton India Credit Company Limited. Prior to this she was associated with State Bank of Mauritius where she led their India operations as the CEO, Barclays Bank as the Commercial Banking Director and had also worked at ICICI Bank in various capacities.



Mr. Rajive Kumaraswami is the Managing Director and CEO of the Company. He is a commerce graduate from Delhi University and a Fellow Member of the Institute of Chartered Accountants of India & an Associate Member of the Institute of Cost Accountants India. Mr. Rajive Kumaraswami has 26 years of work experience. He has been involved with the insurance industry since its opening to the private sector and has had exposure to various facets of the industry.

He started his career with ICICI Limited and spent the first 7 years of his career in project appraisals, corporate funding and loan restructuring activities. He was associated with ICICI Lombard General Insurance Company Limited (ICICI Lombard) as the Head - Corporate Centre, responsible for the Finance & Accounts function (CFO), the Legal & Compliance function, the Actuarial function and Reinsurance function. He also served as the Chief Risk Officer of ICICI Lombard from October 2011 to May 2012 and head the Corporate Underwriting & Claims department in ICICI Lombard prior to October 2011. Before joining the Company in June 2016 as its MD & CEO he was the Chief Representative of SCOR SE - India Liaison Office since May 2012.



Dear Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report of your Company together with the Audited Financial Statements of the Company for the financial year ended 31 March 2021. The summarized financial results are given below:

Financial Highlights

(Rs. in crores)

Particulars	Year ended 31 March 2020	Year ended 31 March 2021	Growth
Gross Written Premium	1,293.92	1349.04	4.26%
Net Written Premium	790.18	798.25	1.02%
Net Earned Premium	708.30	761.70	7.54%
Other Income	8.65	9.06	4.64%
Net Incurred Claims (including PDR)	597.46	606.63	1.54%
Net commission (income)/Expenses	(62.90)	(55.25)	-12.16%
Operating Expenses	350.54	377.29	7.63%
Investment Income (Policyholders)	175.93	187.28	6.46%
Operating profit/(Loss)	7.79	29.37	277.09%
Investment Income (Shareholders)	24.23	27.53	13.60%
Other Income (Shareholders)	0.16	0.00	-99.36%
Expenses other than those relating to Insurance business (Shareholders)	11.75	12.53	6.64%
Profit before tax (before provision for diminution / write off in value of investments)	20.43	44.37	117.16%
Provision for diminution / write off in value of investments	18.69	18.72	0.15%
Profit before tax (after provision for diminution in value of investments)	1.74	25.65	1373.33%
Provision for Tax (including Deferred Tax and adjustment of earlier years)	7.75	6.25	-19.38%
Profit after Tax	(6.01)	19.40	422.80%
Credit/ (Debit) Balance in P&L A/c at the end of the financial year	(32.12)	(12.71)	60.42%



INDUSTRY OVERVIEW AND COMPANY PERFORMANCE

General Insurance Industry Overview

Overall Insurance market for FY 21 stands at ~Rs. 4,77,000 crores out of which the General Insurance Sector contributes Rs. 1,98,700 crores. The General Insurance Industry has grown at a CAGR of 15.6% over 5 years with Private sector insurers having 49% market share and Public sector insurers contributing 36 % in FY 21. The Mono-line Health players & specialised insurers contribute the balance 8% and 7 % respectively.

Despite de-growth in Q1 FY 21, General Insurance industry has seen growth of 5% in FY 21 over FY 20 amidst Covid 19.

Company Performance

(Rs. in crores)

Particulars	FY 18	FY 19	FY 20	FY 21	CAGR % 3 years
Gross Direct Premium	526.69	970.11	1,224.77	1283.59	34.6
Net Written Premium	375.61	516.93	790.18	798.25	28.6
Investment Income (including Shareholders share of income)	90.25	106.26	200.16	214.81	33.5
Net Incurred Claims (including PDR)	277.86	271.98	597.46	606.63	29.7
Operating Expenses	151.78	244.59	350.54	377.29	35.5
Operating profit/(loss)	(11.32)	(8.75)	7.79	29.37	(237.4)
Profit after tax	4.91	1.43	(6.01)	19.40	58.1
Total Investments	1,137.12	1,462.29	2,284.81	2,993.77	38.1

Gross Direct Premium (GDP) has registered a robust CAGR of 34.6% over 3 years since FY 18 with continuous focus on diversification of products and improvement in quality of business. Operating Expenses have increased owing to rapid expansion in business with higher CAGR @ 35.5% as compared to GDP. Investment book has increased with CAGR of 38.1%.

The Gross Direct Premium Income written by the Company during the FY 21 is Rs. 1,283.59 crores (PY. Rs. 1,224.77 crores). Motor segment has de-grown to Rs. 968.54 crores in FY 21 (Rs. 1029.13 crores in FY 20).

During the year, motor continues to be the dominant portfolio for the Company with 71.8 % (PY 79.5%) share of the portfolio whereas Commercial & Health has contributed 22.2 % (PY 16.4 %) & 6.0 % (PY 4.0 %) respectively. With progressive development of Retail Health channel and various initiatives being taken in other channels to promote health insurance business, Retail health has grown @ 222% from Rs. 9.73 crores in last year to Rs. 31.28 crores in FY 21. We added significantly to the existing Original Equipment Manufacturers (OEM) tie-ups and new NBFCs under Bancassurance tie-ups. The same have started gaining momentum and started contributing 23.0 % in FY 21 as against 22.2 % in FY 20.

The Company continues to enjoy one of the lowest Motor Own Damage loss ratios in the industry. The Company has also been able to maintain its Expenses of Management within the overall limit prescribed by IRDAI, fourth year in a row, after the initial exemption period of five years.

During the year, the Company has allotted 1,09,57,250 equity shares under the preferential issue (Previous Year - 1,87,50,000 equity shares under preferential issue).

During the year, the Company raised additional capital of Rs. 53.14 crores. Out of this, equity share capital amounting to Rs. 39.47 crores was already included in computation of available solvency margin for the previous financial year, as per IRDAI approval.

On technology front, Motor OD claim assessment through video streaming is stable at around 45%.



DISTRIBUTION STRUCTURE

The Company has multi-geography, multi-product and multi-channel distribution structure. The company continues to focus on product diversification with major focus on developing Retail Health channel. The Company has widened channel partner base and has 7630 number of Agents, Brokers, Corporate Agents, Point of Sale (POS) & Motor Insurance Service Providers (MISPs). During FY 21, the Company has also entered into 8 new OEM relationships, totalling to 14 OEM tie-ups as at March 2021.

UNDERWRITING

The Company has developed a balanced underwriting approach considering the size of its portfolio and overall objective of the Company. The Company remains in a competitive environment where pricing of a risk is mostly dictated by market. Hence, risk selection becomes very important. The Company's underwriting is focused on appropriate risk selection based on the exposure and risks involved. The Company has done risk segmentation on the basis of occupancies and categorized them as preferred, referral and decline segments for each line of business. While the target is to increase penetration in preferred segments, the Company does prudent underwriting by being cautious in selecting risks in referral category keeping our exposures suitable to its portfolio.

In case of commercial products such as Fire, Marine, Engineering risks insurance, the Company intends to keep moderate exposures in high natural catastrophe prone areas. It also takes into consideration the impact on our solvency while participating in any risk. It has developed solvency threshold limits for each line of business to decide how much exposure the Company can have in a single risk. At the same time, the Company writes risks with adequate risk quality and avoid risks which are below average risk quality. Going forward as market moves towards rate correction, the Company intends to keep a healthy portfolio by moderately increasing retention and participation across various risks.

Another aspect is to keep updating product offering in line with the market requirement. In last few years, the Company has successfully filed new products under various lines of businesses viz. "Business Protect Policy" under property insurance, which offers a comprehensive cover for business owners. The Company has revived its product offering in Liability line of business by developing new form for "Commercial General Liability (CGL) and "Director's and Officer's Liability (D&O)". The Company has also developed new products such as "Cyber Risk Insurance" and "Crime Insurance" under Liability line of business.

Recently the Company have filed new Products in Fire line of business catering to various customer segments, these are Magma HDI Bharat Griha Raksha Policy for homeowners, Magma HDI Bharat Sookshma Udyam Suraksha Policy for

micro-business and Magma HDI Bharat Laghu Udyam Suraksha Policy for SME segment.

Increased treaty capacities over the last few years especially, in Property line of business has enabled us to offer sizable capacities in the market and increase its portfolio in this line.

In retail lines comprising largely of Motor and Health, the underwriting strategy is to diversify the portfolio and to achieve a sufficiently large spread of risks to reduce variability of the expected outcome within each of these categories. At the heart of business, sits the data science driven disciplines of underwriting and claims handling. Every year, the Company seeks to move these forward, using modern techniques of analytics and IT capabilities, as well as focus on skills and training.

FY 21 has been a challenging year due to negative impact of Covid 19 pandemic. Motor portfolio experienced steep decline of ~30% in business in Q1 as compare to last year, however it strongly recovered in Q3 and Q4 and garnered a gross written premium Rs.968.54 crores which is just 6% lower than FY 20. The pandemic has seriously affected motor insurance and impacted various risk factors like drop in new vehicle sales, delaying renewals by customer during lockdown, non-availability of pre-inspection agencies and increase in discounts to match market environment. This all has led to increase in loss ratios for the portfolio underwritten after the onset of pandemic which got compensated by profitable business written in pre-Covid times. Even in challenging environment, the company continues to underwrite business in profitable segments and geographies and overall has shown 4.7% improvement in loss ratios in this financial year as compared to last. The market outlook remains under pressure as it is experiencing weak pricing since last two years due to various economic factors like introduction of multiyear products, low automobile sales etc.

With the key objective to diversify our portfolio and de-risk its revenue stream, the company over the last 2 years have put substantial focus on increasing our health portfolio. In FY 21, the Company grew its Health portfolio by 54% to a gross written premium of Rs. 80.62 crores, and able to increase health segment proportion to 6% from 4% in last year. The Company has solutions across the health spectrum such as Retail Indemnity, Group Indemnity, Group Benefit and Group Personal Accident. All these products are developed with clear focus on enriching our offer with innovative and flexible product propositions. The Company is unceasingly identifying new target segments and creating various business enablers in all areas like expanding coverage by introducing new add-ons regularly, accelerating underwriting decisions by authorizing tele-underwriting, facilitating home visits medical checkup for its customers, launching over the counter solutions and increasing network strength to 6125 hospitals across ~600 locations in India, to offer seamless claim servicing to its customers, to support growth of its Health portfolio.



The Company continues to embrace technology and data analytics to differentiate its offerings and create value for our partners and customers. The Company has introduced motor pre inspection DIY app and as on March 21, 35% of all our pre inspections are happening through this app. Similarly, on health side, the Company has invested heavily in developing state of the art systems, to manage policy issuance through automated underwriting rule engine and claims through Magma HDI health app. The app also takes care of various post policy issuance requirements of customers, of which submitting soft copies of claim documents, taking tele-consultations, getting medicine delivery at home are key features.

Overall, the underwriting fundamentals and governance remains sound. Underwriting capacity and authority delegation to individuals are based on their specific expertise, and sets appropriate underwriting and pricing guidelines. Regular technical reviews assure that underwriters perform within authorities and adhere to underwriting philosophies and policies. Effective governance ensured control and compliance environment as reflected in successful audits.

We aim to deepen our relationship with existing customers and build out new customer segments, from the millennials and gig customer segments to small and medium sized enterprises. The Company aims to become preferred insurance provider and achieve a responsible growth by using the insights gained by listening to our partners and customers.

HUMAN RESOURCES (HR)

Employees are the most valuable assets of the Company as they support the business growth. The Company has 1096 employees as at 31 March 2021.

The Human Resource department is focused to achieve excellence in all pillars of success like hiring right talent, retention of the best talent, employee engagement initiatives, launch of rewards & recognition program, learning & development initiatives. In this year, something which came in a big way to manage the Employee Wellness part and emergency aid to the employees due to the Covid 19 scenario.

In order to achieve excellence in processes and improve upon employee services, automation in the areas of HR operations continued to be an important agenda during the year. Launch of queries resolution module on employee self-service application has helped in reducing the transaction processing time & helped to improve the employee satisfaction. E-learning program has been enriched with new and relevant modules to make the training cost-effective as well as relevant for the employees. Cross functional training programs has been launched in order to improve skill level of employees. Senior leaders of the Company have also been part of special training programs to inculcate importance of team work & collaboration at work.

Rewards & recognition program was designed and launched to encourage the right behaviour & skills of employees. In order to boost employee productivity in Sales functions, incentive program are looked at every years with clear focus to inculcate "pay for performance" culture.

Employee wellbeing is our focus area. We had sessions on employee wellbeing which included eminent doctor sessions, Yoga session and session by Isha foundation. We also made the Emergency Response Team (ERT) which was available to employee help during this time of pandemic. This ERT was 24x7 helpline along with regular connects session by employees through the HR team which helped in hospital support and financial help which made sure there was no casualty within the employees. Connect session and Town hall sessions with the leadership team helped in this crisis.

With continuous growth and expansion being the key imperative for the company, digital solutions, HR innovation, business partnering and people connect continue to be the focus areas.

OPERATIONS, TECHNOLOGY AND CUSTOMER SERVICE

- Digital transformation: With the continuous growth of internet penetration and its reach in the Indian population, Digital has become the way forward for all businesses. We have also embraced digital and transforming processes across the entire value chain. Some of the notable interventions are
 - Automated campaign management has also been developed for monitoring the business effectively
 - Behavioural economics parameters have also been incorporated in the CRM and now the customer behaviour is tracked basis the behavioural economics model.
- Online buy journey for Health insurance has been initiated which allows a customer to take a quote. The lead so formed is dropped in CRM for closure by our call centre.
- Focus on digital payments for speed and efficiency.
 - Integration with major wallets in the country such as Airtel Money, Amazon Pay, HDFC PayZapp, PayTm, PhonePe etc. for payment acceptance.
 - Above has helped us affect 77.64% of payments digitally in FY 21 against 48% in FY 20.

Enhancement in the Health App:

To improve the experience of our OneHealth customers, a slew of enhancements in the Health Insurance app has been rolled out.



- Counselling on call for the customers to deal with the stress in the times of Corona.
- Free consultations via video calls with leading specialists across 15-20 specialties.
- Ordering medicine online via a pharmacy and avail of up to 23% discounts on medicines ordered via the app and receive medication on a home delivery basis within 24-48 hours.
- Call consultations with doctors on call 24x7 free and with unlimited consultations with Physicians.
- Nutritionist-on-call service provides free tele-consultation with a qualified nutritionist.
- Free access to a large collection of wellness videos, short tips, articles etc. to help customers in keeping themselves fit and lead a healthy lifestyle.
- Access to discounts from a large network of health care providers namely –dental clinics, physical pharmacies, eye clinics and diagnostic centers.
- Paperless claims processing for health indemnity including claims intimation, claim document upload, claim tracking on the APP, e-card, claim forms & policy wordings download.

Channel partner engagement:

A series of initiatives were launched to enable our partners to operate smoothly and engage them

- A self-service digital platform for policy issuance.
- Deployment of a new branch operations model for assistance from remote.
- An outreach program for our agents including interactive webinars by top leaders and a communication campaign
- While the webinar modules covered aspects of Covid 19 and ways to navigate the pandemic, business opportunity in cross-selling and product/category related information, on one hand, the daily communicate was aimed at reducing the stress and maintaining the connection, on the other.

Claims:

- The Company believes that the primary reason for the existence of any Insurance business is to serve the customers during times of financial distress caused by damage to property, vehicle or self. The company continues to simplify procedures and reduce Turnaround time (TAT) to deliver best in class customer experience. Some of the key initiatives during FY 21 were:
 - Improved workflow from claim intimation to settlement.

- Introduction of iSurvey App that helps customers and vendors in tracking claim at the click of a button.
- Launch of simplified survey process by way of video streaming, making it completely touchless & efficient which doesn't warrant any physical movement of document.
- Introduction of Artificial intelligence (AI) platform to remove manual intervention in claim assessment is under development.
- Because of all of the above, the Company is settling ~45% claims touchless without any involvement of physical survey during Covid 19 induced lockdown. Overall the Company has settled 87.57% Motor Own Damage claims within 30 days from the claim intimation date.

Facilitating Pre – Inspection process:

Following enhancements were rolled out to facilitate the pre-inspection process making it more efficient in terms of track ability and TATs

- Recommendation date and time on Vehicle Inspection Certificate to know/calculate the inspection validity.
- Servicing infrastructure was bolstered by the on-boarding of two new inspection agencies.
- Real-time status of inspection ID through SMS to Intermediaries.

Robotic Process Automation (RPA):

We have continued with the robotic process automation across various domains including:

- Consolidation of competition data through RPA for business analysis.
- Deployment of RPA for calculation of rewards in Operations

Data protection:

Given the Company's commitment to protecting policyholder's data, data security guidelines were further strengthened. Online training programs and tests were conducted across the levels of employees to ensure awareness and increase compliance.

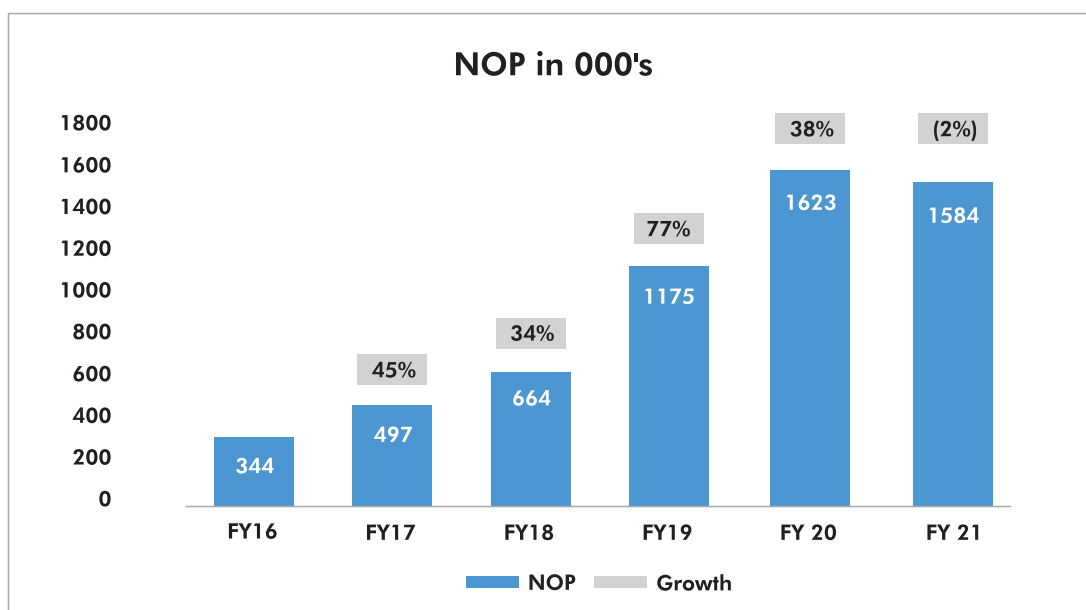
Operations:

- The company continued to feature amongst the top ranking companies with the least number of complaints per 10,000 policies in the industry in FY 21. Some of the notable initiatives undertaken by the operations team
- Work from Home (WFH) model for Branch Operations Executives (BOEs):
 - In April 20, BOEs team were realigned and branch processes were digitized to support remote assistance to business efficiently with less than 50% budgeted

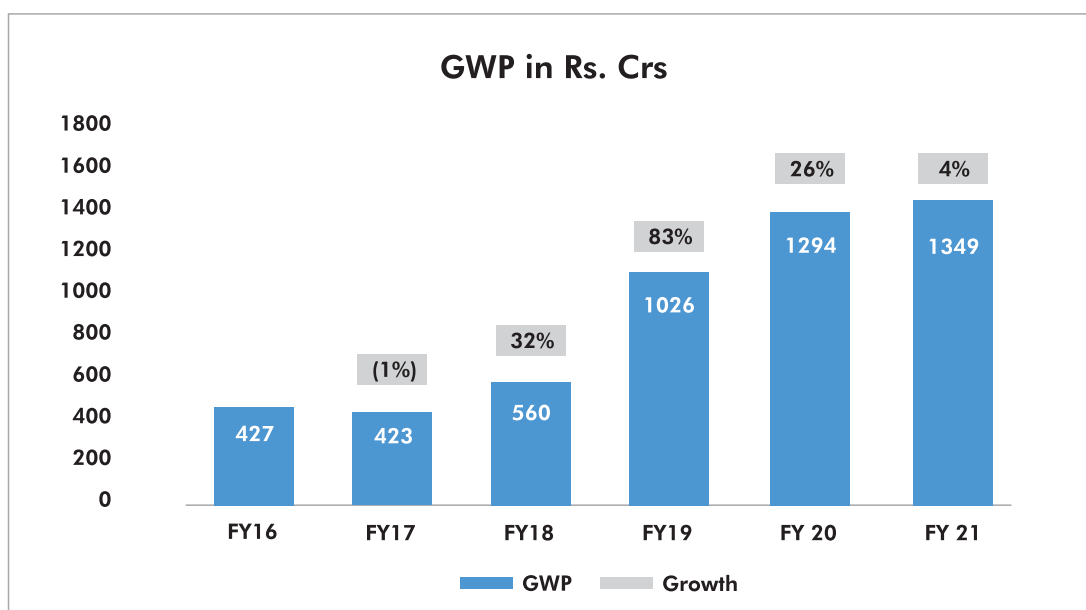


manpower in FY21. Job roles of 25 BOEs were re engineered and they were deployed in telesales, which will help in cost savings of up to the tune of Rs. 5.2 crs in 3 years.

- o Agent onboarding process was automated allowing for conducting training and examination through zoom calls. In FY 21, 1352 POSPs were on boarded through the online process.
- o As part of the “Centre Of Excellence in Operations” initiative, a banking operations vertical was formed for servicing the commission and reward payments of intermediaries and the vertical has
 - Ensured weekly payment to 1550 & 2173 individual IMDs in April 20 & May 20 respectively, during the initial phase of lockdown
 - Continually improved TAT of processing of commissions and reward.



NOP - Number of Policies





CLAIM RESERVES

The future unpaid claim liabilities (incl. reported and unreported claims) are established in accordance with the IRDAI (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2016 by the Company. The ultimate claim liability is based on the advice/estimation derived under the direction of the Appointed Actuary using the methods well established in the industry and recommended by the IRDAI. The data used for IBNR estimation is classified following the principle of homogeneity to the extent possible keeping in mind the nature of business and claims development pattern.

In terms of business, the Company has a significant proportion of business in Motor Third Party segment. Motor Third Party being a long tailed business forms a major portion of the total reserves for the Company.

The Company's experience is still developing for this segment and hence the principle of prudence while adopting the reserves so as to safeguard the policyholder's interest while estimating the ultimate liabilities for this segment. Along with the internal data, the Company takes reference of industry wide data and indicators of wage inflation, interest rate trends, landmark as well as recent court rulings, Motor Vehicle Act Amendment while calculation of the reserves for the segment. Besides Motor Third party, the Commercial segment has inherent volatility in the claims experience.

The Company also recognizes the importance of timely recognition of claims at all times. To ensure this, a robust claims process is put in place which registers the claims at the earliest post intimation. At the initial point of registration, since having limited information on the merits of the claim, a default claim provision is made based on the historical settlement experience of the Company and the nature of segment. Thereafter upon obtaining further details on the loss basis survey and/or investigation, such default provision is further updated to estimated loss amount.

Details of total Claims intimated, disposed of and pending –

Particulars	Total Number of claims FY 20	Total Number of claims FY 21
Outstanding at beginning of Financial Year	8,099	10,124
Intimated during the year	78,272	77,403
Settled during the year	76,247	75,651
Outstanding at the end of the Financial Year	10,124	11,876

CLAIMS SERVICING

The Company believes in its key objective of Insurance business to service the customers during their times of financial distress in the event of damage to property/vehicles or medical emergency. The Company has a fair and robust claims management practice. The Company continues to review its processes with empathy for the customer being the core value. Hence, a fair and fast settlement of any claim becomes the paramount objective. It also leverages technology to achieve this objective, which at the same time, ensures cost effective scalability of its claims operations.

In order to make the experience seamless for the customers, there is consistent and continuous focus to simplify procedures also enabling reduction in Turnaround time (TAT). Key initiatives are end to end workflow based process from claim intimation to settlement. Introduction of iSurvey App has connected customers as well as vendors at a click away for getting the details of the claim. Survey process has been simplified through video streaming to make it completely touchless & efficient with no necessity of moving physical documents. The company is investing on Artificial intelligence platform to remove manual intervention in claim assessment process.

The Company is settling ~45% claims touchless without any involvement of physical survey. This has helped Company to service its customer even during Covid induced lockdown.

For FY 21, the Company has settled 87.57% Motor Own Damage claims within 30 days from claim intimation date.

The Company extensively uses Compromise settlements through out of Court negotiations In Motor Third Party claim servicing thereby ensuring faster and economic settlement. On an average 76% of total claims settled are through this process. The Company has received commendations from various District Legal Services Authority (DLSA) in different States acknowledging its contribution and participation to ensure success of Lok Adalats and National Lok Adalats in Motor Third party claim settlements. This has also enabled to keep a check on the settled severity levels as also the TAT of overall settlements.



REINSURANCE

Your Company has a well-structured reinsurance program to protect it against the risks it underwrites. The Company has got into arrangements in the form of annual treaties with a panel of reinsurers, which enables it to automatically reinsure large risks (upto defined limits) without having to refer each case to them. These arrangements are referred as Proportional Treaties where the Company and the Reinsurers share the premium and claims in an agreed proportion for each risk as per the agreement.

The Company has also got into treaty arrangements (termed as Non-proportional Treaties) which protects it against the large individual losses as well as accumulations of losses on its books against a catastrophic event affecting its insured risks. The extent of such protection is bought by the analysis of the likely loss in case of a catastrophe. The Company uses the tool based on RMS India Earthquake Model.

In addition, the Company also purchases, wherever required, on a case-to-case basis, Facultative Reinsurance for specific policies, where either treaty limits are inadequate or the risk is not covered by the terms of the reinsurance treaties.

The entire reinsurance program is supported by Reputed and well rated Reinsurers (like GIC Re, Munich Re, SCOR SE) which reduces counter party credit risk significantly.

INVESTMENTS

The Company follows a prudent investment strategy with emphasis on optimizing risk adjusted returns despite volatile market conditions. The Company has a diversified fixed income portfolio, considering safety, liquidity and duration spread across various debt instruments, companies, groups and industries.

The Investment portfolio of the Company as on 31 March 2021 stood at Rs. 2,993.77 crores compared to Rs. 2,284.81 crores as on 31 March 2020. Out of the total fixed income portfolio (excluding fixed deposits and money market instruments) 91.1% (P.Y. 85%) are invested in Sovereign Bonds and highest credit rated securities (AAA or equivalent). In terms of Maturity profile, 10% (P.Y. 6.1%) of the portfolio comprises of the short-term instruments and 90% (P.Y. 93.9%) in longer tenor instruments.

The Company's internal Investment Policy and Operating Guidelines have defined detailed exposure norms for companies, groups and industries in accordance with IRDAI guidelines. The company also has further defined credit parameters for credit evaluation of the investee companies. The Company has duly complied with these policies and regulatory guidelines during the FY 21. The Company conducts periodic review of the investment portfolio with the above stated objectives.

The Company has an investment of Rs. 37.41 crores in DHFL

NCDs (Secured NCDs). The Investment has been downgraded to junk grade 'D' by CARE in FY 20. Impairment provision on DHFL has been increased from 50% in March 20 to 100% in September 20. The unrealized income has been reversed and further income recognition is not being done. Further, the management of the Company has identified the same as a Loss Asset and the value of the Investment to the extent 56.66% has been written off in Q4 FY 21. In March 21, the management of the Company has written off 56.66% of its investments (Rs. 21.2 crores) in DHFL in March 21 and balance 43.34% (Rs. 16.2 crores) has been provided for at 100%, on the basis of likely recovery from the resolution plan approved by Committee of Creditors (CoC), Competition Commission of India (CCI) and RBI and currently pending approval of National Company Law Tribunal (NCLT).

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments have occurred after the close of the year till the date of this Report, affecting the financial position of the Company.

The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the Covid 19 pandemic on the financial statements based on internal and external sources of information. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with the estimates as of the date of approval of the financial statements. The Company will continue to closely monitor any changes to the estimates basis future economic conditions. Further, the impact assessment done by the company does not indicate any adverse impact on its ability to continue as a going concern.

CHANGES IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during FY 21.

DETAILS OF SUBSIDIARY/ASSOCIATES/JOINT-VENTURE COMPANY

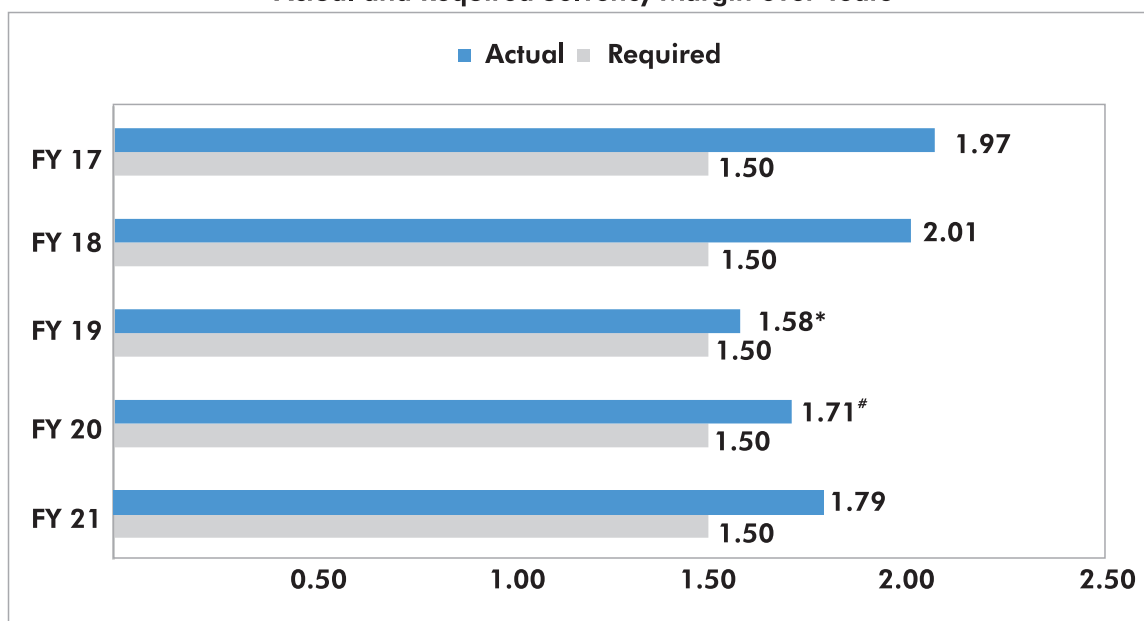
Your Company does not have Subsidiary/Associates/Joint-Venture Company as on 31 March 2021.

SOLVENCY

The Company's solvency margin as at 31 March 2021 stands at 1.79 times, which is above the prescribed limit as stipulated by Insurance Regulatory & Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and subsequent Circulars and Orders.



Actual and Required Solvency Margin over Years



*Solvency with share application money pending allotment of Rs. 75.0 crores is 2.07

#Solvency includes Rs. 39.4 crores of share application money pending allotment

DIVIDEND

Your Directors do not recommend any dividend for the financial year ended 31 March 2021. The Directors also inform that the Company has not declared any interim dividend during the year.

TRANSFER TO RESERVES

In view of the accumulated loss incurred by the Company, no amount has been transferred to the General Reserve.

CHANGES IN SHARE CAPITAL

During the year under review, there was no change in the authorized share capital of the Company as it stood at Rs. 200 crores and paid up share capital of the Company has been increased from Rs. 143.75 crores to Rs. 154.71 crores, pursuant to allotment of 1,09,57,250 Equity Shares of Rs. 10/- each under Preferential issue at a premium of Rs. 38.50/- each aggregating to Rs. 53.14 crores. The equity shares issued and allotted as aforesaid rank pari passu with the existing equity shares of the Company in all respect.

Your Company has also approved further issuance of 3,27,13,950 Equity Shares on preferential basis having a face value of Rs. 10/- each at a price of Rs. 76.42/- per share including premium of Rs. 66.42/- each aggregating to Rs. 250 crores to India Advantage Fund S4 I ("IAF") and Dynamic India Fund S4 US I ("DIF") (collectively acting through a special purpose vehicle) both funds managed/advised by ICICI Venture Funds Management Company Limited, NHPEA Trisul Holding B.V. (an investment holding Company controlled by funds managed by Morgan Stanley).

Apart from aforesaid Primary Issuance, a Secondary Market Transaction was also proposed by one of the Promoter of Company i.e. Celica Developers Private Limited for its entire direct stake sale to identified Investors in order to comply with the RBI directives with respect to dilution of stake by Magma Fincorp Limited and its group companies in the Company.

Your Company has made necessary application to IRDAI for obtaining its approval for both preferential issue as well as the secondary market transaction.

CORPORATE GOVERNANCE

Report on Corporate Governance containing details of our compliance with various provisions of Corporate Governance Guidelines prescribed by Insurance Regulatory and Development Authority of India for the FY 21 together with a Certificate of Compliance are attached and form part of this Annual Report.

SECRETARIAL STANDARDS

The Company has complied with all applicable secretarial standards during the year under review.

OFFICES

The total number of offices of the Company are 133 as of 31 March 2021.

PUBLIC DEPOSITS

During the year under review, the Company has not invited deposit from public falling within the ambit of Section 73 of the



Companies Act 2013 and the Companies (Acceptance of Deposits) Rules 2014.

EMPLOYEE STOCK OPTION SCHEME

Your Company has formulated and implemented Magma HDI General Insurance Company Limited - Employee Stock Option Plan 2018 (MHDI ESOP Plan) through Magma HDI General Insurance Company ESOP Trust in accordance with the Companies Act, 2013 read with SEBI (Share Based Employee Benefits) Regulations, 2014 including any amendments thereto ('SEBI Regulations').

The Magma HDI General Insurance Company ESOP Trust under the supervision/guidance of the Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitor the MHDI ESOP Plan in accordance with the applicable SEBI Regulations.

The information as required under Section 62(1)(b) read with Rule 12(9) and Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 is annexed herewith as "Annexure A". The Information required under Regulation 14 of the SEBI Regulations is available on the website of the Company www.magmahdi.com at www.magmahdi.com/public-disclosures and the Auditors' Certificate would be placed at the forthcoming Annual General Meeting pursuant to Regulation 13 of the said Regulations.

Your Company has also granted a loan of Rs. 6.50 crores to Magma HDI General Insurance Company ESOP Trust for purchase of its own shares by the Trust / Trustees for the benefit of employees under Magma HDI General Insurance Company Limited - Employee Stock Option Plan 2018. Out of which, Rs. 3.47 crores is outstanding loan value as on 31 March 2021.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Sanjay Chamria (DIN 00009894) shall retire by rotation at the ensuing AGM. Further, being eligible, he offers himself for reappointment.

All the Directors have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013.

Mr. Vikas Mittal, Deputy Chief Executive Officer and Mr. Amit Bhandari, Chief Technical Officer & Chief Risk Officer of the Company were designated as the Key Managerial Personnel w.e.f. 24 July 2020 in accordance with the provisions of the Companies Act, 2013.

Ms. Kavita Modi, Company Secretary resigned from the services of the Company with effect from 31 August 2020 and in her place Mr. Gufran Ahmed Siddiqui has been appointed as the Company Secretary of the Company with effect from 01 September 2020. The Nomination and Remuneration

Committee of the Board has recommended the said appointment to the Board of Directors.

The Board has placed on record their deep appreciation for the valuable contribution made by Ms. Modi during her unstinted tenure of services with the Company.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149 (6) AND SECTION 149 (7) OF THE COMPANIES ACT 2013

All the Independent Directors viz. Mr. Kailash Nath Bhandari (DIN 00026078), Mr. Sunil Mitra (DIN 00113473), Mr. V. K. Viswanathan (DIN 01782934) and Ms. Suvalaxmi Chakraborty (DIN 00106054) have given declaration to the Company stating that they meet the criteria of independence as prescribed under Section 149(6) & Section 149 (7) of the Companies Act, 2013 for the FY 22.

Pursuant to a notification dated 22 October 2019 including amendments thereto issued by the Ministry of Corporate Affairs, all the Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have also been received from the Directors in this regard. All the Independent Directors of the Company are exempt from the requirement of online proficiency self-assessment test under the aforesaid notification.

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

Board Meetings

During the FY 21, six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. All Board meetings were convened by giving appropriate notice to address the Company's specific needs and were governed by a structured agenda. All the agenda items were backed by comprehensive information and documents to enable the Board to take informed decisions. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Further, during the FY 21, the Board had also decided some of the matters by way of resolutions passed by circulation considering the business exigencies or urgency of matters. There were two (2) resolutions that were passed by means of circular resolutions.

Audit Committee

The Audit Committee comprises of Mr. Sunil Mitra who serves as the Chairman of the Committee, Mr. V K Viswanathan, Mr. Sanjay Chamria, Mr. Kailash Nath Bhandari and Mr. Jens Holger Wohlthat, as other members. During the year Four (4)



Audit Committee Meetings were convened and held. The terms of reference of the Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013 and have been furnished in the Corporate Governance Report forming a part of this Annual Report. All the recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

During the year under review Three (3) Nomination and Remuneration Committee (NRC) Meetings were convened and held. The composition and terms of reference of the NRC have been furnished in the Corporate Governance Report forming a part of this Annual Report.

Corporate Social Responsibility Committee

Pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 made thereunder, your directors have constituted the Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of Mr. Mayank Poddar, Non-Executive Director who serves as the Chairman of the Committee, Mr. Jens Holger Wohlthat, Non-Executive Director, Mr. Sunil Mitra, Non-Executive Independent Director and Mr. Rajive Kumaraswami, Managing Director & Chief Executive Officer, as other members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The said Policy may be referred to, at the website of the Company at its weblink, i.e. www.magmahdi.com/public-disclosures

Based on the provisions of the Companies Act, 2013 and Corporate Governance Guidelines for Insurers in India, 2016 ("CG Guidelines") the Company was not required to incur any expenditure for CSR activities for FY 21. However, pursuant to the directions and requirements of the CG Guidelines the Company has spent Rs. 2.44 Lakhs and Rs. 3.48 Lakhs for CSR activities for FY 19 and FY 20 respectively, in the current year, after obtaining approval of the CSR Committee by means of resolution by circulation.

During FY 21, no CSR meeting was held.

Separate Meeting of Independent Directors

During the year, a separate meeting of Independent Directors was held on 21 January 2021 in terms of Schedule IV of the Companies Act, 2013, without the presence of Non-Independent Directors and members of the management. The details of said meeting are given in the Corporate Governance Report.

STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 the Board of Directors ("Board") has carried out an annual evaluation of its own performance, and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee (NRC) reviewed the performance of the individual Directors. A separate meeting of Independent Directors (IDs) was also held on 21 January 2021 to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual Directors taking into consideration the evaluation done by the NRC and the IDs.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairperson was also evaluated on the key aspects of his role. It was reported that the performance evaluation of the Board, Committee etc. was satisfactory. The Board expressed its satisfaction with the evaluation process.

MANAGERIAL REMUNERATION

The Executive Director (Managing Director & Chief Executive Officer) is appointed based on terms approved by the Shareholders. The remuneration paid to Managing Director & Chief Executive Officer (MD & CEO) is considered by the Nomination and Remuneration Committee (NRC) taking into account various parameters included in the Remuneration Policy document. His remuneration comprises of salary, allowances and perquisites as indicated in Notes to Accounts. The Non-executive Independent Directors were paid sitting fees of Rs. 1,00,000/- per meeting of the Board, Audit Committee, Nomination & Remuneration Committee and Risk Management Committee Meeting and Rs. 30,000/- per meeting of the Investment Committee, Policyholders' Protection Committee and Independent Directors' Meeting. No sitting fees are being paid to Non-executive Non Independent Directors. The details of remuneration are given in the Corporate Governance Report.



REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration Policy, which inter alia includes policy for selection and appointment of Directors, CEO & Managing Director, Key Managerial Personnel, Senior Management Personnel and their remuneration. Familiarisation Program forms part of the Remuneration Policy. This Policy inter-alia includes:

1. Criteria of selection of directors, senior management personnel and key managerial personnel:

- 1.1 Your Company has one Executive Director. Selection of Executive Director/s shall be in line with the selection criteria laid down for independent directors, in so far as those criteria are not inconsistent with the nature of appointment; Nomination and Remuneration Committee (NRC) is responsible for identification, shortlisting and recommending candidature of person for the position of Managing Director to the Board of Directors of the Company;
- 1.2 Independent Directors will be selected on the basis of identification of industry/ subject leaders with strong experience. The advisory area and therefore the role, may be defined for each independent director;
- 1.3 In your Company, Senior Management Personnel shall comprise of the function and business heads who are directly reporting to Managing Director & Chief Executive Officer (MD & CEO) of the Company or Director as the case may be;
- 1.4 For any Senior Management Personnel recruitment, it is critical to identify the necessity for that role. In order to validate the requirement –
 - i. Job Description (JD) along with profile fitment characteristics from a personality, experience and qualification point of view shall be created;
 - ii. Selection shall happen through referrals from Board members, industry leaders or leading search firms;
 - iii. The recruitment process shall generally involve meetings with MD & CEO and/or identified members of the Nomination and Remuneration Committee ("NRC"), basis which the candidature will be finalized;
 - iv. On the lines of broad inputs provided by NRC, there shall be a compensation discussion and resulting fitment, based on overall positioning with respect to the market, internal parity and structure of the compensation offer (which includes fixed and variable pay components). Thereafter, the offer shall be rolled out

2. Determination of qualification, positive attributes and independence test for the Independent directors to be appointed.

- a. For each Independent Director, the appointment shall be based on the need identified by the Board;
- b. The role and duties of the Independent Director shall be clearly specified by highlighting the committees they are expected to serve on, as well as the expectations of the Board from them;
- c. At the time of selection, Board shall review the candidature on skill, experience and knowledge to ensure an overall balance in the Board so as to enable the Board to discharge its functions and duties effectively;
- d. Any appointment of the Independent Director shall be approved at the meeting of the shareholders, in accordance with extant laws;
- e. Director's Independence test shall be conducted as per the conditions specified in the Companies' Act and the rules thereunder;
- f. The remuneration of the Directors shall be established on the reasonability and sufficiency of level in order to attract, retain and motivate the Directors; and
- g. MD & CEO or Director along with Company Secretary shall be involved in the familiarisation/ induction process for the independent director/s.

3. Remuneration policy for the Directors (including Independent Directors), key managerial personnel and senior management personnel:

- a. The Independent Directors would be paid sitting fees subject to the limits prescribed under the Companies Act, 2013, or any amendments thereto, as may be determined by NRC from time to time, for attending each meeting(s) of the Board and Committees thereof;
- b. Directors shall be reimbursed any travel or other expenses, incurred by them, for attending the board and committee meetings;
- c. The remuneration paid to MD & CEO shall be considered by the NRC taking into account various parameters included in this policy document and recommended to the Board for approval. This shall be further subject to the approval of the Members at the next General Meeting of the Company in consonance with the provisions of the Companies Act, 2013 and the rules made thereunder;
- d. For KMP and Senior Management Personnel, remuneration shall be based on the Key Responsibility



Areas identified and the achievement thereof. The increments shall usually be linked to their performance as well as the performance of the company. The increment on fixed salary would correspond to the percentage increase with respect to the final performance rating as per the agreed salary increment grid.

DISCLOSURES UNDER IRDAI GUIDELINES DATED AUGUST 5, 2016 DISCLOSURES ON REMUNERATION OF MANAGING DIRECTOR AND KEY MANAGEMENT PERSONS AS MANDATED UNDER IRDAI GUIDELINES DATED AUGUST 5, 2016.

(i) Qualitative Disclosures:

A. Information relating to the design and structure of remuneration processes

The Company under the guidance of the Board and the Nomination and Remuneration Committee ("NRC/Committee"), follows compensation practices intended to drive meritocracy and fairness and to attract, retain and motivate competent resources.

The key elements of the Remuneration policies are as under:

- a. Compensation payable to MD/WTD/CEO shall be as per the applicable statutory provisions of the Companies Act, 2013 read with the Guidelines and the Insurance Act, 1938 and amendments and rules made there-under for the time being in force.
- b. The remuneration paid to MD & CEO inclusive of fixed pay, perquisites, allowances, bonus, guaranteed pay, Severance package, stock, pension plan, gratuity, short term/long-term incentives, retiral, and other components, shall be considered by the NRC taking into account various parameters included in this policy document and recommended to the Board for approval. This shall be subject to the approval of the Authority.
- c. While determining the total remuneration, the Nomination & Remuneration Committee (NRC) shall consider the parameters and various risks as specified in the guidelines issued by IRDAI and recommend to the Board for approval.
- d. The following aspects may be considered while framing the remuneration structure of the MD/WTD /CEO viz.,

Fixed Pay - Fixed portion of the remuneration shall be reasonable taking into all relevant factors, Variable Pay –

- i. Deterioration in the financial performance of the company and other parameters mentioned in point c above shall be accordingly factored in the total amount of variable remuneration paid
- ii. In case the variable pay constitutes a substantial portion of the total pay i.e greater than 60%, an appropriate portion i.e 40% shall be deferred over a period of 3 years
- iii. Company shall ensure proper balance between fixed pay and variable pay, between the cash and stock / share components in the variable pay in case the variable Guaranteed bonus – Guaranteed bonus shall not be part of remuneration plan

ESOP will be kept out of the computation of the total remuneration of the CEO. NRC shall discuss and finalise the quantum of Long Term Bonus for the MD & CEO as per approved policy and recommend payment to the Board for its approval. This is subject to the approval of the Authority.

B. Description of the ways in which current and future risks are taken into account in the remuneration processes

While deciding the remuneration of MD & CEO / WTDs, the company shall also take into account all types of risk. While adjusting the risks, variety of measures of credit, market and liquidity risks may be considered. The risk adjusted methods shall have both quantitative and judgmental elements. The parameters so considered shall be in line with the Business Plan of the company.

KPIs of Wholetime Directors, as well as employees, incorporate relevant risk management related aspects. The Remuneration Committee takes into consideration all the above aspects while assessing Organization and individual performance and making compensation related recommendations to the Board.

To ensure effective alignment of compensation with prudent risk taking, the annual performance targets and performance evaluation incorporate both qualitative and quantitative aspects including combined ratio, reserving and refinement/improvement of the risk management framework.

C. Description of the ways in which the Company seeks to link performance during a performance measurement period with levels of remuneration

The NRC defines Key Performance Indicators (KPIs) for Whole-time Directors and the organisational performance



norms for bonus based on the financial and strategic plan approved by the Board

The NRC takes into consideration all the main performance metrics including business growth, market share, profits, strategic goals for future, risk metrics (such as combined ratio), compliance with regulatory norms, refinement of risk

management processes and customer service while assessing organizational and individual performance and making compensation related recommendations to the Board regarding the level of performance bonus for employees and the performance assessment of Whole time Directors.

(ii) Quantitative Disclosures:

The following table sets forth, for the period indicated, the details of quantitative disclosure for remuneration of Whole-time Directors including Managing Director & CEO.

Particulars	For the year ended 31 March 2021
Number of Whole-time Directors including Managing Director & CEO having received a variable remuneration award during the financial year	1
Number and total amount of sign-on awards made during the financial year	Nil
Details of guaranteed bonus, if any, paid as joining/sign on bonus	Nil
Total amount of outstanding deferred remuneration	Nil
Cash	Nil
Shares	Nil
Share linked instruments	Nil
Other forms	Nil
Total amount of deferred remuneration paid out in the financial year	Nil
Breakdown of amount of remuneration awards for the financial year	
Fixed	Rs. 225.62 Lacs
Variable	Rs. 75.00 Lacs
Deferred	Nil
Non-deferred	Rs. 75.00 Lacs
ESOP	403,250 options granted and 95,623 options exercised during the year



RISK MANAGEMENT FRAMEWORK

The Board of your Company with the intent to implement a consistent and efficient approach to identify, evaluate and respond to key risks that may impact business objectives of your Company and to mitigate business risks in order to minimize the frequency and impact of risks, has adopted the Risk Management Policy.

The specific objectives of the Risk Management Policy are to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated and managed, to establish a framework for the company's risk management process and to ensure companywide implementation, to ensure systematic and uniform assessment of risks related with general insurance business, to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices and to assure business growth with financial stability. The Company also has an Internal Control and Fraud Risk Management department, which looks at identification of frauds through inbuilt controls such as fraud indicators in various processes and conducts analytical projects for identification of frauds. It also has a robust mechanism to take corrective actions such as changes in processes and take disciplinary action such as termination, filing Police complaints, suspending license / agreement etc. on identification of frauds or potential frauds. The Company also has Operational Risk Management framework to manage risk that may arise from inadequate or failed internal processes, people, systems, or external events. To manage and control operational risk, various tools, including Self Assessments, operational risk event management and key risk indicator monitoring are used. Further, the Company recognizes that information is a critical business asset, and accordingly, there is a information security and cyber security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organization.

The risk and risk mitigating factors are discussed and deliberated at the Risk Management Committee and subsequently the same is placed at the Board Meeting for review. The constitution and terms of reference of the Risk Management Committee of the Company have been furnished in the Corporate Governance Report forming part of this Annual Report."

VIGIL MECHANISM

The Company has adopted the "Breach of Integrity and Whistle Blower (Vigil Mechanism) Policy" to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company

has been denied access to the Audit Committee. The said Policy may be referred to, at the website of the Company at its weblink, i.e. www.magmahdi.com/public-disclosures

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

All contracts/arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and the same were also reviewed by the Audit Committee of the Board. There are no materially significant related party transactions entered 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.

The particulars of contract or arrangements entered into by the Company with related parties are mentioned separately in the notes to financial statements.

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL

Your Company has an adequate system of internal control procedures which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the Company are monitored and evaluated by internal auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors. The Audit Committee regularly reviews the audit findings and actions taken thereon, as well as the adequacy and effectiveness of the internal systems and controls.

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s. Haribhakti & Co. LLP, Chartered Accountants, having Registration No. 103523W/W100048 was appointed for a period of 5 years from the conclusion of the 7th AGM (FY 16) till the conclusion of the 12th AGM (FY 21) as Joint Statutory Auditors of the Company.

M/s. MSKA & Associates, Chartered Accountants, having Registration No. 105047W was appointed for a period of 5 years from the conclusion of the 8th AGM (FY 17) till the conclusion of the 13th AGM (FY 22) as Joint Statutory Auditors of the Company.

STATUTORY AUDITORS' OBSERVATIONS

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any



qualification, reservation, adverse remark or disclaimer on the Company's operations in FY 21.

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. Vinod Kothari & Company, Practising Company Secretaries (Unique Identification Number of the firm: P1996WB042300) to undertake the Secretarial Audit of the Company for the FY 21. The Report of the Secretarial Auditor for the financial year ended 31 March 2021 is annexed herewith as "Annexure B".

SECRETARIAL AUDITORS' OBSERVATION

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer in FY 21.

COST AUDIT

Maintenance of cost records as per section 148(1) of the Companies Act 2013 are not applicable to the Company.

FRAUD REPORTING

Fraud reporting, if any, made in terms of Section 143(12) of the Companies Act, 2013, are reviewed by the Risk Management Committee of the Board. Further, the Auditors have reported that no material fraud by the Company or by its employees or officers has been noticed or reported during the year.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

There were no significant material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a 'Policy for Prevention of Sexual Harassment' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 and the rules framed thereunder. The Company has also constituted the Internal Complaint Committee to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under

review, no case of sexual harassment was reported. To build awareness and appreciation of this area, we have implemented an online knowledge module leveraging our learning management system.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 and based on the information provided by the management, your Directors state that:

- a. In the preparation of the annual accounts for the year ended 31 March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. The Directors had selected such accounting policies and applied them consistently except otherwise stated and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31 March 2021 and of the profit/(loss) of the Company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, Insurance Act, 1938, Insurance Rules, 1939 and IRDAI Regulations, Orders, Circulars and Guideline for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- d. The Directors had prepared the annual accounts of the Company on a going concern basis; and
- e. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and ensured that they were adequate and operating effectively.

MANAGEMENT REPORT

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

PARTICULARS REGARDING CONSERVATION OF ENERGY OR TECHNOLOGY ABSORPTION

Your Company does not have any activity relating to conservation of energy or technology absorption.



FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings in foreign currency during the year is Rs. 6.00 crores (P.Y. Rs. 4.77 crores).

Expenditure in foreign currency during the year is Rs. 61.41 crores (P.Y. Rs. 37.88 crores).

ANNUAL RETURN

The Annual Return in Form MGT-7 as required under Section 92(3) of the Act will be hosted on the website of the Company www.magmahdi.com at www.magmahdi.com/public-disclosures.

PARTICULARS OF LOANS / GUARANTEE / ADVANCES / INVESTMENTS OUTSTANDING DURING THE FINANCIAL YEAR

The provisions of Section 186(4) of the Companies Act, 2013 ("the Act") requiring disclosure in the financial statements of full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security is not applicable to the Company.

Covid 19

The Covid 19 outbreak which started at the end of last year has been unprecedented for our country and for the world. The

Company has put in place a detailed framework for Business Continuity Policy (BCP) and Disaster recovery (DR). In the initial part of the year, various scenarios were laid down which could have unfold and prepared a detailed plan ensuring business continuity, appropriate customer service and employee safety. The Company implemented BCP across all functions including but not limited to Customer Service, Claims, Sales, Operations, Underwriting, Human Resource, Information Technology, Finance etc.

The Company has managed to tide over the Covid 19 crisis on account of its successful BCP implementation in a timely and effective manner. Quarterly updates due to Covid 19 risks are deliberated in Risk Management Committee (RMC).

ACKNOWLEDGEMENT

The Board wishes to thank the Insurance Regulatory and Development Authority of India and other regulatory authorities for their continued support and guidance. The Board wishes to place on record its sincere thanks for the support and co-operation extended by the Policyholders, Reinsurers and various channel partners.

The Directors would also like to express their sincere appreciation to the employees of the Company at all levels for their hard work, dedication and commitment in the growth journey of the Company.

Dated: 30 April 2021

Place: Kolkata

On behalf of the Board of Directors

Sanjay Chamria
Chairman
DIN 00009894



Annexure A to Board Report

Disclosure as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on 31 March 2021

MHDI ESOP 2018

Sl. No.	Description	(Grant 1)	(Grant 2)	(Grant 3)	(Grant 4)
a	Number of options granted	0	0	992500	430000
b	Options vested during the year	342938	268800	Nil as the criteria for vesting has not yet been met	Nil as the criteria for vesting has not yet been met
c	Options exercised during the year	152623	0	0	0
d	Total number of equity shares of Rs. 10/- each arising as a result of exercise of options	152623	0	0	0
e	Number of Options lapsed during the year	0	0	0	0
f	Exercise Price (Rs.)	44.10	42.08	50.46	50.46
g	Variation of terms of options	NRC and Board have approved acceleration of vesting in certain circumstances for certain employees.	NRC and Board have approved acceleration of vesting in certain circumstances for certain employees.	NRC and Board have approved acceleration of vesting in certain circumstances for certain employees.	N.A
h	Money realized by exercise of options (In Rs.)	6730674.3	0	0	0
i	Total number of options in force	484871	896000	992500	430000
j	Employee wise details of options granted to: (a) Key managerial personnel;	Given Separately in Annexure (i) (Present Employee)			
	(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and`	Given Separately in Annexure (ii) (Present Employee)			
	(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL			



Annexure (I)

List of Key managerial personnel to whom stock options were granted

Plan Name	Name of Employee	Date of Grant of Options	Tranche	Designation	Number of options granted till 31.03.2021	Exercise Price (in Rs.)
MHDI ESOP 2018	Rajive Kumaraswami	07 May 2018	1	Managing Director & Chief Executive Officer	239,055	44.10
		24 January 2020	2		200,000	42.08
		22 October 2020	3		200,000	50.46
		21 January 2021	4		203,250	50.46
	Vikas Mittal	07 May 2018	1	Deputy CEO	109,969	44.10
		24 January 2020	2		100,000	42.08
		22 October 2020	3		100,000	50.46
		21 January 2021	4		102,000	50.46
	Amit Bhandari	07 May 2018	1	Chief Technical Officer	74,588	44.10
		24 January 2020	2		67,500	42.08
		22 October 2020	3		67,500	50.46
		21 January 2021	4		68,750	50.46
	Gaurav Parasrampur	07 May 2018	1	Chief Financial Officer	47,813	44.10
		24 January 2020	2		55,000	42.08
		22 October 2020	3		55,000	50.46
		21 January 2021	4		56,000	50.46

Annexure (ii)

Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year of grant

Plan Name	Name of Employee	Date of Grant of Options	Tranche	Designation	Number of options granted till 31.03.2021	Exercise Price (in Rs.)
MHDI ESOP 2018	Rajive Kumaraswami	22 October 2020	3	Managing Director & CEO	200,000	50.46
		21 January 2021	4		203,250	50.46
	Vikas Mittal	22 October 2020	3	Deputy CEO	100,000	50.46
		21 January 2021	4		102,000	50.46
	Amit Bhandari	22 October 2020	3	Chief Technical Officer	67,500	50.46
		21 January 2021	4		68,750	50.46
	Gaurav Parasrampur	22 October 2020	3	Chief Financial Officer	55,000	50.46
		21 January 2021	4		56,000	50.46



Disclosure as per Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 as on 31 March 2021

Sl. No.	Particulars	Details
(a)	the names of the employees who have not exercised the voting rights directly	1. Mr. Rajive Kumaraswami 2. Mr. Vikas Mittal 3. Mr. Amit Bhandari 4. Mr. Nitin Jain 5. Mr. Shubham Moondra 6. Mr. Hemant Trivedi 7. Mr. Nikhil Manhapra 8. Mr. Anand Roop Choudhary[#]
(b)	the reasons for not voting directly	As per the Magma HDI General Insurance Company Limited - Employee Stock Option Plan 2018 ("ESOP 2018"), any shares allotted under the Scheme shall be registered under the name of Magma HDI General Insurance Company ESOP Trust while the beneficial ownership shall remain with the employees who are so granted the ESOP Scheme. Accordingly, once the option is exercised, the Magma HDI General Insurance Company ESOP Trust being the Registered owner exercises the voting powers in the general meeting.
(c)	the name of the person who is exercising such voting rights	Magma HDI General Insurance Company ESOP Trust through its authorised representative duly authorised by the Independent trustees Mr. Vinod Kothari, Practicing Company Secretary and Mr. Paritosh Sinha, Senior Advocate, both of whom are eminent personalities in their respective fields.
(d)	the number of shares held by or in favour of, such employees and the percentage of such shares to the total paid up share capital of the company	2,19,784 shares & 0.14%
(e)	the date of the general meeting in which such voting power was exercised	24 July 2020
(f)	the resolutions on which votes have been cast by persons holding such voting power	1. To receive, consider and adopt the Annual Audited Financial Statements for the Financial Year ended March 31, 2020 including the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss Account for the year ended March 31, 2020 and the Cash Flow Statement for the year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon. 2. To appoint a Director in place of Mr. Jens Holger Wohlthat (DIN 05245642) who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
(g)	the percentage of such voting power to the total voting power on each resolution	0.14%
(h)	whether the votes were cast in favour of or against the resolution	All the votes were casted in favour of the resolution

[#]Upto 05 March 2021



Annexure 'B' to Board's Report

Form No. MR-3

Secretarial Audit Report

FOR THE YEAR ENDED MARCH 31, 2021

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

**To,
The Members
Magma HDI General Insurance Company Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Magma HDI General Insurance Company Limited [hereinafter called 'the Company'] for the year ended March 31, 2021 ["period under review"] in terms of Audit Engagement Letter dated 3rd August, 2020. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/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 period under review, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period under review, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a) The Insurance Act, 1938;
 - b) Insurance Regulatory and Development Authority ('IRDA') (Corporate Governance Guidelines), 2016;
 - c) IRDA (Appointed Actuary) Regulations, 2017 (updated amendment in 2019);
 - d) IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002;
 - e) IRDA (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2016;

- f) IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015;
- g) IRDAI (Loans or Temporary advances to the full-time Employees of the Insurers) Regulations, 2016;
- h) IRDAI (Web Aggregators) Regulations, 2013;
- l) IRDAI (Sharing of Database for Distribution of Insurance Products) Regulations, 2010;
- j) IRDA (Maintenance of Insurance Records) Regulations, 2015;
- k) IRDA (Manner of Receipt of Premium) regulations, 2002;
- l) IRDA (Obligation of Insurer in respect of Motor Third Party Insurance Business) Regulations 2015;
- m) Anti-Money Laundering/Counter Financing of Terrorism- Guidelines for General insurers;
- n) IRDA (Place of Business) Regulations, 2015;
- o) Public Disclosures by Insurers;
- p) IRDA (Transfer of Equity Shares of Insurance Companies) Regulations, 2015;
- q) (General Insurance - Reinsurance) Regulations, 2000- updated with (General Insurance - Reinsurance) Regulations, 2016 and Re-insurance Regulatory and Development Authority of India (Re-insurance) Regulations, 2018;
- r) IRDA (Insurance Advertisements and Disclosure) Regulations, 2000 (updated amendment in 2019);
- s) Indian Insurance Companies (Foreign Investment) Rules, 2015;
- t) IRDA (Registration of Indian Insurance Companies) Regulations, 2000;
- u) IRDA (Protection of Policyholder's Interests) Regulations, 2017;
- v) IRDA (Investment) Regulations, 2016;
- w) BAP Compliances;
- x) KYC- Aadhar Guidelines;
- y) Guidelines on Insurance Claims of Victims of Cyclone Floods;
- z) Guidelines on Information and Cyber Security for insurers;
- aa) IRDA (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016;
- bb) Clarifications on Guidelines on insurance e commerce and electronic issuance of insurance policies;
- cc) Guidelines on Stewardship Code for Insurers in India; and
- dd) Covid 19 Response.

We have also examined compliance with the applicable clauses of the Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

Management Responsibility:

Kindly refer to our letter of even date which is annexed as Annexure 'I' which is to be read with and forms an integral part of this report.



We report that during the Audit Period, the Company has complied with the provisions of the Act, 2013, rules, regulations, guidelines, standards etc. mentioned above subject to the observations mentioned in this report.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the laws applicable specifically to the Company

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors. No changes took place in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for one meeting that was held on a shorter notice with the requisite consent of the directors, 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.

All the decisions were unanimous and there was no instance of dissent in Board or Committee Meetings.

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

Based on information provided by the Company and its officers during the conduct of audit and also on the review of quarterly compliance reports taken on record by the Board of Directors of the Company, in our opinion adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with applicable other general laws.

We further report that during the period under review, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

1. Corporate Laws

a. Options granted/ exercised pursuant to ESOP Plan

- Nomination and Remuneration Committee has in their meeting held on 22 October, 2020, approved grant of 9,92,500 options to 34 eligible employees of the Company under Tranche-2 of the ESOP Plan at the

fair market value of Rs. 50.46. Further the Committee gave its approval for grant under Tranche-4 (Special Grant) to 4 Key Members of Senior Management Team by way of a resolution by circulation dated 01 January 2021.

- The Nomination and Remuneration Committee has in their meeting held on 21 January 2021 approved the transfer of beneficial interest in 1,52,623 Equity Shares to eligible employees pursuant to exercise of Tranche-1 of the ESOP Plan at an exercise price of Rs. 44.10 per Equity Share aggregating to Rs. 67,30,674.30.

b. Allotment of equity shares of the Company issued under preferential issue

- The members of the Company at the Extra Ordinary General meeting held on 24 January 2020 gave their consent to offer, issue and allot 1,10,94,000 equity shares of face value of Rs. 10 each at a price of Rs. 48.50 each (including premium of Rs. 38.50 per share) to Serum Institute of India Private Limited and Magma Fincorp Limited as well as third party investors. The Management Committee at its meeting held on 28 April 2020 had approved the resolution for allotment of 26,73,500 equity shares to Serum and 54,64,000 equity shares to Magma Fincorp Limited aggregating to 81,37,500 shares amounting to Rs. 39.47 crores. Necessary compliances including filing of e-forms were made within time.
- IRDAI vide its letter on 26 May 2020 gave its approval for allotment of shares to 12 employees. Pursuant to which the Management Committee at its meeting held on 27 May 2020 approved the Private Placement Offer cum Application Letter for an amount of Rs. 13.73 crores to 12 employees and Serum.
- Further, the Management Committee vide resolution by circulation passed on 1 June 2020 approved allotment of 28,19,750 equity shares of face value of Rs. 10 each at a price of Rs. 48.50 each (including premium of Rs. 38.50 per share) to Serum and 12 employees aggregating to Rs. 13.68 crores. Necessary compliances including filing of e-forms were made within time.

c. Approval for issuance of 3,27,13,950 Equity Shares on preferential basis

In order to maintain Company's solvency margin and for the future expansion of the business of the Company, the Board of Directors in their meeting held on 16 March 2021 have decided to raise capital upto Rs. 250 crores divided into 3,27,13,950 Equity Shares having a face value of Rs. 10/- each at a price of Rs. 76.42/- per share including premium of Rs. 66.42/- by further issue of equity share capital of the Company on a preferential basis to India Advantage Fund S4 I ("IAF")



and Dynamic India Fund S4 US I ("DIF") (collectively acting through a special purpose vehicle) both funds managed/advised by ICICI Venture Funds Management Company Limited, NHPEA Trisul Holding B.V. (an investment holding Company controlled by funds managed by Morgan Stanley)

Further, the Board in the same meeting accorded its approval for a secondary market transaction aggregating to Rs. 275 crores by way of transfer of 19.19% equity shares held by Celica Developers Private Limited to identified investors, in order to comply with the RBI directives with respect to dilution of stake by Magma Fincorp Limited and its group companies in the Company.

The Company has made necessary application to IRDAI for obtaining its approval for the preferential issue as well as the secondary market transaction.

2. Insurance Laws

a. IRDAI Orders against Company

The Company has received an order from IRDAI wherein a penalty of Rs. 28 lakhs has been imposed on

the Company for violation of provisions of Regulation 12(1 & 2) read with Regulation 3 and 4 of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 during the FY 16 and FY 17. Further, a direction in this regard has also been issued by IRDAI which the Company has taken note of and has also deposited the penalty with IRDAI.

b. Receipt of Advisory from IRDAI

The Company received advisory from IRDAI with respect to certain requirements under Insurance Laws which has been taken note of by the Company.

c. Findings of the audit conducted by IRDAI on Information and Cyber Security Guidelines

IRDA appointed auditors to conduct assessment of the compliance under the IRDAI Guidelines for Information and Cyber Security for insurers for the FY 21. The report states that out of 307 action points under the Guidelines, the Company is in full compliance with almost all the action points except for a couple of points for which the management has assured of taking appropriate action.

Place: Kolkata
Date: 28 April 2021

For Vinod Kothari & Company
Practising Company Secretaries

Pammy Jaiswal
Membership No.: A48046
C P No.: 18059
UDIN: A048046B000180706



Annexure I

ANNEXURE TO SECRETARIAL AUDIT REPORT (UNQUALIFIED)

To,
**The Members,
Magma HDI General Insurance Company Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the 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. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same was not possible due to the lockdowns and travel restrictions imposed by Central and State Governments respectively. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the

responsibility of the management. Our examination was limited to the verification of procedure on test basis and sample basis.

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. 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.

Annexure II: List of Documents

1. Draft minutes of the following Meetings were provided:
 - i. Board Meeting
 - ii. Audit Committee
 - iii. Nomination and Remuneration Committee
 - iv. Investment Committee
 - v. Risk Management Committee
 - vi. Policyholders' Protection Committee
 - vii. Management Committee
 - viii. General Meetings
2. Annual Report (FY 20)
3. NL-Disclosure up to quarter ended 31 December 2020
4. Disclosures under the Act and as per IRDAI Guidelines on sample basis
5. Policies framed under the Act and IRDAI Guidelines
6. Forms and returns filed with the ROC and IRDAI on sample basis
7. Registers maintained under Act and as per IRDAI on sample basis



Philosophy on the Code of Corporate Governance

Magma HDI General Insurance Company Limited is fully committed to follow sound corporate governance practices and uphold the highest business standards in conducting business. The Company will endeavour to enhance the economic value, trust and confidence of all its stakeholders through good Corporate Governance practices. Every effort is made to follow the best practices in all the functional areas and in discharging the Company's responsibilities towards all stakeholders and the community at large.

The Company is governed by Insurance Regulatory & Development Authority of India (IRDAI) and hence is complying with the 'Corporate Governance Guidelines' issued by the Regulator. The report on the Company's Corporate Governance is as under:

Board of Directors

The composition of the Board of Directors is in compliance with the provisions of the Companies Act, 2013 and is in accordance with the Corporate Governance Guidelines prescribed for insurance companies by the IRDAI. The Board of Directors of the Company consists of eight (8) Directors, comprising of four (4) Independent Directors including one (1)

Woman Director, three (3) Non - Executive Directors and one (1) Executive Director. The Chief Executive Officer of the Company, who is also the Managing Director, is an executive member of the Board. All other Directors including the Chairman are Non-Executive Directors and none of the Independent Directors are relative of any other Director or employee of the Company. The declaration as required under Corporate Governance Guidelines for Fit and Proper criteria has been obtained from all the Directors of the Company.

All the members of the Board are eminent persons with significant expertise in the fields of accountancy, banking, finance, strategy, insurance and economics. The Company is immensely benefitted by the range of experience and skills that the Directors bring to the Board.

Section 48A of the Insurance Act, 1938, necessitates an approval of IRDAI for appointment and/or continuation of appointment of common directorship between insurance companies and insurance agent or intermediaries or insurance intermediaries. The Company has following three Directors falling within the criteria of Common Director viz. Mr. Sanjay Chamria, Mr. Mayank Poddar and V. K. Viswanathan for which necessary intimation has been made to IRDAI. There are no other directors who hold any simultaneous positions in the insurance company as well as other insurance intermediary associated with the company.

The composition of the Board of Directors as on 31 March 2021 is as follows:

Sl. No	Name of the Director	DIN	Qualification	Field of Specialization	Category	Number of other Directorship
1	Mr. Sanjay Chamria (Chairman)	00009894	B.Com (H), FCA	Finance	Promoter, Non-executive Director	8
2	Mr. Jens Holger Wohlthat (Vice Chairman)	05245642	Versicherungsfachwirt (nearest to ACII in India)	Insurance	Promoter, Non-executive Director	1
3	Mr. Mayank Poddar	00009409	B.Com	Finance	Promoter, Non-executive Director	8
4	Mr. Kailash Nath Bhandari	00026078	B.A, L.L.B.	Insurance	Independent, Non-executive Director	8
5	Mr. Sunil Mitra	00113473	B.SC, IAS	Finance & Economics	Independent, Non-executive Director	8



The composition of the Board of Directors as on 31 March 2021 is as follows:

Sl. No	Name of the Director	DIN	Qualification	Field of Specialization	Category	Number of other Directorship
6	Mr. V. K. Viswanathan	01782934	B.Com, FCA	Finance & Industry	Independent, Non-executive Director	6
7.	Ms. Suvalaxmi Chakraborty	00106054	B.Com (H), ACA	Finance	Independent, Non-executive Director	6
8.	Mr. Rajive Kumaraswami {Managing Director & Chief Executive Officer (MD & CEO)}	07501971	B.Com, FCA, ACMA	Insurance	Professional, Executive Director	0

Responsibilities

The Board of Directors represents the interest of the Company's shareholders in optimizing long-term value by providing the Management with guidance and strategic direction on shareholders' behalf. The Board's mandate is to oversee the Company's strategic direction, review financial, operational and investment performance, approve annual business plan, ensure regulatory compliance and safeguard interest of all stakeholders. The Board plays a pivotal role in ensuring good governance and creating value for all stakeholders. The Directors acknowledge their duties as prescribed under the Act, the rules framed thereunder and the Guidelines

Role of Independent Directors

The Independent Directors bring an independent judgement to bear on the Board's deliberation and objectivity in the Board's decision-making process. The Independent Directors participate constructively and actively in the Committees of the Board in which they are members. They represent and safeguard the interest of all stakeholders.

Tenure

In accordance with the provisions of Section 152(6) of the Act, not less than two-thirds of the total number of directors shall be persons whose period of office is liable to determination by retirement by rotation. One-third of such directors are liable to retire every year and if eligible, offer themselves for re-appointment.

In accordance with the provisions of Section 149(10) and 152(5) of the Act, the Independent Directors are not liable to retire by rotation and are appointed for a fixed term of 5 years.

Board Meetings

Being the apex body constituted by the shareholders for overseeing the functioning of the Company, the Board evaluates all the strategic decisions on the basis of collective consensus amongst the Directors. During the FY 21, the Board of Directors met six (6) times on 30 April 2020, 24 July 2020, 29 September 2020, 22 October 2020, 21 January 2021 and 16 March 2021. The maximum time in between two meetings was not more than 120 days and the required information were made available to the Board. Following table sets out the details of attendance of Directors at the Board Meetings.

Sl. No.	Name of the Director	Meetings Attended/ Meetings Held
1	Mr. Sanjay Chamria (Chairman)	6/6
2	Mr. Jens Holger Wohlthat	6/6



Sl. No.	Name of the Director	Meetings Attended/ Meetings Held
3	Mr. Mayank Poddar	6/6
4	Mr. Kailash Nath Bhandari	6/6
5	Mr. Sunil Mitra	6/6
6	Mr. V. K. Viswanathan	6/6
7	Ms. Suvalaxmi Chakraborty	6/6
8	Mr. Rajive Kumaraswami	6/6

Detailed agenda is circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meetings. In times of Covid 19 Pandemic, all the Meetings of the Board of Directors of the Company was held through Audio-Visual Means/Video-Conferencing by using the Platform provided by ZOOM. All the rules and regulations relating to conduct of meeting through Audio-Visual Means/video conferencing were duly complied with.

Mr. Sanjay Chamria, Director jointly with Celica Developers Private Limited holds 222 Equity shares in the Company as on 31 March 2021. Mr. Rajive Kumaraswami, MD & CEO, Mr. Vikas Mittal, Deputy CEO and Mr. Amit Bhandari, Chief Technical Officer and Chief Risk Officer holds 9,00,000, 7,22,575 and 7,22,575 Equity shares respectively. Additionally, Mr. Rajive Kumaraswami, MD & CEO, Mr. Vikas Mittal, Deputy CEO and Mr. Amit Bhandari, Chief Technical Officer and Chief Risk Officer holds beneficial ownership of 239,055, 77,000 and 22,376 Equity shares of the Company respectively pursuant to

exercise of Option under MHDI ESOP Plan while the registered owner of such shares is Magma HDI General Insurance Company ESOP Trust. Except as disclosed, none of the other directors, Key Managerial Personnel or their relatives hold any Equity shares in the Company.

Remuneration of Directors

The Independent Directors are paid sitting fee of Rs. 1,00,000/- each, for every meeting of the Board, Audit Committee, Nomination & Remuneration Committee and Risk Management Committee attended by them and Rs. 30,000/- each for every meeting of the Investment Committee, Policyholders' Protection Committee and Independent Directors' attended by them. Non-Executive Directors are not paid any sitting fees. The details of the remuneration paid to the Directors during the Financial Year ended 31 March 2021 are given below:

(Amount in Rs. crores)

Sl. No.	Name of the Director	Salary & Perquisites*	Sitting Fees	Total
1	Mr. Sanjay Chamria	-	-	-
2	Mr. Jens Holger Wohlthat	-	-	-
3	Mr. Rajive Kumaraswami	3.01	-	3.01
4	Mr. Mayank Poddar	-	-	-
5	Mr. Kailash Nath Bhandari	-	0.20	0.20
6	Mr. Sunil Mitra	-	0.14	0.14
7	Mr. V. K. Viswanathan	-	0.20	0.20
8	Ms. Suvalaxmi Chakraborty	-	0.11	0.11

*includes basic salary, incentives, allowances, contribution to provident fund, ESOP, leave encashment and other perquisites.



Committees of the Board of Directors:

Constitution & Composition

The Board has constituted six Committees viz. Audit Committee, Risk Management Committee, Policyholders' Protection Committee, Investment Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee which are mandatorily required under the IRDAI Corporate Governance Guidelines. The Board has also constituted one non-mandatory Committee viz. Management Committee. The terms of reference of the mandatory Committees are in accordance with the requirements set out in the IRDAI Corporate Governance Guidelines and the Companies Act, 2013 and that of the non-mandatory Committee is decided by the Board. Minutes of the Committee meetings are placed before the Board for its information and noting.

1. Audit Committee

The Audit Committee has been constituted pursuant to provisions of Section 177 of the Companies Act, 2013 and Corporate Governance Guidelines issued by IRDAI.

a. Terms of Reference

Terms of reference of the Committee, inter alia, includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, replacement or removal, remuneration and terms of appointment of auditors of the company;
3. Approve rendering of services by the statutory auditor other than those expressly barred under section 144 of Companies Act, 2013 and remuneration for the same;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions (AS 18 of ICAI and IRDAI guidelines); and
 - g. Qualifications in the audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval and secure the Certificate from CFO and / or auditors which will be in line with the IRDAI Regulations.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Approve the appointment, removal and terms of remuneration of Chief Internal Auditor and reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing, and seniority of the official heading the department, reporting structure coverage and frequency, scope, functioning and methodology of internal audit;
9. Discussion with Internal Auditors and the Management of any significant findings, status of previous audit recommendations and follow up there on;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with statutory auditors before the



audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

12. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors;
13. Review the functioning of the Whistle Blower/vigil mechanism;
14. Review Management letters/letters of internal control weakness issued by the Statutory Auditors;
15. Review the Internal Audit Report relating to internal control weakness;
16. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
17. Approve and recommend to the Board the transactions of the Company with Related Parties or any subsequent modification thereof.
18. Scrutinise inter-corporate loans and investments;
19. Valuation of undertakings or assets of the company, wherever it is necessary;
20. Evaluation of internal financial controls and risk management systems;
21. Investigate into any matter in relation to the items within the purview of the Terms of Reference of the Audit Committee of Board (ACB) or referred to it by the Board or auditor of the Company and for this purpose, shall have full access to information contained in the books, records, facilities, personnel of the Company and the External professional consultants and their advice, if necessary
22. Recommend on any matter relating to financial management
23. Comply with the going concern assumptions.
24. Compliance with accounting standards.
25. Appoint registered valuers.
26. Provide oversight and review, at least annually, of the Company's risk management policies, including its investment policies.

27. Review the Company's compliance with employee benefit plans.
28. Oversee and review the Company's policies regarding Information technology and management information systems.
29. Review, approve and monitor the code of ethics that the Company plans for its senior financial officers/ Directors.
30. Invite any Director / Official to attend the meeting(s).
31. Any other matter as delegated by the Board of Directors of the Company from time to time.
32. Secure the attendance of outsiders with relevant expertise as also to seek information from any employee, for the purpose of fulfilling the Terms of Reference.
33. Oversee compliance with the requirements of the IRDAI, as the case may be, for disclosure of auditor's services and audit committee members, member's qualifications and activities.

The senior management personnel are invited to the meetings of the Audit Committee, along with the Head of Internal Audit. As per the IRDAI Corporate Governance Guidelines, the association of the Managing Director & CEO in the Audit Committee is limited to eliciting any specific information concerning audit findings.

b. Composition

Mr. Sunil Mitra, an Independent Director, is the Chairman of the Committee. Mr. V. K. Viswanathan, Mr. Kailash Nath Bhandari, Independent Directors, Mr. Jens Holger Wohlthat and Mr. Sanjay Chamria, Non Executive Directors are the other members of the Audit Committee. All the Non-Executive members of the Audit Committee are financially literate and Mr. Sunil Mitra, Chairman of the Committee has strong financial analysis background, as required under Corporate Governance Guidelines issued by IRDAI.

c. Meeting and the attendance during the year

The Audit Committee met four (4) times during the year on 30 April 2020, 24 July 2020, 22 October 2020 and 21 January 2021 and Following table sets out the particulars of attendance of members of the Committee at various meetings:



Sl. No.	Name of the Member	Category	Meetings Attended /Meetings held
1	Mr. Sunil Mitra (Chairman)	Independent, Non-executive Director	4/4
2	Mr. Sanjay Chamria	Promoter, Non-executive Director	4/4
3	Mr. V. K. Viswanathan	Independent, Non-executive Director	4/4
4	Mr. Kailash Nath Bhandari	Independent, Non-executive Director	4/4
5	Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	4/4

2. Investment Committee

The Investment Committee has been constituted pursuant to IRDAI Corporate Governance Guidelines.

a. Terms of reference

Terms of reference of the Committee, inter alia, are as follows:

1. Make loans & investments as per Companies Act, 2013
2. Frame the Investment Policy to Invest the Policy holders Funds, subject to approval and periodical review by Board.
3. Lay down the Operational Framework for investment operations.
4. Focus on prudential ALM supported by internal controls.
5. Ensure the compliance of IRDAI Investment Regulations / Policy / Guidelines and Circulars.
6. Submit quarterly performance report to the Board.
7. Comply with the policies set by internal and statutory auditors.
8. Lay down norms in terms of types of investment, exposure limits to group companies and limits on investment in any single industry sector.
9. Ensure the maintenance of solvency margins at all times, take due care to maintain exposure norms.

10. Use the due diligence and should not merely rely on credit ratings.

b. Composition

Mr. Kailash Nath Bhandari, an Independent Director, is the Chairman of the Investment Committee, with Mr. Rajive Kumaraswami, MD & CEO, Mr. Jens Holger Wohlthat, Mr. Sanjay Chamria, Mr. V. K. Viswanathan and Ms. Suvalaxmi Chakraborty being the other Directors members thereof.

Mr. Gaurav Parasrampur, Chief Financial Officer (CFO), Mr. Jinesh Shah, Chief Investment Officer, Mr. Amit Bhandari, Chief Technical Officer & Chief Risk Officer and Mr. Shivendra Tripathi, Appointed Actuary are also other members of the Investment Committee.

c. Meeting and the attendance during the year

The Investment Committee met four (4) times during the year on 30 April 2020, 24 July 2020, 22 October 2020 and 21 January 2021 to look into the various aspects of Investment operation and to monitor the same. Following table sets out the particulars of attendance of members of the Investment Committee at various meetings:



Sl. No.	Name of the Member	Category	Meetings Attended /Meetings held
1	Mr. Kailash Nath Bhandari	Independent, Non-executive Director	4/4
2	Mr. Sanjay Chamria	Promoter, Non-executive Director	4/4
3	Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	4/4
4	Mr. V. K. Viswanathan	Independent, Non-executive Director	4/4
5	Ms. Suvalaxmi Chakraborty	Independent, Non-executive Director	4/4
6	Mr. Rajive Kumaraswami	Managing Director & Chief Executive Officer	4/4
7	Mr. Gaurav Parasrampur	Chief Financial Officer	4/4
8	Mr. Amit Bhandari	Chief Technical Officer & Chief Risk Officer	4/4
9	Mr. Jinesh Shah	Chief Investment Officer	4/4
10	Mr. Shivendra Tripathi	Appointed Actuary	4/4

3. Policyholders' Protection Committee

The Policyholders' Protection Committee has been constituted pursuant to the IRDAI Corporate Governance Guidelines.

a. Terms of reference

Terms of reference of the Committee are as follows:

1. Adopt standard operating procedures to treat the customer fairly including time-frames for policy and claims servicing parameters and monitoring implementation thereof.
2. Establish effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
3. Put in place a framework for review of awards given by Insurance Ombudsman/Consumer Forums. Analyse the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.
4. Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefor and report the same to the Board for initiating remedial action, where necessary.
5. Review the measures and take steps to reduce customer complaints at periodic intervals.
6. Ensure compliance with the statutory requirements as laid down in the regulatory framework.
7. Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.
8. Provide details of grievances at periodic intervals in such formats as may be prescribed by the Authority.
9. Ensure that details of insurance ombudsmen are provided to the policyholders.
10. Review of Claims Report, including status of



Outstanding Claims with ageing of outstanding claims.

11. Reviewing Repudiated claims with analysis of reasons.
12. Status of settlement of other customer benefit payouts like Surrenders, Loan, Partial withdrawal requests etc.
13. Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority.

b. Composition

Mr. Kailash Nath Bhandari, an Independent Director, is the Chairman of the Policyholders' Protection Committee. Mr. Rajive Kumaraswami, MD & CEO, Mr.

Sunil Mitra and Mr. V. K Viswanathan being the other Directors members thereof.

Ms. Aditi Ray has also been appointed as the expert/ representative of customers pursuant to IRDAI Corporate Governance Guidelines for Insurers in India, 2016. She attends the Policyholders' Protection Committee Meetings as an invitee and she has attended 3 meetings out of 4 during the year

c. Meeting and the attendance during the year

The Committee met four (4) times during the year on 30 April 2020, 24 July 2020, 22 October 2020 and 21 January 2021. Following table sets out the particulars of attendance of members of the Policyholders' Protection Committee at the said meetings:

Sl. No.	Name of the Member	Category	Meetings Attended /Meetings held
1	Mr. Kailash Nath Bhandari (Chairman)	Independent, Non-executive Director	4/4
2	Mr. Sunil Mitra	Independent, Non-executive Director	4/4
3	Mr. V. K. Viswanathan	Independent, Non-executive Director	4/4
4	Mr. Rajive Kumaraswami	Managing Director & Chief Executive Officer	4/4

4. Risk Management Committee

The Risk Management Committee (RMC) has been constituted pursuant to IRDAI Corporate Governance Guidelines.

a. Terms of reference

Terms of reference of the Committee, inter alia, are as follows:

1. Establish effective Risk Management framework and recommend to the Board the Risk Management policy and processes for the organization.
2. Set the risk tolerance limits and assess the cost and benefits associated with risk exposure.
3. Review the Company's risk-reward performance to align with overall policy objectives.

4. Discuss and consider best practices in riskmanagement in the market and advise the respective functions.
5. Assist the Board in effective operation of the risk management system by performing specialized analyses and quality reviews.
6. Maintain an aggregated view on the risk profile of the Company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.
7. 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.
8. Report to the Board, details on the risk exposures and the actions taken to manage the exposures; review, monitor and challenge where necessary, risks undertaken by the Company.



9. Review the solvency position of the Company on a regular basis.
10. Monitor and review regular updates on business continuity.
11. Formulation of a Fraud monitoring policy and framework for approval by the Board.
12. Monitor implementation of Anti-fraud policy for effective deterrence, prevention, detection and mitigation of frauds.
13. Review compliance with the guidelines on Insurance Fraud Monitoring Framework dated 21 January, 2013, issued by the Authority.

Additional TOR of RMC in lieu of Asset Liability Management Committee

14. Formulating and implementing optimal ALM strategies and meeting risk-reward objectives at both product and enterprise level.
15. Ensuring that liabilities are backed by appropriate assets and manage mismatches between assets and liabilities to ensure they remain within acceptable monitored tolerances for liquidity, solvency and the risk profile of the entity.
16. Monitoring risk exposures at periodic intervals and revising ALM strategies where required. Reviewing, approving and monitoring systems, controls and reporting used to manage balance sheet risks including any mitigation strategies.
17. Regular review and monitoring of mismatch between assets and liabilities and the acceptable tolerance limits for mismatch, if any.
18. Ensuring that management and valuation of all assets

and liabilities comply with standards, prevailing legislation and internal and external reporting requirements.

19. Submitting the ALM information before the Board at periodic intervals. Annual review of strategic asset allocation.
20. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities.
21. Managing capital requirements at the company level using the regulatory solvency requirements.
22. Reviewing, approving and monitoring capital plans and related decisions over capital transactions (e.g. dividend payments, acquisitions, disposals, etc).

b. Composition

Mr. Jens Holger Wohlthat, Non-Executive Director is the Chairman of the Risk Management Committee. Mr. Sanjay Chamria, Non- Executive Director, Mr. Kailash Nath Bhandari, Mr. V. K. Viswanathan and Ms. Suvalaxmi Chakraborty, Independent Director and Mr. Rajive Kumaraswami, MD & CEO being the other Directors members thereof.

c. Meeting and the attendance during the year

The Risk Management Committee met four (4) times during the year on 30 April 2020, 24 July 2020, 22 October 2020 and 21 January 2021. Following table sets out the particulars of attendance of members of the Risk Management Committee at the said meetings:

Sl. No.	Name of the Member	Category	Meetings Attended /Meetings held
1	Mr. Jens Holger Wohlthat (Chairman)	Promoter, Non-executive Director	4/4
2	Mr. Sanjay Chamria	Promoter, Non-executive Director	4/4
3	Mr. V. K. Viswanathan	Independent Director	4/4
4	Mr. Kailash Nath Bhandari	Independent Director	4/4



Sl. No.	Name of the Member	Category	Meetings Attended /Meetings held
5	Mr. Rajive Kumaraswami	Managing Director & Chief Executive Officer	4/4
6	Ms. Suvalaxmi Chakraborty	Independent Director	4/4

5. Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

a. Terms of Reference

Terms of reference of the Committee, inter alia, includes the following:

1. Devising a policy on Board diversity and recommending the size and an optimum mix of promoter directors, executive, independent and non-independent directors keeping in mind the needs of the Company.
2. Formulate criteria for:
 - a. determining qualifications, positive attributes and independence of a director;
 - b. evaluation of independent directors and the Board
3. Identifying, evaluating and recommending to the Board:
 - a. Persons who are qualified for appointment as Independent and Non-Executive Directors / Executive Directors / Whole time Directors / Managing Directors in accordance with the criteria laid down;
 - b. Appointment of Senior Management Personnel (all the Direct Reportees to the Managing Director) in accordance with the criteria laid down;
 - c. Removal of Directors and Senior Management Personnel.
4. Determining processes for evaluating the skill, knowledge, experience, effectiveness and performance of individual directors as well as the Board as a whole;
5. Recommending Budget for Board related expenses;
6. To devise a Policy on remuneration including any compensation related payments of the directors, key managerial personnel and other employees and recommend the same to the Board of Directors of the Company;
7. Based on the Policy as aforesaid, determine remuneration packages for the following:
 - a. Recommend remuneration package of the Directors of the Company, including Sitting Fees and other expenses payable to Non-Executive Directors of the Company
 - b. Recommend changes in compensation levels and one time compensation related payments in respect of Managing Director/Whole-time Director/Executive Director
 - c. Approve remuneration packages and service contract terms of Senior Management (all the Direct Reportees to the Managing Director) including the structure, design and target setting for short and long term incentives / bonus
 - d. Approve framework and broad policy in respect of all Employees for increments
8. ESOPs - approve subscription and allotment of shares to the eligible employees under the shareholders approved ESOP Schemes;
9. Contracting Professional help to advise the Committee on matters relating to the terms of reference of the Committee requiring independent input from outside experts;
- 10.a. Recommend & Review succession plans for Managing Directors
 - b. Review and approve succession plans for Senior Management (all the Direct Reportees to the Managing Director)
11. Conduct annual review of the Committee's performance and effectiveness at the Board level.
12. Selection and appointment of relatives of directors to office or place of profit in the Company.



13. Powers as may be delegated by the Board of Directors from time to time subject to the provisions of the Memorandum of Association & Articles of Association of the Company, the Companies Act, 2013 and other applicable laws.

b. Composition

The Committee comprises of Mr. Sunil Mitra, Mr. V. K. Viswanathan and Mr. Kailash Nath Bhandari Non Executive & Independent Directors and

2. Identifying the CSR activities and the geographic distribution of CSR
3. Identifying structure for CSR implementation
4. Execution, implementation, monitoring and reporting of CSR activities
5. Such other acts as may be delegated by the Board from time to time

Sl. No.	Name of the Member	Category	Meetings Attended /Meetings held
1	Mr. Sunil Mitra (Chairman)	Independent, Non-executive Director	3/3
2	Mr. V. K. Viswanathan	Independent, Non-executive Director	3/3
3	Mr. Sanjay Chamria	Promoter, Non - executive Director	3/3
4	Mr. Jens Holger Wohlthat	Promoter, Non - executive Director	3/3
5	Mr. K.N. Bhandari	Independent, Non-executive Director	3/3
6	Mr. Mayank Poddar	Promoter, Non - executive Director	3/3

Mr. Sanjay Chamria, Mr. Jens Holger Wohlthat and Mr. Mayank Poddar, Non-Executive Directors. The Committee is chaired by Mr. Sunil Mitra, an Independent Director.

c. Meeting and the attendance during the year

The NRC met Three (3) times during the year on 24 July 2020, 22 October 2020 and 21 January 2021. Following table sets out the particulars of attendance of members of the Committee at various meetings

6. Corporate Social Responsibility Committee

During the FY 18, the Corporate Social Responsibility Committee has been constituted pursuant to the IRDAI Corporate Governance Guidelines and Companies Act, 2013.

a. Terms of reference

Terms of reference of the Committee are as follows:

1. Formulation and ensuring compliance of CSR Policy

b. Composition

Mr. Mayank Poddar, Non-Executive Director, is the Chairman of the Corporate Social Responsibility Committee. Mr. Jens Holger Wohlthat, Non-Executive Director, Mr. Sunil Mitra, Independent Director and Mr. Rajive Kumaraswami, MD & CEO being the other Directors members thereof.

c. Meeting and the attendance during the year

Based on the provisions of the Companies Act, 2013 and Corporate Governance Guidelines for Insurers in India, 2016 ("CG Guidelines") the Company was not required to incur any expenditure for CSR activities for FY 21. However, pursuant to the directions and requirements of the CG Guidelines the Company has spent Rs. 2.44 Lakhs and Rs. 3.48 Lakhs for CSR activities for FY 19 and FY 20 respectively in the current year after obtaining approval of the CSR Committee by means of resolution by circulation dated 30 March 2021.



7. Management Committee

a. Terms of Reference

Terms of reference of the Committee, inter alia, includes the following:

1. To do all such acts, deeds and things and decide on all such matters relating to signing and filing of application / execution / registration of Lease Agreement / Electricity / telephone connection / State Electricity Board / obtaining Trade License and Certificate under Shops and Establishment Act / telephone and transferring old as well as new connection for the purpose of the business of the Company and for this purpose issue various Power of Attorneys in favour of such person or persons as the Committee may deem fit and proper for legal and administrative purposes from time to time.
2. To authorise such person or persons as the Committee may deem fit and proper to appear on behalf of the Company before various regulatory and law enforcing authorities / court / government department / local administration or authority / market intermediaries under applicable laws, rules and regulations and submit documents undertaking, affidavits, papers etc.
3. To authorize such person or persons as the Committee may deem fit and proper in relation to Provident Fund, Employee State Insurance matters, Professional Tax, National Pension System and also to comply with statutory matters in relation to Value Added Tax, Goods and Services Tax, and other statutory authorities.
4. To do all such acts, deeds and things and decide on all such matters relating to Opening and Closing of Current/Cash Credit/Demat Account and Inclusion and Deletion of the Authorised Signatories to the said Current / Cash Credit/Demat Account opened in the name of the Company for the purpose of the business of the Company and availing various services viz. viewing facility, cash management services etc. in respect of these Accounts.
5. To issue Power of Attorney(s) in favour of such persons as it may be deemed to be fit and expedient to act as true and lawful Attorney of the Company to, inter alia, represent, the Company before the courts, civil or criminal, tribunals, quasi judicial and statutory authorities and such other forums (the 'Authorities'), to verify all plaints, written statements, and other pleadings, applications, petitions or documents to be submitted to such Authorities; to receive and acknowledge notice(s) and to consent or submit to or appeal against, any judgment, order or award in any such suit, criminal case including complaints, action or proceedings before such Authorities; to compromise or discontinue any such suit, criminal cases including complaints, action or proceedings; to deposit, withdraw and receive documents and any money or monies to and from the court or any such suit, or any such authorities either in execution of decree or otherwise and sign and deliver proper receipts thereof and to engage and appoint any solicitor, advocate or advocates or counsel to act and plead and otherwise conduct the cases / legal proceedings instituted by or against the Company, for all the offices of the Company from time to time as may be required.
6. To avail credit facilities from Banks within the limit as may be prescribed by the Board of Directors of the Company from time to time and authorize such person(s) as the Committee may deem fit to sign and execute on behalf of the Company, such documents, deeds, notes, letters, agreements in respect of the aforesaid availment of the Loan or any disbursement(s)/interim disbursement(s) thereof from the Bank, and to make or accept amendments in the documents relating to the above credit facilities from time to time on such terms and conditions as the said Committee may deem fit.
7. Authorised to do all such acts, deeds and things and decide on all such matters as are necessary or required in connection with or incidental to submission of bid in relation to Request for Proposal (RFP) and any other matters related thereto on behalf of the Company.
8. To authorize officials of the Company to sign and execute all types of documents which the Company may enter into with various entities / firms / individuals from time to time on behalf of the Company in connection with the business of the Company.
9. Exercise such powers which may be delegated by the Board from time to time subject to provisions of Companies Act, 2013, Memorandum and Articles of Association of the Company

b. Composition

The Committee comprises of Mr. Sanjay Chamria, Mr. Mayank Poddar, Non-Executive Directors and Mr. Rajive Kumaraswami, MD & CEO of the Company. The Committee is chaired by Mr. Sanjay Chamria



c. Meeting and the attendance during the year

The Management Committee met six (6) times during the year on 28 April 2020, 12 May 2020, 27 May 2020, 10 July 2020, 19 August 2020 and 03

November 2020. Following table sets out the particulars of attendance of members of the Committee at various meetings:

Sl. No.	Name of the Member	Category	Meetings Attended /Meetings held
1	Mr. Sanjay Chamria (Chairman)	Promoter, Non - Executive Director	6/6
2	Mr. Mayank Poddar	Promoter, Non - Executive Director	4/6
3	Mr. Rajive Kumaraswami	Managing Director & Chief Executive Officer	5/6

8. Separate Meeting of Independent Directors

During the financial year FY 21, a separate meeting of Independent Directors (IDs) was held on 21 January 2021 in terms of Schedule IV of the Companies Act, 2013 and IRDAI Corporate Governance Guidelines, without the presence of Non-Independent Directors and members of the management. At this Meeting, the IDs inter alia had:

- reviewed the performance of Non-Independent Directors & the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assessed the quality, quantity and timeliness of flow of information between the Company management & the Board that is necessary for the Board to effectively & reasonably perform their duties.

All the Independent Directors were present at the meeting.

Date: 30 April 2021

Place: Kolkata

Vigil Mechanism/ Whistle Blower Policy

Section 177 of Companies Act, 2013 read with rules made thereunder and IRDAI Corporate Governance Guidelines requires your Company to establish a vigil mechanism/whistle blower policy. Your Company has adopted the 'Breach of Integrity and Whistle Blower Policy'. The details of the said Policy are explained in the Board's Report.

Key Management Persons (KMPs)

During the FY 21, Mr Gufran Ahmed Siddiqui was appointed as the Company Secretary of the Company in place of Ms. Kavita Modi w.e.f 01 September 2020.

Compliance Officer

Mr. Gufran Ahmed Siddiqui, Company Secretary of the Company is acting as Compliance Officer to monitor and ensure compliance of the IRDAI Corporate Governance Guidelines.

On behalf of the Board of Directors

Sanjay Chamria
Chairman
(DIN 00009894)



Certification for Compliance of the Corporate Governance Guidelines

I, Gufran Ahmed Siddiqui, Company Secretary of the Company 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.

Date: 30 April 2021

Place: Mumbai

Gufran Ahmed Siddiqui
Company Secretary
Membership No.: FCS 9880



In accordance with the provisions of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002 (the Regulation), the Management submits the following Report for the year ended 31 March, 2021:

1. We confirm the validity of Certificate of Registration granted by the Insurance Regulatory and Development Authority of India (IRDAI) to undertake General Insurance business in India.
2. To the best of our knowledge and belief, we certify that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares during the year are in accordance with statutory and regulatory requirements.
4. We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. We confirm that the Company has maintained the required solvency margins as laid down by Insurance Regulatory and Development Authority of India. The Company's solvency margin as at 31 March 2021 stands at 1.79 times.
6. We certify that the values of all the assets of the Company have been reviewed on the date of the balance sheet and to the best of our knowledge and belief the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the headings 'Loans', 'Investments', 'Cash and Bank Balances', 'Interest accrued on investments', 'Due from other insurance companies, including reinsurers (net)', and the several items specified under 'Other accounts'.
7. The Company is exposed to various types of risks associated with general insurance business. The company closely monitors these risks and manages them by adopting prudent risk mitigating measures.

The Company has established Underwriting process to mitigate the underwriting risk. Appropriate reinsurance arrangements are made to reinsure the risks in excess of retention.

Investment risk is mitigated by laying down the investment guidelines through the Investment Policy, Operating Guidelines and conducting a stringent credit review periodically. The Investment Policy & Operating Guidelines are reviewed at least half-yearly to take care of the latest developments including regulatory changes.

8. The Company does not have any operations outside India.
9. Ageing analysis of claims outstanding and average claims settlement time is given hereunder:-

Ageing of Claims outstanding

(Rs. in Lakhs)

FY 21	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	38	29.95	20	130.59	2,683	1,474.81
31 days to 6 months	90	1,674.48	35	193.08	1,383	2,093.96
6 months to 1 year	24	1,153.44	6	41.27	61	290.48
1 year to 5 years	24	1,370.11	27	600.40	418	1,733.23
5 years and above	-	-	2	618.82	-	-
Total	176	4,227.98	90	1,584.17	4,545	5592.48

(Rs. in Lakhs)

FY 20	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	16	460.35	28	118.98	2,625	2,634.60
31 days to 6 months	28	209.35	15	355.79	342	985.12
6 months to 1 year	22	537.93	17	392.83	78	540.56
1 year to 5 years	40	1,604.67	24	853.35	385	1,545.57
5 years and above	-	-	1	74.00	-	-
Total	106	2,812.31	85	1,794.95	3430	5,705.85

(Rs in Lakhs)

FY 19	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	45	343.23	30	91.75	1503	2,484.51
31 days to 6 months	97	432.86	24	175.75	1039	1,613.56
6 months to 1 year	19	168.54	12	280.72	86	361.78
1 year to 5 years	26	2,697.26	17	436.37	306	1,489.34
5 years and above	-	-	-	-	-	-
Total	187	3,641.89	83	984.59	2934	5,949.19



(Rs. in Lakhs)

FY 18	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	9	227.83	23	72.75	476	528.28
31 days to 6 months	19	3,355.01	71	241.66	557	1,539.46
6 months to 1 year	23	1,155.00	28	325.10	137	457.15
1 year to 5 years	13	878.23	18	296.18	205	665.07
5 years and above	-	-	-	-	-	-
Total	64	5,616.08	140	935.69	1375	3,189.96

(Rs. in Lakhs)

FY 17	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	6	40.03	34	109.52	708	1,179.12
31 days to 6 months	14	615.51	98	477.18	429	858.87
6 months to 1 year	13	139.31	28	193.02	113	390.09
1 year to 5 years	8	120.99	8	223.35	47	336.08
5 years and above	-	-	-	-	-	-
Total	41	915.84	168	1,003.07	1297	2,764.16

Average Claims Settlement time

Class of Business	Trend in average claim settlement time for various segments									
	FY 21		FY 20		FY 19		FY 18		FY 17	
	No. of claims	Average settlement time (Days)	No. of claims	Average settlement time (Days)	No. of claims	Average settlement time (Days)	No. of claims	Average settlement time (Days)	No. of claims	Average settlement time (Days)
Fire	4654	59	1631	37	1967	14	740	19	131	156
Marine Cargo	1108	55	1517	47	1380	35	1,697	31	2075	29
Miscellaneous	67774	31	70514	26	37639	40	22,053	31	21,697	38
Grand Total	73536	33	73662	30	40986	39	24490	30	23903	38

The ageing of above mentioned claim outstanding and average claim settlement time do not include Motor Third Party claims which have to be settled through MACT and other judicial bodies.

- We certify that the values, as shown in the Balance Sheet, of the investments which consists of fixed income securities, and mutual fund units have been valued as per accounting policies prescribed by IRDAI. For fixed income securities, the market value is based on procedure issued by Fixed Income Money Market Derivatives Association of India (FIMMDA). The investments in the Mutual Funds are valued at Net Asset Values (NAV) of these Mutual Funds taken from AMFI as on the Balance Sheet date.
- The Company has adopted a prudent investment policy with emphasis on optimizing risk adjusted returns based on appropriate mix of duration, liquidity & safety. Emphasis was made to lower credit risk through investments in Government securities and other AAA rated debt instruments and opportunistic trading of the portfolio to capitalize market movements and manage duration in dynamic market conditions. Investments are managed in consonance with the investment policy laid down by the board from time to time and are within the investment regulation and guidelines of IRDAI. The Company has carried out periodic review of the investment portfolio. There are no non-performing assets as at the end of the financial year except for details as mentioned below :-

The Company has investments of Rs.3,741 Lakhs in Secured Redeemable Non-Convertible Debentures of Dewan Housing Finance Corporation Limited (DHFL) which was downgraded to junk grade 'D' by CARE and Brickworks Rating agencies in Q1 FY20 after DHFL had defaulted on its debt repayments. 56.66% of the investments (Rs. 2,120 Lakhs) has been written off in March 2021 and 100% provision is maintained on the balance 43.34% (Rs. 1,621 Lakhs)

- Details of payments during the financial year to individuals, firms, companies and organisations in which directors are interested excluding reimbursement.

Sr. No.	Name of Director	Entity / party in which Directors are interested	Interested as	Amount (Rs. in lakhs)	Nature of Payments
1	Sanjay Chamria	Magma Fincorp Limited	Vice Chairman & MD	1,045.77	Corporate Agent Commission
				5.92	Claim Payment
2	Sanjay Chamria	Magma Housing Finance Limited	Director	0.98	Claim Payment
3	Jens Holger Wohlthat	HDI Global Network AG	Chairman	7,275.51	Payment for reinsurance ceded
4	Jens Holger Wohlthat	HDI Global SE	Director	61.28	Payment for reinsurance ceded
5	Mayank Poddar	CLP Business LLP	Partner	18.13	Rent Payment
6	Mayank Poddar	Shaili Poddar	Daughter of Director	9.48	Rent Payment
7	Mayank Poddar	Speed Inc	Relative of Director	0.14	Commission on insurance premium



13. The Management of Magma HDI General Insurance Company Limited certifies that:

- a) In the preparation of financial statements, the applicable accounting standards and principles and policies have been followed along with proper explanation relating to material departures, if any.
- b) The management has adopted accounting policies and applied them consistently except otherwise stated and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating profit or loss and of the profit or loss of the Company for the financial year.
- c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, (4 of 1938) / Companies Act, 2013, (1 of 2013), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The management has prepared the financial statements on a going concern basis.
- e) The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

For and on behalf of the Board of Directors

Sanjay Chamria
Chairman

Mayank Poddar
Director

Sunil Mitra
Director

Place: Mumbai
Date: 30 April 2021

Rajive Kumaraswami
Managing Director & Chief Executive Officer

Gaurav Parasrampur
Chief Financial Officer

Gufran Ahmed Siddiqui
Company Secretary



TO THE MEMBERS OF MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Magma HDI General Insurance Company Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory notes.

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 provisions of the Insurance Act, 1938, as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act") read with Insurance Regulatory and Development 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"), order/ directions, circulars, guidelines issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard and the Companies Act, 2013, as amended, ('the Act') to the extent applicable and in the manner so required, and give true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is Director's Report but does not include the Financial Statements and our Auditor's report thereon.

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

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

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

Responsibility of Management and Those Charged With Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company in accordance with the requirements of the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, the Act and in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

Pursuant to IRDAI (Appointed Actuary) Regulations 2017, the actuarial valuation of liabilities in respect of claims Incurred But Not Reported ("IBNR"), claims Incurred But Not Enough Reported ("IBNER") and Premium Deficiency Reserve ("PDR") as at 31 March 2021, has been duly certified by the Appointed Actuary ("the Appointed Actuary"). The Appointed Actuary has also certified that assumptions used for such valuation are appropriate and in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. Accordingly, we have relied upon the aforesaid certificate from the Appointed Actuary while forming our opinion on the financial statements of the Company.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated 30 April 2021 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. This Report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
3. As required by the IRDA Financial Statements Regulations, read with Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. As the Company's financial accounting system is centralized at Head Office, no returns for the purposes of our audit are prepared at the branches of the Company;
 - d. The Balance Sheet, the Revenue Accounts, the Profit and Loss Account, and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;



- e. In our opinion 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 IRDA Financial Statements Regulations and / or orders / directions/circulars/guidelines issued by the IRDAI in this regard;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/ directions issued by IRDAI in this regard;
 - g. In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders / directions issued by the IRDAI in this regard;
 - h. On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - i. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
 - j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2 of Schedule 17 to the financial statements;
 - ii. Liability for insurance contracts, is determined by the Company's Appointed Actuary referred to in Other Matter paragraph above, on which we have placed reliance; and the Company did not have any other long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 28 of schedule 17 to the financial statements;
 - iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company for the year ended 31 March 2021.
4. With respect to the other matters to be included in the Auditor's report, in terms of the requirements of Section 197(16) of the Act, we report that managerial remuneration payable to the Company's Directors is governed by the provisions of Section 34A of the Insurance Act, 1938 and requires approval of IRDAI. Accordingly, the managerial remuneration limits specified under Section 197 of the Act do not apply.

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm Registration No. 103523W/W100048

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Purushottam Nyati
Partner
Membership No. 118970
UDIN : 21118970AAAADZ7622

Swapnil Kale
Partner
Membership No. 117812
UDIN: 21117812AAAER2965

Place: Mumbai
Date: April 30, 2021

Place: Mumbai
Date: April 30, 2021



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditor's Report of even date to the members of Magma HDI General Insurance Company Limited on the financial statements for the year ended March 31, 2021)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

1. We have audited the internal financial controls with reference to financial statements of **Magma HDI General Insurance Company Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 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") and, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial



statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March, 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Other Matters

9. Pursuant to IRDAI (Appointed Actuary) Regulations 2017, the actuarial valuation of liabilities in respect of claims Incurred But Not Reported ("IBNR"), claims Incurred But Not Enough Reported ("IBNER") and Premium Deficiency Reserve ("PDR") as at March 31, 2021, has been duly certified by the Company's Appointed Actuary ("the Appointed Actuary"). The Appointed Actuary has also certified that assumptions used for such valuation are appropriate and in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the aforesaid certificate while forming our opinion on the financial statements of the Company as mentioned in Other Matter paragraph in our Audit Report on the financial statements for the year ended March 31, 2021. Accordingly, our opinion on the internal financial controls with reference to financial statements does not include reporting on the adequacy and operating effectiveness of the internal controls over the valuation and accuracy of the aforesaid actuarial liabilities.

Our opinion is not modified in respect of the above matter

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm Registration No. 103523W/W100048

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Purushottam Nyati
Partner
Membership No. 118970
UDIN: 21118970AAAADZ7622

Swapnil Kale
Partner
Membership No. 117812
UDIN: 21117812AAAAER2965

Place: Mumbai
Date: April 30, 2021

Place: Mumbai
Date: April 30, 2021



Independent Auditors' Certificate

TO THE BOARD OF DIRECTORS OF MAGMA HDI GENERAL INSURANCE COMPANY LIMITED (the "Company")

(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated April 30, 2021)

We have been requested by the Company having registered office at Development House, 24 Park Street, Kolkata 700016, to issue a certificate in accordance with the terms of engagement letters dated August 04, 2020.

This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ("the IRDA Financial Statements Regulations") read with Regulation 3 of the IRDA Financial Statements Regulations.

Management's Responsibility

The Management is responsible for ensuring that the Company complies with the requirements of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 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 "IRDAI"). The responsibility includes collecting, collating, validating data, designing, implementing and monitoring of internal controls relevant for ensuring compliance with the Provisions of Paragraph 3 & 4 of Schedule C of the IRDA Financial Statements Regulations and provide all relevant information to IRDAI and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

Pursuant to the requirements of the Regulations, our responsibility, for the purpose of this certificate, is to provide reasonable assurance on matters contained in paragraphs 3 and 4 of Schedule C of the IRDA Financial Statements Regulations.

We have audited the financial statements of the Company as of and for the financial year ended March 31, 2021, on which we issued an unmodified audit opinion vide our reports dated April 30, 2021. Our audits of these financial statements were conducted in accordance with the Standards on Auditing as prescribed under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

The following documents have been furnished by the Company:

- a) Management Report for the year ended March 31, 2021
- b) Compliance certificate submitted to the Board of Directors by the officers of the Company.
- c) Cash in Hand and Cheques in Hand certificate as on March 31, 2021
- d) Holding Statement as at March 31, 2021 issued by the Company's custodian for Investments;
- e) Balance Confirmations received by the Company in relation to Investment in Mutual Funds; and
- f) Management Representation

We have performed the following procedures: -

- a) Reviewed the management report attached to the financial statements for the year ended March 31, 2021;
- b) Considering the restriction enforced by the state government with regards to COVID-19 pandemic, we have obtained the management certificate with respect to cash/cheques in hands as on March 31, 2021 at all the branches. For securities relating to Company's loans and investments as at March 31, 2021, we have verified certificates/confirmations received from the third parties/Custodians and/Depository Participants appointed by the Company, as the case may be;
- c) Read the compliance certificate submitted to the Board of Directors; and
- d) Relied on Management representation.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.



Opinion

Based on our examination, as above, the information and explanations and representation given to us, we report that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2021, and on the basis of our review, there is no apparent mistake or material inconsistency with the financial statements;
2. The Company has complied with the terms and conditions of registration as per sub section 4 of section 3 of the Insurance Act, 1938;
3. We have reviewed the cash balances and cheques on hand from the certificate and confirmations provided by the management and securities relating to Company's loans and investments as at March 31, 2021, by actual inspection and on the basis of certificates/confirmations received from the third parties/Custodians and/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 of the provisions of the Insurance Act, 1938 relating to the application and investments of the Policyholders' Funds.

Restriction on use

This certificate is issued at the request of the Company solely for use of the Company for inclusion in the annual accounts in order to comply with the provisions of paragraph 3 and 4 of Schedule C of the IRDA Financial Statements Regulations read with Regulation 3 of the IRDA Financial Statements Regulations and is not intended to be and should not be used for any other purpose without our prior consent. Auditors' shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For **Haribhakti & Co. LLP**
Chartered Accountants
Firm Registration No. 103523W/W100048

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. 105047W

Purushottam Nyati
Partner
Membership No. 118970
UDIN: 21118970AAAADZ7622

Swapnil Kale
Partner
Membership No. 117812
UDIN: 21117812AAAAET8459

Place: Mumbai
Date: April 30, 2021

Place: Mumbai
Date: April 30, 2021



REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

FORM B-RA

MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No. 149 dated 22 May, 2012

(Rs. in '000)

Particulars	Schedule	FIRE		MARINE		MISCELLANEOUS		TOTAL	
		Year ended 31 Mar 2021	Year ended 31 Mar 2020	Year ended 31 Mar 2021	Year ended 31 Mar 2020	Year ended 31 Mar 2021	Year ended 31 Mar 2020	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Premiums earned (Net)	1	208,340	81,155	8,185	9,356	7,400,449	6,992,459	7,616,974	7,082,970
Profit/(Loss) on sale/redemption of investments (Net)		15,580	8,230	205	668	312,872	500,154	328,657	509,052
Others:-									
Investment Income from Terrorism Pool		7,545	3,700	-	-	231	444	7,776	4,144
Miscellaneous Income		137	90	37	12	1,247	909	1,421	1,011
Contribution from Shareholders Funds towards excess Expenses of Management (EOM)		-	-	11,809	19,738	69,549	61,645	81,358	81,383
Interest, dividend and rent (Gross)		73,203	20,213	964	1,641	1,470,020	1,228,357	1,544,187	1,250,211
TOTAL (A)		304,805	113,388	21,200	31,415	9,254,368	8,783,968	9,580,373	8,928,771
Claims incurred (Net)	2	190,699	57,502	39,345	16,309	5,835,998	5,900,407	6,066,042	5,974,218
Commission (Net)	3	(25,260)	(55,120)	(13,696)	(9,258)	(513,568)	(564,661)	(552,524)	(629,039)
Operating expenses related to insurance business	4	540,308	388,229	63,904	65,070	3,168,676	3,052,075	3,772,888	3,505,374
Premium Deficiency Reserve		-	-	287	338	-	-	287	338
TOTAL (B)		705,747	390,611	89,840	72,459	8,491,106	8,387,821	9,286,693	8,850,891
Operating Profit/ (Loss) (C) = (A - B)		(400,942)	(277,223)	(68,640)	(41,044)	763,262	396,147	293,680	77,880
Appropriations		-	-	-	-	-	-	-	-
Transfer to Shareholders' Account		(400,942)	(277,223)	(68,640)	(41,044)	763,262	396,147	293,680	77,880
Transfer to Catastrophe Reserve		-	-	-	-	-	-	-	-
Transfer to Other Reserves		-	-	-	-	-	-	-	-
TOTAL (C)		(400,942)	(277,223)	(68,640)	(41,044)	763,262	396,147	293,680	77,880

Significant Accounting Policies 16

Notes to Accounts 17

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

As per our Report of even date attached.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Regn. No. 103523W/ W100048

For MSKA & Associates

Chartered Accountants

Firm Regn. No. 105047W

For and on behalf of the Board of Directors

Sanjay Chamria

Chairman

DIN No. - 00009894

Rajive Kumaraswami

Managing Director &

Chief Executive Officer

DIN No. - 07501971

Purushottam Nyati

Partner

Membership No. 118970

Swapnil Kale

Partner

Membership No. 117812

Mayank Poddar

Director

DIN No. - 00009409

Gaurav Parasrampur

Chief Financial Officer

Sunil Mitra

Director

DIN No. - 00113473

Gufran Ahmed Siddiqui

Company Secretary

Membership No. - F9880

Mumbai, 30 April 2021



MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No. 149 dated 22 May, 2012

FORM B-PL

(Rs. in '000)

Particulars	Schedule	Year ended 31 Mar 2021	Year ended 31 Mar 2020
OPERATING PROFIT/(LOSS)			
(a) Fire insurance		(400,942)	(277,223)
(b) Marine insurance		(68,640)	(41,044)
(c) Miscellaneous insurance		763,262	396,147
INCOME FROM INVESTMENTS			
(a) Interest, dividend and rent (Gross)		226,986	172,218
(b) Profit on sale / redemption of investments		48,679	70,847
Less: (Loss) on sale / redemption of investments		(368)	(724)
OTHER INCOME			
Other income			
(a) Miscellaneous Income / Liabilities written back		10	1,573
TOTAL (A)		568,987	321,794
PROVISIONS (Other than taxation)			
(a) For diminution in the value of investments		(24,776)	186,915
(b) For doubtful debts		1,438	655
(c) Others		(41)	(60)
OTHER EXPENSES			
(a) Expenses other than those related to insurance business			
– Employees' remuneration and welfare benefits (Refer Note 17.18a)		15,062	17,733
– Legal Fees related to Shareholders funds		3,553	3,915
– Corporate Social Responsibility Expenses (Refer Note 17.25)		592	-
(b) Contribution to Policyholders Funds towards excess Expenses of Management (Refer Note 17.20)		81,358	81,383
(c) Bad debts written off		1,798	-
(d) Investment Expenses (Refer Note 17.12)		1,930	1,558
(e) Loss on sale / discard of fixed assets		8,915	5,264
(f) Director Fees		6,540	7,020
(g) Others			
– Investments Write off		211,970	-
– Interest on Direct tax for the year		1,327	-
(h) Penalties (Refer Note 17.36)		2,800	-
TOTAL (B)		312,466	304,383
Profit / (Loss) before tax		256,521	17,411
Less: Provision for taxation			
(a) Current tax		54,210	-
(b) Deferred tax expense / (income)		8,283	78,621
(c) Tax adjustment of earlier years		-	(1,102)
Profit / (Loss) after tax		194,028	(60,108)
APPROPRIATIONS			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any reserve or other account		-	-
Balance of profit/ (loss) brought forward from last year		(321,157)	(261,049)
Balance carried forward to Balance Sheet		(127,129)	(321,157)
Basic & Diluted Earnings Per Share of face value of Rs. 10/- (Refer Note 17.23)		1.26	(0.43)

Significant Accounting Policies

16

Notes to Accounts

17

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

As per our Report of even date attached.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Regn. No. 103523W/ W100048

For MSKA & Associates

Chartered Accountants

Firm Regn. No. 105047W

Sanjay Chamria

Chairman

DIN No. - 00009894

Rajive Kumaraswami

Managing Director &

Chief Executive Officer

DIN No. - 07501971

Purushottam Nyati

Partner

Membership No. 118970

Swapnil Kale

Partner

Membership No. 117812

Mayank Poddar

Director

DIN No. - 00009409

Gaurav Parasmurpuria

Chief Financial Officer

Sunil Mitra

Director

DIN No. - 00113473

Gufran Ahmed Siddiqui

Company Secretary

Membership No. - F9880

Mumbai, 30 April 2021



MAGMA HDI GENERAL INSURANCE COMPANY LIMITED
IRDAI Registration No. 149 dated 22 May, 2012

FORM B-B5

(Rs. in '000)

Particulars	Schedule	As at 31 Mar 2021	As at 31 Mar 2020
SOURCES OF FUNDS			
Share capital	5	1,547,073	1,437,500
Share Application Money Pending Allotment		-	531,948
Employee Stock Option Reserve		36,922	22,543
Reserves and surplus	6	2,796,224	2,381,367
Fair value change account - Shareholders		129	118
Fair value change account - Policyholders		956	1,073
Borrowings	7	5,488	8,423
TOTAL		4,386,792	4,382,972
APPLICATION OF FUNDS			
Investments			
Investments - Shareholders	8	3,560,121	3,139,187
Investments - Policyholders	8A	26,377,542	19,708,881
Total Investments		29,937,663	22,848,068
Loans	9	34,673	44,987
Fixed assets	10	236,068	269,573
Deferred tax asset (Refer Note 17.31)		195,952	204,235
Current Assets			
Cash and bank balances	11	375,409	136,829
Advances and other assets	12	1,666,635	1,638,123
Sub-Total (A)		2,042,044	1,774,952
Current liabilities	13	23,174,685	16,456,486
Provisions	14	5,012,052	4,623,514
Sub-Total (B)		28,186,737	21,080,000
Net Current Assets (C) = (A - B)		(26,144,693)	(19,305,048)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		127,129	321,157
TOTAL		4,386,792	4,382,972
Significant Accounting Policies	16		
Notes to Accounts	17		

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

As per our Report of even date attached.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W/ W100048

For MSKA & Associates
Chartered Accountants
Firm Regn. No. 105047W

Purushottam Nyati
Partner
Membership No. 118970

Swapnil Kale
Partner
Membership No. 117812

For and on behalf of the Board of Directors
Sanjay Chamria
Chairman
DIN No. - 00009894

Rajive Kumaraswami
Managing Director &
Chief Executive Officer
DIN No. - 07501971

Mayank Poddar
Director
DIN No. - 00009409

Gaurav Parasarmpuria
Chief Financial Officer

Sunil Mitra
Director
DIN No. - 00113473

Gufran Ahmed Siddiqui
Company Secretary
Membership No. - F9880

Mumbai, 30 April 2021



MAGMA HDI GENERAL INSURANCE COMPANY LIMITED
IRDAI Registration No. 149 dated 22 May, 2012

(Rs. in '000)

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Cash flows from the operating activities:		
Premium received from policyholders, including advance receipts and GST	16,194,968	16,000,669
Other receipts	14,347	35,716
Receipts / (Payments) from / to reinsurers, net of commissions and claims	(2,043,633)	(2,349,882)
Receipts / (Payments) from / to co-insurers, net of claims recovery	783	283,981
Payments of claims	(2,843,798)	(3,473,185)
Payments of commission & brokerage	(896,936)	(796,062)
Payments of other operating Expenses	(3,967,319)	(3,899,304)
Deposits, advances and staff loans (Net)	4,959	2,796
Income Tax paid (Net)	(25,000)	(33,966)
GST paid	(821,451)	(1,038,416)
Cash flows before extraordinary items	5,616,920	4,732,347
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities (A)	5,616,920	4,732,347
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(42,417)	(58,926)
Proceeds from sale of fixed assets	1,327	34
Purchases of investments	(78,737,719)	(105,786,836)
Sales / redemption of investments	71,461,906	98,234,785
Loans disbursed	-	-
Repayments Received	6,731	9,692
Rents/Interests/ Dividends received	1,937,856	1,331,619
Expenses related to investments	(1,930)	(1,558)
Net cash flow from investing activities (B)	(5,374,246)	(6,271,190)
Cash flows from financing activities:		
Proceeds from issuance of share capital / share application money including share premium (net of issue expenses)	(521)	531,948
Proceeds from borrowing	-	4,302
Repayments of borrowing	(2,998)	(2,097)
Interest Paid	(575)	(721)
Net cash flow from financing activities (C)	(4,094)	533,432
Effect of foreign exchange rates on cash and cash equivalents, net (D)	-	-
Net increase / (decrease) in cash and cash equivalents: (A+B+C+D)	238,580	(1,005,411)
Cash and Cash Equivalent at the beginning of the year	136,829	1,142,240
Cash and Cash Equivalent at the end of the year	375,409	136,829

Refer Schedule 11 for components of Cash and cash equivalent

As per our Report of even date attached.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Regn. No. 103523W/ W100048

For MSKA & Associates
Chartered Accountants
Firm Regn. No. 105047W

Purushottam Nyati
Partner
Membership No. 118970

Swapnil Kale
Partner
Membership No. 117812

For and on behalf of the Board of Directors
Sanjay Chamria
Chairman
DIN No. - 00009894

Rajive Kumaraswami
Managing Director &
Chief Executive Officer
DIN No. - 07501971

Mayank Poddar
Director
DIN No. - 00009409

Gaurav Parasmurpuria
Chief Financial Officer

Sunil Mitra
Director
DIN No. - 00113473

Gufran Ahmed Siddiqui
Company Secretary
Membership No. - F9880

Mumbai, 30 April 2021



SCHEDULE – 1
PREMIUM EARNED [NET]

(Rs. in '000)

Particulars	YEAR ENDED 31 MARCH 2021					YEAR ENDED 31 MARCH 2020				
	FIRE	MARINE		*MISCELLANEOUS	TOTAL	FIRE	MARINE		*MISCELLANEOUS	TOTAL
		MARINE CARGO	MARINE HULL				MARINE CARGO	MARINE HULL		
Premium from direct business written - net of GST / Service tax	1,444,990	214,304	-	214,304	11,176,631	12,835,925	211,609	-	211,609	11,251,907
Add : Premium on reinsurance accepted	610,375	30,141	-	30,141	13,965	654,481	28,187	-	28,187	17,729
Less : Premium on reinsurance ceded	(1,676,949)	(239,462)	-	(239,462)	(3,591,519)	(5,507,930)	(229,426)	-	(229,426)	(3,506,001)
Net Premium	378,416	4,983	-	4,983	7,599,077	7,982,476	10,370	-	10,370	7,763,635
Adjustment for change in reserve for unexpired risk	170,076	(3,202)	-	(3,202)	198,628	365,502	1,014	-	1,014	771,176
Total premium earned (Net)	208,340	8,185	-	8,185	7,400,449	7,616,974	9,356	-	9,356	6,992,459

* Refer to Schedule - 1(A)

SCHEDULE – 1 (A)
PREMIUM EARNED [NET]

MISCELLANEOUS PREMIUM EARNED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2021

(Rs. in '000)

Particulars	MISCELLANEOUS									
	MOTOR			ENGINNEERING	PUBLIC/PRODUCT LIABILITY	WORK-MEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS	
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	TOTAL
Premium from direct business written - net of GST / Service tax	2,858,715	6,826,671	9,685,386	72,105	431	15,009	762,078	44,130	500,195	97,297
Add: Premium on reinsurance accepted	(2,146,171)	(667,902)	(2,814,073)	(73,777)	(318)	(883)	(109,775)	(10)	192	538
Less: Premium on reinsurance ceded									(490,889)	(88,980)
Net Premium	712,544	6,158,769	6,871,313	11,579	113	14,126	652,297	31,296	9,498	8,855
Adjustment for change in reserve for unexpired risk	48,413	(20,457)	27,956	(2,464)	(37)	1,805	164,310	3,371	712	2,975
Total premium earned (Net)	664,131	6,179,226	6,843,357	14,043	150	12,321	487,987	27,925	8,786	5,880

MISCELLANEOUS PREMIUM EARNED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in '000)

Particulars	MISCELLANEOUS									
	MOTOR			ENGINNEERING	PUBLIC/PRODUCT LIABILITY	WORK-MEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS	
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	TOTAL
Premium from direct business written - net of GST / Service tax	2,901,257	7,390,023	10,291,280	60,166	410	12,601	476,301	43,907	318,118	49,124
Add: Premium on reinsurance accepted	(2,192,888)	(713,952)	(2,906,840)	(59,041)	(316)	(769)	(178,480)	(5,548)	818	-
Less: Premium on reinsurance ceded									(311,461)	(43,546)
Net Premium	708,369	6,676,071	7,384,440	15,330	94	11,832	297,872	41,014	7,475	5,578
Adjustment for change in reserve for unexpired risk	(54,470)	820,674	766,204	(1,280)	(40)	(1,066)	10,955	(1,546)	955	(3,006)
Total premium earned (Net)	762,839	5,855,397	6,618,236	16,610	134	12,898	286,917	42,560	6,520	8,584

SCHEDULE – 2 CLAIMS INCURRED [NET]

(Rs. in '000)

Particulars	YEAR ENDED 31 MARCH 2021					YEAR ENDED 31 MARCH 2020						
	FIRE	MARINE			*MISCELLANEOUS	TOTAL	FIRE	MARINE			*MISCELLANEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Claims paid												
Direct	259,025	137,601	-	137,601	2,450,557	2,847,183	205,892	121,190	-	121,190	2,851,533	3,178,615
Add: Reinsurance accepted	143,010	92,440	-	92,440	5,064	240,514	41,728	76,215	-	76,215	93,769	211,712
Less: Reinsurance ceded	(335,471)	(207,883)	-	(207,883)	(1,101,716)	(1,645,070)	(221,807)	(179,853)	-	(179,853)	(917,065)	(1,318,725)
Net Claims paid	66,564	22,158	-	22,158	1,353,905	1,442,627	25,813	17,552	-	17,552	2,028,237	2,071,602
Add: Claims outstanding at the end of the year	281,618	62,924	-	62,924	16,133,339	16,477,881	157,483	45,737	-	45,737	11,651,246	11,854,466
Less: Claims outstanding at the beginning	(157,483)	(45,737)	-	(45,737)	(11,651,246)	(11,854,466)	(125,794)	(46,980)	-	(46,980)	(7,779,076)	(7,951,850)
Total claims incurred (Net)	190,699	39,345	-	39,345	5,835,998	6,066,042	57,502	16,309	-	16,309	5,900,407	5,974,218

* Refer to Schedule - 2(A)

SCHEDULE – 2 (A) CLAIMS INCURRED [NET]

MISCELLANEOUS CLAIMS INCURRED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2021

(Rs. in '000)

Particulars	MISCELLANEOUS										TOTAL
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Claims paid											
Direct	1,292,495	870,712	2,163,207	29,191	-	2,444	232,364	10,749	7,974	4,628	2,450,557
Add: Reinsurance accepted	-	-	-	47	-	-	-	5,017	-	-	5,064
Less: Reinsurance ceded	(960,097)	(80,322)	(1,040,419)	(20,724)	-	(122)	(28,207)	(764)	(7,776)	(3,704)	(1,101,716)
Net Claims paid	332,398	790,390	1,122,788	8,514	-	2,322	204,157	15,002	198	924	1,353,905
Add: Claims outstanding at the end of the year	330,318	15,255,288	15,585,606	23,435	2,080	6,174	150,878	35,779	15,964	313,423	16,133,339
Less: Claims outstanding at the beginning	(364,426)	(10,943,626)	(11,308,052)	(28,922)	(695)	(5,692)	(55,923)	(26,429)	(13,667)	(211,866)	(11,651,246)
Total claims incurred (Net)	298,290	5,102,052	5,400,342	3,027	1,385	2,804	299,112	24,352	2,495	102,481	5,835,998

MISCELLANEOUS CLAIMS INCURRED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in '000)

Particulars	MISCELLANEOUS										TOTAL
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Claims paid											
Direct	1,180,604	1,224,548	2,405,152	12,550	-	4,298	407,263	17,077	1,120	4,073	2,851,533
Add: Reinsurance accepted	-	-	-	-	-	-	51,497	42,272	-	-	93,769
Less: Reinsurance ceded	(779,988)	(90,926)	(870,914)	(8,006)	-	(215)	(33,320)	(1,685)	(1,109)	(1,816)	(917,065)
Net Claims paid	400,616	1,133,622	1,534,238	4,544	-	4,083	425,440	57,664	11	2,257	2,028,237
Add: Claims outstanding at the end of the year	364,426	10,943,626	11,308,052	28,922	695	5,692	55,923	26,429	13,667	211,866	11,651,246
Less: Claims outstanding at the beginning	(359,694)	(6,848,191)	(7,207,885)	(18,956)	(588)	(6,080)	(272,589)	(52,792)	(9,326)	(210,860)	(7,779,076)
Total claims incurred (Net)	405,348	5,229,057	5,634,405	14,510	107	3,695	208,774	31,301	4,352	3,263	5,900,407

Particulars	YEAR ENDED 31 MARCH 2021					YEAR ENDED 31 MARCH 2020				
	FIRE	MARINE			TOTAL	FIRE	MARINE			TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL			MARINE CARGO	MARINE HULL	MARINE TOTAL	
Commission paid										
Direct	101,992	12,418	-	12,418	703,105	48,416	17,155	-	17,155	645,170
TOTAL (A)	101,992	12,418	-	12,418	703,105	48,416	17,155	-	17,155	710,741
Add: Commission on reinsurance accepted	37,115	2,709	-	2,709	1,606	38,929	3,457	-	3,457	44,275
Less: Commission on reinsurance ceded	(164,367)	(28,823)	-	(28,823)	(1,218,279)	(142,465)	(29,870)	-	(29,870)	(1,384,055)
Net commission	(25,260)	(13,696)	-	(13,696)	(513,568)	(55,120)	(9,258)	-	(9,258)	(629,039)

* Refer to Schedule - 3(A)

COMMISSION PAID - DIRECT

(Rs. in '000)

Particulars	YEAR ENDED 31 MARCH 2021					YEAR ENDED 31 MARCH 2020				
	FIRE	MARINE			TOTAL	FIRE	MARINE			TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL			MARINE CARGO	MARINE HULL	MARINE TOTAL	
Agents	995	44	-	44	43,504	943	441	-	441	55,865
Brokers	93,346	12,021	-	12,021	331,637	40,239	16,144	-	16,144	244,930
Corporate agency	7,651	353	-	353	99,172	7,234	570	-	570	140,061
Motor Insurance Service Providers	-	-	-	-	27,978	-	-	-	-	41,392
Point of Sale	-	-	-	-	163,607	-	-	-	-	152,483
Insurance Marketing Firm	-	-	-	-	484	-	-	-	-	223
Web aggregators	-	-	-	-	36,723	-	-	-	-	10,216
TOTAL (B)	101,992	12,418	-	12,418	703,105	48,416	17,155	-	17,155	645,170
					817,515					710,741



**SCHEDULE – 3 (A)
COMMISSION**

MISCELLANEOUS COMMISSION BREAKUP FOR THE YEAR ENDED 31 MARCH 2021

(Rs. in '000)

Particulars	MISCELLANEOUS										
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKSMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Commission paid											
Direct	514,418	83,417	597,835	7,581	52	2,142	61,318	2,022	17,337	14,818	703,105
TOTAL (A)	514,418	83,417	597,835	7,581	52	2,142	61,318	2,022	17,337	14,818	703,105
Add : Commission on reinsurance accepted	-	-	-	1,518	-	-	-	(1)	19	70	1,606
Less : Commission on reinsurance ceded	(876,238)	(206,365)	(1,082,603)	(12,339)	(77)	(113)	(52,918)	(857)	(53,429)	(15,943)	(1,218,279)
Net commission	(361,820)	(122,948)	(484,768)	(3,240)	(25)	2,029	8,400	1,164	(36,073)	(1,055)	(513,568)

MISCELLANEOUS COMMISSION BREAKUP FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in '000)

Particulars	MISCELLANEOUS										
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKSMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Commission paid											
Direct	486,251	73,239	559,490	7,231	54	1,628	54,825	3,313	12,851	5,778	645,170
TOTAL (A)	486,251	73,239	559,490	7,231	54	1,628	54,825	3,313	12,851	5,778	645,170
Add : Commission on reinsurance accepted	-	-	-	1,464	-	-	-	332	93	-	1,889
Less : Commission on reinsurance ceded	(837,970)	(205,900)	(1,043,870)	(11,010)	(73)	(94)	(109,508)	(874)	(39,019)	(7,272)	(1,211,720)
Net commission	(351,719)	(132,661)	(484,380)	(2,315)	(19)	1,534	(54,683)	2,771	(26,075)	(1,494)	(564,661)



Particulars	YEAR ENDED 31 MARCH 2021					YEAR ENDED 31 MARCH 2020						
	FIRE	MARINE			*MISCEL- LANEOUS	TOTAL	FIRE	MARINE			*MISCELLA- NEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Employees' remuneration and welfare benefits	134,113	15,514	-	15,514	935,203	1,084,830	118,108	19,796	-	19,796	914,108	1,052,012
Travel, conveyance and vehicle running expenses	1,618	193	-	193	8,809	10,620	7,172	1,204	-	1,204	56,534	64,910
Training expenses	131	16	-	16	713	860	591	100	-	100	4,657	5,348
Rents, rates and taxes	7,161	852	-	852	49,990	58,003	7,010	1,175	-	1,175	59,756	67,941
Repairs and maintenance	888	106	-	106	4,833	5,827	1,774	296	-	296	13,982	16,052
Printing and stationery	1,424	170	-	170	7,754	9,348	1,335	225	-	225	10,526	12,086
Communication	2,263	267	-	267	12,320	14,850	1,648	275	-	275	12,994	14,917
Legal and professional charges	5,394	641	-	641	39,750	45,785	5,774	968	-	968	56,876	63,618
Auditors' fees, expenses etc.												
(a) as auditor	678	81	-	81	3,691	4,450	492	81	-	81	3,877	4,450
(b) as adviser or in any other capacity, in respect of												
(i) Taxation matters	123	14	-	14	673	810	166	29	-	29	1,310	1,505
(ii) Insurance matters	101	12	-	12	547	660	65	10	-	10	516	591
(iii) Management services; and	-	-	-	-	-	-	22	4	-	4	174	200
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	-
(d) out of pocket expenses	23	4	-	4	121	148	37	7	-	7	289	333
Advertisement and publicity	329,047	39,133	-	39,133	1,791,520	2,159,700	193,864	32,514	-	32,514	1,528,076	1,754,454
Interest and bank charges	8,232	978	-	978	44,818	54,028	4,939	827	-	827	38,931	44,697
Others												
Manpower hire charges	28,221	3,356	-	3,356	153,652	185,229	26,023	4,367	-	4,367	205,119	235,509
Information technology expenses	6,569	781	-	781	35,765	43,115	6,470	1,084	-	1,084	50,998	58,552
Membership fees and subscription expenses	1,286	154	-	154	7,002	8,442	834	142	-	142	6,576	7,552
Business promotion expenses	780	93	-	93	4,247	5,120	831	139	-	139	6,548	7,518
Miscellaneous expenses	2,163	338	-	338	12,315	14,816	3,868	620	-	620	23,426	27,914
Depreciation	10,093	1,201	-	1,201	54,953	66,247	7,206	1,207	-	1,207	56,802	65,215
TOTAL	540,308	63,904	-	63,904	3,168,676	3,772,888	388,229	65,070	-	65,070	3,052,075	3,505,374

* Refer to Schedule - 4(A)



SCHEDULE – 4 (A)

MISCELLANEOUS OPERATING EXPENSES RELATED TO INSURANCE BUSINESS BREAK UP FOR THE YEAR ENDED 31 MARCH 2021

(Rs. in '000)

Particulars	MISCELLANEOUS											GRAND TOTAL
	MOTOR			ENGINEER- ING	PUBLIC/ PRODUCT LIABILITY	WORK- MEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS			
	MOTOR - OD	MOTOR - TP	MOTOR - TOTAL						OTHER LIABILITY	OTHERS		
Employees' remuneration and welfare benefits	263,309	511,183	774,492	5,514	27	1,067	109,914	6,281	31,654	6,254	935,203	
Travel, conveyance and vehicle running expenses	2,250	5,374	7,624	67	-	12	600	35	394	77	8,809	
Training expenses	182	435	617	5	-	1	49	3	32	6	713	
Rents, rates and taxes	10,321	24,648	34,969	297	1	66	11,229	1,307	1,757	364	49,990	
Repairs and maintenance	1,235	2,949	4,184	37	-	6	329	19	216	42	4,833	
Printing and stationery	1,981	4,730	6,711	59	-	10	528	31	347	68	7,754	
Communication	3,147	7,515	10,662	94	-	17	839	49	551	108	12,320	
Legal and professional charges	16,030	17,915	33,945	224	1	39	3,855	116	1,313	257	39,750	
Auditors' fees, expenses etc.												
(a) as auditor	943	2,252	3,195	28	-	5	251	15	165	32	3,691	
(b) as adviser or in any other capacity, in respect of												
(i) Taxation matters	172	410	582	5	-	1	46	3	30	6	673	
(ii) Insurance matters	140	334	474	4	-	1	37	2	24	5	547	
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	
(d) out of pocket expenses	31	75	106	1	-	-	8	-	5	1	121	
Advertisement and publicity	457,656	1,092,892	1,550,548	13,665	69	2,403	122,001	7,063	80,108	15,663	1,791,520	
Interest and bank charges	11,449	27,340	38,789	342	2	60	3,052	177	2,004	392	44,818	
Others												
Manpower hire charges	39,251	93,733	132,984	1,172	6	206	10,464	606	6,871	1,343	153,652	
Information technology expenses	9,136	21,818	30,954	273	1	48	2,436	141	1,599	313	35,765	
Membership fees and Subscription expenses	1,789	4,272	6,061	53	-	9	477	28	313	61	7,002	
Business promotion expenses	1,085	2,591	3,676	32	-	6	289	17	190	37	4,247	
Miscellaneous expenses	3,447	5,101	8,548	198	-	11	572	33	374	2,579	12,315	
Depreciation	14,038	33,524	47,562	419	2	74	3,742	217	2,457	480	54,953	
TOTAL	837,592	1,859,091	2,696,683	22,489	109	4,042	270,718	16,143	130,404	28,088	3,168,676	





Particulars	MISCELLANEOUS											GRAND TOTAL
	MOTOR			ENGINEER- ING	PUBLIC/ PRODUCT LIABILITY	WORK- MEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS			
	MOTOR - OD	MOTOR - TP	MOTOR - TOTAL						OTHER LIABILITY	OTHERS		
Employees' remuneration and welfare benefits	258,407	534,167	792,574	6,184	34	1,070	76,440	7,433	26,302	4,071	914,108	
Travel, conveyance and vehicle running expenses	14,554	37,072	51,626	373	2	63	2,390	234	1,600	246	56,534	
Training expenses	1,199	3,054	4,253	31	-	5	197	19	132	20	4,657	
Rents, rates and taxes	14,613	37,224	51,837	365	2	70	4,299	1,375	1,563	245	59,756	
Repairs and maintenance	3,599	9,168	12,767	92	1	16	591	58	396	61	13,982	
Printing and stationery	2,710	6,903	9,613	69	-	12	445	43	298	46	10,526	
Communication	3,345	8,520	11,865	86	-	15	549	54	368	57	12,994	
Legal and professional charges	22,453	29,843	52,296	300	2	51	2,553	188	1,288	198	56,876	
Auditors' fees, expenses etc												
(a) as auditor	998	2,542	3,540	26	-	4	164	16	110	17	3,877	
(b) as adviser or in any other capacity, in respect of												
(i) Taxation matters	337	860	1,197	9	-	1	55	5	37	6	1,310	
(ii) Insurance matters	133	338	471	3	-	1	22	2	15	2	516	
(iii) Management services; and	45	114	159	1	-	-	7	1	5	1	174	
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	
(d) out of pocket expenses	75	190	265	2	-	-	12	1	8	1	289	
Advertisement and publicity	393,388	1,002,030	1,395,418	10,084	56	1,709	64,590	6,313	43,245	6,661	1,528,076	
Interest and bank charges	10,022	25,528	35,550	257	1	44	1,646	161	1,102	170	38,931	
Others												
Manpower hire charges	52,806	134,507	187,313	1,354	7	229	8,670	847	5,805	894	205,119	
Information technology expenses	13,129	33,441	46,570	337	2	57	2,156	211	1,443	222	50,998	
Membership fees and Subscription expenses	1,693	4,313	6,006	43	-	7	278	27	186	29	6,576	
Business promotion expenses	1,686	4,294	5,980	43	-	7	277	27	185	29	6,548	
Miscellaneous expenses	5,485	14,803	20,288	255	1	24	1,094	89	606	1,069	23,426	
Depreciation	14,623	37,247	51,870	375	2	64	2,401	235	1,607	248	56,802	
TOTAL	815,300	1,926,158	2,741,458	20,289	110	3,449	168,836	17,339	86,301	14,293	3,052,075	



SCHEDULE – 5 SHARE CAPITAL

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
Authorised Capital		
20,00,00,000 (Previous Year - 20,00,00,000) Equity Shares of Rs 10/- each fully paid-up	2,000,000	2,000,000
Issued Capital		
15,47,07,250 (Previous Year - 14,37,50,000) Equity Shares of Rs 10/- each fully paid-up	1,547,073	1,437,500
Subscribed Capital		
15,47,07,250 (Previous Year - 14,37,50,000) Equity Shares of Rs 10/- each fully paid-up	1,547,073	1,437,500
Called-up- Capital		
15,47,07,250 (Previous Year - 14,37,50,000) Equity Shares of Rs 10/- each fully paid-up	1,547,073	1,437,500
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid up)	-	-
Less: Par value of equity shares bought back	-	-
Less:		
(i) Preliminary expenses	-	-
(ii) Expenses including commission or brokerage on underwriting or subscription of shares	-	-
TOTAL	1,547,073	1,437,500

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

Shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian				
Magma Fincorp Limited	45,362,281	29.32%	39,898,281	27.76%
Celica Developers Private Limited*	35,966,231	23.25%	35,966,231	25.02%
Jaguar Advisory Services Private Limited	22,500,000	14.55%	22,500,000	15.65%
Foreign				
HDI Global SE	32,000,000	20.68%	32,000,000	22.26%
Others				
Serum Institute of India Private Limited	15,317,600	9.90%	12,500,000	8.70%
Management Team	2,675,650	1.73%	-	-
Magma HDI General Insurance Company ESOP Trust#	885,488	0.57%	885,488	0.61%
TOTAL	154,707,250	100%	143,750,000	100%

* 444 (Previous Year 444) equity shares jointly held with Sanjay Chamria, Vanita Chamria and Harshvardhan Chamria.

Out of 8,85,488 shares held by Magma HDI General Insurance Company ESOP Trust, 8 employees of the Company are beneficial owners of 3,72,407 equity shares (Previous Year - 2,19,784 equity shares) in aggregate pursuant to the exercise of options under MHDH ESOP Plan.

SCHEDULE – 6 RESERVES AND SURPLUS

(Rs. in '000)

Particulars	As at 31 March 2021		As at 31 March 2020	
Capital reserve		-		-
Capital redemption reserve		-		-
Share premium				
Balance brought forward from Previous Year	2,381,367		1,830,000	
Add: Addition during the year	421,853		562,500	
Less: Share Issue Expenses	(6,996)	2,796,224	(11,133)	2,381,367
General reserve		-		-
Less: Debit balance in profit and Loss account		-		-
Less: Amount utilized for buy-back		-		-
Catastrophe reserve		-		-
Other reserves		-		-
Balance of profit in profit & loss account		-		-
TOTAL		2,796,224		2,381,367



SCHEDULE - 7 BORROWINGS

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
Debentures/ Bonds	-	-
Banks (Refer Note below)		
– Due within 12 months	2,160	2,174
– Due after 12 months	2,530	4,659
Financial institutions (Refer Note below)		
– Due within 12 months	798	818
– Due after 12 months	-	772
Others	-	-
TOTAL	5,488	8,423

Note:-

Borrowing is secured by hypothecation of vehicles, the WDV of which is Rs. 3,783 thousands as on March 31, 2021 (Previous Year Rs. 6,208 thousands)

SCHEDULE – 8 INVESTMENTS - SHAREHOLDERS (Refer Note 16.11 & 16.32)

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including treasury bills	1,306,599	986,293
Other approved securities	349,892	204,272
Other investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	2,513
(b) Mutual funds	-	-
(c) Debentures/ Bonds	450,942	538,665
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	65,405	-
Investments in infrastructure and housing	871,719	1,021,750
Other than approved investments	147,042	119,962
TOTAL LONG TERM INVESTMENTS	3,191,599	2,873,455
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including treasury bills	-	-
Other approved securities	-	-
Other investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	2,210	2,513
(b) Mutual funds	241,639	59,380
(c) Debentures/ Bonds	95,070	75,498
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	20,632	121,471
Investments in infrastructure and housing	-	-
Other than approved investments	8,971	6,870
TOTAL SHORT TERM INVESTMENTS	368,522	265,732
TOTAL	3,560,121	3,139,187

NOTES:

- The Company does not have any investments in equity instruments
- Aggregate value of the investments other than Mutual funds

(Rs. in '000)

Long Term Investments	– Book Value	3,191,599	2,873,455
	– Market Value	3,223,362	2,922,095
Short Term Investments	– Book Value	126,883	206,352
	– Market Value	126,841	206,326
Total	– Book Value	3,318,482	3,079,807
	– Market Value	3,350,203	3,128,421

- Aggregate value of the investments in Mutual funds.

Long Term Investments	- Historical Cost	-	-
Short Term Investments	- Historical Cost	241,510	59,262



- 4) Value of contracts in relation to investments where deliveries are pending Rupees Nil (Previous Year - Nil) and in respect of sale of Investments where payments are overdue Rupees Nil (Previous Year - Nil).
- 5) Investments in Mutual Funds includes Rs. 129 thousand (Previous Year Rs. 118 thousand) being the change in their fair value as at March 31 2021, which is classified under Fair Value Change Account.
- 6) All the above investments are performing assets, except for details as mentioned below :-
The Company has an investment of Rs.3,741 Lakhs in DHFL NCDs (Secured NCDs). The Investment has been downgraded to junk grade 'D' by CARE in FY20. Impairment provision on DHFL has been increased from 50% in March 2020 to 100% in September 2020. The unrealized income has been reversed and further income recognition is not being done. Further, the management of the Company has identified the same as a Loss Asset and the value of the Investment to the extent 56.66% has been written off in Q4FY21.
Apart from the investments shown above, the Company had an investment of Rs.1,032 Lakhs in '9.50% ILFS NCD 28-07-2024' (Secured NCDs). The Investment was downgraded to junk grade 'D' by ICRA in FY19. The management of the Company has identified the same as a Loss Asset and the full value of the Investment was written off in FY19.
- 7) Investments made are in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended and various other circulars / notifications issued by the IRDAI in this context from time to time.
- 8) There are no Investments outside India.
- 9) Investment assets have been allocated in the ratio of Policyholders and Shareholders Funds (Refer Note 16.32)

SCHEDULE – 8A

INVESTMENTS - POLICYHOLDERS (Refer Note 16.11 & 16.32)

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including treasury bills	9,680,810	6,192,282
Other approved securities	2,592,412	1,282,487
Other investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	15,780
(b) Mutual funds	-	-
(c) Debentures/ Bonds	3,341,109	3,381,918
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	484,595	-
Investments in infrastructure and housing	6,458,715	6,414,891
Other than approved investments	1,089,459	753,163
TOTAL LONG TERM INVESTMENTS	23,647,100	18,040,521
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including treasury bills	-	-
Other approved securities	-	-
Other investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	16,376	15,780
(b) Mutual funds	1,790,346	372,810
(c) Debentures/ Bonds	704,386	474,005
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	152,868	762,635
Investments in infrastructure and housing	-	-
Other than approved investments	66,466	43,130
TOTAL SHORT TERM INVESTMENTS	2,730,442	1,668,360
TOTAL	26,377,542	19,708,881

NOTES:

- 1) The Company does not have any investments in equity instruments

- 2) Aggregate value of the investments other than Mutual funds

(Rs. in '000)

Long Term Investments	– Book Value	23,647,100	18,040,521
	– Market Value	23,882,433	18,345,890
Short Term Investments	– Book Value	940,096	1,295,550
	– Market Value	939,791	1,295,388
Total	– Book Value	24,587,196	19,336,071
	– Market Value	24,822,224	19,641,278



3) Aggregate value of the investments in Mutual funds.

Long Term Investments	– Book Value	-	-
Short Term Investments	– Book Value	1,789,390	371,737

4) Value of contracts in relation to investments where deliveries are pending Rupees Nil (Previous Year - Nil) and in respect of sale of Investments where payments are overdue Rupees Nil (Previous Year - Nil).

5) Investments in Mutual Funds includes Rs. 956 thousand (Previous Year Rs. 1,073 thousand) being the change in their fair value as at March 31 2021, which is classified under Fair Value Change Account.

6) All the above investments are performing assets, except for details as mentioned below :-

The Company has an investment of Rs.3,741 Lakhs in DHFL NCDs (Secured NCDs). The Investment has been downgraded to junk grade 'D' by CARE in FY20. Impairment provision on DHFL has been increased from 50% in March 2020 to 100% in September 2020. The unrealized income has been reversed and further income recognition is not being done. Further, the management of the Company has identified the same as a Loss Asset and the value of the Investment to the extent 56.66% has been written off in Q4FY21.

Apart from the investments shown above, the Company had an investment of Rs.1,032 Lakhs in '9.50% ILFS NCD 28-07-2024' (Secured NCDs). The Investment was downgraded to junk grade 'D' by ICRA in FY19. The management of the Company has identified the same as a Loss Asset and the full value of the Investment was written off in FY19.

7) Investments made are in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended and various other circulars / notifications issued by the IRDAI in this context from time to time.

8) There are no Investments outside India.

9) Investment assets have been allocated in the ratio of Policyholders and Shareholders Funds (Refer Note 16.32)

SCHEDULE - 9 LOANS

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	34,673	44,987
TOTAL	34,673	44,987
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others (Employee Benefit Trust)	34,673	44,987
TOTAL	34,673	44,987
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	34,673	44,987
(bb) Outside India	-	-
(b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
TOTAL	34,673	44,987
MATURITY-WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	34,673	44,987
TOTAL	34,673	44,987

SCHEDULE – 10 **FIXED ASSETS**

(Rs. in '000)

Particulars	Gross Block			Depreciation/Amortisation				Net Block	
	Opening as at 01 Apr 2020	Additions / Transfer	Deductions / Transfer	Closing as at 31 Mar 2021	As at 01 Apr 2020	For the year ended 31 Mar 2021	On Sales/ Adjustments	As at 31 Mar 2021	As at 31 Mar 2021
Computer Software*	304,335	46,685	8,791	342,229	113,194	44,907	3,295	154,806	187,423
Leasehold improvements	27,834	-	7,617	20,217	10,393	3,113	4,264	9,242	10,975
Furniture & Fittings	2,891	29	684	2,236	2,112	102	414	1,800	436
Information Technology Equipment	79,097	4,864	860	83,101	45,274	14,359	834	58,799	24,302
Vehicles	13,653	-	1,305	12,348	7,022	2,848	1,305	8,565	3,783
Office Equipment	2,748	98	718	2,128	1,607	403	456	1,554	574
Electronic Equipment	6,303	-	1,598	4,705	2,034	514	881	1,667	3,038
TOTAL	436,861	51,676	21,573	466,964	181,636	66,246	11,449	236,433	230,531
Capital Work in Progress	14,348	-	8,811	5,537	-	-	-	-	5,537
Grand Total	451,209	51,676	30,384	472,501	181,636	66,246	11,449	236,433	236,068

* useful life of software is ranging between 6 to 13 years.

Particulars	Gross Block			Depreciation/Amortisation				Net Block	
	Opening as at 01 Apr 2019	Additions / Transfer	Deductions / Transfer	Closing as at 31 Mar 2020	As at 01 Apr 2019	For the year ended 31 Mar 2020	On Sales/ Adjustments	As at 31 Mar 2020	As at 31 Mar 2020
Computer Software*	279,045	38,408	13,118	304,335	81,586	39,867	8,259	113,194	191,141
Leasehold improvements	26,509	2,548	1,223	27,834	7,476	3,839	922	10,393	17,441
Furniture & Fittings	2,894	135	138	2,891	2,149	101	138	2,112	779
Information Technology Equipment	71,501	13,070	5,474	79,097	33,627	17,089	5,442	45,274	33,823
Vehicles	9,952	3,701	-	13,653	3,881	3,141	-	7,022	6,631
Office Equipment	2,900	593	745	2,748	1,873	479	745	1,607	1,141
Electronic Equipment	5,732	797	226	6,303	1,460	699	125	2,034	4,269
TOTAL	398,533	59,252	20,924	436,861	132,052	65,215	15,631	181,636	255,225
Capital Work in Progress	3,379	10,969	-	14,348	-	-	-	-	14,348
Grand Total	401,912	70,221	20,924	451,209	132,052	65,215	15,631	181,636	269,573

* useful life of software is ranging between 6 to 13 years.





SCHEDULE – 11 CASH AND BANK BALANCES

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash (including cheques, drafts and stamps)	4,889	14,803
Bank balances		
(a) Deposit accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current accounts	370,520	122,026
(c) Others	-	-
Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	-	-
Others	-	-
TOTAL	375,409	136,829

SCHEDULE – 12 ADVANCES AND OTHER ASSETS

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
ADVANCES		
Reserve deposits with ceding companies	-	-
Application money for investments	-	-
Prepayments	27,082	35,491
Advances to directors/officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	-	47
MAT Credit Entitlement	-	-
Others		
Advance recoverable in cash or in kind	12,522	7,996
Advance to employees	2,120	695
Gratuity (excess of plan assets over obligation)	5,276	3,683
TOTAL (A)	47,000	47,912
OTHER ASSETS		
Income accrued on investments	667,400	741,946
Outstanding premiums	-	-
Agents' balances	-	-
Foreign agencies balances	-	-
Due from other insurance companies, including reinsurers (net)	260,936	263,430
Due from subsidiaries/ holding company	-	-
Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
Others		
Unutilised GST Credit / Service Tax Credit	132,270	278,110
Unsettled investment contract receivable	514,615	261,751
Unclaimed amount of policyholders (Investments)	29,614	24,648
Deposits for premises, telephone etc.	14,800	20,326
TOTAL (B)	1,619,635	1,590,211
TOTAL (A + B)	1,666,635	1,638,123



SCHEDULE – 13 CURRENT LIABILITIES

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
Agents' balances	26,097	12,625
Balances due to other insurance companies (net)	911,046	566,610
Deposits held on reinsurance ceded	1,092,369	906,784
Premium received in advance	3,395,647	2,301,051
Unallocated premium	73,226	42,665
Sundry creditors	573,109	325,956
Due to subsidiaries/ holding company	-	-
Claims outstanding (net)	16,502,757	11,854,466
Due to directors/ officers	-	-
Unclaimed amount of policyholders (Refer Note 17.33)	29,573	23,819
Others -		
Due to policyholders/insured	6,005	2,628
GST Liability / Service Tax Liability	25,502	13,570
TDS payable	29,390	41,211
Other statutory dues	8,924	8,590
Book Overdraft	304,410	154,633
Employee Payables	33,454	21,826
Other payable	163,176	180,052
TOTAL	23,174,685	16,456,486

SCHEDULE – 14 PROVISIONS

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
Reserve for Unearned Premium	4,659,030	4,293,528
Reserve for Premium Deficiency	2,011	1,724
For taxation (net of advance tax and tax deducted at source)	17,695	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Provision for employee benefit	167,638	139,245
Provision for diminution in value of Investments	162,139	186,915
Others	3,539	2,102
TOTAL	5,012,052	4,623,514

SCHEDULE – 15 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	As at 31 March 2021	As at 31 March 2020
Discount allowed in issue of shares/ debentures	-	-
Others	-	-
TOTAL	-	-



MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No. 149 dated 22 May, 2012

SCHEDULE – 16

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March 2021

Background

Magma HDI General Insurance Company Limited ('the Company') was incorporated on 26th June 2009 and is a joint venture between Magma Fincorp Limited, Celica Developers Private Limited, Jaguar Advisory Services Private Limited and HDI Global SE. The Company obtained the regulatory approval to undertake General Insurance business on 22 May, 2012 from Insurance Regulatory and Development Authority of India (IRDAI) and holds a valid certificate of registration.

16 SIGNIFICANT ACCOUNTING POLICIES

16.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on an accrual basis and in accordance with the applicable provisions of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and circulars/notifications issued by IRDAI from time to time, the applicable accounting standards referred to in section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014, the provisions of the Companies Act, 2013 (to the extent applicable), in the manner so required and conform to the statutory provisions in regard to general insurance operations in India. The financial statements are presented in Indian rupees rounded off to nearest thousands.

Accounting policies applied have been consistent with previous year except otherwise stated in the notes and except where different treatment is required as per new pronouncements made by the regulatory authorities. The management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis.

16.2 Use of estimate

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

16.3 Revenue recognition

(i) Premium income

Premium (net of goods and service tax), on direct business is recognised as income over the contract period or the period of risk, whichever is appropriate. Instalment premium is recognised on receipt of premium / confirmation from the co-insurer. Any subsequent revisions to premium as and when they occur are recognised over the remaining period of risk or contract period, as applicable. Adjustments to premium income arising on cancellation of policies are recognised in the period in which it is cancelled.

(ii) Interest/ dividend income

Interest income is recognised on accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding / maturity period on Effective Interest Rate basis. Dividend income is recognised when the right to receive the dividend is established.

(iii) Profit / loss on sale / redemption of securities

Profit/loss on sale/redemption of securities is recognised on trade date basis. The net realised gains or losses on the debt securities is the difference between the net sale consideration and the amortized book value, which is computed on a weighted average basis, as on the date of sale. Further, in case of listed shares and mutual funds the profit and loss also includes accumulated changes in the fair value previously recognised in the fair value change account, for specific investments sold/redeemed during the year. Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on sales.

The difference between the acquisition price and the maturity value of treasury bills is recognised as income in the revenue accounts or the profit and loss account, as the case may be, over the remaining term of these instruments on Effective Interest Rate basis.

(iv) Commission income on reinsurance ceded

Commission income on reinsurance ceded is recognised as income in the year in which reinsurance premium is ceded.

Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year of final determination of profits as confirmed by reinsurers.



16.4 Reinsurance accepted

Reinsurance accepted is accounted in the year in which the risk commences and recognised over the period of risk in accordance with reinsurance slips accepted from the insurers.

16.5 Reinsurance ceded

Reinsurance premium ceded is accounted in the year in which the risk commences and recognised over the period of risk in accordance with the treaty arrangements with the reinsurers. Reinsurance premium ceded on unearned premium is carried forward to the period of risk and is set off against related unearned premium. Any subsequent revision to or cancellations of premiums are accounted for in the year in which they occur.

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

16.6 Acquisition costs

Acquisition costs are costs that vary with and are primarily related to acquisition of insurance contracts including reinsurance accepted, viz. commission, brokerage, reward etc. These costs are expensed in the year in which they are incurred.

16.7 Premium received in advance

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the balance sheet date.

In case of Long Term policies, premium is collected for the entire term i.e. (three years or five years as the case may be) at the time of sale of insurance but premium for the year is only recognised as income and the remaining premium is treated as "Premium received in advance".

16.8 Reserve for unexpired risk (Other than Terrorism Pool)

Reserve for unexpired risk is made on the amount representing that part of the net premium written which is attributable to, and to be allocated to the subsequent accounting period using 1/365 method.

16.9 Reserve for Premium deficiency

In accordance with IRDAI circular IRDA/F&A/CIR/FA/126/07/2013, dated 3rd July, 2013 (Corrigendum to Master Circular IRDA / F&I / CIR / F&A / 231 / 10 / 2012, dated 5th Oct, 2012), Premium deficiency is recognised at segmental revenue account level when the sum of expected net claim costs and related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks.

In computing the overall Premium deficiency in Miscellaneous revenue account level, the Premium deficiency arising out of reinsurance acceptances from declined risk pool is not considered as per regulatory guidelines. The premium deficiency is calculated and duly certified by the Appointed Actuary.

16.10 Claims incurred

Claims incurred comprise claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported and change in estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') net of amounts receivable from reinsurers/coinsurers. Further, claims incurred also include specific claim settlement costs such as survey / legal fees.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation on management estimates of ultimate amounts likely to be paid on each claim based on the past experience. These estimates are progressively revalidated on availability of further information.

IBNR represents that amount of claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims IBNR. Estimated liability for claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is based on actuarial estimate duly certified by the Appointed Actuary of the Company in accordance with guidelines issued by IRDAI and Actuarial Practice Standards issued by the Institute of Actuaries of India.

16.11 Investments

Investments are carried at weighted average cost and includes brokerage, securities transactions tax, stamp duty and other charges incidental to transactions and excludes pre-acquisition interest, if any.

Classification

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

Valuation

Debt Securities

All debt securities are considered as 'held to maturity' and are valued at historical cost subject to amortisation of premium or accretion of discount on effective interest rate basis in the revenue accounts and profit & loss account over the period of maturity/holding.



Mutual Fund

Investment in Mutual Funds units are stated at latest available Net Asset Value (NAV) at the Balance Sheet date. Unrealised gains/losses are credited / debited to fair value change account.

Fair Value Change Account

In accordance with the Regulations, any unrealised gains/losses arising due to change in fair value of mutual fund investments are accounted in "Fair Value Change Account" and carried forward in the Balance Sheet and is not available for distribution.

Impairment of Investment

The Company assesses at each Balance Sheet date whether there is any indication that any investment is impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognised in the profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and investment is restated to that extent.

16.12 Allocation of Income and Expenses

Allocation of Investment Income

Investment Income has been allocated between revenue accounts and profit and loss account on the basis of the ratio of average policyholder's investments assets to average shareholder's investments assets, average being the balance at the beginning of the year and balance at the end of the reporting year.

Allocation of Expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

- (i) Expenses, which are attributable and identifiable to the business segments, are directly charged to relevant business segment.
- (ii) Other expenses, that are not identifiable to a segment, are allocated on the basis of ratio of gross written premium in each business class.

In accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, operating expenses in excess of segmental limits are to be borne by the shareholder's.

Expenses related to investment activities relating to Shareholders Fund are charged to Profit & Loss Account.

16.13 Fixed Assets, intangible assets and capital work-in-progress

Fixed assets are stated at cost of acquisition (including incidental expenses relating to acquisition and installation) and expenses directly attributable to bringing the asset to its working condition for its intended use less accumulated depreciation and impairment of assets, if any.

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

Intangible assets are stated at the consideration paid for acquisition / development and licensing less accumulated amortisation.

16.14 Depreciation and amortisation

Depreciation on fixed assets is provided using the straight-line method based on the economic useful life as estimated by the management / limits specified in Schedule II to the Companies Act, 2013. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing upto Rs 5,000/- are depreciated fully in the year of acquisition. Lease hold improvement is amortised over the primary period of lease.

Intangible assets are amortised over their estimated useful lives on straight-line basis, commencing from the date the asset is available to the Company for its use. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial period and the amortisation period is revised to reflect the changed pattern, if any.

Nature of Fixed Asset	Management Estimate of Useful Life	Useful Life as per the Limits prescribed in Schedule II of the Companies Act, 2013
	Life in Years	Life in Years
Furniture & Fixtures	10	10
IT Equipment - Servers and networks	6	6
IT Equipment - Others	3	3
Vehicles	4	8
Office Equipment	5	5
Electronic Equipment	10	10

16.15 Impairment of Assets

The Company assesses at each Balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognised in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

16.16 Employee Benefits

(i) Short term Employee Benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefit and



are recognised in the year in which the employee render the related service. These benefits includes salaries, bonus, ex-gratia and compensated absences.

(ii) Provident fund

Contributions paid / payable to the recognised provident fund, which is a defined contribution scheme, are charged to the revenue(s)/ profit and loss account in the year in which it is incurred.

(iii) Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined at each balance sheet date based on actuarial valuation carried out by an independent actuary using projected unit credit method. Actuarial gains and losses are recognised in the Profit and Loss Account and revenue account as applicable. To the extent the benefit are already vested, past service cost is recognised.

(iv) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognised in the year in which the absences occur.

16.17 Foreign Currency Transactions

Foreign currency transactions are accounted for at the rates prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the revenue(s) / profit and loss account. Monetary assets and liabilities denoted in foreign currencies as at the Balance Sheet date are translated at the closing exchange rates. Resultant exchange differences, if any, are recognised in the revenue(s) / profit and loss account and related assets and liabilities are accordingly restated in the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency at the Balance Sheet date are reported using exchange rates at the date of the transaction.

16.18 Taxes on income

Income-tax expense is recognised in profit or loss and comprises of current tax (i.e. amount of tax for the year determined in accordance with the provisions of Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

(i) Current tax

Current tax is measured at the amount expected to be paid to (recovered from) the tax authorities, using the applicable tax rates and tax laws.

(ii) Minimum alternative tax

In accordance with the recommendations contained in guidance note issued by Institute of Chartered Accountants of India and, under the provisions of the Income Tax Act, 1961, Minimum alternative tax ('MAT') is recognised as current tax in the profit and loss account. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(iii) Deferred tax

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one year and are capable of reversal in one or more subsequent years. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted on the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

16.19 Provisions and Contingent liabilities

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

16.20 Earnings per share

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted EPS comprises of weighted average number of shares considered for deriving basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

16.21 Segment Reporting

Based on the primary segments identified under the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory



and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 and circulars/notifications issued by IRDAI from time to time read with Accounting Standard 17 "Segment Reporting" referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014, the Company has classified and disclosed segment information for Fire, Marine and Miscellaneous lines of business. There are no reportable geographical segments, since all business is written in India.

The accounting policies used in segment reporting are same as those used in the preparation of financial statements.

16.22 Share Issue Expenses

Share issue expenses towards shares issued during the year are adjusted against Share Premium Account.

16.23 Terrorism Pool

In accordance with the requirements of IRDAI, the Company, together with other Insurance Companies, participates in the Terrorism Pool. This Pool is managed by the General Insurance Corporation of India ("GIC"). Amount collected as Terrorism premium in accordance with the requirements of the Tariff Advisory Committee ("TAC") are ceded at 100% of the Terrorism Premium collected to the Terrorism Pool. In accordance with the Terms of the Agreement, GIC, retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly statements received from the GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the Last statement received from the GIC. The Company has created liability, to the extent of 100% of premium (net of claims and expenses) retroceded to the Company during the year, through reserve for unexpired risks.

16.24 Solatium Fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company provides for contribution to Solatium Fund established by the Central Government. Further, General Insurance Council in its meeting held on April 1, 2010 recommended that the contribution should be a percentage of gross written third party premiums.

16.25 Transfer of amounts to Senior Citizen Welfare fund

In accordance with the requirement of the Notification no G.S.R 380(E), issued by the Ministry of Finance, dated April 11, 2017 read with IRDAI Circular No IRDA/F&A/CIR/Misc/282/11/2020 dated November 17, 2020, the Company transfers amounts outstanding for a period of more than 10 years in Unclaimed amount of Policyholders to the Senior Citizen Welfare Fund (SCWF) on or before March 1st of each financial year.

16.26 Contribution to Environment Relief Fund

In accordance with the notification no G.S.R 768(E), issued by Ministry of Environment and Forests, dated November 4, 2008, the Company provides for contribution to the Environment Relief Fund established by the Central Government, an amount equal to the premium received in relation to Public Liability policies issued by the company, as per the rules specified by Public Liability Insurance Rules 1992.

16.27 Employee Stock Option Plan (ESOP)

The Employees Stock Option Scheme (the Scheme) provides for grant of the equity shares of the Company to employees. The scheme provides that employees are granted an option to purchase/subscribe to the equity shares of the Company that vest in a graded manner. The options may be exercised within the specified period.

The Company follows Fair Value accounting in accordance with the Guidance note on Accounting for Employee Share based payments issued by the Institute of Chartered Accountants of India. Accordingly, the Fair value is spread over the vesting period of the options.

16.28 Borrowing Costs

Interest on borrowings is recognised on a time proportion basis taking into account the amount outstanding and rate applicable on the borrowings. They are charged to Profit & Loss Account in the period in which they are incurred.

16.29 Receipts and Payments Account

Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with para 2.2 of the Master Circular on Preparation of Financial Statements- General Insurance Business dated October 5, 2012, issued by IRDAI.

16.30 Loans

Loans are stated at historical cost, subject to provision as per master circular IRDA/F&I/CIR/F&A/231/10/2012 dated October 5th, 2012 and impairment, if any.

16.31 Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments of assets/premises taken on operating lease are recognised as an expense in the revenue account.

16.32 Allocation of Investment Assets

Investment assets are bifurcated into policyholders and shareholders funds on notional basis as per IRDAI circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated 04th April, 2016 and IRDA/F&A/CIR/CPM/010/01/2017 dated 12th January 2017. Policyholders funds represent amount equivalent to sum of Outstanding Claims including Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER), Unexpired Risk Reserve (URR), Premium Deficiency, Catastrophe Reserve and Other Liabilities net off other assets as specified by the authority and the balance being disclosed as Shareholders Funds.

16.33 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



SCHEDULE – 17

Notes to Accounts forming part of the Financial Statements for the year ended 31st March 2021

17.1 The Company has used the principles of prudence in applying judgments, estimates and assumptions to assess and provide for the impact of the Covid-19 pandemic on the financial statements based on internal and external sources of information. However, due to the uncertainties associated with the pandemic, the actual impact may not be in line with the estimates as of the date of approval of the financial statements. The Company will continue to closely monitor any changes to the estimates basis future economic conditions. Further, the impact assessment done by the company does not indicate any adverse impact on its ability to continue as a going concern.

17.2 Contingent Liabilities

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
1 Partly paid up investments	-	-
2 Underwriting commitments outstanding (in respect of shares and securities)	-	-
3 Claims other than those under policies not acknowledged as debts	-	-
4 Guarantees given by or on behalf of the Company	-	-
5 Statutory demands/liabilities in dispute, not provided for, in respect of		
• Service Tax [#]	250,268	-
• Goods and Service Tax	5,573	-
• Income Tax	13	13
6 Reinsurance obligations to the extent not provided for in accounts	-	-
7 Senior Citizens' Welfare Fund	-	-
8 Others	-	-

[#] The Company has received a Show Cause Notice (SCN) from Service Tax[#] Authorities raising a demand of Rs 250,268 thousands plus interest and penalty. The Company has challenged the SCN in its reply and the hearing of the same is pending with the Department Authorities.

17.3 Micro & Small Scale Business Entities

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

17.4 Encumbrances on Assets

The assets of the Company are free from any encumbrances except in case of security deposit of Rs. 13,180 thousands (Previous year - Rs. 19,766 thousands) provided by the Company to the lessor under the operating lease agreement and fixed assets (vehicles) of Rs. 3,783 thousands (Previous year - Rs. 6,208 thousands) which is hypothecated under finance arrangement with bank.

17.5 Capital Commitments

- There are no commitments made and outstanding for Loans and Investments as at March 31, 2021 (Previous year - Rs. Nil).
- Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is Rs. 11,138 thousands as at March 31, 2021 (Previous year - Rs. 22,080 thousands).

17.6 Premium

- All premiums, net of reinsurance are written and received in India.
- Premium income recognized on "Varying Risk Pattern" is Rs. Nil (Previous year - Rs. Nil).

17.7 Sector wise business based on Gross Direct Premium (GDP)

Business Sector	Year ended 31 March 2021				Year ended 31 March 2020			
	GDP (Rs. in '000)	No. of Policies	% of GDP	% of Policy	GDP (Rs. in '000)	No. of Policies	% of GDP	% of Policy
Rural	7,762,072	1,095,823	60.5	69.2	7,992,116	1,148,791	65.3	70.8
Urban	5,073,853	487,721	39.5	30.8	4,255,594	474,088	34.7	29.2
Total	12,835,925	1,583,544	100.0	100.0	12,247,710	1,622,879	100.0	100.0

Business Sector	Year ended 31 March 2021			Year ended 31 March 2020		
	GDP (Rs. in '000)	No. of Lives	% of GDP	GDP (Rs. in '000)	No. of Lives	% of GDP
Social	15,009	43,465	0.1	12,601	33,074	0.1



17.8 Premium Retention & Reinsurance

Extent of risk retained and reinsured with respect to gross written premium is set below :

For the year ended on March 31, 2021

(Rs. in '000)

Particulars	Basis	Gross Premium	Retention	Cession	Retention	Cession
					%	%
Fire	Total Sum Insured	2,055,365	406,709	1,648,656	19.8%	80.2%
Marine Cargo	Value at Risk	244,445	11,514	232,931	4.7%	95.3%
Marine Hull	NA	-	-	-	-	-
Miscellaneous						
Motor	Total Sum Insured	9,685,386	6,897,219	2,788,167	71.2%	28.8%
Engineering	Total Sum Insured	85,356	16,072	69,284	18.8%	81.2%
Public/ Product Liability	Value at Risk	431	151	280	35.0%	65.0%
Workmen's Compensation	Value at Risk	15,009	14,259	750	95.0%	5.0%
Health Insurance	Value at Risk	762,072	652,297	109,775	85.6%	14.4%
Personal Accident	Value at Risk	44,120	39,981	4,139	90.6%	9.4%
Other Liability	Value at Risk	500,387	12,710	487,677	2.5%	97.5%
Others	Value at Risk	97,835	11,470	86,365	11.7%	88.3%
Total		13,490,406	8,062,381	5,428,025	59.8%	40.2%

For the year ended on March 31, 2020

(Rs. in '000)

Particulars	Basis	Gross Premium	Retention	Cession	Retention	Cession
					%	%
Fire	Total Sum Insured	1,429,755	143,555	1,286,200	10.0%	90.0%
Marine Cargo	Value at Risk	239,796	15,943	223,853	6.6%	93.4%
Marine Hull	NA	-	-	-	-	-
Miscellaneous						
Motor	Total Sum Insured	10,291,280	7,425,231	2,866,049	72.2%	27.8%
Engineering	Total Sum Insured	74,371	18,435	55,936	24.8%	75.2%
Public/ Product Liability	Value at Risk	410	143	267	34.9%	65.1%
Workmen's Compensation	Value at Risk	12,601	11,971	630	95.0%	5.0%
Health Insurance	Value at Risk	476,352	297,872	178,480	62.5%	37.5%
Personal Accident	Value at Risk	46,562	42,599	3,963	91.5%	8.5%
Other Liability	Value at Risk	318,936	11,407	307,529	3.6%	96.4%
Others	Value at Risk	49,124	5,794	43,330	11.8%	88.2%
Total		12,939,187	7,972,950	4,966,237	61.6%	38.4%

17.9 Reinsurance Regulations

As per Insurance Regulatory and Development Authority (General Insurance - Reinsurance) Regulation, 2018, prior approval from IRDAI is required in case of placement of surplus over and above the domestic reinsurance arrangements with one reinsurer outside India in excess of 15% of total reinsurance ceded. In terms of the aforesaid regulations, the company has submitted to IRDAI the details in respects of its reinsurance treaties including those where the reinsurance support exceeds 15% from overseas reinsurer.

17.10 Premium Deficiency Reserve

The Company has recognised Premium Deficiency Reserve on segment level basis amounting to Rs. 2,011 thousands as at March 31, 2021 (Previous year Rs.1,724 thousands).

17.11 Claims

a. All claims, net of reinsurance incurred and paid to claimants in/ outside India are as under.

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
In India	1,442,623	2,071,602
Outside India	4	-

b. There are no claims which are settled and unpaid for a period of more than six months as on the balance sheet date (Previous Year- Nil).

c. Claims where the claim payment period exceeds four years is Nil (Previous Year - Nil).

d. Ageing of Gross Claims outstanding is set out in table below:

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
More than 6 months	4,558,156	3,825,601
Others	1,225,158	1,355,431



17.12 Expenses directly identifiable with investment activity amounting to Rs.1,945 thousands (Previous Year - Rs. 1,558 thousands) are included under "Investment Expenses" in the Profit and Loss Account.

17.13 Employee Benefit Plans

Defined Contribution Plan

(Rs. in '000)

Expenses on defined contribution plan	Year ended 31 March 2021	Year ended 31 March 2020
Contribution to Staff Provident Fund	46,389	44,526
Contribution to National Pension Scheme	2,930	2,603

Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. This plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The scheme is fully funded with Life Insurance Corporation of India (LIC). This defined benefit plan expose the Company to actuarial risks, such as regulatory risk, credit risk, liquidity risk, etc. as defined below. The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The disclosure required under the defined benefit plan as per AS-15 for gratuity fund is provided below:

(a) Reconciliation of opening and closing balances of the present value of defined benefit obligation

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Gratuity	Gratuity
Opening defined benefit obligation	46,517	28,521
Current service cost	11,154	9,608
Interest cost	2,557	2,153
Actuarial losses/(gains)	1,062	6,982
Benefit paid	(2,695)	(747)
Closing defined benefit obligation	58,595	46,517

(b) Changes in the fair value of the plan assets are as follows

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Gratuity	Gratuity
Opening fair value of the plan assets	50,200	33,914
Interest Income on plan assets	3,139	3,099
Contributions by employer	13,227	13,934
Actuarial losses/(gains)	-	-
Benefit paid	(2,695)	(747)
Closing fair value of the plan assets	63,871	50,200

(c) Net asset/(liability) recognized in the balance sheet

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
	Gratuity	Gratuity
Present value of the defined benefit obligations	(58,595)	(46,517)
Fair value of plan assets	63,871	50,200
Net asset/(liability)	5,276	3,683

(d) Expense recognized in the Revenue Account

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Gratuity	Gratuity
Current service cost	11,154	9,608
Interest on defined benefit obligation	2,557	2,153
Net actuarial losses/(gains) recognized	1,062	6,982
Interest income on plan assets	(3,139)	(3,099)
Total included in "Employee benefit expenses"	11,634	15,644



(e) Summary of actuarial assumptions

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Gratuity	Gratuity
Discount rate	5.25%	5.66%
Salary increase	8.00%	8.00%
Expected rate of return on plan assets	5.66%	7.65%

(f) Experience adjustments

(Rs. in '000)

Particulars	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
Present value of defined benefit obligation	(58,595)	(46,517)	(28,521)	(22,481)	(15,051)
Fair value of plan assets	63,871	50,200	33,914	27,082	13,853
Funded Status	5,276	3,683	5,393	4,601	(1,198)
Experience (gain)/loss adjustment on plan liabilities	156	(708)	244	1,913	(6)
Experience gain/(loss) adjustment on plan assets	-	-	-	3,589	(3,400)
Experience (gain)/loss adjustment on plan liabilities due to change in assumption	906	7,690	267	(1,276)	1,122

The Gratuity fund is managed by Life Insurance Corporation of India and the Company makes contribution to the fund.

The contribution expected to be made by the Company during the financial year 2021-22, amounts to Rs. 6,142 thousands (Previous year Rs.5,771 thousands).

Accrued Leave

The Company has a scheme for accrual of leave for employees, the liability for which is determined on the basis of Actuarial Valuation carried out at the year end. Assumption stated above is applicable for accrued leaves also.

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening Balance	37,248	16,196
Add: Provision made during the year	16,151	21,052
Closing Balance	53,399	37,248

17.14 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

17.15 During the year, there is no restructuring pertaining to Loans given by the Company (Previous Year - Nil).

17.16 Details of outsourcing, business development and marketing expenses:

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Outsourcing expenses	220,180	277,673
Business development	5,120	7,518
Marketing Expenses	2,159,700	1,754,454

17.17 Operating Lease

The Company's significant leasing arrangements include agreements for office premises. These lease agreements are generally mutually renewable/ cancellable by the lessor / lessee. The future total of minimum lease payments relating to non cancellable operating leases are as follows:

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Payable not later than one year	948	11,129
Payable later than one year but not later than five years	-	12,091
Payable later than five years	-	-

- Rent expense charged to Revenue account include lease rent paid during the year for non-cancellable leases Rs. 6,059 thousands (Previous year Rs. 10,937 thousands)
- The period of agreements generally ranges between one to nine years and generally renewable thereafter at the option of the lessee.



17.18 Computation of managerial remuneration

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

- a. The Managing Director and Chief Executive Officer (MD & CEO) is remunerated in terms of the approval granted by IRDAI as required under section 34A of the Insurance Act, 1938.

Details of the remuneration is as follows:-

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salary, perquisites & allowances (including incentives)	28,587	31,258
Contribution to Provident and other Funds	1,475	1,475
TOTAL	30,062	32,733

Out of the above Rs. 15,000 thousands has been charged to Revenue account and amount in excess of Rs. 15,000 thousands has been charged to Profit & Loss Account.

- b. The details of remuneration of Key Management Persons (KMPs) as defined under IRDAI Corporate Governance Guidelines for insurers in India, 2016 are as under:

(Rs. in '000)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salary, perquisites & allowances (including incentives)	101,106	103,941
Contribution to Provident Fund	4,974	4,207
TOTAL	106,080	108,148

Expenses towards gratuity and leave provision are determined actuarially on overall Company basis and accordingly have not been considered in the above information.

- c. In addition to above, MD & CEO and KMPs are entitled to Employee Stock Option Plan (ESOP) under the Company's ESOP Scheme.
- d. Fees paid to Non Executive Directors for attending Board / Committee meetings amounted to Rs. 6,540 thousands (Previous Year Rs. 7,020 thousands)

17.19 In terms of disclosure requirements of IRDAI Corporate Governance Guidelines for insurers in India, 2016, details of additional work done by Statutory Auditors is given below :-

(Rs. in '000)

Name of the Auditor	Services Rendered	Year ended 31 March 2021	Year ended 31 March 2020
Haribhakti & Co. LLP	Certification	50	120
	Taxation Matters	450	800
MSKA & Associates	Management Services	-	200
	Certification	610	471
	Taxation Matters	360	705

17.20 In accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016, operating expenses in excess of segmental limits are to be borne by the shareholders. During the current financial year, expenses of management are within the allowable limit on overall basis. However, operating expenses of Rs. 81,358 thousands (Previous Year -Rs. 81,383 thousands) in excess of segmental limits pertaining to Marine, Engineering, Workmen's Compensation, Health, Personal Accident & Others segments are charged to Profit and loss account and are borne by the shareholders.

17.21 a. Share Capital

During the year, the Company has allotted 109,57,250 equity shares under preferential issue (Previous Year - 1,87,50,000 equity shares under preferential issue). The allotment during the year was against Share application money pending allotment as at March 31, 2020.

b. Share Application

The Company has received Rs. Nil (Previous Year - Rs. 531,948 thousands) towards share application money.

17.22 Employee Stock Option Plan (ESOP)

The Company had introduced an Employee Stock Option Scheme, 2018 ('ESOP Plan') in financial year 2018-19. ESOP Plan provides that eligible employees are granted options to acquire equity shares of the Company that vest in graded manner. The vested options may be exercised within a specified period.

Under ESOP Plan, during the year 992,500 options under Tranche III and 430,000 options under Tranche IV (Previous Year - 896,000 options) were granted at an exercise price of Rs. 50.46 per option (Previous Year - Rs. 42.08 per option). The options will vest over a period of one to three years from the date of grant as given below and are exercisable over a period of four years from the respective date of vesting.

Accordingly, during the year 354,224 options (Previous Year - 5,31,264) were vested out of Tranche I and 268,800 Options (Previous Year - Nil) from Tranche -II.



Tranche - I (Granted in FY 18-19)

Vesting (%)	Vesting Period
30%	12 months from date of grant
30%	18 months from date of grant
40%	30 months from date of grant

Tranche - III (Granted in FY 20-21)

Vesting (%)	Vesting Period
30%	12 months from date of grant
30%	18 months from date of grant
40%	30 months from date of grant

Tranche - II (Granted in FY 19-20)

Vesting (%)	Vesting Period
30%	12 months from date of grant
30%	15 months from date of grant
40%	27 months from date of grant

Tranche - IV (Granted in FY 20-21)

Vesting (%)	Vesting Period
100%	12 months from date of grant

A summary of status of Company's Employee Stock Option Scheme in terms of option granted, forfeited and exercised by the employees is given below:

Tranche - I

Particulars	31 March 2021	31 March 2020
Outstanding at the beginning of the year	637,494	874,491
Add: Granted during the year	-	-
Less: Forfeited/lapsed during the year	-	17,213
Less: Exercised during the year	152,623	219,784
Outstanding at the end of the year	484,871	637,494

Tranche - II

Particulars	31 March 2021	31 March 2020
Outstanding at the beginning of the year	896,000	-
Add: Granted during the year	-	896,000
Less: Forfeited/lapsed during the year	-	-
Less: Exercised during the year	-	-
Outstanding at the end of the year	896,000	-

Tranche - III

Particulars	31 March 2021	31 March 2020
Outstanding at the beginning of the year	-	-
Add: Granted during the year	992,500	-
Less: Forfeited/lapsed during the year	-	-
Less: Exercised during the year	-	-
Outstanding at the end of the year	992,500	-

Tranche - IV

Particulars	31 March 2021	31 March 2020
Outstanding at the beginning of the year	-	-
Add: Granted during the year	430,000	-
Less: Forfeited/lapsed during the year	-	-
Less: Exercised during the year	-	-
Outstanding at the end of the year	430,000	-

Method used for accounting

The Company has adopted fair value method for computing the compensation cost for the options granted. The estimated fair value of each stock option granted in the stock option plan is Rs 33.34 for Tranche - I, Rs. 14.52 for Tranche - II, Rs. 18.70 for Tranche - III & Rs. 16.49 for Tranche - IV.

Fair Value Methodology

The fair value of options on date of grant has been estimated using Black Scholes Model (BSM). The key assumptions used in BSM for calculating fair value under ESOP Plan Tranche I, Tranche II, Tranche III and Tranche IV as on the date of grant viz. 7th May 2018, 15th January 2020, 22nd October 2020 and 21st January 2021 are as follows :-

Particulars	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Tranche I	6.56% to 7.23%	2 to 4 Years	28.03%	NIL
Tranche II	6.30% to 6.45%	3 to 4 Years	34.65%	NIL
Tranche III	4.69% to 5.21%	3 to 5 Years	40.51%	NIL
Tranche IV	4.69% to 5.21%	3 Years	40.51%	NIL



Information in respect of options outstanding as on 31 March 2021

Particulars	Exercise Price	No. of Options	Weighted Average Remaining Life
Tranche I	44.10	484,871	35 months
Tranche II	42.08	896,000	53 months
Tranche III	50.46	992,500	65 months
Tranche IV	50.46	430,000	59 months

17.23 Earning per Share ('EPS')

Particulars		Units	As at 31 March 2021	As at 31 March 2020
Profit/(Loss) after Tax	(A)	Rs. '000	194,028	(60,108)
Weighted average number of equity shares (Basic)	(B)	Nos.	153,634,052	141,137,295
Weighted average number of equity shares (Diluted)	(C)	Nos.	153,634,052	141,137,295
Basic earnings per share	(A/B)	Rs.	1.26	(0.43)
Diluted earnings per share	(A/C)	Rs.	1.26	(0.43)
Face Value per share		Rs.	10.00	10.00

17.24 Pursuant to IRDAI (Appointed Actuary) Regulations, the Actuarial Valuation of Liabilities in respect of Claims Incurred But Not Reported ('IBNR') and Claims Incurred But Not Enough Reported ('IBNER') as at March 31, 2021 have been certified by the Appointed Actuary. As per the Certificate, the assumptions considered by him for valuation of liabilities as at March 31, 2021 are in accordance with the guidelines issued by IRDAI and the Actuarial Practice Standards issued by the Institute of Actuaries of India.

Pursuant to Actuarial Practice Standards (APS) 33 issued by Institute of Actuaries of India (IAI), the peer review of statutory valuation of liabilities for March 31, 2021 has been carried out by an independent actuary.

17.25 Corporate Social Responsibility (CSR)

As per the Section 135 and Section 198 of the Companies Act, 2013, the Company does not have any obligation under CSR for the current year (Previous Year - Nil). However, pursuant to the Directions and requirements of the Corporate Governance Guidelines for Insurers in India, 2016 ("CG Guidelines") the Company has spent Rs. 244 thousand and Rs. 348 thousand for CSR activities for financial year 2018-19 and 2019-20 respectively in the current year.

17.26 Senior Citizens' Welfare Fund

There are no amounts which are required to be transferred to the Senior Citizens' Welfare Fund Account by the Company for the year ended March 31, 2021 (Previous Year - Nil).

17.27 Investor Education and Protection Fund

There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31, 2021 (Previous Year - Nil).

17.28 The Company does not have any long term contracts including derivative contracts wherein the Company is required to make provision towards any foreseeable losses (Previous Year - Nil).

17.29 a. Contribution to Solatium Fund

In accordance with the requirements of the IRDAI circular dated March 18, 2003 and based on recommendations made at the General Insurance Council meeting held on February 4, 2005, the Company has provided 0.10% of gross written premium on all motor third party policies (excluding reinsurance premium accepted on motor third party, if any) towards contribution to the Solatium fund.

During the year, the Company has provided Rs. 6,827 thousands (Previous year - Rs. 7,390 thousands) as a charge to revenue account and disclosed under claims outstanding in current liabilities.

b. Terrorism Pool

The Company, in accordance with the requirements of IRDAI, has participated in contributing to the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ('GIC'). Amounts collected as terrorism premium are ceded at 100% to the Terrorism Pool, subject to certain conditions.

In accordance with the terms of the agreement, GIC retro cedes to the Company, terrorism premium to the extent of the share agreed to be borne by the Company in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly confirmation received from GIC. Accordingly, reinsurance accepted on account of the Terrorism Pool has been recorded up to December 31, 2020 (Previous year : upto December 31, 2019).

c. Environment Relief Fund

During the year, an amount of Rs. 306 thousands (Previous year Rs. 305 thousands) was collected towards Environment Relief Fund for public liability policies and an amount of Rs. 272 thousands (Previous year Rs. 348 thousand) has been transferred to "United India Insurance Company Limited, Environment Fund Account" as per Notification of Environment Relief Fund (ERF) scheme under the public liability Insurance Act, 1991 as amended. The balance amount of Rs. 50 thousands (Previous year Rs. 15 thousands) is included under Current Liabilities in Schedule 13.



17.30 Solvency Margin

Particulars		Units	As at 31 March 2021	As at 31 March 2020
Required Solvency Margin under IRDAI Regulations	(A)	Rs. '000	2,137,320	2,045,419
Available Solvency Margin	(B)	Rs. '000	3,818,383	3,490,401
Solvency ratio actual	(B/A)	Times	1.79	1.71
Solvency ratio prescribed by Regulation		Times	1.50	1.50

17.31 Taxation

- a. As required by Accounting Standard 22 (Accounting for Taxes on Income), the Company performs reassessment of the deferred tax assets (DTA)/ deferred tax liabilities (DTL) at each reporting date. The Company has carried DTA on eligible temporary timing differences to the extent the Management of the Company is virtually / reasonably certain (as the case may be) about availability of sufficient future taxable income against which such DTA can be realised.

The components of DTA are as under:

(Rs. in '000)

Timing difference on account of	As at 31 March 2021		As at 31 March 2020	
	DTA	DTL	DTA	DTL
Unexpired risk reserve (Rule 6E of Income Tax Rules, 1962)	166,756	-	82,892	-
WDV of Fixed assets	-	(21,004)	-	(21,785)
Expenses disallowed	7,187	-	7,114	-
Provision for diminution in value of Investments and doubtful debts	41,607	-	47,491	-
Carry forward losses	-	-	87,117	-
Contribution to Solatium Fund	1,406	-	1,406	-
Total deferred tax asset / (liability)	216,956	(21,004)	226,020	(21,785)
Net deferred tax asset	195,952	-	204,235	-

17.32 Related Party Disclosures

Related Party disclosure as at and for the year ended 31st March 2021.

Names of the related parties and description of relationship

Joint Venture

Magma Fincorp Limited
HDI Global SE
Celica Developers Private Limited
Jaguar Advisory Services Private Limited

Subsidiary of Joint Venture

Magma Housing Finance Limited (formerly Magma Housing Finance)
HDI Global Network AG (formerly HDI-Gerling Welt Service AG)

Private Company in which Director is a Director (with whom Company has transactions):

Devsar Vyapaar Private Limited Speed Inc
CLP Business LLP Celica Automobiles Private Limited
Magma Consumer Finance Private Limited Caspian Impact Investments Private Limited
Celica Properties Private Limited Celica Motocorp Private Limited
Columbine Decorative & Marketing Private Limited (Amalgamated with Magma Consumer Finance Private Limited w.e.f 15.02.2019)

Key Management Personnel

Rajive Kumaraswami, MD & CEO
Gaurav Parasrampur, CFO
Vikas Mittal, Deputy CEO (appointed w.e.f. 24/07/2020)
Amit Bhandari, Chief Technical Officer & Chief Risk Officer (appointed w.e.f. 24/07/2020)
Kavita Modi, CS (till 31/08/2020)
Gufran Ahmed Siddiqui, CS (appointed w.e.f. 01/09/2020)

Relatives of Key Management Personnel

(with whom Company has transactions):
Subramania Kumaraswami, Father of MD & CEO



Directors

Mayank Poddar	V.K.Viswanathan
Sanjay Chamria	Sunil Mitra
Jens Holger Wohlthat	Suvalaxmi Chakraborty
Kailash Nath Bhandari	

Relatives of Directors (with whom company has transactions):

Mansi Poddar Tulshan
Ashita Poddar Khaitan
Shaili Poddar
Mayank Poddar HUF
Manasi Mittal

* Key Management Personnel have been reported in accordance with the disclosure requirements of Accounting Standard 18 - Related Party Transactions and do not include Key Management personnel as defined under the Companies Act, 2013.

(Rs. in '000)

Name of related party	Nature of transaction	Transaction value for the year ended 31 March 2021	Outstanding amount as at 31 March 2021	Transaction value for the year ended 31 March 2020	Outstanding amount as at 31 March 2020
Joint Venture					
Magma Fincorp Limited	Equity Share Capital	54,640	453,623	-	398,983
	Share premium	210,364	642,031	-	431,667
	Share Application money pending allotment	-	-	265,004	265,004
	Cash deposit received	1,335,817	43,199	1,997,462	83,389
	Cash deposit adjusted for policy issued	1,376,006	-	1,998,300	-
	Cash deposit refunded	-	-	61	-
	Corporate agent commission	104,577	6,827	144,937	6,781
	Investment in Non Convertible Debentures (NCD)	-	750,000	750,000	750,000
	Interest income received on NCDs	78,750	-	-	-
	Interest income accrued on NCDs	78,729	71,199	71,219	71,219
	Premium for policy underwritten	10,050	-	1,092	-
	Payment of Claims	592	-	166	-
HDI Global SE	Equity Share Capital	-	320,000	-	320,000
	Share premium	-	1,275,000	-	1,275,000
	Premium Ceded	6,128	-	1,760	-
	Commission income on premium ceded	1,030	-	378	-
	Claims on premium ceded	896	-	-	-
	Payments of reinsurance balances	5,244	658	1,255	384
	Reinsurance balances receivables	-	658	-	-
Celica Developers Private Limited	Equity Share Capital	-	359,662	62,500	359,662
	Share premium	-	310,833	187,500	310,833
	Premium for policy underwritten	148	-	116	-
Jaguar Advisory Services Private Limited	Equity Share Capital	-	225,000	-	225,000
Fellow Subsidiary					
Magma Housing Finance Limited	Cash deposit received	113,785	28,403	137,548	29,946
	Cash deposit adjusted for policy issued	115,328	-	119,349	-
	Premium for policies underwritten	2,861	-	-	-
	Claims paid against policies underwritten	98	-	-	-
HDI Global Network AG	Premium on reinsurance ceded	727,551	-	330,569	-
	Claims on reinsurance ceded	47,513	-	36,426	-
	Commission income on premium ceded	72,220	-	42,378	-
	Receipts of reinsurance balances	12,277	-	84,309	-
	Payments of reinsurance balances	509,386	234,248	322,052	123,539
Private Company in which Director is a Director					
Devsar Vyapaar Private Limited	Premium for policy underwritten	1	-	1	-
CLP Business LLP	Payment of Rent	1,813	-	1,577	-
Magma Consumer Finance Private Limited	Premium for policy underwritten	37	-	39	-
Celica Properties Private Limited	Premium for policy underwritten	127	-	158	-
Columbine Decorative & Marketing Private Limited	Premium for policy underwritten	-	-	23	-



(Rs. in '000)

Name of related party	Nature of transaction	Transaction value for the year ended 31 March 2021	Outstanding amount as at 31 March 2021	Transaction value for the year ended 31 March 2020	Outstanding amount as at 31 March 2020
Celica Automobiles Private Limited	Premium for policy underwritten	12	-	13	-
	Claims Payment	-	-	76	-
Speed Inc	Commission on insurance premium	14	2	-	-
Celica Motocorp Pvt Ltd	Premium for policy underwritten	13	-	-	-
Caspian Impact Investments Private Limited	Premium for policy underwritten	-	-	73	-
Key Management Personnel					
Rajive Kumaraswami	Share Application Money Pending Allotment	-	-	43,650	43,650
	Equity Share Capital	9,000	9,000	-	-
	Share Premium	34,650	34,650	-	-
	Premium for policy underwritten	14	-	12	-
	Key managerial remuneration	30,062	-	32,733	-
Vikas Mittal	Key managerial remuneration	14,245	-	-	-
	Equity Share Capital	-	7,226	-	-
	Share Premium	-	27,819	-	-
	Premium for policies underwritten	132	-	-	-
Amit Bhandari	Key managerial remuneration	11,689	-	-	-
	Equity Share Capital	-	7,226	-	-
	Share Premium	-	27,819	-	-
Gaurav Parasrampur	Key managerial remuneration	11,458	-	11,740	-
Gufran Ahmed Siddiqui	Key managerial remuneration	1,538	-	-	-
Kavita Modi	Key managerial remuneration	539	-	1,896	-
Directors					
Kailash Nath Bhandari	Payment of sitting fees	1,970	-	2,270	-
Sunil Mitra	Payment of sitting fees	1,450	-	1,450	-
V K Viswanathan	Payment of sitting fees	1,970	-	2,150	-
Suvalaxmi Chakraborty	Payment of sitting fees	1,150	-	1,150	-
Relatives of Directors					
Subramania Kumaraswami	Premium for policy underwritten	2	-	2	-
Mayank Poddar HUF	Premium for policy underwritten	9	-	5	-
	Claims Payment	-	-	184	-
Manasi Mittal	Premium for policy underwritten	11	-	-	-
Mansi Poddar Tulshan	Premium for policy underwritten	43	-	45	-
Ashita Poddar Khaitan	Premium for policy underwritten	30	-	32	-
Shaili Poddar	Payment of Rent	948	-	948	-

Note:- Transaction amount considered above are excluding taxes.

17.33 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended 31 March, 2021

As per the circular issued by IRDAI vide reference number IRDA/F&A/CIR/Misc/282/11/2020 dated 17 November 2020, below table mentions the age-wise analysis of unclaimed amount of the policyholders as on 31 March 2021:

As on 31 March 2021

(Rs. in '000)

Sl. No.	Particulars	Total Amount	Age-wise Analysis							More than 120 months
			0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	
1	Claims settled but not paid to the policyholders/ beneficiaries due to any reasons except under litigation from the policyholders / beneficiaries	-	-	-	-	-	-	-	-	-
2	Sum due to the policyholders/ beneficiaries on maturity or otherwise	-	-	-	-	-	-	-	-	-
3	Any excess collection of the premium/ tax or any other charges which is refundable to the policyholders/beneficiaries either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	7,990	1,131	724	375	320	245	1,796	3,398	-



4	Cheques issued but not encashed by the policyholder/ beneficiaries	21,583	3,036	5,036	1,318	1,884	3,013	693	6,604	-
	Total	29,573	4,167	5,760	1,693	2,203	3,258	2,489	10,002	-

As on 31 March 2020

(Rs. in '000)

Sl. No.	Particulars	Total Amount	Age-wise Analysis							More than 120 months
			0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	36-120 months	
1	Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders.	-	-	-	-	-	-	-	-	-
2	Sum due to the policyholders/ beneficiaries on maturity or otherwise.	-	-	-	-	-	-	-	-	-
3	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.	7,055	795	525	258	1,959	206	420	2,891	-
4	Cheques issued but not encashed by the policyholder/insured.	16,764	2,664	3,330	3,390	694	604	421	5,661	-
	Total	23,819	3,459	3,856	3,648	2,653	810	842	8,551	-

Details of unclaimed amounts pertaining to policyholders (IRDAI Circular No.- IRDA/F&A/CIR/Misc/282/11/2020)

(Rs. in '000)

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	23,819	28,373
Add: Amount transferred to unclaimed amount	46,474	20,576
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only where cheques are stale)	-	-
Add: Investment Income on Unclaimed Fund	352	782
Less: Amount of claims paid during the year	41,072	25,912
Less: Amount transferred to Senior Citizens' Welfare Fund (net of claims paid in respect of amounts transferred earlier)	-	-
Closing balance of Unclaimed amount fund	29,573	23,819

17.34 Previous year figures have been regrouped / reclassified wherever necessary, for better presentation, understanding and comparison with those of the current year.

17.35 a. Segment Reporting

The statement of segment reporting is included in **Annexure 1**.

b. Accounting Ratios

The statement of accounting ratios is provided in **Annexure 2**.

c. Summary of Financial Statements

The summary of financial statements is provided in **Annexure 3**.

17.36 Details of Penal actions taken by various Government Authorities

As per IRDA Circular No 005/IRDA/F&A /CIR/MAY-09 dated May 07, 2009, below table mentions the details of the penalty imposed by various regulators and Government Authority.

For the Year ended March 31, 2021

(Rs. in '000)

Sl. No.	Authority	Non-compliance/ violation	Penalty Awarded	Penalty Paid	Penalty Waived / Received/ Stay Recd.
1	Insurance Regulatory and Development Authority	Violation of Regulation 12(1 & 2) read with Regulation 3 and 4 of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015	2,800	2,800	-
2	Service Tax Authorities / GST Authorities	-	-	-	-
3	Income Tax Authorities	-	-	-	-



4	Any other Tax Authorities	-	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	-	-	-	-
6	Registrar of Companies / NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013 / 1956	-	-	-	-
7	Penalty awarded by Court/Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
8	Securities Exchange Board of India	-	-	-	-
9	Competition Commission of India	-	-	-	-
10	Any other Central / State /Local Government / Statutory Authority	-	-	-	-

For the Year ended March 31, 2020

(Rs. in '000)

Sl. No.	Authority	Non-compliance/ violation	Penalty Awarded	Penalty Paid	Penalty Waived / Received/ Stay Recd.
1	Insurance Regulatory and Development Authority	-	-	-	-
2	Service Tax Authorities / GST Authorities	-	-	-	-
3	Income Tax Authorities	-	-	-	-
4	Any other Tax Authorities	-	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	-	-	-	-
6	Registrar of Companies / NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013 / 1956	-	-	-	-
7	Penalty awarded by Court/Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
8	Securities Exchange Board of India	-	-	-	-
9	Competition Commission of India	-	-	-	-
10	Any other Central / State /Local Government / Statutory Authority	-	-	-	-

As per our Report of even date attached.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Regn. No. 103523W/ W100048

For MSKA & Associates

Chartered Accountants

Firm Regn. No. 105047W

Purushottam Nyati

Partner

Membership No. 118970

Swapnil Kale

Partner

Membership No. 117812

For and on behalf of the Board of Directors

Sanjay Chamria

Chairman

DIN No. - 00009894

Rajive Kumaraswami

Managing Director &

Chief Executive Officer

DIN No. - 07501971

Mayank Poddar

Director

DIN No. - 00009409

Gaurav Parasrampur

Chief Financial Officer

Sunil Mitra

Director

DIN No. - 00113473

Gufran Ahmed Siddiqui

Company Secretary

Membership No. - F9880

Mumbai, 30 April 2021

MAGMA HDI GENERAL INSURANCE COMPANY LIMITED
IRDAI Registration No. 149 dated 22 May, 2012

SCHEDULE – 17

Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2021

Annexure 1

Segment Reporting

Primary reportable segments

Segment Information for the year ended on 31 March 2021

Segment revenues and segment results have been incorporated in the Financial Statements. However segment asset and liabilities, given the nature of the business, have been allocated amongst various segments to the extent possible.

Particulars	FIRE	MARINE	MISCELLANEOUS								TOTAL	
			MOTOR	ENGI-NEERING	PUBLIC/PRODUCT LIABILITY	WORK-MEN'S COMPEN-SATION	HEALTH INSUR-ANCE	PERSONAL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATHER OTHERS		
Premium received in advance	19,992	390	3,367,142	387	-	12	952	3,957	2,813	-	2	3,395,647
Claims outstanding at the end of the year	303,104	63,485	15,586,981	24,312	2,080	6,174	150,878	35,779	15,964	-	314,000	16,502,757
Reserve for unexpired risk at the end of the year	326,010	3,384	3,830,772	8,571	143	5,913	451,223	20,428	7,358	-	5,228	4,659,030
Reserve for premium deficiency	-	2,011	-	-	-	-	-	-	-	-	-	2,011

Segment Information for the year ended on 31 March 2020

Segment revenues and segment results have been incorporated in the Financial Statements. However segment asset and liabilities, given the nature of the business, have been allocated amongst various segments to the extent possible.

Particulars	FIRE	MARINE	MISCELLANEOUS							TOTAL		
			MOTOR	ENGI-NEERING	PUBLIC/PRODUCT LIABILITY	WORK-MEN'S COMPEN-SATION	HEALTH INSUR-ANCE	PERSONAL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATHER	OTHERS	
Premium received in advance	-	26,712	2,270,435	257	-	91	617	2,939	-	-	-	2,301,051
Claims outstanding at the end of the year	157,483	45,737	11,308,052	28,922	695	5,692	55,923	26,429	13,667	-	211,866	11,854,466
Reserve for unexpired risk at the end of the year	155,934	6,586	3,802,816	11,035	180	4,108	286,913	17,057	6,646	-	2,253	4,293,528
Reserve for premium deficiency	-	1,724	-	-	-	-	-	-	-	-	-	1,724



Secondary reportable segments

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

Segment Reporting for the year ended March 31, 2021

(Rs. in '000)

Particulars	FIRE	MARINE	MISCELLANEOUS									TOTAL
			MOTOR	ENGI-NEERING	PUBLIC/PRODUCT LIABILITY	WORK-MEN'S COMPEN-SATION	HEALTH INSUR-ANCE	PERSONAL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATHER	OTHERS	
Premiums earned (Net) (Refer Schedule 1)	208,340	8,185	6,843,357	14,043	150	12,321	487,987	27,925	8,786	-	5,880	7,616,974
Profit/(Loss) on sale/redemption of investments (Net)	15,580	205	282,908	477	5	582	26,857	1,289	392	-	362	328,657
Others:-												
Investment Income from Terrorism Pool	7,545	-	-	231	-	-	-	-	-	-	-	7,776
Miscellaneous Income	137	37	647	8	-	1	51	3	33	-	504	1,421
Contribution from Shareholders Funds towards excess Expenses of Management (EOM)	-	11,809	-	1,579	-	1	56,010	3,243	19	-	8,697	81,358
Interest, dividend and rent (Gross)	73,203	964	1,329,236	2,240	22	2,733	126,185	6,054	1,837	-	1,713	1,544,187
TOTAL SEGMENTAL REVENUE (A)	304,805	21,200	8,456,148	18,578	177	15,638	697,090	38,514	11,067	-	17,156	9,580,373
Claims incurred (Net) (Refer Schedule 2)	190,699	39,345	5,400,342	3,027	1,385	2,804	299,112	24,352	2,495	-	102,481	6,066,042
Commission (Net) (Refer Schedule 3)	(25,260)	(13,696)	(484,768)	(3,240)	(25)	2,029	8,400	1,164	(36,073)	-	(1,055)	(552,524)
Operating expenses related to insurance business (Refer Schedule 4)	540,308	63,904	2,696,683	22,489	109	4,042	270,718	16,143	130,404	-	28,088	3,772,888
Premium Deficiency Reserve	-	287	-	-	-	-	-	-	-	-	-	287
TOTAL SEGMENTAL EXPENDITURE (B)	705,747	89,840	7,612,257	22,276	1,469	8,875	578,230	41,659	96,826	-	129,514	9,286,693
SEGMENTAL PROFIT/(LOSS) (C)=(A - B)	(400,942)	(68,640)	843,891	(3,698)	(1,292)	6,763	118,860	(3,145)	(85,759)	-	(112,358)	293,680





(Rs. in '000)

Segment Reporting for the year ended March 31, 2020

Particulars	FIRE	MARINE	MISCELLANEOUS							TOTAL		
			MOTOR	ENGI-NEERING	PUBLIC/PRODUCT LIABILITY	WORK-MEN'S COMPEN-SATION	HEALTH INSUR-ANCE	PERSONAL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATHER	OTHERS	
Prem earned (Net) (Refer Schedule 1)	81,155	9,356	6,618,236	16,610	134	12,898	286,917	42,560	6,520	-	8,584	7,082,970
Profit/(Loss) on sale/redemption of investments (Net)	8,230	668	475,725	988	6	762	19,190	2,642	483	-	358	509,052
Others:-												
Investment Income from Terrorism Pool	3,700	-	-	444	-	-	-	-	-	-	-	4,144
Miscellaneous Income	90	12	590	6	-	1	27	3	18	-	264	1,011
Contribution from Shareholders												
Funds towards excess Expenses of Management (EOM)	-	19,738	-	2,704	-	45	53,491	5,229	-	-	176	81,383
Interest, dividend and rent (Gross)	20,213	1,641	1,168,362	2,426	15	1,872	47,129	6,489	1,181	-	883	1,250,211
TOTAL SEGMENTAL REVENUE (A)	113,388	31,415	8,262,913	23,178	155	15,578	406,754	56,923	8,202	-	10,265	8,928,771
Claims incurred (Net) (Refer Schedule 2)	57,502	16,309	5,634,405	14,510	107	3,695	208,774	31,301	4,352	-	3,263	5,974,218
Commission (Net) (Refer Schedule 3)	(55,120)	(9,258)	(484,380)	(2,315)	(19)	1,534	(54,683)	2,771	(26,075)	-	(1,494)	(629,039)
Operating expenses related to insurance business (Refer Schedule 4)	388,229	65,070	2,741,458	20,289	110	3,449	168,836	17,339	86,301	-	14,293	3,505,374
Premium Deficiency Reserve	-	338	-	-	-	-	-	-	-	-	-	338
TOTAL SEGMENTAL EXPENDITURE (B)	390,611	72,459	7,891,483	32,484	198	8,678	322,927	51,411	64,578	-	16,062	8,850,891
SEGMENTAL PROFIT/(LOSS) (C) = (A - B)	(277,223)	(41,044)	371,430	(9,306)	(43)	6,900	83,827	5,512	(56,376)	-	(5,797)	77,880

Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2021
Ratios for the year ended 31 March, 2021

Annexure 2

The following ratios have been calculated as per IRDA Circular IRDA/F&I /012/01/2010 dated 28 January 2010 and Corrigendum on master Circular IRDA/F&A/CIR/FA/126/07/2013 dated 3 July 2013

Sl. No.		Performance Ratio	For the year ended 31 March 2021											
			Fire	Marine	Miscellaneous	Motor	Engineering	Public/Product Liability	Workmen's Compensation	Health Insurance	Personal Accident	Other Liability	Others	Total
1		Gross Direct Premium Growth rate (GDPI (CY)- GDPI(PY))/ GDPI (PY)	84.26%	1.27%	(0.67%)	(5.89%)	19.84%	5.12%	19.11%	60.00%	0.51%	57.24%	98.06%	4.80%
2		Gross Direct Premium to Net Worth Ratio						NA						3.02
3		GDPI / Net worth						NA						20.82%
		[(Net worth of CY – Net worth of PY)] / Net Worth - PY												
4		Net Retention Ratio	18.41%	2.04%	67.91%	70.95%	13.57%	26.22%	94.12%	85.60%	70.93%	1.90%	9.05%	59.17%
		Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)												
5		Net Commission Ratio	(6.68%)	(274.85%)	(6.76%)	(7.05%)	(27.98%)	(22.12%)	14.36%	1.29%	3.72%	(379.80%)	(11.91%)	(6.92%)
6		Net Commission / Net Written premium												
		Expenses of Management to Gross direct Premium Ratio	44.45%	35.61%	34.64%	34.02%	41.70%	37.35%	41.20%	43.57%	41.16%	29.54%	44.10%	35.76%
		Expenses of Management/ GDPI												
7		Expenses of Management to Net written Premium Ratio	169.73%	1531.65%	50.95%	47.95%	259.69%	142.48%	43.78%	50.90%	58.04%	1555.50%	484.54%	57.51%
		Expenses of Management/ NWPI												
8		Net Incurred Claims to Net Earned Premium	91.53%	480.70%	78.86%	78.91%	21.56%	923.33%	22.76%	61.30%	87.21%	28.40%	1742.87%	79.64%
		Net Incurred Claims / Net Earned Premium												
9		Combined Ratio						NA						119.98%
		(Claims, commission plus expenses of management)/ NWPI												
10		Technical Reserves to Net Premium Ratio						NA						2.65
		(UPR + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER) / Net Written Premium												
11		Underwriting Balance Ratio						NA						(0.22)
		(Underwriting profit/ loss)/ Net earned premium												
12		Operating Profit Ratio						NA						3.86%
		(Underwriting Profit/ loss + Investment Income)/ Net Earned Premium												
13		Liquid Assets to Liabilities Ratio						NA						0.16
		Liquid Assets / Policyholders liabilities												
14		Net Earning Ratio						NA						2.43%
		Profit after tax/ net premium												
15		Return on Net Worth						NA						4.56%
		Profit after tax/ Net Worth												
16		Available Solvency Margin Ratio to Required Solvency Margin Ratio						NA						1.79
		ASM/RSM												
17		NPA Ratio												
		Gross NPA Ratio						NA						0.54%
		Net NPA Ratio						NA						-

Ratios for the year ended 31 March, 2020

Sl. No.		Performance Ratio	For the year ended 31 March 2020											Total
			Fire	Marine	Miscellaneous	Motor	Engi- neering	Public/ Product Liability	Work- men's Compen- sation	Health Insur- ance	Personal Accident	Other Liability	Others	
1	Gross Direct Premium Growth rate (GDPI (CY)- GDPI(PY))/ GDPI (PY)		8.06%	(2.34%)	28.47%	37.85%	(29.49%)	-	(22.10%)	(41.41%)	14.02%	12.35%	(13.51%)	26.25%
2	Gross Direct Premium to Net Worth Ratio GDPI / Net worth							NA						3.48
3	Growth Rate of Net Worth [(Net worth of CY – Net worth of PY)] / Net Worth - PY							NA						24.12%
4	Net Retention Ratio Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)		8.94%	4.32%	68.89%	71.75%	20.61%	22.93%	93.90%	62.53%	88.08%	2.34%	11.35%	61.07%
5	Net Commission Ratio Net Commission / Net Written premium		(43.15%)	(89.28%)	(7.27%)	(6.56%)	(15.10%)	(20.21%)	12.96%	(18.36%)	6.76%	(348.83%)	(26.78%)	(7.96%)
6	Expenses of Management to Gross direct Premium Ratio Expenses of Management/ GDPI		55.68%	38.86%	32.86%	32.08%	45.74%	40.00%	40.29%	46.96%	47.04%	31.17%	40.86%	34.42%
7	Expenses of Management to Net written Premium Ratio Expenses of Management/ NWPI		341.79%	792.91%	47.62%	44.70%	179.52%	174.47%	42.91%	75.09%	50.35%	1326.45%	359.82%	53.36%
8	Net Incurred claims to Net Earned Premium Net Incurred Claims / Net Earned Premium		70.85%	177.93%	84.38%	85.13%	87.36%	79.85%	28.65%	72.76%	73.55%	66.75%	38.01%	84.35%
9	Combined Ratio (Claims, commission plus expenses of management)/ NWPI							NA						120.75%
10	Technical Reserves to Net Premium Ratio (UPR + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER) / Net Written Premium							NA						2.04
11	Underwriting Balance Ratio (Underwriting profit/ loss)/ Net earned premium							NA						(0.25)
12	Operating Profit Ratio (Underwriting Profit/ loss + Investment Income)/ Net Earned Premium							NA						1.10%
13	Liquid Assets to Liabilities Ratio Liquid Assets / Policyholders liabilities							NA						0.13
14	Net Earning Ratio Profit after tax/ net premium							NA						(0.76%)
15	Return on Net Worth Profit after tax/ Net Worth							NA						(1.71%)
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio ASM/RSM							NA						1.71
17	NPA Ratio Gross NPA Ratio Net NPA Ratio							NA						1.64%
								NA						0.82%





MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No. 149 dated 22 May, 2012

SCHEDULE – 17

Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2021

Annexure 3

(Rs. in '000)

Summary of Financial Statements

Sl. No.	Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
	OPERATING RESULTS					
1	Gross Direct Premium	12,835,925	12,247,710	9,701,115	5,266,943	4,194,917
2	Net Premium Income*	7,982,476	7,901,757	5,169,299	3,756,050	3,266,321
3	Income from Investments**	1,872,844	1,759,263	919,736	712,490	642,475
4	Investment Income from Terrorism Pool	7,776	4,144	9,761	6,101	3,552
5	Contribution from Shareholders Funds towards excess EOM	81,358	81,383	8,992	-	-
6	Other Income	1,421	1,011	715	344	4,529
7	Total Income	9,945,875	9,747,558	6,108,503	4,474,985	3,916,877
8	Commissions (Net) (Including Brokerage)	(552,524)	(629,039)	(289,424)	(118,530)	38,342
9	Operating Expenses	3,772,888	3,505,374	2,445,867	1,517,783	1,415,701
10	Net Incurred Claims	6,066,042	5,974,218	2,722,117	2,776,834	2,589,263
11	Premium deficiency Reserve	287	338	(2,357)	1,767	(13,447)
12	Change in Unexpired Risk Reserve	365,502	818,787	1,319,835	410,293	(4,573)
13	Operating Profit / Loss	293,680	77,880	(87,535)	(113,162)	(108,409)
	NON OPERATING RESULTS					
14	Total income under Shareholder's Account (Net of expenses)	(37,159)	(60,469)	5,490	173,809	180,106
15	Profit/(Loss) before Tax	256,521	17,411	(82,045)	60,647	71,697
16	Provision for Income Tax	54,210	-	106,642	11,689	8,670
17	Provision for Deferred Tax	8,283	78,621	(183,374)	-	-
18	Tax adjustment of earlier years	-	(1,102)	-	(110)	-
19	MAT Credit adjustment of earlier years	-	-	(19,657)	-	-
20	Profit/(Loss) after Tax	194,028	(60,108)	14,344	49,068	63,027
	MISCELLANEOUS					
21	Policyholder's Account					
	Total Funds	26,377,542	19,708,881	13,091,066	9,505,153	6,947,094
	Total Investments	26,377,542	19,708,881	13,091,066	9,505,153	6,947,094
	Yield on Investments (annualised)	6.62%	7.40%	8.37%	8.21%	8.46%
22	Shareholder's Account					
	Total Funds	4,253,090	3,520,253	2,836,217	2,304,607	2,255,539
	Total Investments	3,560,121	3,139,187	1,531,785	1,866,030	2,056,978
	Yield on Investments (annualised)	6.62%	7.40%	8.37%	8.21%	8.46%
23	Paid up Equity Capital	1,547,073	1,437,500	1,250,000	1,125,000	1,125,000
24	Net Worth #	4,253,090	3,520,253	2,836,217	2,304,607	2,255,539
25	Total Assets (Gross of Current Liabilities and Provisions)	32,446,400	25,141,815	18,224,023	12,724,943	10,505,663
26	Yield on Total Investments (annualised)	6.62%	7.40%	8.37%	8.21%	8.46%
27	Earning Per Share (Rs.)	1.26	(0.43)	0.12	0.44	0.56
28	Book value per share (Rs.)	27	24	23	20	20
29	Total Dividend	-	-	-	-	-
30	Dividend per share (Rs.)	-	-	-	-	-

* Net of reinsurance

** Net of loss on sale / redemption of investments

Shareholders' funds/ Net worth = (Share capital + Reserve & Surplus + Employee Stock Option Reserve) - (Miscellaneous expenditure + Debit balance in profit & loss account)



Explanation of key financial terms used or any ratios calculated in Annual Report

Sr. No.	Terms	Description
1	Accretion of discount / amortisation of premium	Premium/ discount refers to the price paid for a bond as against the par value of the bond. This discount or premium is spread over the remaining life of the bond and is called accretion or amortisation, respectively.
2	Available Solvency Margin / ASM	Available solvency margin means the excess of value of assets of an insurance company over the value of its liabilities, with certain further prescribed adjustments by the IRDAI.
3	Bad debts	Bad debt expense is the amount of an account receivable that is considered to be not collectible.
4	Book Value Per Share	This is computed as net worth divided by number of outstanding shares.
5	Catastrophic loss	One or more related losses whose consequences are extremely harsh in their severity. The loss is usually of such magnitude as to be difficult to predict.
6	Certificate of registration	Certificate granted by Insurance Regulatory and Development Authority of India under the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, registering an insurance company to transact the classes of business specified therein.
7	Claim Incurred (net)	Claim incurred (net) are gross incurred claims less all claims recovered from reinsurers related to those gross incurred claims. The gross claims incurred comprise of claims paid, settlement costs, wherever applicable and change in the outstanding provision for claims at the period end.
8	Co-insurance	Sharing of the same risk by multiple insurance companies.
9	Combined ratio	The combined ratio is a measure of profitability of a non- life insurance company's underwriting business. The combined ratio is the sum of the loss ratio and the net expense ratio
10	Commission	It is the incentive received by the insurance agent or salesperson for the sales achieved in a given period and includes brokerage, rewards and distribution fees
11	Deferred Tax Asset	An asset that is used to represent lower amount of tax that a company will have to pay in a later tax period.
12	Deferred Tax Liability	A tax liability that a company owes and does not pay at the current point, although it will be responsible for paying it in a later tax period.
13	EPS	Earning Per Share (EPS) is arrived at by dividing Net Profit After Tax by the weighted average number of shares.
14	Excess of loss reinsurance / XOL (also known as non- proportional reinsurance)	A type of reinsurance transaction pursuant to which the reinsurer, subject to a specified limit, indemnifies the ceding insurer against the amount of loss in excess of a specified retention amount
15	Expenses of Management (EOM)	All expenses in the nature of operating expenses including commission, brokerage / remuneration to the insurance agents, intermediaries and insurance intermediaries which are charged to the revenue account, but does not include the charges against profits such as income tax and other charges, as defined in the Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health insurance business) Regulations, 2016



Explanation of key financial terms used or any ratios calculated in Annual Report

Sr. No.	Terms	Description
16	Fair value change account	Unrealised gains/ losses arising due to changes in the fair value of listed equity shares and mutual funds
17	FIMMDA	Fixed Income Money Market and Derivatives Association of India
18	Gross Direct Premium Income / GDPI	GDPI is the total premium received before taking into account reinsurance assumed and ceded
19	Gross Written Premium / GWP	GWP is the sum of GDPI and reinsurance inward premium accepted
20	GST	Goods and Service Tax
21	ICRA & Brickwork Rating	Credit Rating Agencies
22	Incurred but not enough reported / IBNER	IBNER is a reserve reflecting expected changes (increases and decreases) in the estimates of reported claims as on the accounting date
23	Incurred But Not Reported Claim Reserves / IBNR	Includes IBNER, estimate for reopened claims, provision for incurred but not reported claims, provision for claims in transit as on the accounting date
24	Investment Income	Investment income will include, income taken to revenue account and profit and loss account (interest, profit/loss on sale, accretion of discount, amortization of premium, dividend earned during the period) and taken to financial statements pertaining to all the securities held under that category during that period
25	KMP	Key Managerial Personnel
26	Loss ratio	Loss ratio is the ratio of claims incurred (net) to NEP
27	MAT	Minimum Alternate Tax
28	NCD	Non-Convertible debentures
29	Net written premium / NWP	GWP less premium on reinsurance ceded
30	Net earned premiums / NEP	Net written premium adjusted by the change in UPR for the period
31	Net expense ratio	Net expense ratio is the ratio of the sum of operating expenses related to insurance business and commission paid (net) to the NWP
32	Net retention ratio	Premium retained by the Company and is calculated as Net Written Premium divided by Gross Written Premium
33	Net worth	Net worth represents the shareholders' funds and is computed as sum of share capital plus all reserves and surplus (except revaluation reserve and fair value change account but including ESOP Reserve), net of miscellaneous expenditure and debit balance in the profit and loss account
34	NPA	Non Performing Asset
35	Policyholders' Funds	The policyholders funds shall be the sum of (a) estimated liability for outstanding claims including IBNR and IBNER (b) unexpired risk reserve ("URR") (c) catastrophe reserve (d) premium deficiency (e) other liabilities net off other assets. "Other liabilities" comprise of (i) premium received in advance (ii) unallocated premium (iii) balance due to other insurance companies and (v) Sundry creditors (due to policyholders). Other assets comprise of (I) outstanding premium (ii) due from other entities carrying on insurance business including re-insurers, and (iii) balance with terrorism pool (if applicable)



Explanation of key financial terms used or any ratios calculated in Annual Report

Sr. No.	Terms	Description
36	Premium ceded	Premium on reinsurance ceded is the premium in relation to the risk that we cede to our reinsurers
37	Premium Deficiency Reserve	The reserve held in excess of the UPR, which allows for any expectation that the unearned premium reserve will be insufficient to cover the cost of claims and related expenses incurred during the period of unexpired risk
38	Reinsurance	Reinsurance is a transaction whereby one company, the reinsurer, agrees to indemnify another insurance company, the reinsured against all or part of the loss that the latter sustains under a policy or policies that it has issued, in return for a premium
39	Reinsurance ceded / accepted	Reinsurance means an insurance contract between one insurance company (cedant) and another insurance company (reinsurer) to indemnify against losses on one or more contracts issued by the cedant in exchange for consideration. The consideration paid/ received is termed as reinsurance ceded/accepted. The intent of reinsurance is for an insurance company to reduce the risks associated with underwritten policies by spreading risks across alternative institutions
40	Required Solvency Margin / RSM	Shall be the higher of the amounts of RSM 1 and RSM 2 for each line of business ("LOB") separately. RSM 1 means required solvency margin based on net premiums, and shall be determined as 20% of the amount which is the higher of (a) the gross premiums multiplied by factor specified for each LOB and (b) the net premiums. RSM 2 means required solvency margin based on net incurred claims and shall be determined as 30% of the amount which is the higher of (a) the gross incurred claims multiplied by a factor specified for each LOB and (b) the net incurred claims
41	Retained risk	The amount of liability for which an insurance company will remain responsible after accounting for its reinsurance arrangements
42	Retention limit	The maximum amount of risk retained by an insurer, beyond which the insurer cedes the risk to reinsurers
43	Retrocession	Retrocession is the ceding of reinsurance accepted to another reinsurer
44	Senior Citizen Welfare Fund / SCWF	As part of the Finance Act 2015, the government has brought in the Senior Citizens' Welfare Fund Act, 2015 (SCWF). This mandates the transfer of unclaimed amounts of policyholders to the fund (SCWF) after a period of 10 years
45	Share Issue expenses	Expenses incurred towards issuing of shares
46	Shareholders' Funds	Shareholders' funds comprise of share capital plus all reserves and surplus (except revaluation reserve and fair value change account but including ESOP Reserve) net of accumulated losses and Miscellaneous expenditure to the extent not written off as at the balance sheet date
47	Solatium fund	In 'Hit & Run' cases, accident victims are eligible for compensation through a Special Fund constituted in terms of Section 163 of the Motor Vehicles Act, 1988 called Solatium Fund.
48	Solvency Ratio (Solvency)	The ratio of ASM to the RSM



Explanation of key financial terms used or any ratios calculated in Annual Report

Sr. No.	Terms	Description
49	Technical reserves	Technical reserves means reserve for unearned premium plus premium deficiency reserve plus reserve for outstanding claims (including IBNR and IBNER)
50	Third Party Administrators / TPA	A company registered with IRDAI, and engaged by an insurer, for a fee or remuneration, by whatever name called and as may be mentioned in the agreement, for providing health services as mentioned under the Insurance Regulatory and Development Authority of India (Third Party Administrators - Health Services) Regulations, 2016
51	Third-party loss / TP loss	A loss suffered by a person(s) other than the insured or insurer who has incurred losses or is entitled to receive payment due to acts or omissions of the insured
52	Treaty	A reinsurance contract in which a reinsurance company agrees to accept all of a particular type of risk from the ceding insurance company. Reinsurers in a treaty contract are obliged to accept all risks outlined in the contract
53	Underwriting Balance Ratio	Computed as underwriting profit or loss divided by net earned premium for the respective class of business
54	Underwriting Results	Underwriting profit or loss which is computed as net premium earned less net claims incurred less premium deficiency reserve less net commission less operating expenses related to insurance business
55	Unearned Premium Reserve / UPR	An amount representing that part of the premium written which is attributable and to be allocated to the succeeding accounting periods
56	Unexpired Risk Reserve / URR	Reserves in respect of the liabilities for unexpired risks and determined as the aggregate of unearned premium reserve and premium deficiency reserve



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6. Miscellaneous



7. Householder's Package



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