

TRUTH **MUST** BE TOLD



**Enabling digital.
Empowering human.**

**ANNUAL
REPORT**
2022

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Enabling Digital. Empowering Human.



“The higher the technology around us, the more is the need for human touch. High tech – high touch. The principle symbolizes the need for balance between our physical and spiritual reality.”

-John Naisbitt

The post-pandemic world lies at the cusp of technological transformation, with businesses continuing to rely on digital adoption more than ever. The insurance industry is no stranger to this phenomenon.

Keeping up with this pace, Magma HDI General Insurance continues to offer a seamless digital experience to its customers and partners with the “human factor” at the core. ‘Human Touch, Digital Sense’ has remained our theme for the 3rd consecutive year. It is a testament of our commitment of dealing with our clients with empathy while constantly upgrading our digital proficiencies.

Digitalization has always acted as a potent catalyst in nurturing our customer-first approach. Robotic Process Automation (RPA) in issuance, self-service agent portals, do-it-yourself claims settlement, skill enhancement through

digital learning, advancements in HR and marketing automation, all are proof that we have strengthened our processes with the right kind of technology. In addition, our improved cybersecurity measures to ensure the long-term safety of our operations and client assets is a cherry on the cake.

Having said that, the human connect with the internal and external stakeholders has never taken a backseat, whatever be the digital advances. Despite the upheavals caused by the pandemic, we continued to hold the fort, support our employees, relentlessly serve our customers, create value for our stakeholders, retain partnerships, and encourage better collaborations. Today, Magma HDI is on its course to become a game-changer in the general insurance industry, and given the recent developments there is a palpable optimism within Magma HDI as we brace ourselves for a revitalizing new journey.

Corporate Vision, Mission and Values



Dedication to the brand philosophy 'Truth Must Be Told' is the major differentiating factor in the face of competition. We consistently work towards bringing customer satisfaction by maintaining complete transparency, honesty, and integrity in our dealings. We deliver what we promise, and we strive to live by it solemnly.

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 dealings

Fairness and Impartiality

- Always treat everyone as equals
- 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 & then overachieve them



When **Digital** Meets **Human**

Our business continuity action plan is a reassuring example of how we never lose focus of the values while constantly striving to achieve our mission. Even through the most testing times of COVID-19, our team continued to service the customers seamlessly, thanks to our robust digital systems backed by a strong value-driven leadership.

There is a conscious coupling of technology and human connection in everything that we do, which reflects in our functions. This blend has helped us amplify our growth and enhanced our service quality, especially in last two years.

1. Prioritizing our Employees: During the pandemic, we took adequate measures to optimize safe working conditions. Our core measures included:

- **Flexible Working:** Keeping safety as our top priority, a flexible working model was immediately implemented. Prompt IT support ensured maximum employee productivity with minimum hassles. Zero casualty in the family of 1,372 employees during the pandemic was a satisfying outcome of our stringent safety measures.
- **Tech Adoption:** Tech-friendly practices along with clearly laid out Standard Operating Procedures across all the functions resulted in a smooth transition, thereby maintaining the consistency in output.
- **Employee-centric HR Practices:** To navigate the turbulent times, the organization design was restructured and the workload rebalanced so that productivity was sustained. We also ensured that there was no delay or reduction in employee compensation or count even at the peak of the pandemic. In addition, various employee wellness programs were designed, and emergency support was extended for those impacted by COVID-19.
- **Skill Enhancement:** A slew of initiatives were rolled out to train the 1,372 work force in remote selling, remote servicing and remote collaborating. Individuals were encouraged to undertake academic and practical skill enhancement courses.



- 2. Responsible Growth:** Value creation for our stakeholders is always at the centre of our business strategy, and it wasn't any different during the pandemic. Our business continuity module emphasized on pragmatic financial practices while keeping the organizational objectives intact.
- **Effective Financial Management:** Prudence is in our DNA. Our expense management, and capital deployment to support business expansion was calibrated. Every investment decision was filtered through stringent lens by the management. We continue to grow with an enterprising yet frugal mindset.
 - **Risk Management:** We aimed for effective risk management for the business, our employees and customers alike. Also, an effective reinsurance program remains in place to hedge the risk.
 - **Prudent Underwriting:** An equally sharp underwriting in line with the risk appetite ensuring quality business.
- 3. Claims Servicing:** We take our customers' financial duress very seriously, and ensure their claims are settled smoothly and promptly. Along with the digital do-it-yourself motor claims app called 'iSurvey', our claims service team and 4,542 network garages across 603 districts, we are delivering peace of mind to the average Indian motorist. With regards to health insurance, our cashless hospital network which is now more than 7,200 with 24*7 customer assistance, and thousands of agents Pan India, we ensure a deep reach of our service capabilities.
- 4. Planning optimistically for a promising future:** On the back of recent developments in the last few quarters, we operated with cautious & poised optimism. We paved the way for a take off by diligently working on multiyear business strategy, brand road map, digital infrastructure, geographic reorganization etc. While envisioning the growth, we have pre-empted challenges and proactively planned for any possible pitfalls. As the company is growing manifold, we look forward to exciting times ahead.

Product Suite

Our product suite displays a comprehensive mix of general insurance product solutions for individuals and corporates both.

Retail:

Major products under this category include motor, health, personal accident and home insurance. Motor insurance continues to dominate our portfolio with a 72.5% share in the business, whereas health is about 6.2%. With a deeper focus on the health vertical, we have seen a remarkable growth of 109% in our business from group health insurance in FY22 and this is just the beginning. Within health, we have diversified the spectrum into Retail Indemnity, Group Indemnity, Group Personal Accident and more.

The health insurance market is largely untapped, indicating an evident boom in the health space. Moreover, the recent pandemic has fueled the demand for health insurance across all strata of the society. We are set to scale up our health business with ample preparedness across various parameters:

- i) State-of-the-art health products (our flagship health insurance 'One Health' has been in the Top 5 for Mint publication's ratings thrice since its launch in 2017)
- ii) Robust insurance network with a deep geographic reach.
- iii) Hassle-free claims settlement.

Commercial:

Our commercial solutions have also witnessed a promising growth curve, constituting 21.3% of the total business. We have a range of new products coming from our table to reaffirm our inventive approach, such as Business Protect, Cyber Insurance, Crime Insurance and more. Other new products include Magma HDI Bharat Griha Raksha Policy for home owners, Magma HDI Bharat Sookshma Udyam Suraksha Policy for micro-business and Magma HDI Bharat Laghu Udyam Suraksha Policy for the SME segment.

In addition, our top tier reinsurance panels impart stellar underwriting capabilities, thus ensuring consistent growth. Magma HDI has attained customer service excellence by servicing global clients and meeting their nuanced needs. We continue to service a mature market by ensuring our services align with different customer demands.

Our products have a seamless purchase-to-claim delivery that operates with complete transparency. With a human touch and digital sense, we aim to always stay one step ahead when it comes to product delivery.

A glimpse of some of our 67 product lines:

Retail	Corporate
Health	Property
Private Car	Engineering
Two-Wheeler	Marine
Commercial Vehicle	Liability
Tractor	Group Health
Personal Accident	Group Accident
Householder's Package	Miscellaneous

For complete list of our products, visit our website www.magmahdi.com

Company Information

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. V. K. Viswanathan

Non-Executive Independent Director

Mr. Sunil Mitra

Non-Executive Independent Director

Ms. Suvalaxmi Chakraborty

Non-Executive Independent Director
(up to 27 December 2021)

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 Parasrampuria

Chief Financial Officer

Mr. Shivendra Tripathi

Appointed Actuary

Ms. Priyanka Jain

Compliance Officer
(up to 22 July 2021)

Mr. Anil Agrawal

Head Legal and Chief Compliance Officer
(w.e.f. 22 July 2021)

Mr. Amit Loya

Chief Internal Auditor

Mr. Jinesh M. Shah

Chief Investment Officer

Mr. Priyalal Ghosh

Chief Human Resource Officer
(w.e.f. 22 July 2021)

Mr. Gufran Ahmed Siddiqui

Company Secretary
(up to 02 March 2022)

BANKERS

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

JOINT STATUTORY AUDITORS

M/s. Singhi & Co.

Chartered Accountants
B2, 402B, Marathon Innova,
Off Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400 013

M/s. MSKA & Associates

Chartered Accountants
602, Floor 6, Raheja Titanium, Western Express
Highway, Geetanjali, Railway Colony, Ram Nagar,
Goregaon (E), Mumbai – 400 099

SECRETARIAL AUDITOR

M/s. Vinod Kothari & Company

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

Key Highlights

Rs. **1,815** crores
Gross Written Premium
(GWP) for FY22

34.6% YoY growth
in GWP (FY22 v/s FY21)

1.76 Solvency Ratio
as against, IRDAI
prescribed 1.50

~10,000 Number of
Agents, Brokers, Corporate,
Agents, MISPs, and POS

7,200 Network
hospitals as at March 2022

4,542 Network
garages / repairers as at
March 2022

More than, **3.0** Million
Unique customers till FY22

16.68 Lakh Policies
issued in FY22

133,734 Claims
serviced in FY22

60.4% Motor OD
Claims settled touch less

Managing Director & CEO's Message

Dear Stakeholders,

After the unprecedented FY21, the pandemic situation moved towards normalcy in FY22. The economy in India grew by 8.7% in FY22, as against a degrowth of 6.6% in FY21. In line with the economic growth, the non-life insurance industry also grew by 11.1%. The industry collected premiums of Rs 2.21 lakh crores against Rs 1.99 lakh crores in the previous fiscal. All the segments of general insurance industry grew with the changing situation: Health segment grew highest at 26.2% on the back

of heightened awareness of the need of health insurance, contributing to 36% of overall general insurance industry premiums. The motor segment grew at 4% contributing to 32% of total industry premiums. The crop segment was the only segment which degrew by 5.1%. In Commercial lines segment, Liability and Engineering grew better than the overall market at 33.1% & 20% respectively, followed by Marine and Aviation at 19.8% and 13.8% respectively. Fire segment growth was muted at 7%.

I am delighted to state your Company grew at a rate much higher than the industry at 36.9% with the GDPI increasing to Rs. 1,757 crores (GWP: Rs. 1,815 crores, growth 34.6%). The Company has underwritten 1.67 million policies in the year, which is the highest by number of policies since inception of the Company. The Company has been able to grow the business due to its consistent focus on customers and partners, investments in process improvements and technology over the last few years. Today, our partners can experience the entire policy lifecycle from purchase to policy servicing to claim intimation & settlement to renewal in the digital mode.

The Company has continued to invest in expanding its distribution network. As at March 2022, the Company has about 10,000 partners including Agents, Brokers, Corporate Agents, POS and MISPs with large reach in Tier 2, 3 and 4 cities. During FY22, the Company has also entered into 7 new relationships with Motor manufacturers - OEMs (including Electric Vehicle OEMs), through various intermediaries now totaling to 21 OEM tie-ups as at March 2022. The Company has already commenced business with all new seven partners. We are also proud of having tied up with NBFCs, and cooperative banks during the year further making inroads into the bancassurance space.



Mr. Rajive Kumaraswami

During the year, we established an exclusive Health Agency Channel and a new MSME Channel, to focus on the group health insurance requirements of employer-employees in the MSME segment. We expect these channels to increase health insurance business for the Company and increase our health portfolio, from the existing 6.2%.

During the year, we assessed 60.4% of Motor OD claims through the video streaming application, 95.4% online surveys for Motor OD claims, issued policies through our agent portal, deployed many robotic process automations, automated employee related all services into new Human Resource Management System called 'Connect' and automated many annual regulatory IBNR related reporting forms in SAS Viya application.

Employee safety continued to be paramount: We are proud to share that our values-based leadership during the tough COVID times, ensured that none of our 1,372 colleagues succumbed to the pandemic and it is this metric, which makes our business and productivity growth even more satisfying.

In March 2022, the Company has issued Rs. 100 crores rated, unsecured, Sub-debt through private placement to Rising Sun Holdings Pvt. Ltd. to meet solvency needs.

The Board has also approved the increase in authorized share capital of the Company

from Rs. 200 crores to Rs. 250 crores. The Company has made an application to the Authority under section 6A of the Insurance Act, 1938 for preferential allotment of Equity shares aggregating to Rs. 450 crores to Sanoti Properties LLP (Sanoti), an entity owned by Mr. Adar C Poonawalla (90%) and Rising Sun Holdings Pvt. Ltd. (10%). Apart from aforesaid preferential allotment, a secondary sale transaction is also proposed, wherein Sanoti will acquire existing direct shareholding of Poonawalla Fincorp Limited (formerly, Magma Fincorp Limited) and Serum Institute of India Pvt. Ltd. The fresh capital shall provide us growth impetus and substantially enhance the solvency ratio of the Company.

As a full-service general insurance company, we shall continue to maintain our focus on retail product classes across Motor & Health on the one hand, and corporate business on the other. This gives us the granularity of a diversified book within a robust risk management framework. The Company shall continue to invest in growing the distribution franchise and keep investing in technology solutions, backed by a culture of quality, with a view to address the growing needs of various customer segments.

With this background, I would like to present the financial statements for the year ended 31 March 2022.

(Rs. in Crores)

Particulars	FY22	FY21
No. of Policies issued (count)	1,667,669	1,583,544
Gross Written Premium	1,815.18	1,349.04
Gross Direct Premium Income	1,757.17	1,283.59
Net earned premium	914.21	761.70
Income from Investments & other Income	232.97	215.73
Profit/(Loss) before tax	(16.76)	25.65
Profit/(Loss) after tax	(12.46)	19.40
Solvency Margin	176%	179%

I would like to thank the customers, channel partners, service partners, vendors and employees of the Company and look forward to further strengthening the franchise over the years.

Rajive Kumaraswami

Managing Director & Chief Executive Officer

Board of Directors of the Company



Mr. Sanjay Chamria

Chairman, Non-Executive Director

Mr. Sanjay Chamria is the Non-Executive Chairman of the Company and represents Indian Promoters of the Company, Celica Developers Private Limited and Jaguar Advisory Services Private Limited. A Fellow Chartered Accountant, he anchors policy formulations, strategy, planning and provides overall guidance and support to the Board.



Mr. Jens Holger Wohlthat

Vice Chairman, Non-Executive Director

Mr. Jens Holger Wohlthat is the Non-Executive Vice Chairman of the Company. He joined HDI 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

Non-Executive Director

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

Non-Executive Independent Director

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

Non-Executive Independent Director

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. 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 2012-13. He has also served as the Vice President of ACMA (Automotive Manufacturers' Association) from 2005-06. He was also associated with Hindustan Unilever Ltd. in many senior positions for 17 years.



Mr. Sunil Mitra

Non-Executive Independent Director

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.



Mr. Rajive Kumaraswami

Managing Director and Chief Executive Officer

Mr. Rajive Kumaraswami is the Managing Director and CEO of the Company. He is a Commerce Graduate from Delhi University and a Fellow Chartered Accountant & an Associate Member of the Institute of Cost Accountants India. Mr. 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.

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting the Thirteenth Annual Report of your Company together with the Audited Financial Statements of the Company for the financial year ended 31 March 2022. The summarized financial results are given below:

FINANCIAL HIGHLIGHTS

(Rs. in crores)

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021	Growth
Gross Written Premium	1,815.18	1,349.04	34.55%
Net Written Premium	1,121.76	798.25	40.53%
Net Earned Premium	914.21	761.70	20.02%
Profit / (Loss) on sale / redemption of investments (Net)	22.75	32.87	-30.78%
Interest, dividend and rent (Gross)	180.49	154.42	16.89%
Other Income	1.42	0.92	54.82%
Contribution from Shareholders Funds towards excess Expenses of Management (EoM)	89.58	8.14	1001.07%
Total (A)	1,208.46	958.04	26.14%
Net Incurred Claims (including PDR)	627.56	606.63	3.45%
Net commission (income)/Expenses	(21.83)	(55.25)	-60.49%
Operating Expenses	570.32	377.29	51.16%
Total (B)	1,176.05	928.67	26.64%
Operating Profit/(Loss) (A-B)	32.41	29.37	10.37%
Investment Income (Shareholders)	28.29	27.53	2.78%
Other Income (Shareholders)	0.01	0.00	0.00%
Total (C)	60.71	56.90	6.71%
Expenses other than those relating to Insurance business (Shareholders)	4.10	4.39	-6.54%
Contribution to Policyholders Funds towards excess Expenses of Management (EoM)	89.58	8.14	1001.07%
Write off / Provision (reversal) for diminution in value of investments	(16.21)	18.72	-186.62%
Total (D)	77.47	31.25	147.93%
Profit before tax (C-D)	(16.76)	25.65	-165.32%
Provision for Tax (including Deferred Tax and adjustment of earlier years)	(4.30)	6.25	-168.76%
Profit after Tax	(12.46)	19.40	-164.21%
Credit/ (Debit) Balance in P&L A/c at the end of the financial year	(25.17)	(12.71)	-98.00%

INDUSTRY OVERVIEW AND COMPANY PERFORMANCE

GENERAL INSURANCE INDUSTRY OVERVIEW

Overall Insurance market for FY22 stands at ~Rs. 535,000 crores out of which the General Insurance Sector contributes Rs. 220,770 crores. The General Insurance Industry has grown at a CAGR of 11.5% over 5 years with Private sector insurers having 50% market share and Public sector insurers contributing 34% in FY22. The Mono-line Health players & specialized insurers contribute the balance 9% and 7% respectively.

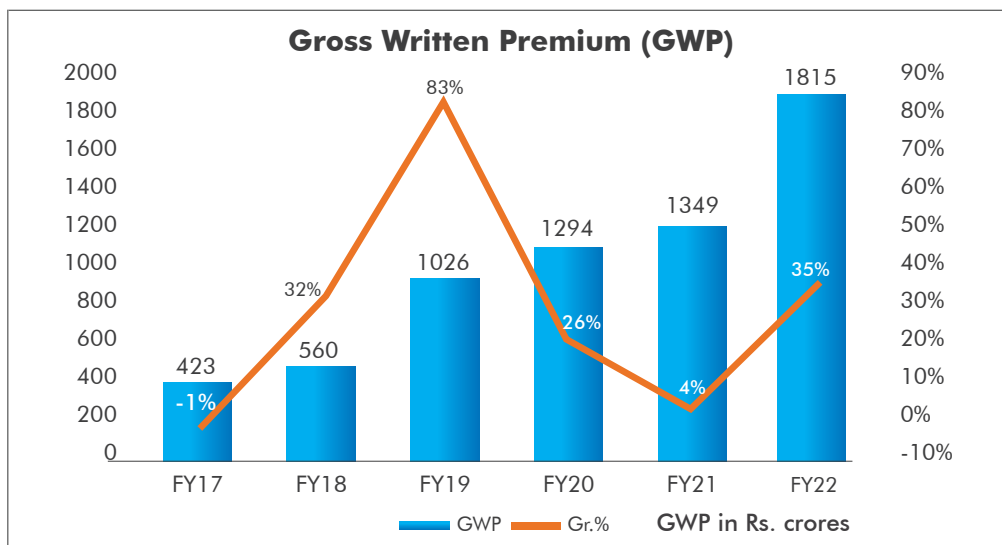
After a muted growth of 5.2% in FY21, the General Insurance Industry has seen double digit growth of 11.1% in FY22.

COMPANY PERFORMANCE

(Rs. in crores)

Particulars	FY19	FY20	FY21	FY22	CAGR% (3 years)
Gross Direct Premium	970.11	1,224.77	1,283.59	1,757.17	21.90%
Net Written Premium	516.93	790.18	798.25	1,121.76	29.47%
Investment Income (including Shareholders share of income)	106.26	200.16	214.81	231.54	29.64%
Net Incurred Claims (including PDR)	271.98	597.46	606.63	627.56	32.14%
Operating Expenses	244.59	350.54	377.29	570.32	32.60%
Operating profit/(loss)	(8.75)	7.79	29.37	32.41	254.73%
Profit after tax	1.43	(6.01)	19.40	(12.46)	-305.77%
Total Investments	1,462.29	2,284.81	2,993.77	3,844.47	38.02%

Gross Direct Premium Income (GDPI) has registered a robust CAGR of 21.9% over 3 years since FY19 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 at 32.6% as compared to GDP. Investment book has increased at CAGR of 38.0%.



The Gross Direct Premium Income written by the Company during the FY22 is Rs. 1,757.17 crores (PY Rs.1,283.59 crores). Motor segment has grown to Rs. 1,316.02 crores in FY22 (PY Rs. 968.54 crores).

During the year, motor continues to be the dominant portfolio for the Company with 72.5% (PY 71.8%) share of the portfolio whereas Commercial & Health has contributed 21.3% (PY 22.2%) & 6.2% (PY 6.0%) respectively. With progressive development of Health channel and various initiatives being taken in other channels to promote health insurance business, Group health has grown at 109% from Rs. 11.96 crores in last year to Rs. 68.86 crores in FY22. 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 31.4% in FY22 as against 23.0% in FY21.

On technology front, Motor OD claim assessment through video streaming is stable at around 60.4% in FY22 and 95.4% online surveys are done for Motor OD claims in FY22.

DISTRIBUTION STRUCTURE

The Company has a multi geography, product and channel distribution strategy. The Company continued its focus on product diversification, with major focus on developing Retail Health channel. The Company has widened its channel partner base and reached to the mark of 10,000 by way of Agents, Brokers, Corporate Agents, Motor Insurance Service Providers (MISPs) & Points of Sale (POS). During FY22, the Company has also entered into 7 new OEM relationships (including Electric Vehicles), totaling to 21 OEM tie-ups as at March 2022.

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 and hence, risk selection becomes very important. The Company's underwriting is focused on appropriate risk selection based on the exposure and experience of the risk segments. The Company has done risk segmentation based on 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 its exposures suitable to its portfolio.

In FY22, the Company has registered 36.9% premium growth as against the industry (excluding SAHL) growth of 8.8% during the same period. The Company has continuously worked on de-risking its product mix by increasing the share of Commercial lines and Health business.

In retail lines comprising largely of Motor and Health, the underwriting strategy is to diversify the portfolio and to achieve a sufficiently large number 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.

FY22 started on an adverse note with most Indian states in the grips of the deadly second wave caused by the delta variant. The overall Motor insurance business faced multiple headwinds in FY22. Two waves of COVID-19; frequent on and off rules and changes in return to normal schedule compounded with the semiconductor chip shortage which dampened the festive season second year in a row posed multiple challenges on pricing, claims costs and growth. The overall Industry saw a marginal growth of 4.0%. However, the Company was able to post growth rate of 35.9%. The growth was the result of deep mining our established and nurtured channels and business tie-up which were built prior to COVID-19 pandemic. This was also a reflection of our ability to service and cater to our customer's requirement using various digital platform. Our claims settlement with use of technology and digital enablement ensured that we were able to service our customers when they needed it the most. We were also able to shift our portfolio from being predominated by commercial vehicle to a balanced mix between Private car, Two-wheelers and Commercial vehicles. While we were able to grow at a very healthy rate market factors remained very competitive and aggressive pricing did result in increase in loss ratios. We expect pricing pressure to continue in the forthcoming year as well which will keep us on toes with respect to loss ratio. Our approach would be to further micro segment the market to select and target risk appropriate segments.

In FY22, the Company grew its Health portfolio by 40% to a gross written premium of Rs. 112 crores. As a result, it was able to increase health segment proportion to 6% from 4% over the last 2 years. 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 7,200 hospitals across ~709 locations in India, to offer seamless claim servicing to its customers, to support growth of its Health portfolio.

In case of Commercial products such as Fire, Marine, Engineering risks insurance, the Company intends to keep only moderate exposures in high hazard risks and high natural catastrophe prone areas. It also takes into consideration the impact on our solvency while participating in any Risk. At the same time, the Company writes risks with adequate risk quality and avoid risks which are below average risk quality. Over last few years as the Company has grown, the retention levels and participation in various risks have been moderately increased to keep a healthy and balanced portfolio profitability.

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

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.

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)

People are the most valuable assets of the Company in their role for creating value and supporting business growth. The Company has 1,372 employees as on 31 March 2022.

The Human Resources function is focused on achieving excellence in continuing to build on the key people practices including hiring and onboarding the right talent, retention of key talent, employee learning and development, succession planning, employee engagement initiatives, and rewards & recognition programs. This year too, there was a significant focus on Employee Wellness & Wellbeing including providing emergency support for employees due to the COVID-19 environment.

In order to improve upon employee services and people experiences, automation in the area of HR Operations continued to be an important agenda during the year. The new Human Resource Management System (HRMS), called 'Connect', has been launched on 01 April 2022. This will help in simplifying the HR processes including employee self-service and queries resolution through the helpdesk module, thus reducing processing time and improving employee satisfaction. Employee Induction processes have also been updated and, under the name 'Headstart' implemented for all Field Executive in Sales. This is a 8 to 9 days induction aimed at enabling the new joiner to understand sales processes, the company's way of operations and other key aspects to make them ready for success. Training on Managerial Effectiveness & Soft Skills Development Programs have been enriched with relevant modules so as to make the training cost-effective as well as relevant to the employees.

Rewards & Recognition programs continued to focus on celebrating excellence from employees and encouraging right behaviors. To boost employee productivity in Sales functions, the incentive schemes are reviewed every year with a clear focus on inculcating a culture of 'pay for performance'. For the Health Agency channel, we have introduced 'Pragati' a fast-track performance management program which has started yielding results since its launch in September 2021.

Employee Wellness and Wellbeing is our focus area. We also continued with our own Emergency Response Team (ERT) which was available to help employees during the time of the pandemic. This ERT set up a 24x7 helpline along with regular connects session with employees through the HR team which helped in hospital support and financial help. We were blessed not to have any casualties in our employee population owing to COVID-19. Connect sessions and Town halls 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. Our penchant for onboarding the right talent made sure that we hired the highest numbers this year.

OPERATIONS, TECHNOLOGY AND CUSTOMER SERVICE

Over the past years the Company have created a digital journey vision for its customers and partners. End to end technology initiatives have been created in following process:

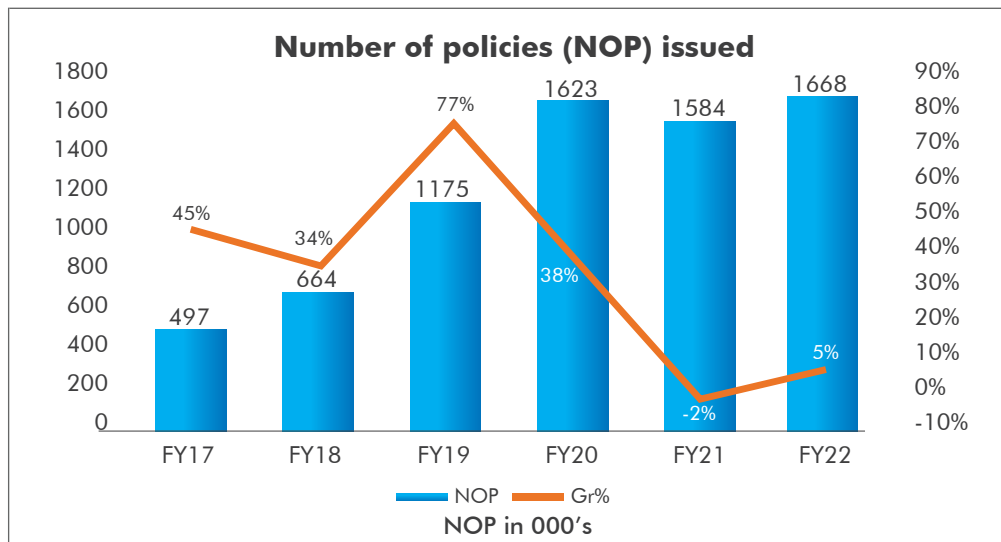
1. Digital payments bouquet
2. Automated renewal process
3. Digital policy issuance /Endorsements
4. Artificial Intelligence in Claim process
5. Mobile Applications
6. Cloud computing
7. Cyber Security
8. Robotic process automations
9. Behavioral economics deployment in call center
10. Self service agent portal for policy issuance by IMD's
11. Digi lockers
12. Pandemic processes
13. Tie-ups

Digital payment: During the pandemic, the digital payments was given top priority so that customer/IMDs can make payments on the go and do not have to visit bank/Company's branch. All major wallets have been empaneled by the company also the payment with Card/RTGS/NEFT. 89% of the payments received by the company are through digital modes.

Automated renewal process: Automated renewal bitly link is triggered by the system to the customer for self-fulfillment of renewal process. The payments are accepted on 24*7 basis. The renewed policy is shared with the customer on real time basis.

Digital policy Issuance /Endorsements: Customers can get e-copy of policy document, sign proposal form digitally and can contribute go green drive during policy issuance.

No hard copy documents are required by the Company to pass endorsement, all endorsements are passed on digital copies.



Artificial Intelligence in Claim settlement: Customer can opt for self-inspection and opt for insta money without getting the vehicle repaired. Automated claim management using AI enhances customer satisfaction with improved service and faster processing times.

Mobile Applications: Implemented mobile applications for customers to self-service in policy issuance, endorsements, and claims processes. Similarly provided mobile apps to employees to work from anywhere to improve the turnaround time.

Cloud Computing: Adopted cloud computing for storage, collaboration, backup and disaster recovery, scalability and flexibility. Also, it helps to implement advanced digital technologies at a faster rate.

Cyber Security: Invested in cybersecurity technology that aids in data breach prevention, regulatory compliance adherence and detection of cyber threats.

Robotic process automation: The Company has developed RPAs to handle various repetitive processes such as policy issuance, Public Disclosure report consolidation, credit confirmation, etc. to ease out the sales, operations, finance function. The same has been recognized by Quantic and the company has won 'Outstanding usage of AI and Robotics in BFSI sector', this award was handed over in August 2021.

Behavioral Economics (BE) deployment in call center: The Company has deployed BE based calling in call center with help of a German firm, named 'Vocatus'. The BE based tele-calling has been embedded in the Outbound CRM and is integral part of the system since last 1 year.

Self service agent portal for policy issuance by Intermediaries (IMDs): The Company has given agent portal to its IMDs for real time policy issuance, this makes policy issuance process available to IMDs on 24*7 basis. IMDs can also intimate claims, raise endorsement and track their respective MIS's on real time basis.

Digi locker: The Company has given Digi locker facility to its customers so that digital copy of policies can be stored and retrieved by the customer without any hassle.

Pandemic process: High-quality service even during the lockdown phase without compromising on the safety of its employees and channel partners. The Company has done flowing changes in the operations:

1. Digital payments
2. Digital IMD onboarding
3. All processes aligned to work from home model
4. Tie up with payment banks to enhance reach and reduce travel time for IMDs
5. Extending CMS facility for cheque pick up
6. Mobile app for IMDs to scan and upload document without traveling to branch

Tie-ups: Built a stable service-oriented architecture and Open APIs for all the insurance processes (policy issuance, endorsements and claims) to integrate with OEMs, Aggregators and NBFs. Successfully integrated with 15+ OEMs and 20+ aggregators.

CLAIM RESERVES

The future unpaid claim liabilities (incl. reported and unreported claims) of the Company are established in accordance with the IRDAI (Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016. 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 is applied while estimating the ultimate liabilities for this segment, to safeguard the policyholder's interest. Along with the internal data, the Company takes reference of industry wide data and indicators of inflation, interest rate trends, landmark as well as recent court rulings, amendments to the applicable acts, laws, and regulations 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 acknowledges 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 upon 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 event basis survey and/or investigation, such default provision is further updated to estimated loss amount to account for the correct estimated liability.

CLAIMS SERVICING

The Company believes in its key objective of 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. The Company has 4,542 motor workshops spread across 603 districts and a network of 7,200 hospitals across the country. This ensures that customers are able to reach out to the nearest workshop / hospital no matter where they are present.

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 Self Survey App has connected both Motor & Non-Motor 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. Further, the Company has launched AI based external damage detection and severity assessment tool for private car own damage (OD) claims. More than 13,000 private car OD claims have been processed since launch in January 2022.

The Company is settling 60.4% claims touch less without any involvement of physical survey. This has helped Company to service its customer even during Covid induced lockdown.

For FY22, the Company has settled 83% Motor Own Damage claims in-house.

The Company has adopted out of court compromise settlement as one of the major routes to settle Motor Third Party claims. This year too, it has settled approximately 70% of the total claims via out of court compromise settlements. The year gone by has seen the highest claims intimation so far and at the same time, it has settled highest number of cases also this year. On two occasions, it closed more than thousand cases per month, which is first in its history of operations. The performance of the Company has been acknowledged by various District Legal Services Authority (DLSA) in different States recognizing the extended contribution and active participation to ensure success of Lok Adalats and National Lok Adalats in Motor Third Party claim settlements. While noticing the highest intimation vis-à-vis the closure counts this FY, the overall severity is also under control, which leads to encouraging benefits.

Details of total Claims intimated, disposed of and pending:

Particulars	Total Number of claims FY21	Total Number of claims FY22
Outstanding at beginning of Financial Year	10,124	11,876
Intimated during the year	77,403	139,739
Settled during the year	75,651	133,734
Outstanding at the end of the Financial Year	11,876	17,881

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 accumulated 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, Swiss Re) 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. Company's investment philosophy is focused on prudent investment of surpluses keeping in mind the obligation to pay claims when they arise.

Company's investment portfolio remains strong. The assets under management as at 31 March 2022 stood at Rs. 3,844.4 crore as against Rs. 2,993.7 crore as at 31 March 2021, an increase in assets under management by 28.4%. The investment and other income(net) for FY22 was Rs. 231.5 crore as against Rs. 214.8 crore in the previous year.

Company has 100% exposure towards fixed income securities. Out of the total fixed income portfolio (excluding fixed deposits and money market instruments) 96.5% (PY 91.8 %) are invested in Sovereign Bonds and highest credit rated securities (AAA or equivalent). In terms of Maturity profile, 10.7% (PY 10.1%) of the portfolio comprises of the short-term instruments and 89.3% (PY 89.9%) 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 FY22. The Company conducts periodic review of the investment portfolio with the above stated objectives.

Company's investment portfolio remains strong and where there has been delay/default in repayment, the Company had made provisions for impairment in previous years. During the year, your Company has reversed Rs.16.2 crore due to recovery from the impaired assets.

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

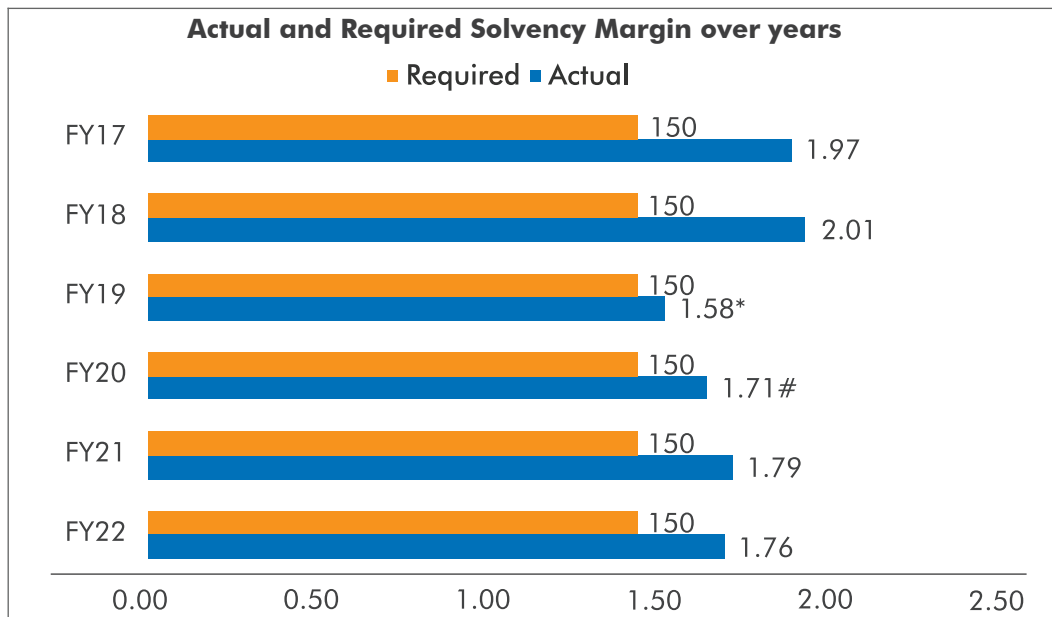
There has been no change in the nature of business of the Company during the FY22.

DETAILS OF SUBSIDIARY/ASSOCIATES/JOINT-VENTURE COMPANY

Your Company does not have Subsidiary/Associates/Joint-Venture Company as on 31 March 2022.

SOLVENCY

The Company's solvency margin as at 31 March 2022 stands at 1.76 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.



*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 2022. 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

The Shareholders of the Company had approved the increase in authorized share capital of the Company from Rs. 200 crores to Rs. 250 crores in March 2022 and the same was approved by the Registrar of Companies, West Bengal in April 2022.

Your Company has also approved further issuance of 56,060,000 Equity Shares on preferential basis having a face value of Rs. 10/- each at a price of Rs. 80.258 per share including premium of Rs. 70.258 each aggregating to Rs. 449.93 crores (approx.) to Sanoti Properties LLP (Sanoti).

Apart from aforesaid Primary Issuance, a Secondary Market Transaction was also proposed wherein in order to comply with the Regulation 2(g)(i) of IRDAI (Registration of Indian Insurance Companies) Regulations, 2000, Sanoti will acquire existing direct shareholding of Poonawalla Fincorp Limited (formerly, Magma Fincorp Limited) and Serum Institute of India Pvt. Ltd.

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 compliance with various provisions of Corporate Governance Guidelines prescribed by Insurance Regulatory and Development Authority of India for the FY22 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 105 as of 31 March 2022.

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 and Sweat Equity) Regulations, 2021 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 above SEBI Regulations is available on the website of the Company www.magmahdi.com at www.magmahdi.com/publicdisclosures and the Auditors' Certificate would be placed at the forthcoming Annual General Meeting pursuant to Regulation 13 of the said Regulations.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Suvalaxmi Chakraborty, due to her personal preoccupations stepped down as Director of your Company w.e.f. 27 December 2021. The Board wishes to place on record deep appreciation of the contribution, active involvement, advice and guidance extended by Ms. Chakraborty during her tenure as Director of your Company.

During the year under review, the Board of Directors on the recommendation of Nomination and Remuneration Committee had approved appointment of Ms. Bhama Krishnamurthy (DIN 02196839) as an Additional Director of the Company in the capacity of Independent Non-Executive Director of the Company for a period of 5 years subject to and with effect from the date of approval by IRDAI, which is currently awaited, and shall not be liable to retire by rotation.

During the year under review, the Board of Directors on the recommendation of Nomination and Remuneration Committee had approved the appointment of Mr. Amar Deshpande (DIN 07425556) as an Additional Director of the Company in the capacity of Non-Executive Director of the Company as Poonawalla Fincorp Limited Nominee Director subject to and with effect from the date of approval by IRDAI which is currently awaited, and he shall be liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Mayank Poddar (DIN 00009409) 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.

Ms. Sweta Bharucha has been appointed as the Company Secretary of the Company with effect from 29 April 2022 in place of Mr. Gufran Ahmed Siddique, Company Secretary who had resigned from the services of the Company with effect from 02 March 2022

The Board has placed on record their deep appreciation for the valuable contribution made by Mr. Siddique during his tenure of services with the Company.

The brief resume/details relating to Directors who are to be appointed are furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the appointment of the said Directors at the ensuing AGM subject to receipt of Regulatory approval.

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) and Mr. V. K. Viswanathan (DIN 01782934) 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 2021-22.

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

The FY22, eight (8) 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 FY22, 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 four (4) 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 Five (5) 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 Six (6) 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. During the year, the CSR Plan for the FY 2021-22 was recommended by the Committee at its meeting held on 28 February 2022.

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 FY22. However, pursuant to the requirements of the IRDAI CG Guidelines the Company has spent Rs. 12.66 Lakhs for CSR activities for FY22 respectively in the current year after obtaining approval of the CSR Committee.

Disclosure of composition of the CSR Committee, contents of the CSR Policy and the Annual Report on our CSR activities is given in 'Annexure - B' to the Board's Report.

Separate Meeting of Independent Director's

During the year, a separate meeting of Independent Directors was held on 20 January 2022 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 20 January 2022 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 5 AUGUST 2016 DISCLOSURES ON REMUNERATION OF MANAGING DIRECTOR AND KEY MANAGEMENT PERSONS AS MANDATED UNDER IRDAI GUIDELINES DATED 5 AUGUST 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, retires, 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 Mar 2022
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	
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. 278.49 Lakhs
Variable	Rs. 84.38 Lakhs
Deferred	Nil
Non-deferred	Rs. 84.38 Lakhs
ESOP	200,000 options granted and 180,000 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.

MAINTENANCE OF COST RECORDS

Since the Company being an Insurance Company, it is not required to maintain Cost records.

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. Singhi & Co, Chartered Accountants, having Registration No. 302049E was appointed for a period of 5 years from the conclusion of the 12th AGM FY 2021-22 till the conclusion of the 17th AGM FY 2025-26 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 2016-17 till the conclusion of the 13th AGM FY 2021-22 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 FY22.

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 2021-22. The Report of the Secretarial Auditor for the financial year ended 31 March 2022 is annexed herewith as 'Annexure - C'.

SECRETARIAL AUDITORS' OBSERVATIONS

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. The Secretarial Audit Report includes emphasis of matter with respect to vacancy of the position of Woman Director as required under section 149(1) and Para 5 of the Corporate Governance Guidelines, 2016 issued by IRDAI and the Company exceeding the allowable Expenses of Management limit as prescribed under Section 40C of the Insurance Act read with IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016.

Therefore, in this regard it may be noted that the Board of Directors of the Company had approved the appointment of new woman Independent Director, Ms. Bhama Krishnamurthy in the Company within the time prescribed in Companies Act 2013 subject to IRDAI approval and thereafter the application made to the IRDAI for approval which is awaited as on date.

Further your Company has exceeded the allowable Expenses of Management limit as prescribed under the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016 and it has applied to IRDAI seeking forbearance u/s 64L (1)(b) of Insurance Act, 1938 as amended from time to time.

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. We made changes to make this policy gender neutral. 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 an online knowledge module leveraging our learning management system. We have conducted workshops and built awareness through regular communication via different modes.

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:

1. In the preparation of the annual accounts for the year ended 31 March 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. 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 2022 and of the profit/(loss) of the Company for that period;
3. 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 Guidelines for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
4. The Directors had prepared the annual accounts of the Company on a going concern basis; and
5. 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. 45.00 crores (PY Rs. 6.00 crores).
Expenditure in foreign currency during the year is Rs. 174.44 crores (PY Rs. 61.41 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 at www.magmahdi.com at www.magmahdi.com/public-disclosures.

APPLICATION UNDER INSOLVENCY AND BANRUPTCY CODE

It is not applicable to the Company.

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

It is not applicable to the Company.

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 unfolded 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.

Date: 29 April 2022
Place: Kolkata

For and on behalf of the Board of Directors
Sanjay Chamria
Chairman
DIN 00009894

Annexure - A to the Board's Report

Disclosure as per Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 as on 31 March 2022

MHDI ESOP 2018

Sl. No.	Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
a	Number of options granted	885,488	896,000	992,500	430,000	1,152,500
b	Options vested during the year	-	268,800	297,750	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	177,476	254,100	96,000	-	-
d	Total number of equity shares of Rs. 10/- each arising as a result of exercise of options	177,476	254,100	96,000	-	-
e	Number of Options lapsed during the year	-	14,400	32,000	-	-
f	Exercise Price (In Rs.)	44.10	42.08	50.46	50.46	79.67
g	Variation of terms of options	Complied as per the applicable law	Complied as per the applicable law	Complied as per the applicable law	Complied as per the applicable law	Complied as per the applicable law
h	Money realized by exercise of options (In Rs.)	7,826,692	10,692,528	4,844,160	0	0
i	Total number of options in force*	290,182	602,500	844,500	430,000	1,152,500
i	'Employee wise details of options granted to: (a) Keymanagerial 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				

*No. of options in force as on date = Total grant - Options exercise - Options lapsed

Annexure - I
List of Key managerial personnel to whom stock options were granted

Plan Name	Name of Employee	Date of Grant of Option	Tranche	Designation	Number of options granted till 31.03.2022	Exercise Price (in Rs.)
MHDI ESOP 2018	Mr. Rajive Kumaraswami	07-May-18	1	Managing Director & Chief Executive Officer-	239,055	44.10
		24-Jan-20	2		200,000	42.08
		22-Oct-20	3		200,000	50.46
		21-Jan-21	4		203,250	50.46
		17-Dec-21	5		200,000	79.67
	Mr. Vikas Mittal	07-May-18	1	Deputy CEO	109,969	44.10
		24-Jan-20	2		100,000	42.08
		22-Oct-20	3		100,000	50.46
		21-Jan-21	4		102,000	50.46
		17-Dec-21	5		100,000	79.67
	Mr. Amit Bhandari	07-May-18	1	Chief Technical Officer and Chief Risk Officer	74,588	44.10
		24-Jan-20	2		67,500	42.08
		22-Oct-20	3		67,500	50.46
		21-Jan-21	4		68,750	50.46
		17-Dec-21	5		77,500	79.67
	Mr. Gaurav Parasrampur	07-May-18	1	Chief Financial Officer	47,813	44.10
		24-Jan-20	2		55,000	42.08
		22-Oct-20	3		55,000	50.46
		21-Jan-21	4		56,000	50.46
		17-Dec-21	5		60,000	79.67

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 Option	Tranche	Designation	Number of options granted till 31.03.2022	Exercise Price (in Rs.)
MHDI ESOP 2018	Mr. Rajive Kumaraswami	17-December-21	5	Managing Director & Chief Executive Officer-	200,000	79.67
	Mr. Vikas Mittal	17-December-21	5	Deputy CEO	100,000	79.67
	Mr. Amit Bhandari	17-December-21	5	Chief Technical Officer and Chief Risk Officer	77,500	79.67
	Mr. Gaurav Parasrampur	17-December-21	5	Chief Financial Officer	60,000	79.67

Annexure - III

Disclosure as per Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 as on 31 March 2022

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* 9. Mr. Shivendra Tripathi 10. Mr. Amit Loya 11. Mr. Dinesh Pande 12. Mr. Jinesh Shah 13. Mr. Pankaj Chaudhary 14. Mr. Debasis Sanyal 15. Mr. Nirjhar Pramanik 16. Mr. Manish Gangaram Mhadgut 17. Mr. Vivek Ramesh Sawant*
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	454,589 shares & 0.29%
e	The date of the general meeting in which such voting power was exercised	Thursday, 22/07/2021
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 31 March 2021 including the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss Account for the year ended 31 March 2021 and the Cash Flow Statement for the year ended 31 March 2021 together with the Reports of the Board of Directors and Auditors thereon. 2. To appoint a Director in place of Mr. Sanjay Chamria (holding DIN 00009894) who retires by rotation and being eligible, offers himself for re-appointment. 3. To consider appointment of M/s. Singhi & Co, Chartered Accountants as a Joint Statutory Auditors of the Company for a period of 5 years commencing from the FY 2021-22.
g	The percentage of such voting power to the total voting power on each resolution	0.29%
h	Whether the votes were cast in favour of or against the resolution	All the votes were casted in favour of the resolution

* Have resigned and left the Organisation as on 31 March 2022

Annexure - B to the Board's Report

Annual Report on CSR Activities for FY 2021-22

1. Brief outline on CSR Policy of the Company

Magma HDI firmly believes that it has a commitment to all its stakeholders, customers, employees and the community in which it operates, and it can fulfill this commitment only by sustainable and inclusive growth. The Company aims to improve the quality of life through its positive intervention in the community.

Magma HDI's key CSR initiatives are undertaken with a long-term view. Initiatives that are sustainable, have long-term benefits to the society at large and is aligned with the business practices but which do not result in business benefits. The focus area of CSR initiatives at Magma are education, health, and environment.

During COVID-19, due to schools being shut, the children's' education from under-privileged communities was most impacted and they were also deprived of getting nutritious meals the child would get at the school which is critical for their overall development. In FY 2021-22, Magma HDI focused its CSR initiatives in the areas of health and education and partnered with Aseema Charitable Trust, an NGO with a mission to equip children from under-privileged communities with high quality, value-based education, enabling development of their limitless potential.

Magma HDI collaborated on 3 projects of Aseema Charitable Trust which directly impacted the overall development and education of children studying in those schools.

Project 1 & 2: Ground Repair and Maintenance at Pali Chimbai Municipal School and Kherwadi Municipal School situated in Bandra - West, Mumbai, Maharashtra.

Project 3 : Ancillary Kitchen Storage Facilities at Aseema Bal Shaikshanik Kendra, Igatpuri Maharashtra.

The projects taken up at Pali Chimbai Municipal school (Bandra West, Mumbai) and Kherwadi Municipal School (Bandra East, Mumbai) have been envisaged as part of the larger learning process embedded within the school curriculum. With the children coming back to school, the school grounds needed to be repaired and maintained along with bringing in aspects of environment and science education. The students will be engaging themselves in the gardening activity making them aware of the environmental cycles and processes that build an ecosystem. The butterfly garden, vegetation beds and nursery being worked upon will constantly engage children with various activities. The design of the garden inculcates values of Love, Pray, Eat and sharing through mediums of harvest disseminating life lessons. Overall, the project does not stop at just the planting level but inculcates sensitivity, informed choice-making and value systems amongst the young generation offering them energized spaces to learn, play and imbibe.

Another project at Aseema Bal Shaikshanik Kendra (Igatpuri) involved incorporation of suitable and sufficient storage and food preparation equipment to provide for the meals of the students that come to school regularly. This will go a long way in ensuring the kitchen is well stocked and hygienic and able to provide nutritious meals to the students. that come to school regularly. This will go a long way in ensuring the kitchen is well stocked and hygienic and able to provide nutritious meals to the students.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Mayank Poddar (Chairman)	Promoter, Non - Executive Director	2	2
2	Mr. Jens Holger Wohlthat	Promoter, Non - Executive Director	2	2
3	Mr. Sunil Mitra	Independent, Non-executive Director	2	2
4	Mr. Rajive Kumaraswami	Managing Director & Chief Executive Officer	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition : <https://www.magmahdi.com/public-disclosures/policies>

CSR Policy : <https://www.magmahdi.com/public-disclosures/policies>

CSR projects : <https://www.magmahdi.com/public-disclosures/policies>

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

The Company is not required to conduct Impact assessment study for its CSR projects.

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1	2021-22	Nil	Nil
2	2020-21	Nil	Nil
3	2019-20	Nil	Nil
	TOTAL	Nil	Nil

6. Average net profit of the company as per section 135(5): (Rs. 214.29 Lakhs).

However, as per the IRDAI Corporate Governance Guidelines, Average net profit of the company is Rs. 609.45 Lakhs

7. a. Two percent of average net profit of the company as per section 135(5): (Rs. 4.29 Lakhs) as per the Companies Act, 2013, however, as per the IRDAI Corporate Governance Guidelines, the Company was required to spend Rs.12.19 Lakhs.
 b. Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
 c. Amount required to be set off for the financial year, if any: Nil
 d. Total CSR obligation for the financial year (7a+7b-7c): Rs.12.19 Lakhs*

*The CSR obligation of the Company was Nil in terms of Section 135(5), but on account of the IRDAI Corporate Governance Guidelines, the Company is required to spend Rs. 12.19 Lakhs against which company has spent Rs. 12.66 Lakhs.

8. a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule - VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12.66	NA	NA	NA	NA	NA

b. Details of CSR amount spent against ongoing projects for the financial year: Nil

1	2	3	4	5	6	7	8	9	10	11	
Sl. No.	Name of the Project	Name of the Project	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementation Agency
				State	Dis-trict.						
	Nil										

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

1	2	3	4	5	6	7	8		
Sl. No.	Name of the Project	Item from the list of activities in Schedule - VII to the Act	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs. lakhs)	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementation Agency	
				State	Dis-trict.			Name	CSR Registration number
1	Ground Repair and Upgradation - Kherwadi Municipal School	2 (Promoting Education)	Yes	Maharashtra (Mumbai)		4.2500	No	Aseema Charitable Trust	CSR 0000 4000
2	Ground Repair and Upgradation - Pali Chimbai Municipal School	2 (Promoting Education)	Yes	Maharashtra (Mumbai)		3.8428	No	Aseema Charitable Trust	CSR 0000 4000
3	Upgradation of Pantry area - Aseema Bal Shaishanik Kendra	1 (Eradicating Hunger)	Yes	Maharashtra (Nashik)		4.5636	No	Aseema Charitable Trust	CSR 0000 4000
TOTAL						12.6564 i.e. 12.66			

- d. Amount spent in Administrative Overheads : Nil
- e. Amount spent on Impact Assessment, if applicable: Nil
- f. Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 12.66 Lakhs*
- g. Excess amount for set off, if any: Rs. 0.47 Lakhs

(in Rs. lakhs)

Sl. No.	Particular	Amount
i	Two percent of average net profit of the company as per section 135(5).	(214.29)
ii	Total amount spent for the Financial Year	12.66*
iii	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

*As per the Companies Act, 2013, the company did not spend any amount under CSR, however Rs.12.19 Lakhs is as per IRDAI Corporate Governance Guidelines. The Company has spent Rs. 12.66 Lakhs towards CSR Activities.

9.

- a. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5			6
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. lakhs)	Amount spent in the reporting Financial Year (in Rs. lakhs)*	Amount transferred to any fund specified under Schedule - VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs. lakhs)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1	2018-19	Nil	Nil	Nil	Nil	Nil	Nil
2	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
3	2020-21	Nil	Nil	Nil	Nil	Nil	Nil

*Pursuant to the requirements of the CG Guidelines and directions given by IRDAI, the Company has spent Rs. 2.44 Lakhs and Rs. 3.48 Lakhs for CSR activities for FY 2018-19 and FY 2019-20 respectively in the FY 2020-21, after obtaining approval of the CSR Committee by means of resolution by circulation.

- b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable.
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: The Company has not created or acquired any capital asset in the FY 2021-22.
- a. Date of creation or acquisition of the capital asset(s): NA
 - b. Amount of CSR spent for creation or acquisition of capital asset: Nil
 - c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA
 - d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

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

For and on behalf of Magma HDI General Insurance Company Limited.

Rajive Kumaraswami
 Managing Director and Chief Executive Officer
 DIN 07501971

Mayank Poddar
 Chairperson CSR Committee
 DIN 00009409

Place: Mumbai
 Date: 29 April 2022

Annexure - C to the Board's Report

Form No. MR-3

Secretarial Audit Report

FOR THE YEAR ENDED 31 MARCH 2022

[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 31 March 2022 [period under review] in terms of Audit Engagement Letter dated 03 May 2021. 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) IRDA (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015;
 - g) IRDA (Loans or Temporary advances to the full-time Employees of the Insurers) Regulations, 2016;
 - h) IRDA (Web Aggregators) Regulations, 2013;
 - i) IRDA (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) RDA (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, except for the following matters on which we lay our emphasis (Emphasis of Matters).

1. Corporate Laws**Appointment of woman independent director**

The women independent director ('ID'), Ms. Suvalaxmi Chakraborty, resigned from the Company w.e.f. 27 December, 2021. The vacancy was required to be filled up by the Company within the next board meeting or three months from the vacancy, whichever is later. The resolution for appointment of Ms. Bhama Krishnamurthy, the new woman ID in the Company was approved by circulation on 27 March 2022. The appointment of Ms. Krishnamurthy requires the prior approval of the IRDA since she is already holding directorship position in an insurance intermediary, pursuant to Section 48A of the Insurance Laws (Amendment) Act, 2015 read with IRDA Circular No IRDA/F&A/CIR/MISC/141/08/2018 dated 30 August 2018. The said appointment will therefore be valid from the date of approval of the IRDA.

Accordingly, since the said approval has not been received by 27 March 2022, the same is not in accordance with the provisions of section 149 of the Act.

2. Insurance Laws**Increase in expenses of management beyond permissible limits**

As informed to us, as on February 2022, the Company has exceeded the allowable Expenses of Management limit by Rs. 88.9 crs. The allowable limit is 33.5% against actual expenses of 38.4%, therefore, there is an excess of 4.9%. The same attracts violation of Section 40C of the Insurance Act read with IRDA (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016. The Company has applied to IRDA seeking forbearance from the Regulation.

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, and the Company has complied with all formalities related to the appointment except for the appointment of an independent woman director as specified in the observations provided in this report.

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 4 board meetings and 4 Committee meetings that were 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 mechanisms exist 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**

During the period under review, the Nomination and Remuneration Committee of the Company has granted 11,52,500 options under the ESOP Plan of the Company. Further, the Nomination and Remuneration Committee of the Company has extended the criteria for vesting of the options granted under the Special Grant, which was based on the infusion of capital in the Company, due to pending IRDA approval.

b. Amendments in the ESOP Plan of the Company

The fair market value of the options granted under the ESOP Plan of the Company was calculated through use of Weighted Average of Discounted Free Cash Flow Method (DCF) and Comparable Companies Multiple Method (CCM). On exercise of the options, the same is valued through the DCF method only. Therefore, in view of the volatility in the value computed through use of CCM as well as inconsistency due to valuation by DCF method at the time of exercise of options, the ESOP Plan has been amended to value options through DCF method only. Requisite approvals have been taken from the Nomination and Remuneration Committee vide resolution dated 21 July 2021, from the Board vide resolution dated 21 October 2021 and from the shareholders of the Company vide resolution dated 14 March 2022. Further, no-objection certificates have also been obtained from the existing option-holders.

c. Change in Company Secretary

During the period under review, Mr. Gufran Ahmed Siddiqui, the Company Secretary, resigned from the Company with effect from 02 March 2022. The same was put on record by the Board of the Company and requisite forms were filed in this regard. The Company is in the process to recruit a suitable candidate for the said post.

d. Issuance of subordinated debentures by the Company

During the period under review, the Company has issued subordinated debentures aggregating to Rs. 100 crores to Rising Sun Holding Private Limited, the holding company of the Indian promoter, Poonawalla Fincorp Limited and a related party to the Company. The Board of the Company, in its meeting held on 28 February, 2022 approved the issuance of debentures within the limits of borrowing approved under section 180(1)(c) of the Act, and the terms of such issuance have been approved by the Board vide a resolution circulated on 30 March 2022. The said debentures have been allotted to the allottee vide a resolution by circulation dated 30 March 2022 approved by the Management Committee of the Company.

e. Updates on the capital raise by the Company by way of issuance of Equity Shares on preferential basis

- The Board of the Company had approved external fund raise of Rs. 250 crores by way of primary issuance as well as secondary market transaction and an application for the approval of the same was submitted to IRDA on 26 March 2021. However, the said application has been withheld by IRDAI during the period under review.
- The existing shareholding of Poonawalla Fincorp Limited is proposed to be transferred to Sanoti Properties LLP subsequent to acquisition of control in Poonawalla Fincorp Limited by Rising Sun Holdings Private Limited. Necessary applications for the same have been filed with the IRDAI during the period under review.
- The Board of the Company, in its meeting held on 28 February 2022 has approved issuance of 56,060,000 Equity shares having Face Value of Rs.10/- each at a price of Rs. 80.258 per share including Premium of Rs. 70.258 per share on Preferential basis to Sanoti Properties LLP, subject to the approval of the shareholders of the Company and the IRDA. The requisite shareholders' resolution is yet to be passed as on the date of the report.

2. Insurance Laws**a. Findings of the inspection conducted by IRDA on the Company**

The IRDA conducted a remote inspection of the Company for the period between April 2017 to March 2020 in the month of February 2021 and the observation report pertaining to the same was shared by IRDA on 31 March 2021. The Company has submitted its responses to the IRDA after which no further communication has been received from the IRDA.

b. Change in Chief Compliance Officer

Pursuant to the resignation of Mr. Anand Roop Chaudhary from the position of Chief Compliance Officer of the Company, the Board had approved appointment of Ms Priyanka Jain as an interim Compliance Officer till the formal appointment of a new Chief Compliance Officer. The Nomination and Remuneration Committee, vide resolution dated 21 July 2021 had approved the appointment of Mr Anil Agrawal as the Legal Head and Chief Compliance Officer of the Company, with effect from 22 July 2021.

For M/s Vinod Kothari & Company

Practicing Company Secretaries
Unique Code: P1996WB042300

Pammy Jaiswal

Partner
Membership No.: A48046
CP No.:18059
UDIN: A048046D000228292
Peer Review Certificate No.: 781/2020

Place: Kolkata
Date: 28 April 2022

Annexure - 1**ANNEXURE TO SECRETARIAL AUDIT REPORT**

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

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

- i. 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;
- ii. 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 a 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;
- iii. 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.
- iv. Given the challenges and limitations posed by Covid-19, lockdown restrictions (wherever applicable), as well as considering the effectiveness of information technology tools in the audit processes, we have conducted on line verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute.
- v. 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.
- vi. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
- vii. 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.
- viii. 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.
- ix. 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.
- x. 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. Final draft of the 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 (2020-21)

3. NL-Disclosure up to quarter ended 31 December 2021

4. Disclosures under the Act and as per IRDA Guidelines on sample basis

5. Policies framed under the Act and IRDA Guidelines

6. Forms and returns filed with the ROC and IRDA on sample basis

7. Registers maintained under Act and as per IRDA on sample basis

8. Compliance certificates placed before the Board till the 3rd quarter

Report on Corporate Governance

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 read with Rules made thereunder and is in accordance with the Corporate Governance Guidelines prescribed by the IRDAI for insurance companies (applicable laws). The Board of Directors of the Company consists of Seven (7*) Directors, comprising of three (3) Independent Directors, 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.

* Woman Independent Director has resigned w.e.f. December 27 2021.

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.

The Board of Directors on the recommendation of Nomination and Remuneration Committee had appointed Ms. Bhamu Krishnamurthy (DIN 02196839) as an Additional Director (Woman Director) of the Company in the capacity of Independent Non-Executive Director of the Company for a period of 5 years subject to approval of IRDAI, which is awaited.

The Board of Directors also on the recommendation of Nomination and Remuneration Committee had appointed Mr. Amar Deshpande (DIN 07425556) as an Additional Director of the Company in the capacity of Non-Executive Director of the Company as Poonawalla Fincorp Limited Nominee Director subject to approval of IRDAI, which is awaited.

The composition of the Board of Directors as on 31 March 2022 is as follows:

Sr. No.	Name of the Director	DIN	Qualification	Field of Specialization	Category	No. of other Directorship
1	Mr. Sanjay Chamria (Chairman)	00009894	B.Com (H), FCA	Finance	Promoter, Non-executive Director	5
2	Mr. Jens Holger Wohlthat (Vice Chairman)	05245642	Versicherungsgesellschaft (nearest to ACII in India)	Insurance	Promoter, Non-executive Director	11
3	Mr. Mayank Poddar	00009409	B.Com	Finance	Promoter, Non-executive Director	6
4	Mr. Kailash Nath Bhandari	00026078	B.A.L.L.B.	Insurance	Independent, Non-executive Director	9
5	Mr. Sunil Mitra	00113473	B.Sc, IAS	Finance & Economics	Independent, Non-executive Director	5
6	Mr. V. K. Viswanathan	01782934	B.Com, FCA	Finance & Industry	Independent, Non-executive Director	7
7	Ms. Suvalaxmi Chakraborty*	00106054	B.com (H), ACA	Finance	Independent, Non-Executive Director	5
8	Mr. Rajive Kumaraswami (Managing Director & Chief Executive Officer)	07501971	B.Com, FCA, ACMA	Insurance	Professional, Executive Director	0

* Resigned w.e.f. 27 December 2021.

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 acknowledges their duties as prescribed under the applicable laws.

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 the majority of votes of the Directors. During the FY22, the Board of Directors met Eight (8) times on 30 April 2021, 22 July 2021, 21 October 2021, 3 November 2021, 17 December 2021, 30 December 2021, 20 January 2022 and 28 February 2022. 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:

Name of the Director	Nature of Directorship	Designation in the Board	Meeting dated 30.04.2021	Meeting dated 22.07.2021	Meeting dated 21.10.2021	Meeting dated 03.11.2021
Mr. Sanjay Chamria	Promoter, Non-executive Director	Chairman	Present	Present	Present	Present
Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	Vice-Chairman	Present	Present	Present	Present
Mr. Mayank Poddar	Promoter, Non-executive Director	Member	Present	Present	Present	Present
Mr. Kailash Nath Bhandari	Independent, Non-executive Director	Member	Present	Present	Present	Present
Mr. Sunil Mitra	Independent, Non-executive Director	Member	Present	Present	Present	Present
Mr. V. K. Viswanathan	Independent, Non-executive Director	Member	Present	Present	Present	Present
Ms. Suvalaxmi Chakraborty (Resigned w.e.f. December 27, 2021)	Independent, Non-executive Director	Member	Present	Present	Present	Present
Mr. Rajive Kumaraswami	Managing Director and Chief Executive Officer	Member	Present	Present	Present	Present

Name of the Director	Nature of Directorship	Designation in the Board	Meeting dated 17.12.2021	Meeting dated 30.12.2021	Meeting dated 20.01.2022	Meeting dated 28.02.2022
Mr. Sanjay Chamria	Promoter, Non-executive Director	Chairman	Present	Absent	Present	Present
Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	Vice-Chairman	Present	Present	Present	Present
Mr. Mayank Poddar	Promoter, Non-executive Director	Member	Present	Absent	Present	Present
Mr. Kailash Nath Bhandari	Independent, Non-executive Director	Member	Present	Present	Present	Present
Mr. Sunil Mitra	Independent, Non-executive Director	Member	Present	Absent	Present	Present
Mr. V. K. Viswanathan	Independent, Non-executive Director	Member	Present	Present	Present	Present
Ms. Suvalaxmi Chakraborty (Resigned w.e.f. December 27, 2021)	Independent, Non-executive Director	Member	Absent	(Resigned w.e.f. December 27, 2021)	(Resigned w.e.f. December 27, 2021)	(Resigned w.e.f. December 27, 2021)
Mr. Rajive Kumaraswami	Managing Director and Chief Executive Officer	Member	Present	Present	Present	Present

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 2022. 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, 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 4,19,055, 1,99,969 & 22,376 Equity shares of the Company respectively pursuant to exercise of Option under MHD1 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 (as per the Companies Act, 2013) 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 2022 are given below:

(Rs. in crores)

Sl. No.	Name of Director	Salary & Perquisites*	Sitting Fees	Total
1	Mr. Sanjay Chamria	-	-	-
2	Mr. Jens Holger Wohlthat	-	-	-
3	Mr. Rajive Kumaraswami	3.63	-	3.63
4	Mr. Mayank Poddar	-	-	-
5	Mr. Kailash Nath Bhandari	-	0.25	0.25
6	Mr. Sunil Mitra	-	0.18	0.18
7	Mr. V. K. Viswanathan	-	0.25	0.25
8	Ms. Suvalaxmi Chakraborty (resigned w.e.f. 27 December 2021)	-	0.08	0.08

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

Separate Meeting of Independent Directors.

Pursuant to requirements of the applicable laws, Independent Directors of the Company met on 20 January 2022, without having presence of Non-executive Directors, Executive Directors and the Management of the Company. At this Meeting, the Independent Directors *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.

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

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 draft 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;

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 draft 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. The Committee may invite any person to be in attendance to assist in its deliberations. The Company Secretary acts as a Secretary to the Committee.

c. Meetings and the attendance during the year

The Audit Committee met Five (5) times during the year on 30 April 2021, 22 July 2021, 21 October 2021, 20 January 2022 and 28 February 2022. Following table sets out the particulars of attendance of members of the Committee at various meetings:

Name of the Director	Nature of Directorship	Designation in the Board	Meet- ing dated 30.04.2021	Meet- ing dated 22.07.2021	Meet- ing dated 21.10.2021	Meet- ing dated 20.01.2022	Meet- ing dated 28.02.2022
Mr. Sunil Mitra	Independent, Non-executive Director	Chairman	Present	Present	Present	Present	Present
Mr. Sanjay Chamria	Promoter, Non-executive Director	Member	Present	Present	Present	Present	Present
Mr. V. K. Viswanathan	Independent, Non-executive Director	Member	Present	Present	Present	Present	Present
Mr. Kailash Nath Bhandari	Independent, Non-executive Director	Member	Present	Present	Present	Present	Present
Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	Member	Present	Present	Present	Present	Present

2. Investment Committee

The Investment Committee has been constituted pursuant to IRDAI Corporate Governance Guidelines and IRDAI Regulations read with its circular / notification / Guidelines as amended from time to time.

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 Asset Liability Management 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. Exercise due diligence while making investment decisions and 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 (resigned w.e.f. 27 December 2021) being the other Directors members thereof. Mr. Gaurav Parasmurpuria, 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 29 April 2021, 22 July 2021, 20 October 2021 and 20 January 2022 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:

Name of the Director	Nature of Directorship	Designation in the Board	Meeting dated 29.04.2021	Meeting dated 22.07.2021	Meeting dated 20.10.2021	Meeting dated 20.01.2022
Mr. Kailash Nath Bhandari	Independent, Non-executive Director	Chairman	Present	Present	Present	Present
Mr. Sanjay Chamria	Promoter, Non-executive Director	Member	Present	Present	Present	Present
Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	Member	Present	Present	Present	Present
Mr. V. K. Viswanathan	Independent, Non-executive Director	Member	Present	Present	Present	Present
Ms. Suvalaxmi Chakraborty (Resigned w.e.f. 27 December 2021)	Independent, Non-executive Director	Member	Present	Present	Present	(Resigned w.e.f. 27 December 2021)
Mr. Rajive Kumaraswami	Managing Director and Chief Executive Officer	Member	Present	Present	Present	Present
Mr. Gaurav Parasrampur	Chief Financial Officer	Member	Present	Present	Present	Present
Mr. Amit Bhandari	Chief Technical Officer & Chief Risk Officer	Member	Present	Present	Present	Present
Mr. Jinesh Shah	Chief Investment Officer	Member	Present	Present	Present	Present
Mr. Shivendra Tripathi	Appointed Actuary	Member	Absent	Present	Present	Present

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 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. 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 29 April 2021, 22 July 2021, 20 October 2021 and 20 January 2022. Following table sets out the particulars of attendance of members of the Policyholders’ Protection at the said meetings:

Name of the Director	Nature of Directorship	Designation in the Board	Meeting dated 29.04.2021	Meeting dated 22.07.2021	Meeting dated 20.10.2021	Meeting dated 20.01.2022
Mr. Kailash Nath Bhandari	Independent, Non-executive Director	Chairman	Present	Present	Present	Present
Mr. Sunil Mitra	Independent, Non-executive Director	Member	Present	Present	Present	Present
Mr. V. K. Viswanathan	Independent, Non-executive Director	Member	Present	Present	Present	Present
Mr. Rajive Kumaraswami	Managing Director and Chief Executive Officer	Member	Present	Present	Present	Present
Ms. Aditi Ray	Customer Representative	Member	Present	Absent	Present	Present

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 risk management 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

1. Formulating and implementing optimal ALM strategies and meeting risk-reward objectives at both product and enterprise level.
2. 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.
3. 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.
4. Regular review and monitoring of mismatch between assets and liabilities and the acceptable tolerance limits for mismatch, if any.
5. Ensuring that management and valuation of all assets and liabilities comply with standards, prevailing legislation and internal and external reporting requirements.
6. Submitting the ALM information before the Board at periodic intervals. Annual review of strategic asset allocation.
7. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities.
8. Managing capital requirements at the company level using the regulatory solvency requirements.
9. 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 (Resigned w.e.f. 27 December 2021), 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 29 April 2021, 22 July 2021, 20 October 2021 and 20 January 2022. Following table sets out the particulars of attendance of members of the Risk Management Committee at the said meetings:

Name of the Director	Nature of Directorship	Designation in the Board	Meeting dated 29.04.2021	Meeting dated 22.07.2021	Meeting dated 20.10.2021	Meeting dated 20.01.2022
Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	Chairman	Present	Present	Present	Present
Mr. Sanjay Chamria	Promoter, Non-executive Director	Member	Present	Present	Present	Present
Mr. V. K. Viswanathan	Independent, Non-executive Director	Member	Present	Present	Present	Present
Mr. Kailash Nath Bhandari	Independent, Non-executive Director	Member	Present	Present	Present	Present
Mr. Rajive Kumaraswami	Managing Director and Chief Executive Officer	Member	Present	Present	Present	Present
Ms. Suvalaxmi Chakraborty (Resigned w.e.f. 27 December 2021)	Independent, Non-executive Director	Member	Present	Present	Present	(Resigned w.e.f. 27 December 2021)

Note: Mr. Amit Bhandari, Chief Technical Officer and Chief Risk Officer has attended all the meetings mentioned above.

5. Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) is constituted in accordance with the provisions of applicable laws.

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.

Name of the Director	Nature of Directors	Designation in the Board	Meeting dated 29.04.2021	Meeting dated 21.07.2021	Meeting dated 20.10.2021	Meeting dated 17.12. 2021	Meeting dated 30.12.2021	Meeting dated 20.01.2022
Mr. Sunil Mitra	Independent, Non-executive Director	Chairman	Present	Present	Present	Present	Absent	Present
Mr. V. K. Viswanathan	Independent, Non-executive Director	Member	Present	Present	Present	Present	Present	Present
Mr. Sanjay Chamria	Promoter, Non-executive Director	Member	Present	Present	Present	Present	Absent	Present
Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	Member	Present	Present	Present	Present	Present	Present
Mr. Kailash Nath Bhandari	Independent, Non-executive Director	Member	Present	Present	Present	Present	Present	Present
Mr. Mayank Poddar	Promoter, Non-executive Director	Member	Present	Present	Present	Present	Absent	Present

6. Corporate Social Responsibility Committee

During the FY 2017-18, the Corporate Social Responsibility Committee has been constituted pursuant to the IRDA 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
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

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

The Corporate Social Responsibility Committee met two (2) times during the year on 29 April 2021 and 28 February 2022. Following table sets out the particulars of attendance of members of the Committee at various meetings.

Name of the Director	Nature of Directors	Designation in the Board	Meeting dated 29.04.2021	Meeting dated 28.02.2021
Mr. Mayank Poddar	Promoter, Non-executive Director	Chairman	Present	Present
Mr. Jens Holger Wohlthat	Promoter, Non-executive Director	Member	Present	Present
Mr. Sunil Mitra	Independent, Non-executive Director	Member	Present	Present
Mr. Rajive Kumaraswami	Managing Director & Chief Executive Officer	Member	Present	Present

7. Management Committee of the Board

a. Terms of Reference

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

- 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.
- 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.
- 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.
- 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.
- 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 complaints, 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.
- 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.
- 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.
- 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.
- 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 one (1) times during the year on 23 September 2021. Following table sets out the particular of attendance of members of the Committee at various meetings:

Name of the Director	Nature of Directors	Designation in the Board	Meeting dated 23.09.2021
Mr. Sanjay Chamria	Promoter, Non-executive Director	Chairman	Present
Mr. Mayank Poddar	Promoter, Non-executive Director	Member	Absent
Mr. Rajive Kumaraswami	Managing Director & Chief Executive Officer	Member	Present

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 2021-22, Mr. Gufran Ahmed Siddiqui resigned from the post of Company Secretary of the Company w.e.f. 02 March 2022. Ms. Sweta Bharucha has been appointed as Company Secretary of the Company and Compliance Officer to monitor and ensure compliance of the IRDAI Corporate Governance Guidelines w.e.f. 29 April 2022.

For and on behalf of the Board of Directors

Date: 29 April 2022
Place: Kolkata

Sanjay Chamria
Chairman
DIN 00009894

Certification for Compliance of the Corporate Governance Guidelines for FY 2021-22

I, Sweta Bharucha, 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: 29 April 2022
Place: Mumbai

Sweta Bharucha
Company Secretary
Membership No.: ACS 22946

Management Report

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 2022

- 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.
- To the best of our knowledge and belief, we certify that all the dues payable to the statutory authorities have been duly paid.
- We confirm that the shareholding pattern and transfer of shares during the year are in accordance with statutory and regulatory requirements.
- We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
- 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 2022 stands at 1.76 times.
- 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'. It may be noted that Investments in Debt securities are stated at historical cost as per the IRDAI Regulations.
- 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.
- The Company does not have any operations outside India.
- Ageing analysis of claims outstanding and average claims settlement time is given hereunder:-

Ageing of Claims outstanding

(Rs. in crores)

Financial Year 2017-18	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	9	2.27	23	0.72	476	5.28
31 days to 6 months	19	33.55	71	2.41	557	15.39
6 months to 1 year	23	11.54	28	3.24	137	4.56
1 year to 5 years	13	8.78	18	2.96	205	6.65
5 years and above	-	-	-	-	-	-
TOTAL	64	56.16	140	9.36	1375	31.90

(Rs. in crores)

Financial Year 2018-19	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	45	3.43	30	0.92	1503	24.85
31 days to 6 months	97	4.33	24	1.76	1039	16.14
6 months to 1 year	19	1.69	12	2.81	86	3.61
1 year to 5 years	26	26.97	17	4.36	306	14.89
5 years and above	-	-	-	-	-	-
TOTAL	187	36.42	83	9.85	2934	59.49

(Rs. in crores)

Financial Year 2019-20	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	16	4.60	28	1.19	2,625	26.35
31 days to 6 months	28	2.09	15	3.56	342	9.85
6 months to 1 year	22	5.38	17	3.93	78	5.40
1 year to 5 years	40	16.05	24	8.53	385	15.46
5 years and above	-	-	1	0.74	-	-
TOTAL	106	28.12	85	17.95	3430	57.06

(Rs. in crores)

Financial Year 2020-21	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	38	0.30	20	1.31	2,683	14.75
31 days to 6 months	90	16.74	35	1.93	1,383	20.94
6 months to 1 year	24	11.52	6	0.41	61	2.90
1 year to 5 years	24	13.70	27	6.00	418	17.33
5 years and above	-	-	2	6.19	-	-
TOTAL	176	42.28	90	15.84	4,545	55.92

(Rs. in crores)

Financial Year 2021-22	Fire		Marine		Miscellaneous	
	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	212	0.37	25	0.52	3,379	23.51
31 days to 6 months	794	12.47	37	1.64	1,471	28.54
6 months to 1 year	106	4.92	30	0.84	130	3.30
1 year to 5 years	29	10.91	11	2.86	405	16.03
5 years and above	1	0.51	7	6.36	94	2.64
TOTAL	1,142	29.18	110	12.22	5,479	74.02

Average Claims Settlement time

Class of Business	Trend in average claim settlement time for various segments									
	FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22	
	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	740	19	1,967	14	1,631	37	4,654	59	16,539	56
Marine Cargo	1,697	31	1,380	35	1,517	47	1,108	55	1,036	66
Miscellaneous	22,053	31	37,639	40	70,514	26	67,774	31	112,421	24
Grand Total	24,490	30	40,986	39	73,662	30	73,536	33	129,996	28

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.

10. 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 as per Fixed Income Money Market Derivatives Association of India (FIMMDA) valuations. The investments in the Mutual Funds are valued at Net Asset Values (NAV), which is taken from AMFI as on the Balance Sheet date.

11. The Company has adopted a prudent investment policy with emphasis on optimizing risk adjusted returns based on appropriate mix of duration, liquidity & safety despite volatile market conditions. 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.
12. Details of payments during the financial year to individuals, firms, companies and organisations in which directors are interested excluding reimbursement. (Rs. in crores)

Sr. No.	Name of Director	Entity / party in which Directors are interested	Interested as	Amount	Nature of Payments
1	Sanjay Chamria & Mayank Poddar	Poonawalla Fincorp Limited	Shareholders	6.29	Corporate Agent Commission
				0.38	Claim Payment
2	Jens Holger Wohlthat	HDI Global Network AG	Chairman	55.61	Payment for reinsurance ceded
3	Jens Holger Wohlthat	HDI Global SE	Director	0.10	Payment for reinsurance ceded
4	Mayank Poddar	CLP Business LLP	Partner	0.19	Rent Payment
5	Mayank Poddar	Shaili Poddar	Daughter of Director	0.09	Rent Payment
6	Mayank Poddar	Solvex Properties & Services Pvt. Ltd.	Relative of Director	0.08	Payment of utility charges

13. The Management of Magma HDI General Insurance Company Limited certifies that:
- 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.
 - 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.
 - 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.
 - The management has prepared the financial statements on a going concern basis.
 - The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

For and on behalf of the Board of Directors

Sanjay Chamria
Chairman

Rajive Kumaraswami
Managing Director & Chief Executive Officer

Mayank Poddar
Director

Gaurav Parasrampur
Chief Financial Officer

Sunil Mitra
Director

Sweta Bharucha
Company Secretary

Place: Mumbai
Date: 29 April 2022

Independent Auditor's Report

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 2022, 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"), 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 2022;
- ii. in the case of the Revenue Accounts, of the Operating Profit/(Loss) for the year ended on that date;
- iii. in the case of the Profit and Loss Account, of the loss 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 of the financial statement 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 on the financial statement.

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, to the extent applicable.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 system 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 Matters

1. 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 2022, is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary. They have 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.
2. The Financial Statement of the Company for the year ended 31 March 2021 were audited by Haribhakti & Co LLP, Chartered Accountants and MSKA & Associates, Chartered Accountants whose report dated 30 April 2021 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated 29 April 2022 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 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 behalf;
- f. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements dealt with by this report 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 behalf;
- h. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- i. With respect to requirements of section 197(16) of the Act, as amended, we report that managerial remuneration is governed u/s 34A of the Insurance Act, 1938. Accordingly, the provisions of Section 197 read with Schedule V to the Act are not applicable, and hence reporting under Section 197 (16) is not required.
- j. 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";
- k. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 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 Actuary referred to in Other Matter paragraph above, on which we have placed reliance; and the 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 financial statements.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Board of Directors of the Company have not proposed any dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Accordingly no compliance with respect to section 123 of the Act is required to be followed.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Nikhil Singhi
Partner
Membership No. 061567
UDIN: 22061567AIWNMA3430

Place: Mumbai
Date: 29 April 2022

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

Swapnil Kale
Partner
Membership No. 117812
UDIN: 22117812AIDBNV9666

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

(Referred to in paragraph 3(j) under 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of MAGMA HDI General Insurance Company Limited on the financial statements for the year ended 31 March 2022)

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

Opinion

1. We have audited the internal financial controls with reference to financial statements of **Magma HDI General Insurance Company Limited** ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 31 March 2022, 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).

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 IRDA Financial Statements Regulations, 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 deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial 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.

Other Matters

8. 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 2022, is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary, as mentioned in the "Other Matters" paragraph of our audit report on the Financial Statements of the Company as at and for the year ended 31 March 2022. They have 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 31 March 2022. 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 Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

For MSKA & Associates

Chartered Accountants
Firm Registration No. 105047W

Nikhil Singhi

Partner
Membership No. 061567
UDIN: 22061567AIWNMA3430

Swapnil Kale

Partner
Membership No. 117812
UDIN: 22117812AIDBNV9666

Place: Mumbai

Date: 29 April 2022

Independent Auditors' Certificate**TO THE MEMBERS OF MAGMA HDI GENERAL INSURANCE COMPANY LIMITED ("the Company")**

(Referred to in paragraph 1 of "Report on Other Legal and Regulatory Requirements" forming part of the Independent Auditors' Report dated 29 April 2022).

We have been requested by the Company having registered office at Development House 24, Park Street, Kolkata, WB - 700016 to issue a certificate in accordance with the terms of engagement letters dated 11 October 2021.

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") to be 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 Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/circulars/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"), which includes preparation of the Management Report. The responsibility includes collecting, collating, validating data, designing, implementing and monitoring of internal controls relevant for ensuring compliance as stated above and provide all relevant information to IRDAI and making estimates that are reasonable in the circumstances.

Auditors' 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, read with Regulation 3, of the IRDA Financial Statements Regulations.

The following documents have been furnished by the Company:

- Management Report for the year ended 31 March 2022
- Compliance certificate submitted to the Board of Directors by the officers of the Company.
- Cash in Hand and Cheques in Hand certificate as on 31 March 2022

- d) Holding Statement as at 31 March 2022 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 31 March 2022;
- b) Considering the COVID-19 pandemic situation in India, we have obtained the management certificate with respect to cash/ cheques in hands as on 31 March 2022 at all the branches. For securities relating to Company's loans and investments as at 31 March 2022, 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 have audited the financial statements of the Company as of and for the financial year ended 31 March 2022, on which we issued an unmodified audit opinion vide our reports dated 29 April 2022. Our audit 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 ("ICAI"). 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.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, which includes the concepts of test checks and materiality. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by 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 31 March 2022, and on the basis of our review, there are no apparent mistakes or material inconsistencies 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 31 March 2022, 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 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. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. 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 Singhi & Co.

Chartered Accountants
Firm Registration No. 302049E

For MSKA & Associates

Chartered Accountants
Firm Registration No. 105047W

Nikhil Singhi

Partner
Membership No. 061567
UDIN: 22061567AJFYXP1612

Swapnil Kale

Partner
Membership No. 117812
UDIN: 22117812AIDBYE1541

Place: Mumbai
Date: 29 April 2022

Audited Financial Statements

FORM B-RA

MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No. 149 dated 22 May 2012

REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

(Rs in '000)

Particulars	Schedule	FIRE		MARINE		MISCELLANEOUS		TOTAL	
		Year ended 31 Mar 2022	Year ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Premiums earned (Net)	1	277,334	208,340	10,583	8,185	8,854,203	7,400,449	9,142,120	7,616,974
Profit / (Loss) on sale / redemption of investments (Net)		11,535	15,580	193	205	215,762	312,872	227,490	328,657
Others:-									
Investment Income from Terrorism Pool		12,157	7,545	-	-	315	231	12,472	7,776
Miscellaneous Income		201	137	256	37	1,310	1,247	1,767	1,421
Contribution from Shareholders Funds towards excess									
Expenses of Management (EoM)		84,846	-	24,577	11,809	786,384	69,549	895,807	81,358
Interest, dividend and rent (Gross)		91,813	73,203	1,533	964	1,711,595	1,470,020	1,804,941	1,544,187
TOTAL (A)		477,886	304,805	37,142	21,200	11,569,569	9,254,368	12,084,597	9,580,373
Claims incurred (Net)	2	96,992	190,699	1,190	39,345	6,178,217	5,835,998	6,276,399	6,066,042
Commission (Net)	3	(39,193)	(25,260)	(12,066)	(13,696)	(167,047)	(513,568)	(218,306)	(552,524)
Operating expenses related to insurance business	4	833,188	540,308	78,609	63,904	4,791,388	3,168,676	5,703,185	3,772,888
Premium deficiency reserve		-	-	(816)	287	-	-	(816)	287
TOTAL (B)		890,987	705,747	66,917	89,840	10,802,558	8,491,106	11,760,462	9,286,693
Operating Profit/(Loss) (C) = (A - B)		(413,101)	(400,942)	(29,775)	(68,640)	767,011	763,262	324,135	293,680
Appropriations									
Transfer to Shareholders' Account		(413,101)	(400,942)	(29,775)	(68,640)	767,011	763,262	324,135	293,680
Transfer to Catastrophe Reserve		-	-	-	-	-	-	-	-
Transfer to Other Reserves		-	-	-	-	-	-	-	-
TOTAL (C)		(413,101)	(400,942)	(29,775)	(68,640)	767,011	763,262	324,135	293,680

Significant Accounting Policies

16

Notes to Accounts

17

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

As per our Report of even date attached.

For Singhi & Co.

Chartered Accountants

Firm Registration No. 302049E

Nikhil Singhi

Partner

Membership No. 061567

For MSKA & Associates

Chartered Accountants

Firm Registration No. 105047W

Swapnil Kale

Partner

Membership No. 117812

For and on behalf of the Board of Directors

Sanjay Chamria

Chairman

DIN No.- 00009894

Mayank Poddar

Director

DIN No.- 00009409

Sunil Mitra

Director

DIN No.- 00113473

Rajive Kumaraswami

Managing Director &

Chief Executive Officer

DIN No.- 07501971

Gaurav Parasrampuria

Chief Financial Officer

Sweta Bharucha

Company Secretary

Membership No. - A22946

Mumbai, 29 April 2022

FORM B-PL

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

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

(Rs in '000)

Particulars	Schedule	Year ended 31 Mar 2022	Year ended 31 Mar 2021
OPERATING PROFIT/(LOSS)			
(a) Fire insurance		(413,101)	(400,942)
(b) Marine insurance		(29,775)	(68,640)
(c) Miscellaneous insurance		767,011	763,262
INCOME FROM INVESTMENTS			
(a) Interest, dividend and rent (Gross)		251,367	226,986
(b) Profit on sale / redemption of investments		31,970	48,679
Less: (Loss) on sale / redemption of investments		(390)	(368)
OTHER INCOME			
(a) Miscellaneous income / Liabilities written back		66	10
TOTAL (A)		607,148	568,987
PROVISIONS (Other than taxation)			
(a) For diminution in the value of investments		(162,139)	(24,776)
(b) For doubtful debts		1,658	1,438
(c) Others		(129)	(41)
OTHER EXPENSES			
(a) Expenses other than those related to insurance business			
- Employees' remuneration and welfare benefits (Refer Note 17.18a)		21,286	15,062
- Legal Fees related to Shareholders funds		2,200	3,553
(b) Bad debts written off		3,101	1,798
(c) Interest on subordinate debt		479	-
(d) Expenses towards CSR activities (Refer Note 17.25)		1,266	592
(e) Penalties (Refer Note 17.37)		-	2,800
(f) Contribution to Policyholders Funds towards excess Expenses of Management (EoM) (Refer Note 17.20)		895,807	81,358
(g) Others			
- Investment Expenses (Refer Note 17.12)		2,186	1,930
- Loss on sale / discard of fixed assets		864	8,915
- Director Fees (Refer Note 17.18d)		7,690	6,540
- Investments write off		-	211,970
- Interest on income tax		439	1,327
TOTAL (B)		774,708	312,466
Profit / (Loss) before tax		(167,560)	256,521
Less: Provision for taxation			
(a) Current tax		29,571	54,210
(b) Deferred tax expense / (income)		(76,071)	8,283
(c) Tax adjustment of earlier years		3,530	-
Profit / (Loss) after tax		(124,590)	194,028
APPROPRIATIONS			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Debenture Redemption Reserve		-	-
(d) Transfer to any reserve or other account		-	-
Balance of profit/ (loss) brought forward from last year		(127,129)	(321,157)
Balance carried forward to Balance Sheet		(251,719)	(127,129)
Basic & Diluted Earnings Per Share of face value of Rs. 10/- (Refer Note 17.23)		(0.81)	1.26

Significant Accounting Policies
Notes to Accounts

16
17

The Schedules referred to above & notes to accounts form an integral part of the Financial Statements.
As per our Report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

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

Sanjay Chamria
Chairman
DIN No.- 00009894

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

Nikhil Singhi
Partner
Membership No. 061567

Swapnil Kale
Partner
Membership No. 117812

Mayank Poddar
Director
DIN No.- 00009409

Gaurav Parasrampur
Chief Financial Officer

Mumbai, 29 April 2022

Sunil Mitra
Director
DIN No.- 00113473

Sweta Bharucha
Company Secretary
Membership No. - A22946

FORM B-BS

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

BALANCE SHEET AS AT 31 MARCH 2022

(Rs in '000)

Particulars	Schedule	As at 31 Mar 2022	As at 31 Mar 2021
SOURCES OF FUNDS			
Share capital	5	1,547,073	1,547,073
Share application money pending allotment		-	-
Employee stock option reserve		46,985	36,922
Reserves and surplus	6	2,780,294	2,796,224
Fair value change account - Shareholders		115	129
Fair value change account - Policyholders		800	956
Borrowings	7	1,002,138	5,488
TOTAL		5,377,405	4,386,792
APPLICATION OF FUNDS			
Investments			
Investments - Shareholders	8	4,827,342	3,560,121
Investments - Policyholders	8A	33,617,393	26,377,542
Total Investments		38,444,735	29,937,663
Loans	9	2,643	34,673
Fixed assets	10	275,526	236,068
Deferred tax asset (Net) (Refer Note 17.31)		272,023	195,952
Current Assets			
Cash and bank balances	11	256,726	375,409
Advances and other assets	12	1,816,556	1,666,635
Sub-Total (A)		2,073,282	2,042,044
Current Liabilities	13	29,006,922	23,174,685
Provisions	14	6,935,601	5,012,052
Sub-Total (B)		35,942,523	28,186,737
Net Current Assets / (Liabilities) (C) = (A - B)		(33,869,241)	(26,144,693)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		251,719	127,129
TOTAL		5,377,405	4,386,792

Significant Accounting Policies
Notes to Accounts

16
17

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

As per our Report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

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

Sanjay Chamria
Chairman
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Chief Financial Officer

Mumbai, 29 April 2022

Sunil Mitra
Director
DIN No.- 00113473

Sweta Bharucha
Company Secretary
Membership No. - A22946

MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No. 149 dated 22 May 2012

RECEIPT AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2022

(Rs in '000)

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Cash flows from the operating activities:		
Premium received from policyholders, including advance receipts and GST	21,538,815	16,194,968
Other receipts	240,266	14,347
Receipts / (Payments) from / to reinsurers, net of commissions and claims	(3,224,314)	(2,043,633)
Receipts / (Payments) from / to co-insurers, net of claims recovery	(13,616)	783
Payments of claims	(5,104,697)	(2,843,798)
Payments of commission & brokerage	(1,306,409)	(896,936)
Payments of other operating expenses	(6,061,431)	(3,967,319)
Deposits, advances and staff loans (Net)	(36,671)	4,959
Income Tax paid (Net)	(80,834)	(25,000)
GST paid	(936,295)	(821,451)
Cash flows before extraordinary items	5,014,814	5,616,920
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities (A)	5,014,814	5,616,920
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(117,745)	(42,417)
Proceeds from sale of fixed assets	840	1,327
Purchases of investments	(94,027,202)	(78,737,719)
Sales / redemption of investments	85,901,057	71,461,906
Repayments Received	19,546	6,731
Rents / Interests / Dividends received	2,102,426	1,937,856
Investments in money market instruments and in liquid mutual funds (Net)	(5,677)	-
Expenses related to investments	(2,186)	(1,930)
Net cash flow from investing activities (B)	(6,128,941)	(5,374,246)
Cash flows from financing activities:		
Proceeds from issuance of share capital / share application money including share premium (net of issue expenses)	-	(521)
Proceeds from borrowing	1,000,000	-
Repayments of borrowing	(3,327)	(2,998)
Brokerage and other expenses on borrowings	(900)	-
Interest Paid	(329)	(575)
Net cash flow from financing activities (C)	995,444	(4,094)
Effect of foreign exchange rates on cash and cash equivalents, net (D)	-	-
Net increase / (decrease) in cash and cash equivalents: (A+B+C+D)	(118,683)	238,580
Cash and Cash Equivalent at the beginning of the year	375,409	136,829
Cash and Cash Equivalent at the end of the year	256,726	375,409

Refer Schedule 11 for components of Cash and bank balances.

For and on behalf of the Board of Directors

As per our Report of even date attached.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

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

Sanjay Chamria
Chairman
DIN No.- 00009894

Rajive Kumaraswami
Managing Director &
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Gaurav Parasrampur
Chief Financial Officer

Mumbai, 29 April 2022

Sunil Mitra
Director
DIN No.- 00113473

Sweta Bharucha
Company Secretary
Membership No. - A22946

MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

IRDAI Registration No. 149 dated 22 May 2012

Schedules to the Financial Statements**SCHEDULE - 1****PREMIUM EARNED [NET]**

(Rs in '000)

PARTICULARS	Year ended 31 Mar 2022						Year ended 31 Mar 2021					
	FIRE	MARINE			* MISCEL- LANEOUS	TOTAL	FIRE	MARINE			* MISCEL- LANEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Premium from direct business written-net of GST/Service tax	2,297,802	239,138	-	239,138	15,034,714	17,571,654	1,444,990	214,304	-	214,304	11,176,631	12,835,925
Add : Premium on reinsurance accepted	507,705	25,853	-	25,853	46,560	580,118	610,375	30,141	-	30,141	13,965	654,481
Less : Premium on reinsurance ceded	(2,234,895)	(255,463)	-	(255,463)	(4,443,847)	(6,934,205)	(1,676,949)	(239,462)	-	(239,462)	(3,591,519)	(5,507,930)
Net Premium	570,612	9,528	-	9,528	10,637,427	11,217,567	378,416	4,983	-	4,983	7,599,077	7,982,476
Reserve for unexpired risk at the end of the year	619,288	2,329	-	2,329	6,112,860	6,734,477	326,010	3,384	-	3,384	4,329,636	4,659,030
Reserve for unexpired risk at the beginning of the year	(326,010)	(3,384)	-	(3,384)	(4,329,636)	(4,659,030)	(155,934)	(6,586)	-	(6,586)	(4,131,008)	(4,293,528)
Adjustment for change in reserve for unexpired risk	293,278	(1,055)	-	(1,055)	1,783,224	2,075,447	170,076	(3,202)	-	(3,202)	198,628	365,502
Total premium earned (Net)	277,334	10,583	-	10,583	8,854,203	9,142,120	208,340	8,185	-	8,185	7,400,449	7,616,974

* Refer to Schedule - 1(A)

SCHEDULE - 1(A)**PREMIUM EARNED [NET]****MISCELLANEOUS PREMIUM EARNED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2022**

(Rs in '000)

PARTICULARS	MISCELLANEOUS										
	MOTOR			ENGI- NEERING	PUBLIC/ PROD- UCT LI- ABILITY	WORKS- MEN'S COMPEN- SATION	HEALTH INSUR- ANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Premium from direct business written-net of GST/Service tax	4,316,027	8,844,129	13,160,156	72,644	150	14,454	1,074,263	54,583	594,418	64,046	15,034,714
Add : Premium on reinsurance accepted	-	-	-	26,240	-	-	-	-	19,576	744	46,560
Less : Premium on reinsurance ceded	(2,833,833)	(774,300)	(3,608,133)	(84,119)	(111)	(853)	(93,300)	(7,588)	(592,047)	(57,696)	(4,443,847)
Net Premium	1,482,194	8,069,829	9,552,023	14,765	39	13,601	980,963	46,995	21,947	7,094	10,637,427
Reserve for unexpired risk at the end of the year	865,132	4,577,695	5,442,827	9,556	80	5,428	615,630	22,331	12,575	4,433	6,112,860
Reserve for unexpired risk at the beginning of the year	(411,333)	(3,419,439)	(3,830,772)	(8,571)	(143)	(5,913)	(451,223)	(20,428)	(7,358)	(5,228)	(4,329,636)
Adjustment for change in reserve for unexpired risk	453,799	1,158,256	1,612,055	985	(63)	(485)	164,407	1,903	5,217	(795)	1,783,224
Total premium earned (Net)	1,028,395	6,911,573	7,939,968	13,780	102	14,086	816,556	45,092	16,730	7,889	8,854,203

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

(Rs in '000)

PARTICULARS	MISCELLANEOUS										
	MOTOR			ENGI-NEERING	PUBLIC/PROD-UCT LI-ABILITY	WORKS-MEN'S COMPEN-SATION	HEALTH INSUR-ANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
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	11,176,631
Add : Premium on reinsurance accepted	-	-	-	13,251	-	-	(6)	(10)	192	538	13,965
Less : Premium on reinsurance ceded	(2,146,171)	(667,902)	(2,814,073)	(73,777)	(318)	(883)	(109,775)	(12,824)	(490,889)	(88,980)	(3,591,519)
Net Premium	712,544	6,158,769	6,871,313	11,579	113	14,126	652,297	31,296	9,498	8,855	7,599,077
Reserve for unexpired risk at the end of the year	411,333	3,419,439	3,830,772	8,571	143	5,913	451,223	20,428	7,358	5,228	4,329,636
Reserve for unexpired risk at the beginning of the year	(362,920)	(3,439,896)	(3,802,816)	(11,035)	(180)	(4,108)	(286,913)	(17,057)	(6,646)	(2,253)	(4,131,008)
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	198,628
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	7,400,449

SCHEDULE - 2**CLAIMS INCURRED [NET]**

(Rs in '000)

Particulars	Year ended 31 Mar 2022						Year ended 31 Mar 2021					
	FIRE	MARINE			* MISCEL-LANEOUS	TOTAL	FIRE	MARINE			* MISCEL-LANEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Claims paid												
Direct	326,720	138,294	-	138,294	4,297,708	4,762,722	259,025	137,601	-	137,601	2,450,557	2,847,183
Add : Reinsurance accepted	252,698	41,993	-	41,993	1,563	296,254	143,010	92,440	-	92,440	5,064	240,514
Less : Reinsurance ceded	(451,783)	(159,046)	-	(159,046)	(1,759,400)	(2,370,229)	(335,471)	(207,883)	-	(207,883)	(1,101,716)	(1,645,070)
Net Claims paid	127,635	21,241	-	21,241	2,539,871	2,688,747	66,564	22,158	-	22,158	1,353,905	1,442,627
Add : Claims outstanding at the end of the year	250,975	42,873	-	42,873	19,771,685	20,065,533	281,618	62,924	-	62,924	16,133,339	16,477,881
Less : Claims outstanding at the beginning 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)
Total Claims incurred (Net)	96,992	1,190	-	1,190	6,178,217	6,276,399	190,699	39,345	-	39,345	5,835,998	6,066,042

* Refer to Schedule - 2(A)

SCHEDULE - 2 (A)**CLAIMS INCURRED [NET]****MISCELLANEOUS CLAIMS INCURRED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2022**

(Rs in '000)

Particulars	MISCELLANEOUS										
	MOTOR			ENGI-NEERING	PUBLIC/PRODUCT LIABILITY	WORKS-MEN'S COMPEN-SATION	HEALTH INSUR-ANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Claims paid											
Direct	2,057,552	1,586,586	3,644,138	6,345	36	5,180	621,504	16,361	261	3,883	4,297,708
Add : Reinsurance accepted	-	-	-	361	-	-	-	1,202	-	-	1,563
Less : Reinsurance ceded	(1,453,703)	(246,463)	(1,700,166)	(5,724)	(23)	(259)	(50,447)	(818)	(223)	(1,740)	(1,759,400)
Net Claims paid	603,849	1,340,123	1,943,972	982	13	4,921	571,057	16,745	38	2,143	2,539,871
Add : Claims outstanding at the end of the year	451,502	18,698,176	19,149,678	22,385	1,786	14,777	138,651	32,536	13,336	398,536	19,771,685
Less : Claims outstanding at the beginning 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)
Total claims incurred (Net)	725,033	4,783,011	5,508,044	(68)	(281)	13,524	558,830	13,502	(2,590)	87,256	6,178,217

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

(Rs in '000)

Particulars	MISCELLANEOUS										
	MOTOR			ENGI-NEERING	PUBLIC/PRODUCT LIABILITY	WORKS-MEN'S COMPEN-SATION	HEALTH INSUR-ANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
	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 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)
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

SCHEDULE - 3**COMMISSION**

(Rs in '000)

Particulars	Year ended 31 Mar 2022						Year ended 31 Mar 2021					
	FIRE	MARINE			*MISCEL-LANEOUS	TOTAL	FIRE	MARINE			*MISCEL-LANEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Commission paid Direct	150,505	16,476	-	16,476	1,048,503	1,215,484	101,992	12,418	-	12,418	703,105	817,515
TOTAL (A)	150,505	16,476	-	16,476	1,048,503	1,215,484	101,992	12,418	-	12,418	703,105	817,515
Add : Commission on reinsurance accepted Less : Commission on reinsurance ceded	42,805 (232,503)	2,365 (30,907)	-	2,365 (30,907)	6,325 (1,221,875)	51,495 (1,485,285)	37,115 (164,367)	2,709 (28,823)	-	2,709 (28,823)	1,606 (1,218,279)	41,430 (1,411,469)
Net commission	(39,193)	(12,066)	-	(12,066)	(167,047)	(218,306)	(25,260)	(13,696)	-	(13,696)	(513,568)	(552,524)

* Refer to Schedule - 3(A)

COMMISSION PAID - DIRECT

(Rs in '000)

Particulars	Year ended 31 Mar 2022						Year ended 31 Mar 2021					
	FIRE	MARINE			*MISCEL-LANEOUS	TOTAL	FIRE	MARINE			*MISCEL-LANEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Agents	348	88	-	88	37,942	38,378	995	44	-	44	43,504	44,543
Brokers	143,406	16,195	-	16,195	761,727	921,328	93,346	12,021	-	12,021	331,637	437,004
Corporate agency	6,745	193	-	193	59,013	65,951	7,651	353	-	353	99,172	107,176
Motor Insurance Service Providers	-	-	-	-	17,472	17,472	-	-	-	-	27,978	27,978
Point of Sale	-	-	-	-	162,969	162,969	-	-	-	-	163,607	163,607
Insurance Marketing Firm	6	-	-	-	1,640	1,646	-	-	-	-	484	484
Web aggregators	-	-	-	-	7,740	7,740	-	-	-	-	36,723	36,723
TOTAL (B)	150,505	16,476	-	16,476	1,048,503	1,215,484	101,992	12,418	-	12,418	703,105	817,515

SCHEDULE - 3 (A)**COMMISSION****MISCELLANEOUS COMMISSION BREAKUP FOR THE YEAR ENDED 31 MARCH 2022**

(Rs in '000)

PARTICULARS	MISCELLANEOUS										
	MOTOR			ENGINEER- ING	PUBLIC/ PROD- UCT LI- ABILITY	WORKS- MEN'S COMPEN- SATION	HEALTH INSUR- ANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Commission paid Direct	802,349	123,909	926,258	7,958	17	2,432	73,441	4,276	22,302	11,819	1,048,503
TOTAL (A)	802,349	123,909	926,258	7,958	17	2,432	73,441	4,276	22,302	11,819	1,048,503
Add : Commission on reinsurance accepted	-	-	-	2,981	-	-	-	-	3,238	106	6,325
Less : Commission on reinsurance ceded	(890,238)	(215,004)	(1,105,242)	(12,305)	(119)	(108)	(29,762)	(1,008)	(62,180)	(11,151)	(1,221,875)
Net commission	(87,889)	(91,095)	(178,984)	(1,366)	(102)	2,324	43,679	3,268	(36,640)	774	(167,047)

MISCELLANEOUS COMMISSION BREAKUP FOR THE YEAR ENDED 31 MARCH 2021

(Rs in '000)

PARTICULARS	MISCELLANEOUS										
	MOTOR			ENGINEER- ING	PUBLIC/ PROD- UCT LI- ABILITY	WORKS- MEN'S COMPEN- SATION	HEALTH INSUR- ANCE	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)

SCHEDULE - 4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs in '000)

Particulars	Year ended 31 Mar 2022						Year ended 31 Mar 2021					
	FIRE	MARINE			* MISCEL- LANEOUS	TOTAL	FIRE	MARINE			* MISCEL- LANEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Employees' remuneration and welfare benefits	164,348	15,070	-	15,070	1,165,533	1,344,952	134,113	15,514	-	15,514	935,203	1,084,830
Travel, conveyance and vehicle running expenses	4,086	387	-	387	21,962	26,435	1,618	193	-	193	8,809	10,620
Training expenses	192	18	-	18	1,360	1,569	131	16	-	16	713	860
Rents, rates and taxes	7,484	724	-	724	51,693	59,901	7,161	852	-	852	49,990	58,003
Repairs and maintenance	1,118	104	-	104	6,010	7,232	888	106	-	106	4,833	5,827
Printing and stationery	1,221	115	-	115	6,561	7,897	1,424	170	-	170	7,754	9,348
Communication	1,874	178	-	178	10,070	12,122	2,263	267	-	267	12,320	14,850
Legal and professional charges	10,550	994	-	994	71,930	83,474	5,394	641	-	641	39,750	45,785
Auditors' fees, expenses etc.												
(a) as auditor	665	65	-	65	3,570	4,300	678	81	-	81	3,691	4,450
(b) as adviser or in any other capacity, in respect of												
(i) Taxation matters	131	10	-	10	704	845	123	14	-	14	673	810
(ii) Insurance matters	78	7	-	7	420	505	101	12	-	12	547	660
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-	-
(d) out of pocket expenses	14	2	-	2	77	93	23	4	-	4	121	148
Advertisement and publicity	592,110	55,927	-	55,927	3,182,945	3,830,982	329,047	39,133	-	39,133	1,791,520	2,159,700
Interest and bank charges	10,431	984	-	984	56,076	67,491	8,232	978	-	978	44,818	54,028
Others												
Manpower hire charges	8,266	780	-	780	44,433	53,479	28,221	3,356	-	3,356	153,652	185,229
Information technology expenses	12,141	1,146	-	1,146	65,263	78,550	6,569	781	-	781	35,765	43,115
Membership fees and subscription expenses	1,643	156	-	156	8,833	10,632	1,286	154	-	154	7,002	8,442
Business promotion expenses	1,796	170	-	170	9,651	11,617	780	93	-	93	4,247	5,120
Miscellaneous expenses	3,414	673	-	673	21,798	25,885	2,163	338	-	338	12,315	14,816
Depreciation	11,626	1,099	-	1,099	62,499	75,224	10,093	1,201	-	1,201	54,953	66,247
TOTAL	833,188	78,609	-	78,609	4,791,388	5,703,185	540,308	63,904	-	63,904	3,168,676	3,772,888

* Refer to Schedule - 4(A)

SCHEDULE - 4 (A)**MISCELLANEOUS OPERATING EXPENSES RELATED TO INSURANCE BUSINESS BREAK UP FOR THE YEAR ENDED 31 MARCH 2022**

(Rs in '000)

PARTICULARS	MISCELLANEOUS										GRAND TOTAL
	MOTOR			ENGINEERING	PUBLIC/PROD-UCT LI-ABILITY	WORKS-MEN'S COMPEN-SATION	HEALTH INSUR-ANCE	PERSONAL ACCIDENT	OTHERS		
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Employees' remuneration and welfare benefits	335,986	565,764	901,750	5,704	7	889	208,092	10,497	34,897	3,697	1,165,533
Travel, conveyance and vehicle running expenses	6,286	12,880	19,166	144	-	21	1,564	79	894	94	21,962
Training expenses	392	660	1,052	7	0	1	243	12	41	4	1,360
Rents, rates and taxes	11,765	24,110	35,875	263	-	47	12,185	1,511	1,636	176	51,693
Repairs and maintenance	1,720	3,524	5,244	39	-	6	428	22	245	26	6,010
Printing and stationery	1,878	3,848	5,726	43	-	6	467	24	267	28	6,561
Communication	2,882	5,906	8,788	66	-	10	717	36	410	43	10,070
Legal and professional charges	26,591	33,257	59,848	372	1	54	8,897	205	2,309	244	71,930
Auditors' fees, expenses etc.											
(a) as auditor	1,022	2,095	3,117	23	-	3	254	13	145	15	3,570
(b) as adviser or in any other capacity, in respect of											
(i) Taxation matters	201	412	613	5	-	1	50	3	29	3	704
(ii) Insurance matters	120	246	366	3	-	-	30	2	17	2	420
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	-	-	-	-	-	-	-	-	-	-	-
(d) out of pocket expenses	22	45	67	1	-	-	6	-	3	-	77
Advertisement and publicity	910,909	1,866,578	2,777,487	20,870	32	3,051	226,726	11,520	129,585	13,674	3,182,945
Interest and bank charges	16,048	32,884	48,932	368	1	54	3,994	203	2,283	241	56,076
Others											
Manpower hire charges	12,716	26,057	38,773	291	-	43	3,165	161	1,809	191	44,433
Information technology expenses	18,677	38,272	56,949	428	1	63	4,649	236	2,657	280	65,263
Membership fees and Subscription expenses	2,528	5,180	7,708	58	-	8	629	32	360	38	8,833
Business promotion expenses	2,762	5,660	8,422	63	-	9	688	35	393	41	9,651
Miscellaneous expenses	6,144	7,688	13,832	297	-	13	1,182	47	534	5,893	21,798
Depreciation	17,886	36,652	54,538	410	1	60	4,452	226	2,544	268	62,499
TOTAL	1,376,535	2,671,718	4,048,253	29,455	43	4,339	478,418	24,864	181,058	24,958	4,791,388

SCHEDULE - 4 (A)**MISCELLANEOUS OPERATING EXPENSES RELATED TO INSURANCE BUSINESS BREAKUP FOR THE YEAR ENDED 31 MARCH 2021**

(Rs in '000)

PARTICULARS	MISCELLANEOUS										GRAND TOTAL
	MOTOR			ENGINEERING	PUBLIC/ PROD- UCT LI- ABILITY	WORKS- MEN'S COMPEN- SATION	HEALTH INSUR- ANCE	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

SCHEDULE - 5

SHARE CAPITAL

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
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 - 15,47,07,250) Equity Shares of Rs 10/- each fully paid-up	1,547,073	1,547,073
Subscribed Capital 15,47,07,250 (Previous Year - 15,47,07,250) Equity Shares of Rs 10/- each fully paid-up	1,547,073	1,547,073
Called-up- Capital 15,47,07,250 (Previous Year - 15,47,07,250) Equity Shares of Rs 10/- each fully paid-up	1,547,073	1,547,073
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	1,547,073

SCHEDULE - 5A

PATTERN OF SHAREHOLDING

(As certified by the management)

Shareholder	As at 31 Mar 2022		As at 31 Mar 2021	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian	103,828,512	67.12%	103,828,512	67.12%
Foreign	32,000,000	20.68%	32,000,000	20.68%
Others	18,878,738	12.20%	18,878,738	12.20%
TOTAL	154,707,250	100%	154,707,250	100%

SCHEDULE - 6

RESERVES AND SURPLUS

(Rs in '000)

Particulars	As at 31 Mar 2022		As at 31 Mar 2021	
Capital reserve		-		-
Capital redemption reserve		-		-
Share premium				
Balance brought forward from Previous Year	2,796,224		2,381,367	
Add: Addition during the year	-		421,853	
Less: Share / Debenture Issue Expenses	(15,930)	2,780,294	(6,996)	2,796,224
General reserve				
Less: Amount utilized for buy-back		-		-
Catastrophe reserve		-		-
Other reserves				
Debenture Redemption Reserve		-		-
Balance brought forward from Previous Year	-		-	
Add: Addition during the year	-		-	
Balance of profit in profit & loss account		-		-
TOTAL		2,780,294		2,796,224

SCHEDULE - 7

BORROWINGS

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Debentures/ Bonds (Refer Note 17.21c)	1,000,000	-
Banks (Refer Note below)		
- Due within 12 months	1,551	2,160
- Due after 12 months	587	2,530
Financial institutions (Refer Note below)		
- Due within 12 months	-	798
- Due after 12 months	-	-
Others	-	-
TOTAL	1,002,138	5,488

Note:- Borrowing is secured by hypothecation of vehicles, the WDV of which is Rs. 1,765 thousands (Previous Year Rs. 3,783 thousands)

SCHEDULE - 8

INVESTMENTS - SHAREHOLDERS (Refer Note 16.10)

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including treasury bills	2,070,453	1,306,599
Other approved securities	685,330	349,892
Other investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Debentures/ Bonds	475,886	450,942
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	31,391	65,405
Investments in infrastructure and housing	933,318	871,719
Other than approved investments	112,943	147,042
TOTAL LONG TERM INVESTMENTS	4,309,321	3,191,599
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
(b) Mutual funds	370,192	241,639
(c) Debentures/ Bonds	25,716	95,070
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	122,113	20,632
Investments in infrastructure and housing	-	-
Other than approved investments	-	8,971
TOTAL SHORT TERM INVESTMENTS	518,021	368,522
TOTAL	4,827,342	3,560,121

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	4,309,321	3,191,599
	- Market Value	4,291,451	3,223,362
Short Term Investments	- Book Value	147,829	126,883
	- Market Value	147,841	126,841
Total	- Book Value	4,457,150	3,318,482
	- Market Value	4,439,292	3,350,203

- Aggregate value of the investments in Mutual funds

Long Term Investments	- Historical Cost	-	-
Short Term Investments	- Historical Cost	370,077	241,510

- 4) Value of contracts in relation to investments where deliveries are pending Rs. 6,809 thousand (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. 115 thousand (Previous Year Rs. 129 thousand) being the change in their fair value as at 31 March 2022, which is classified under Fair Value Change Account.
- 6) All the above investments are performing assets, except for details as mentioned below :-
The Company had an investment of Rs. 374,109 thousand in NCDs of Dewan Housing Finance Limited (DHFL) (Secured NCDs) which was downgraded to junk grade 'D' by Care Ratings in June 2019 after it defaulted on its debt repayments. Based on likely recovery from the resolution plan approved by National Company Law Tribunal (NCLT), the Company had written off 56.66% of its investments (Rs. 211,970 thousand) in DHFL and balance 43.34% (Rs. 162,139 thousand) had been provisioned for at 100% in FY 2020-21. The resolution plan was implemented in September 2021. As part of the resolution plan, the Company has received cash consideration of Rs. 80,912 thousand and Secured NCDs of Piramal Capital and Housing Finance Limited (PCHFL) totalling to Rs. 97,209 thousand. Accordingly, the provision of Rs. 162,139 thousand has now been reversed, interest income of Rs 15,982 thousand is recognised for additional amount received and old DHFL securities were replaced with new NCDs of PCHFL.
- 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 Note16.10B).

SCHEDULE - 8 A

INVESTMENTS - POLICYHOLDERS (Refer Note 16.10)

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including treasury bills	14,418,539	9,680,810
Other approved securities	4,772,607	2,592,412
Other investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Debentures/ Bonds	3,314,049	3,341,109
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	218,609	484,595
Investments in infrastructure and housing	6,499,581	6,458,715
Other than approved investments	786,533	1,089,459
TOTAL LONG TERM INVESTMENTS	30,009,918	23,647,100
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
(b) Mutual funds	2,578,002	1,790,346
(c) Debentures/ Bonds	179,086	704,386
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	850,387	152,868
Investments in infrastructure and housing	-	-
Other than approved investments	-	66,466
TOTAL SHORT TERM INVESTMENTS	3,607,475	2,730,442
TOTAL	33,617,393	26,377,542

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	30,009,918	23,647,100
	- Market Value	29,885,474	23,882,433
Short Term Investments	- Book Value	1,029,473	940,096
	- Market Value	1,029,557	939,791
Total	- Book Value	31,039,391	24,587,196
	- Market Value	30,915,031	24,822,224

- 3) Aggregate value of the investments in Mutual funds

Long Term Investments	- Historical Cost	-	-
Short Term Investments	- Historical Cost	2,577,202	1,789,390

- 4) Value of contracts in relation to investments where deliveries are pending Rs. 47,416 thousand (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. 800 thousand (Previous Year Rs. 956 thousand) being the change in their fair value as at 31 March 2022, which is classified under Fair Value Change Account.
- 6) All the above investments are performing assets, except for details as mentioned below :-
The Company had an investment of Rs. 374,109 thousand in NCDs of Dewan Housing Finance Limited (DHFL) (Secured NCDs) which was downgraded to junk grade 'D' by CARE Ratings in June 2019 after it defaulted on its debt repayments. Based on likely recovery from the resolution plan approved by National Company Law Tribunal (NCLT), the Company had written off 56.66% of its investments (Rs. 211,970 thousand) in DHFL and balance 43.34% (Rs.162,139 thousand) had been provisioned for at 100% in FY 2020-21. The resolution plan was implemented in September 2021. As part of the resolution plan, the Company has received cash consideration of Rs. 80,912 thousand and Secured NCDs of Piramal Capital and Housing Finance Limited (PCHFL) totalling to Rs. 97,209 thousand. Accordingly, the provision of Rs. 162,139 thousand has now been reversed, interest income of Rs 15,982 thousand is recognised for additional amount received and old DHFL securities were replaced with new NCDs of PCHFL.
- 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 16.10B).

SCHEDULE - 9

LOANS

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	2,643	34,673
TOTAL	2,643	34,673
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others (Employee Benefit Trust)	2,643	34,673
TOTAL SHORT TERM INVESTMENTS	2,643	34,673
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	2,643	34,673
(bb) Outside India	-	-
(b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
TOTAL	2,643	34,673
MATURITY-WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	2,643	34,673
TOTAL	2,643	34,673

SCHEDULE - 10**FIXED ASSETS**

(Rs in '000)

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	Opening as at 01 Apr 2021	Additions / Transfer	Deductions / Transfer	Closing as at 31 Mar 2022	As at 01 Apr 2021	For the year ended 31 Mar 2022	On Sales/ Adjustments	As at 31 Mar 2022	As at 31 Mar 2022
Computer Software*	342,229	38,624	5,257	375,596	154,806	51,883	4,610	202,079	173,517
Leasehold improvements	20,217	-	922	19,295	9,242	2,460	664	11,038	8,257
Furniture & Fittings	2,236	29	317	1,948	1,800	77	116	1,761	187
Information Technology Equipment	83,101	46,083	181	129,003	58,799	18,527	117	77,209	51,794
Vehicles	12,348	-	1,081	11,267	8,565	1,547	610	9,502	1,765
Office Equipment	2,128	46	-	2,174	1,554	274	-	1,828	346
Electronic Equipment	4,705	-	120	4,585	1,667	456	57	2,066	2,519
TOTAL	466,964	84,782	7,878	543,868	236,433	75,224	6,174	305,483	238,385
Capital Work in Progress	5,537	31,604	-	37,141	-	-	-	-	37,141
Grand Total	472,501	116,386	7,878	581,009	236,433	75,224	6,174	305,483	275,526

(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.

SCHEDULE - 11

CASH AND BANK BALANCES

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Cash (including cheques, drafts and stamps)	3,706	4,889
Bank balances		
(a) Deposit accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current accounts	253,020	370,520
(c) Others	-	-
Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	-	-
Others	-	-
TOTAL	256,726	375,409

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
ADVANCES		
Reserve deposits with ceding companies	-	-
Application money for investments	-	-
Prepayments	58,151	27,082
Advances to directors/officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	29,600	-
MAT Credit Entitlement	-	-
Others		
Advance recoverable in cash or in kind	29,069	12,522
Advance to employees	3,645	2,120
Gratuity (excess of plan assets over obligation)	4,221	5,276
TOTAL (A)	124,686	47,000
OTHER ASSETS		
Income accrued on investments	767,514	667,400
Outstanding premiums	-	-
Agents' balances	-	-
Foreign agencies balances	-	-
Due from other insurance companies, including reinsurers (net)	316,582	260,936
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	239,849	132,270
Unsettled investment contract receivable	300,000	514,615
Unclaimed amount of policyholders (Investments)	36,365	29,614
Deposits for premises, telephone etc.	31,560	14,800
TOTAL (B)	1,691,870	1,619,635
TOTAL (A+B)	1,816,556	1,666,635

SCHEDULE - 13

CURRENT LIABILITIES

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Agents' balances	19,598	26,097
Balances due to other insurance companies (net)	1,259,781	911,046
Deposits held on reinsurance ceded	1,303,923	1,092,369
Premium received in advance	4,348,373	3,395,647
Unallocated premium	191,608	73,226
Sundry creditors	950,489	573,109
Due to subsidiaries/ holding company	-	-
Claims outstanding (net)	20,087,081	16,502,757
Due to directors/ officers	-	-
Unclaimed amount of policyholders (Refer Note 17.33)	35,597	29,573
Others -		
Due to policyholders/insured	9,021	6,005
GST Liability / Service Tax Liability	61,033	25,502
TDS payable	60,508	29,390
Other statutory dues	11,583	8,924
Book Overdraft	297,109	304,410
Employee Payables	37,713	33,454
Interest accrued but not due on Non-convertible debenture	432	-
Other payable	333,073	163,176
TOTAL	29,006,922	23,174,685

SCHEDULE - 14**PROVISIONS**

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Reserve for Unearned Premium	6,734,477	4,659,030
Reserve for Premium Deficiency	1,194	2,011
For taxation (net of advance tax and tax deducted at source)	-	17,695
For proposed dividends	-	-
For dividend distribution tax	-	-
Provision for employee benefit	194,732	167,638
Provision for diminution in value of Investments	-	162,139
Others	5,198	3,539
TOTAL	6,935,601	5,012,052

SCHEDULE - 15**MISCELLANEOUS EXPENDITURE****(To the extent not written off or adjusted)**

(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Discount allowed in issue of shares/ debentures	-	-
Others	-	-
TOTAL	-	-

SCHEDULE - 16**Significant Accounting Policies forming part of the Financial Statements for the year ended 31 March 2022****Background**

Magma HDI General Insurance Company Limited ('the Company') was incorporated on 26 June 2009 and is a joint venture between Poonawalla Fincorp Limited (Formerly known as 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 on a going concern basis in accordance with Generally Accepted Accounting Principles followed in India under the historical cost convention, on accrual basis and in accordance with the applicable provisions of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the IRDA Act, 1999, the IRDA (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, and Companies (Accounting Standards) Amendment Rules 2016 dated 30 March 2016 to the extent applicable and 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 and any revision to accounting estimates is recognised prospectively in current and future periods.

16.3 Revenue recognition**(i) Premium income**

Premium including reinsurance accepted (net of Goods & Service Tax) other than for Long term (with term more than one year) motor insurance policies for new cars and new two wheelers sold on or after 1 September 2018 is recorded on receipt of complete information, at the commencement of risk. Coinsurance follower premium is recorded on receipt of confirmation from the coinsurance leader. Instalment premium is recorded on receipt of premium.

Premium earned including re-insurance accepted is recognised as income over the period of risk or the policy period based on 1/365 method whichever is appropriate. In case of long term motor insurance policies for new cars and new two

wheelers sold on or after 1 September 2018, premium received (net of Goods & Service Tax) for third party liability coverage is recognised equally over the policy period at the commencement of risk on 1/n basis where 'n' denotes the term of the policy in years and premium received for Own damage coverage is recognised in accordance with the movement of Insured Declared Value (IDV) over the period of risk, on receipt of complete information.

Any subsequent adjustments to premium income including that on account of cancellation of policies are recorded in the period in which they occur and are recognised over the remaining period of risk or policy period, as applicable.

(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. 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 weighted average basis, as on the date of sale. Further, in case of listed equity shares and mutual fund units, the profit or loss on sale also includes the accumulated changes in the fair value previously recognised in the fair value change account. Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on 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 period in which risk is ceded.

Profit commission under reinsurance treaties, wherever applicable, is recognised as income in the year in which the same is determined and agreed with the reinsurer.

16.4 Reinsurance ceded

Insurance premium on ceding of the risk other than for long term motor insurance policies for new cars and new two-wheelers sold on or after 1 September 2018 is recognised simultaneously along with the insurance premium in accordance with reinsurance arrangements with the reinsurers.

In case of long term motor insurance policies for new cars and new two wheelers sold on or after 1 September 2018, Reinsurance premium is recognised on the insurance premium allocated for the year simultaneously along with the recognition of the insurance premium in accordance with the reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognised in the period in which they are cancelled.

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

16.5 Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts viz. commission, brokerage, distribution fees, reward etc. These costs are expensed in the period in which they are incurred except for commission on long term motor insurance policies for new cars and new two wheelers sold on or after 1 September 2018.

In case of long term motor insurance policies for new cars and new two wheelers sold on or after 1 September 2018 commission is expensed at the applicable rates on the premium allocated for the year.

16.6 Premium received in advance

This represents premium received during the period, where the risk commences subsequent to the balance sheet date and in case of long term motor insurance policies for new cars and new two wheelers sold on or after 1 September 2018 premium allocated to subsequent periods.

16.7 Reserve for unexpired risk (Other than Terrorism Pool)

Reserve for unexpired risk is recognised net of reinsurance ceded and represents premium written that is attributable to, and is to be allocated to succeeding accounting periods. For Fire, Marine Cargo and Miscellaneous business, it is calculated on a daily pro-rata basis except in the case of Marine Hull business in which case it is computed at 100% of net premium written on all unexpired policies on the balance sheet date.

16.8 Reserve for Premium deficiency

Premium deficiency is recognized for the company at segmental revenue account level when the sum of expected claim costs and related expenses (including claim handling cost) exceed the reserve for unexpired risks. Assessment of expected claim cost and related expenses is duly certified by the Appointed Actuary in accordance with IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulation, 2016.

16.9 Claims incurred

Claims are recognized as and when reported. Claims incurred comprises claims paid (net of salvage and other recoveries), change in the outstanding provision of claims and estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER') net of amounts receivable from reinsurers/coinsurers. It also includes survey fees, legal costs and other ancillary costs directly attributable to claims.

Claims liability (net of amounts receivable from reinsurers/coinsurers) is recognised on the date of intimation on management estimates of ultimate amounts that are likely to be paid on each claim, established by the management in light of past experience, based on estimates from surveyors/insured and based on actuarial valuation (including cases where claim payment period exceeds four years). These estimates are modified for changes, as appropriate 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 IBNER. Estimated liability for claims IBNR and claims 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.

16.10 Investments

Investments are recorded at cost on trade date and includes brokerage, securities transactions tax, stamp duty and other charges incidental to transactions and excludes pre-acquisition interest, if any.

(A) Classification

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

(B) Allocation of Investment Assets

Investment assets are bifurcated into policyholders and shareholders funds on notional basis as required by IRDAI circular. Policyholders funds represent amount equivalent to sum of Outstanding Claims including IBNR and IBNER, Unexpired Risk Reserve (URR), Premium Deficiency Reserve, Catastrophe Reserve and Other Liabilities net off other assets as specified by IRDAI and the balance being disclosed as Shareholders Funds.

(C) Valuation

Debt Securities

All debt securities are considered as 'held to maturity' and stated at historical cost adjusted for amortization of premium or accretion of discount on effective interest rate basis over the holding period/maturity.

Mutual Funds

Investment in Mutual Fund 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.

(D) Fair Value Change Account

In accordance with the IRDAI 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 in the Balance Sheet and is not available for distribution.

(E) Impairment of Investments

An amount, whether interest or principal is said to be overdue if it is not paid to the insurer on the specified date. An asset is classified as an NPA if the interest and/ or installment of principal remain overdue for more than 90 days. Once an investment gets classified as NPA, any unrealized interest is reversed back from investment income and provision on investment is accounted for in accordance with Master Circular - IRDAI (Investment) Regulations, 2016.

The Company assesses at each Balance Sheet date whether any impairment has occurred in respect of investments. 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.

16.11 Allocation of Income and Expenses

(A) Allocation of Investment Income and Miscellaneous Income

Investment Income has been allocated between Revenue Account and Profit and Loss Account on the basis of the ratio of average policyholder's investment assets to average shareholder's investment assets, average being the balance at the beginning of the year and balance at the end of the reporting year.

The Investment Income allocated to Revenue Account has been further allocated to different segments on the basis of respective Net Written Premium.

Miscellaneous Income in Revenue Account has been allocated to different segments on the basis of respective Gross Written Premium.

(B) 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 respective 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 segment.

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 borne by the shareholders.

Expenses related to investment activities relating to shareholders funds are charged to Profit and Loss Account.

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

(A) Fixed assets

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.

(B) 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 off. Individual assets costing upto Rs 5,000/- are depreciated fully in the year of acquisition. Lease hold improvements are amortised over the primary period of lease. Management reviews its estimate of useful life at each Balance Sheet date.

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

In case of Vehicles, the management estimate of the useful life is lower than that prescribed in Schedule II of the Companies Act, 2013. This is based on internal assessment.

(C) 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 asset 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.

16.13 Employee Benefits

(i) Short term Employee Benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and are recognised in the year in which the employee renders the related service. These benefits includes salaries, bonus, ex-gratia and compensated absences.

Long Term Employee Benefits

(ii) Provident fund

Contributions paid / payable to the recognised provident fund, which is a defined contribution scheme, are charged to the Revenue Account / 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 Revenue Account / Profit and Loss Account.

(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.

16.14 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 Account / 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 Account / 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.

16.15 Taxes on income

Income-tax expense is recognised in Profit and Loss Account 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 the tax authorities, using the applicable tax rates and tax laws.

(ii) 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.

16.16 Provisions and Contingent liabilities

A provision is recognised when there is 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.

16.17 Earnings per share

The basic earnings per share is calculated by dividing the net profit after tax by weighted average number of equity shares outstanding during the reporting period.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic earnings per share and also weighted average number of equity shares which may be issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered. Dilutive potential equity shares are deemed to be converted as at the beginning of the period unless issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable on issuance of potential equity shares. Dilutive potential equity shares are determined independently for each period presented.

16.18 Segment Reporting

Based on the primary segments identified under the IRDA Act, 1999, the IRDA (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.

16.19 Share/ Debentures Issue Expenses

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

16.20 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, subject to conditions and an overall limit of Rs. 2,000 crores.

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.

16.21 Solatium Fund

In accordance with the requirements of the IRDAI circular dated 18 March, 2003 and based on recommendations made at the General Insurance Council in its meeting held on 04 February 2005, the Company provides 0.1% of total third party premium of all Motor Policies (excluding the retro cession on the motor third party for commercial vehicles) towards contribution to the Solatium Fund.

16.22 Transfer of amounts to Senior Citizen Welfare fund

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.

16.23 Contribution to Environment Relief Fund

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.

16.24 Employee Stock Option Plan (ESOP)

The Employees Stock Option Scheme (the Scheme) provides for grant of the equity shares of the Company to eligible employees. The Company follows the fair value method for computing the compensation cost for options granted under the scheme(s). The compensation cost is amortised over the vesting period of the options.

16.25 Borrowing Costs

Interest on borrowings is recognised on 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.

16.26 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 05 October 2012, issued by IRDAI.

16.27 Loans Given

Loans are stated at historical cost, subject to provision as per master circular IRDA/F&I/CIR/F&A/231/10/2012 dated 05 October 2012 and impairment, if any.

16.28 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.

16.29 Cash and Cash Equivalents

Cash & cash equivalent include cash and cheques in hand, bank balances and other investments (fixed deposits) with original maturity of three months or less which are subject to insignificant risk of changes in values.

SCHEDULE - 17**Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2022**

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 Mar 2022	As at 31 Mar 2021
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 ⁱ	250,268	250,268
• Goods and Service Tax ⁱⁱ	20,657	5,573
• Income Tax	13	13
6. Reinsurance obligations to the extent not provided for in accounts	-	-
7. Senior Citizens' Welfare Fund	-	-
8. Others ⁱⁱⁱ	600,000	-

ⁱ The Company had received a Show Cause Notice (SCN) from Service Tax Authorities in the previous year with respect to payments done to motor dealers, raising a demand of Rs. 250,268 thousands plus interest and penalty. The Company has challenged the SCN and filed a writ petition in the High Court of Calcutta. The Company does not expect any outflow of economic benefits in this case.

ⁱⁱ The Company has received certain Show Cause Notices under section 73 of CGST/ SGST Act 2017 from Telangana and Chhattisgarh for mismatch of input tax credit claimed with GSTR2A. The Company does not expect any outflow of economic benefits in these cases.

ⁱⁱⁱ In respect of a regulatory matter pertaining to the capital raise in the year 2012, the Company and two of its directors have received an Order dated 24 November 2021 from the government authority imposing a monetary penalty for alleged violation of Foreign Exchange and Management Act (FEMA). The penalty amounting to Rs. 600,000 thousands has been imposed on the Company.

The Company has appealed against the Order in the Appellate Tribunal for Foreign Exchange. The Company has also challenged the Order in High Court (HC) of Calcutta. The Hon'ble HC has admitted Company's writ petition and granted stay on the operation of the above Order until disposal by the Tribunal of the application made by the Company for waiver of pre deposit of penalty or until further Orders by the Court, whichever is earlier.

The Company, based on the opinion from legal experts believes that it has a strong case to defend.

Based on an indemnity provided by the original promoters of Magma Group, who have undertaken to fully indemnify, defend and hold the Company harmless from the aforesaid penalty and associated legal costs, the above Order is unlikely to result into any outflow of economic benefits.

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 31 March 2022 (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. 29,896 thousands (Previous year - Rs. 13,180 thousands) provided by the Company to the lessor under the operating lease agreement and fixed assets (vehicles) of Rs. 1,765 thousands (Previous year - Rs. 3,783 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 31 March 2022 (Previous year - Rs. Nil).
- Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed asset (net of advances) is Rs. 58,850 thousands as at 31 March 2022 (Previous year - Rs. 11,138 thousands).

17.6 Premium

- a. All premiums, net of reinsurance are written and received in India.
 b. 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 Mar 2022				Year ended 31 Mar 2021			
	GDP (Rs. in 000)	No. of Policies	% of GDP	% of Policy	GDP (Rs. in 000)	No. of Policies	% of GDP	% of Policy
Rural	5,964,373	736,206	33.9	44.1	7,762,072	1,095,823	60.5	69.2
Urban	11,607,281	931,464	66.1	55.9	5,073,853	487,721	39.5	30.8
TOTAL	17,571,654	1,667,670	100.0	100.0	12,835,925	1,583,544	100.0	100.0

Business sector	Year ended 31 Mar 2022			Year ended 31 Mar 2021		
	GDP	No. of Lives	% of GDP	GDP	No. of Lives	% of GDP
Social	14,454	56,579	0.1	15,009	43,465	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 31 March 2022

(Rs in '000)

Particulars	Basis	Gross Premium	Retention	Cession	Retention	Cession
					%	%
Fire	Total Sum Insured	2,805,507	603,743	2,201,764	21.5%	78.5%
Marine Cargo	Value at Risk	264,991	11,950	253,041	4.5%	95.5%
Marine Hull	NA	-	-	-	-	-
Miscellaneous						
Motor	Total Sum Insured	13,160,156	9,599,088	3,561,068	72.9%	27.1%
Engineering	Total Sum Insured	98,884	17,402	81,482	17.6%	82.4%
Public/ Product Liability	Value at Risk	150	53	97	35.0%	65.0%
Workmen's Compensation	Value at Risk	14,454	13,731	723	95.0%	5.0%
Health Insurance	Value at Risk	1,074,263	980,963	93,300	91.3%	8.7%
Personal Accident	Value at Risk	54,583	50,074	4,509	91.7%	8.3%
Other Liability	Value at Risk	613,994	25,623	588,371	4.2%	95.8%
Others	Value at Risk	64,790	7,607	57,183	11.7%	88.3%
TOTAL		18,151,772	11,310,233	6,841,539	62.3%	37.7%

The above excludes Excess of Loss cover reinsurance premium of Rs. 92,665 thousand for the year ended on 31 March 2022.

For the year ended on 31 March 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	2,32,931	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%

The above excludes Excess of Loss cover reinsurance premium of Rs. 79,905 thousand for the year ended on 31 March 2021.

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 any reinsurer outside India in excess of defined limits of total reinsurance ceded. In terms of the aforesaid regulations, the Company has submitted to the Authority, the details in respects of its reinsurance placements including those where the reinsurance support exceeds the defined limits from overseas reinsurers.

17.10 Premium Deficiency Reserve

The Company has recognised Premium Deficiency Reserve on segment basis amounting to Rs. 1,194 thousands as at 31 March 2022 (Previous year Rs. 2,011 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 Mar 2022	Year ended 31 Mar 2021
In India	2,688,746	1,442,623
Outside India	1	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 Mar 2022	Year ended 31 Mar 2021
More than 6 months	5,669,321	4,558,156
Others	2,363,766	1,225,158

- 17.12** Expenses directly identifiable with investment activity amounting to Rs. 2,186 thousands (Previous Year - Rs. 1,930 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 Mar 2022	Year ended 31 Mar 2021
Contribution to Staff Provident Fund	57,679	46,389
Contribution to National Pension Scheme	3,811	2,930

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 2022. 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 Mar 2022	Year ended 31 Mar 2021
	Gratuity	Gratuity
Opening defined benefit obligation	58,595	46,517
Current service cost	13,184	11,154
Interest cost	2,963	2,557
Actuarial losses/(gains)	5,479	1,062
Benefit paid	(4,295)	(2,695)
Closing defined benefit obligation	75,926	58,595

(b) Changes in the fair value of the plan assets are as follows
(Rs in '000)

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
	Gratuity	Gratuity
Opening fair value of the plan assets	63,871	50,200
Interest Income on plan assets	3,744	3,139
Contributions by employer	19,164	13,227
Actuarial losses/(gains)	(2,337)	-
Benefit paid	(4,295)	(2,695)
Closing fair value of the plan assets	80,146	63,871

(c) Net asset/(liability) recognized in the balance sheet
(Rs in '000)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
	Gratuity	Gratuity
Present value of the defined benefit obligations	(75,926)	(58,595)
Fair value of plan assets	80,146	63,871
Net asset/(liability)	4,221	5,276

(d) Expense recognized in the Revenue Account
(Rs in '000)

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
	Gratuity	Gratuity
Current service cost	13,184	11,154
Interest on defined benefit obligation	2,963	2,557
Net actuarial losses/(gains) recognized	7,816	1,062
Interest income on plan assets	(3,744)	(3,139)
Total included in "Employee benefit expenses"	20,219	11,634

(e) Summary of actuarial assumptions

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
	Gratuity	Gratuity
Discount rate	6.09%	5.25%
Salary increase	8.00%	8.00%
Expected rate of return on plan assets	6.09%	5.66%

(f) Experience adjustments
(Rs in '000)

Particulars	31 Mar 2022	31 Mar 2021	31 Mar 2020	31 Mar 2019	31 Mar 2018
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
Present value of defined benefit obligation	(75,926)	(58,595)	(46,517)	(28,521)	(22,481)
Fair value of plan assets	80,146	63,871	50,200	33,914	27,082
Funded Status	4,221	5,276	3,683	5,393	4,601
Experience (gain)/loss adjustment on plan liabilities	7,788	156	(708)	244	1,913
Experience gain/(loss) adjustment on plan assets	(2,337)	-	-	-	3,589
Experience (gain)/loss adjustment on plan liabilities due to change in assumption	(2,310)	906	7,690	267	(1,276)

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

The estimates of Future salary increases takes into account regular increases, price inflation, promotional increases and other relevant factors if applicable.

The contribution expected to be made by the Company during the FY 2022-23, amounts to Rs. 14,774 thousands (Previous year Rs.6,142 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. Actuarial Assumption stated above is applicable for accrued leaves also.

(Rs in '000)

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Opening Balance	53,399	37,248
Add: Provision made during the year	5,216	16,151
Closing Balance	58,615	53,399

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 28 September 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 13 November 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 Mar 2022	Year ended 31 Mar 2021
Outsourcing expenses	95,066	2,20,180
Business development	11,617	5,120
Marketing Expenses	3,830,982	2,159,700

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 Mar 2022	Year ended 31 Mar 2021
Payable not later than one year	-	948
Payable later than one year but not later than five years	-	-
Payable later than five years	-	-

- a. Rent expense charged to Revenue account include lease rent paid during the year for non-cancellable leases Rs. 948 thousands (Previous year Rs. 6,059 thousands)
- b. The period of agreements 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 Mar 2022	Year ended 31 Mar 2021
Salary, perquisites & allowances (including incentives)	34,811	28,587
Contribution to Provident and other Funds	1,475	1,475
TOTAL	36,286	30,062

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 Mar 2022	Year ended 31 Mar 2021
Salary, perquisites & allowances (including incentives)	129,786	101,106
Contribution to Provident and other Funds	5,710	4,974
TOTAL	135,496	106,080

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. 7,690 thousands (Previous Year Rs. 6,540 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 Mar 2022	Year ended 31 Mar 2021
Haribhakti & Company LLP *	Certification	-	50
	Taxation Matters	-	450
MSKA & Associates	Certification	380	610
	Taxation Matters	420	360
Singhi & Company #	Certification	125	-
	Taxation Matters	425	-

* Haribhakti & Co. LLP were joint statutory auditors of the Company upto the date of Annual General Meeting held on 22 July 2021.

Singhi & Company have been appointed as joint statutory auditors of the Company from the date of Annual General Meeting held on 22 July 2021.

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. Accordingly, operating expenses in excess of segmental allowable limits pertaining to Motor, Fire, Marine, Health & Miscellaneous segments amounting to Rs. 8,95,807 thousands (Previous Year - Rs. 81,358 thousands) are transferred from Revenue account and charged to Profit and loss account.

During the current financial year, the Company has exceeded the overall limit of expenses of management (EoM). The Company has filed an application with IRDAI for forbearance from the above Regulation. Necessary approvals are awaited.

17.21 a. Share Capital

During the year, the Company has not allotted any fresh equity shares (Previous Year – 109,57,250 equity shares were issued under preferential allotment).

b. Share Application

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

c. Debenture Issue

(i) Gist of the terms of issue are as follows:

Security Name	8.75% MAGMA HDI 2032
Type, Nature and Seniority of Instrument	Unsecured, subordinated, unlisted, rated, redeemable, taxable, non-cumulative, non-convertible Debentures issued on private placement basis fully paid up
Face Value (per security)	Rs. 1,000,000/- (Rs. Ten Lakh) per Debenture
Issue Size	Rs. 1,000,000,000/- (Rs. One Hundred Crores)
Issue Date / Date of Allotment	30-03-2022
Redemption Date	30-03-2032
Call option Date	Annually after 5 years i.e. 30/03/2027, 30/03/2028, 30/03/2029, 30/03/2030, 30/03/2031
Coupon Rate	8.75% per annum
Credit Rating	CARE AA- (stable Outlook)
Listing	Unlisted
Frequency of the Interest Payment	Annually, first Payment on 30/03/2023

(ii) Maturity Pattern from the date of issue:

Maturity buckets	Borrowings Amount
1 - 5 Yrs	Nil
Above 5 Yrs	Rs.1,000,000,000
TOTAL	Rs.1,000,000,000

17.22. Employee Stock Option Plan (ESOP)

The Company had introduced an Employee Stock Option Scheme, 2018 ('ESOP Plan') in FY 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 1,152,500 options under Grant V (Previous Year - 992,500 options under Grant III and 430,000 options under Grant IV) were granted at an exercise price of Rs. 79.67 per option (Previous Year - Rs. 50.46 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 Nil options (Previous Year - 354,224) were vested out of Grant I, 268,800 Options (Previous Year - 268,800) from Grant II, 284,250 Options (Previous Year - Nil) from Grant III and Nil Options (Previous Year - Nil) from Grant IV.

Grant - I (Granted in FY 2018-19)

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

Grant - II (Granted in FY 2019-20)

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

Grant - III (Granted in FY 2020-21)

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

Grant - IV (Granted in FY 2020-21)

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

Grant - V (Granted in FY 2021-22)

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

Grant - I

Particulars	31 Mar 2022	31 Mar 2021
Outstanding at the beginning of the year	484,871	637,494
Add: Granted during the year	-	-
Add: Buy Back during the year	32,513	-
Less: Forfeited/lapsed during the year	17,213	-
Less: Exercised during the year	177,476	152,623
Outstanding at the end of the year	322,695	484,871

Grant - II

Particulars	31 Mar 2022	31 Mar 2021
Outstanding at the beginning of the year	896,000	896,000
Add: Granted during the year	-	-
Add: Buy Back during the year	15,000	-
Less: Forfeited/lapsed during the year	39,400	-
Less: Exercised during the year	254,100	-
Outstanding at the end of the year	617,500	896,000

Grant - III

Particulars	31 Mar 2022	31 Mar 2021
Outstanding at the beginning of the year	992,500	-
Add: Granted during the year	-	992,500
Add: Buy Back during the year	-	-
Less: Forfeited/lapsed during the year	52,000	-
Less: Exercised during the year	96,000	-
Outstanding at the end of the year	844,500	992,500

Grant - IV

Particulars	31 Mar 2022	31 Mar 2021
Outstanding at the beginning of the year	430,000	-
Add: Granted during the year	-	430,000
Add: Buy Back during the year	-	-
Less: Forfeited/lapsed during the year	-	-
Less: Exercised during the year	-	-
Outstanding at the end of the year	430,000	430,000

Grant - V

Particulars	31 Mar 2022	31 Mar 2021
Outstanding at the beginning of the year	-	-
Add: Granted during the year	1,152,500	-
Add: Buy Back during the year	-	-
Less: Forfeited/lapsed during the year	10,000	-
Less: Exercised during the year	-	-
Outstanding at the end of the year	1,142,500	-

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 Grant - I, Rs. 14.52 for Grant - II, Rs. 18.70 for Grant - III, Rs. 16.49 for Grant - IV and Rs. 30.69 for Grant - V.

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 Grant I, Grant II, Grant III, Grant IV and Grant V as on the date of grant viz. 7 May 2018, 15 January 2020, 22 October 2020, 21 January 2021 and 17 December 2021 are as follows :-

Particulars	Risk free interest rate	Expected life	Expected volatility	Expected dividend yield
Grant I	6.56% to 7.23%	2 to 4 Years	28.03%	Nil
Grant II	6.30% to 6.45%	3 to 4 Years	34.65%	Nil
Grant III	4.69% to 5.21%	3 to 5 Years	40.51%	Nil
Grant IV	4.69% to 5.21%	3 Years	40.51%	Nil
Grant V	5.01% to 5.57%	3 to 5 Years	43.99% to 40.54%	Nil

Information in respect of options outstanding as on 31 March 2022

Particulars	Exercise Price	No. of Options	Weighted Average Remaining Life
Grant I	44.10	322,695	23 months
Grant II	42.08	617,500	41 months
Grant III	50.46	844,500	52 months
Grant IV	50.46	430,000	46 months
Grant V	79.67	1,142,500	67 months

17.23 Earning per Share ('EPS')

Particulars		Units	As at 31 Mar 2022	As at 31 Mar 2021
Profit/(Loss) after Tax for the year	(A)	Rs. '000	(124,590)	194,028
Weighted average number of equity shares (Basic)	(B)	Nos.	154,707,250	153,634,052
Weighted average number of equity shares (Diluted)*	(C)	Nos.	154,707,250	153,634,052
Basic earnings per share	(A/B)	Rs.	(0.81)	1.26
Diluted earnings per share*	(A/C)	Rs.	(0.81)	1.26
Face Value per share		Rs.	10.00	10.00

* In view of losses during the current year, potential equity shares are anti-dilutive. Accordingly effect of potential equity shares has not been considered while calculating dilutive earnings per share.

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 31 March 2022 have been certified by the Appointed Actuary ('AA'). As per the Certificate, the assumptions considered by the AA for valuation of liabilities as at 31 March 2022 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 31 March 2022 has been carried out by an independent actuary.

17.25 Corporate Social Responsibility (CSR)

As per the Section 135 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 requirements of the Corporate Governance Guidelines for Insurers in India, 2016 ("CG Guidelines"), the Company has spent Rs. 1,266 thousands for CSR activities for FY 2021-22 in the current year (Rs. 244 thousands and Rs. 348 thousands for CSR activities for FY 2018-19 and FY 2019-20 respectively in the previous 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 31 March 2022 (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 31 March 2022 (Previous Year - Nil).

17.28 As at 31 March 2022, the Company did not have any outstanding long term derivative contracts (Previous Year - Nil)

17.29 a. Contribution to Solatium Fund

In accordance with the requirements of the IRDAI circular dated 18 March 2003 and based on recommendations made at the General Insurance Council meeting held on 4 February 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. 8,844 thousands (Previous year - Rs. 6,827 thousands) towards contribution to the Solatium fund, 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 31 December 2021 (Previous year : upto 31 December 2020).

c. Environment Relief Fund

During the year, an amount of Rs. 147 thousands (Previous year Rs. 306 thousands) was collected towards Environment Relief Fund for public liability policies and an amount of Rs. 182 thousands (Previous year Rs. 272 thousands) 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. 15 thousands (Previous year Rs. 50 thousands) is included under Current Liabilities in Schedule 13.

17.30 Solvency Margin

Particulars		Units	As at 31 Mar 2022	As at 31 Mar 2021
Required Solvency Margin under IRDAI Regulations	(A)	Rs. '000	2,643,925	2,137,320
Available Solvency Margin	(B)	Rs. '000	4,664,527	3,818,383
Solvency Ratio	(B/A)	Times	1.76	1.79
Minimum Solvency Ratio prescribed by Regulation		Times	1.50	1.50

17.31 Taxation

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 realized.

The components of DTA are as under :

(Rs. in 000)

Timing difference on account of	As at 31 Mar 2022		As at 31 Mar 2021	
	DTA	DTL	DTA	DTL
Unexpired risk reserve (Rule 6E of Income Tax Rules, 1962)	279,394	-	166,756	-
WDV of Fixed assets	-	20,942	-	21,004
Expenses disallowed	12,042	1,062	8,114	927
Provision for diminution in value of Investments, standard assets and doubtful debts	1,185	-	41,607	-
Contribution to Solatium Fund	1,406	-	1,406	-
Total deferred tax asset / (liability)	294,027	22,004	217,883	21,931
Net deferred tax asset	272,023	-	195,952	-

17.32 Related Party Disclosures

Related Party disclosure as at and for the year ended 31 March 2022.

Names of the related parties and description of relationship:

Joint Venturer

Poonawalla Fincorp Limited (formerly Magma Fincorp Limited)
HDI Global SE
Celica Developers Private Limited
Jaguar Advisory Services Private Limited

Investing Party and its Group Companies (with whom Company has transactions):

Rising Sun Holdings Private Limited
Poonawalla Housing Finance Limited (formerly Magma Housing Finance Limited)
HDI Global Network AG

Directors

Mayank Poddar V.K.Viswanathan
Sanjay Chamria Sunil Mitra
Jens Holger Wohlthat Kailash Nath Bhandari
Suvalaxmi Chakraborty (resigned w.e.f. 27/12/2021)

Relatives of Directors (with whom company has transactions):

Mansi Poddar Tulshan
Ashita Poddar Khaitan
Shaili Poddar

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

Devsar Vyapaar Private Limited Celica Properties Private Limited
CLP Business LLP Celica Automobiles Private Limited
Magma Consumer Finance Private Limited Celica Motocorp Private Limited

Entities in which Directors or their Relatives have Significant Influence (with whom company has transactions):

Speed Inc (Relative of Director is a Partner)
Solvex Properties & Services Private Limited (Relative of Director is a Member)
Mayank Poddar HUF (HUF of Director)

Key Management Personnel (KMP)

Rajive Kumaraswami, MD & CEO
Gaurav Parasrampur, CFO
Vikas Mittal, Deputy CEO (w.e.f. 24/07/2020)
Amit Bhandari, Chief Technical Officer & Chief Risk Officer (w.e.f. 24/07/2020)
Gufran Ahmed Siddiqui, CS (appointed w.e.f. 01/09/2020, ceased w.e.f. 02/03/2022)
Kavita Modi, CS (ceased w.e.f. 31/08/2020)

Relatives of Directors (with whom company has transactions):

Subramania Kumaraswami, Father of MD & CEO
Manasi Mittal, Daughter of Deputy CEO

(Rs in '000)

Name of related party	Nature of transaction	Transaction value for the year ended 31 Mar 2022	Outstanding amount as at 31 Mar 2022	Transaction value for the year ended 31 Mar 2021	Outstanding amount as at 31 Mar 2021
Joint Venturer					
Poonawalla Fincorp Limited (Formerly Magma Fincorp Limited)	Equity Share Capital	-	453,623	54,640	453,623
	Share Premium	-	642,031	210,364	642,031
	Corporate Agent Commission	62,923	3,277	104,577	6,827
	Premium Deposit Received	725,216	54,686	1,335,817	43,199
	Premium Deposit Adjusted for Policies Issued	713,729	-	1,376,006	-
	Premium for Policies Underwritten	6,179	-	10,050	-
	Claims Paid Against Policies Issued	3,794	-	592	-
	Investment in Non Convertible Debentures (NCD)	-	750,000	-	750,000
	Interest Income Received on NCDs	78,750	-	78,750	-
	Interest Income Accrued on NCDs	78,750	71,199	78,729	71,199
	HDI Global SE	Equity Share Capital	-	320,000	-
Share Premium		-	1,275,000	-	1,275,000
Premium Ceded		1,147	-	6,128	-
RI Commission Income on Premium Ceded		155	-	1,030	-
Claims on Premium Ceded		497	-	896	-
Payments of Reinsurance Balances		992	-	5,244	-
Receipts against Reinsurance Claims		1,182	-	-	-
Reinsurance Balances Payable		-	28	-	-
Reinsurance Balances Receivables		-	-	-	658
Celica Developers Private Limited	Equity Share Capital	-	359,662	-	359,662
	Share Premium	-	310,833	-	310,833
	Premium for Policies Underwritten	88	-	148	-
	Reimbursement of Expenses	14,287	14,287	-	-
Jaguar Advisory Services Private Limited	Equity Share Capital	-	225,000	-	225,000
Investing Party and its Group Companies					
Rising Sun Holdings Private Limited	Subordinated Debentures (Sub-Debt) issued	1,000,000	1,000,000	-	-
	Interest Accrued on Sub-Debt	479	479	-	-

(Rs in '000)

Name of related party	Nature of transaction	Transaction value for the year ended 31 Mar 2022	Outstanding amount as at 31 Mar 2022	Transaction value for the year ended 31 Mar 2021	Outstanding amount as at 31 Mar 2021
Poonawalla Housing Finance Limited (formerly Magma Housing Finance Limited)	Premium Deposit Received	141,023	66,165	113,785	28,403
	Premium Deposit Adjusted for Policies Issued	103,261	-	115,328	-
	Premium for Policies Underwritten	3,017	-	2,861	-
	Claims Paid Against Policies Issued	1,275	-	98	-
HDI Global Network AG	Premium Ceded	662,273	-	727,551	-
	RI Commission Income on Premium Ceded	65,520	-	72,220	-
	Claims on Premium Ceded	47,599	-	47,513	-
	Receipts against Reinsurance Claims	29,055	-	-	-
	Receipts of Reinsurance Balances	-	-	12,277	-
	Payments of Reinsurance Balances	556,108	-	509,386	-
	Reinsurance Balances Payable	-	256,348	-	234,248
Directors					
Kailash Nath Bhandari	Payment of Sitting Fees	2,540	-	1,970	-
Sunil Mitra	Payment of Sitting Fees	1,820	-	1,450	-
V.K. Viswanathan	Payment of Sitting Fees	2,540	-	1,970	-
Suvalaxmi Chakraborty	Payment of Sitting Fees	790	-	1,150	-
Private Company in which Director is a Director					
Devsar Vyapaar Pvt. Ltd.	Premium for Policies Underwritten	1	-	1	-
CLP Business LLP	Payment of Rent	1,892	-	1,813	-
Magma Consumer Finance Pvt. Ltd.	Premium for Policies Underwritten	-	-	37	-
Celica Properties Pvt. Ltd.	Premium for Policies Underwritten	117	-	127	-
Celica Automobiles Pvt. Ltd.	Premium for Policies Underwritten	9	-	12	-
Celica Motocorp Pvt. Ltd.	Premium for Policies Underwritten	-	-	13	-
Entities in which Directors or their Relatives have Significant Influence					
Speed Inc	Commission on Insurance Premium	-	2	14	2
Solvex Properties & Services Private Limited	Payment of Utility Charges	810	-	-	-
Mayank Poddar HUF	Premium for Policies Underwritten	12	-	9	-

(Rs in '000)

Name of related party	Nature of transaction	Transaction value for the year ended 31 Mar 2022	Outstanding amount as at 31 Mar 2022	Transaction value for the year ended 31 Mar 2021	Outstanding amount as at 31 Mar 2021
Key Management Personnel					
Key Management Personnel	Managerial Remuneration	99,339	-	69,532	-
	Equity Share Capital	-	23,452	9,000	23,452
	Share Premium	-	90,288	34,650	90,288
	Premium for Policies Underwritten	59	-	146	-
Relatives of KMPs / Directors					
Shaili Poddar	Payment of Rent	948	-	948	-
Mansi Poddar Tulshan	Premium for Policies Underwritten	44	-	43	-
Ashita Poddar Khaitan	Premium for Policies Underwritten	31	-	30	-
Subramania Kumaraswami	Premium for Policies Underwritten	2	-	2	-
Manasi Mittal	Premium for Policies Underwritten	11	-	11	-

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 2022

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 2022:

As on 31 March 2022

(Rs in '000)

Sl. No.	Particulars	Total Amount	Age Wise Analysis							
			0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	More than 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	8,046	870	425	404	571	328	242	5,205	-
4	Cheques issued but not encashed by the policyholder/ beneficiaries	27,551	3,227	6,010	1,195	4,031	945	1,884	10,260	-
	TOTAL	35,597	4,097	6,435	1,599	4,602	1,273	2,126	15,465	-

As on 31 March 2021

(Rs.in 000)

Sl. No.	Particulars	Total Amount	Age Wise Analysis							
			0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	More than 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 policy holders/ 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	-

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 Mar 2022		As at 31 Mar 2021	
	Policy Dues	Income Accrued	Policy Dues	Income Accrued
Opening Balance	27,896	1,677	22,461	1,358
Add: Amount transferred to unclaimed amount	35,437	-	46,474	-
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	-	346	-	352
Less: Amount of claims paid during the year	29,732	27	41,039	33
Less: Amount transferred to Senior Citizens' Welfare Fund (net of claims paid in respect of amounts transferred earlier)	-	-	-	-
Closing balance of Unclaimed amount fund	33,601	1,996	27,896	1,677

17.34 The provision for Free Look period is Rs. Nil (Previous year Rs. Nil), as certified by the Appointed Actuary.

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

17.36 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.

17.37 Details of Penal actions taken by various Government Authorities

As per IRDA Circular No 005/IRDA/F&A /CIR/MAY-09 dated 7 May 2009, below table mentions the details of the penalty imposed by various regulators and Government Authority.

For the Year ended 31 March 2022

(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	Refer Note 17.2 III	600,000	-	-
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 31 March 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	-	-	-	-

As per our Report of even date attached.

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

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

Sanjay Chamria
Chairman
DIN No.- 00009894

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

Nikhil Singhi
Partner
Membership No. 061567

Swapnil Kale
Partner
Membership No. 117812

Mayank Poddar
Director
DIN No.- 00009409

Gaurav Parasrampur
Chief Financial Officer

Mumbai, 29 April 2022

Sunil Mitra
Director
DIN No.- 00113473

Sweta Bharucha
Company Secretary
Membership No. - A22946

SCHEDULE - 17 : Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2022**Segment Reporting**
Primary reportable segments**Segment Information for the year ended on 31 March 2022**

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.

(Rs in '000)

Particulars	FIRE	MARINE	Miscellaneous									TOTAL
			MOTOR	ENGINEERING	PUBLIC/ PROD- UCT LI- ABILITY	WORKS- MEN'S COMPEN- SATION	HEALTH INSUR- ANCE	PERSON- AL ACCIDENT	OTHERS			
									OTHER LIABIL- ITY	WEATH- ER	OTHERS	
Premium received in Advance	-	41	4,343,443	91	-	-	2,763	2,000	-	-	35	4,348,373
Claims outstanding at the end of the year	262,685	43,337	19,158,359	22,564	1,786	14,777	138,651	32,536	13,336	-	399,050	20,087,081
Reserve for unexpired risk at the end of the year	619,288	2,329	5,442,827	9,556	80	5,428	615,630	22,331	12,575	-	4,433	6,734,477
Reserve for premium deficiency	-	1,194	-	-	-	-	-	-	-	-	-	1,194

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.

(Rs in '000)

Particulars	FIRE	MARINE	Miscellaneous									TOTAL
			MOTOR	ENGINEERING	PUBLIC/ PROD- UCT LI- ABILITY	WORKS- MEN'S COMPEN- SATION	HEALTH INSUR- ANCE	PERSON- AL ACCIDENT	OTHERS			
									OTHER LIABIL- ITY	WEATH- ER	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

Secondary reportable segments

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

Segment Reporting for the year ended 31 March 2022

(Rs in '000)

Particulars	FIRE	MARINE	MISCELLANEOUS									TOTAL
			MOTOR	ENGINEERING	PUBLIC/ PROD- UCT LI- ABILITY	WORKS- MEN'S COMPEN- SATION	HEALTH INSUR- ANCE	PERSON- AL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATH- ER	OTHERS	
Premiums earned (Net) (Refer Schedule 1)	277,334	10,583	7,939,968	13,780	102	14,086	816,556	45,092	16,730	-	7,889	9,142,120
Profit/(Loss) on sale/redemption of investments (Net)	11,535	193	1,93,820	298	1	275	19,830	950	445	-	143	227,490
Others:-												
Investment Income from Terrorism Pool	12,157	-	-	315	-	-	-	-	-	-	-	12,472
Miscellaneous Income	201	256	942	8	-	1	78	3	44	-	234	1,767
Contribution from Shareholders Funds towards excess Expenses of Management (EOM)	84,846	24,577	588,964	5,723	-	-	168,908	8,582	13	-	14,194	895,807
Interest, dividend and rent (Gross)	91,813	1,533	1,536,950	2,376	6	2,188	157,840	7,562	3,531	-	1,142	1,804,941
TOTAL SEGMENTAL REVENUE (A)	477,886	37,142	10,260,644	22,500	109	16,550	1,163,212	62,189	20,763	-	23,602	12,084,597
Claims incurred (Net) (Refer Schedule 2)	96,992	1,190	5,508,044	(68)	(281)	13,524	558,830	13,502	(2,590)	-	87,256	6,276,399
Commission (Net) (Refer Schedule 3)	(39,193)	(12,066)	(178,984)	(1,366)	(102)	2,324	43,679	3,268	(36,640)	-	774	(218,306)
Operating expenses related to insurance business (Refer Schedule 4)	833,188	78,609	4,048,253	29,455	43	4,339	478,418	24,864	181,058	-	24,958	5,703,185
Premium Deficiency Reserve	-	(816)	-	-	-	-	-	-	-	-	-	(816)
TOTAL SEGMENTAL EXPENDITURE (B)	890,987	66,917	9,377,313	28,021	(340)	20,187	1,080,927	41,634	141,828	-	112,988	11,760,462
SEGMENTAL PROFIT/(LOSS) (C) = (A - B)	(413,101)	(29,775)	883,331	(5,521)	449	(3,637)	82,285	20,555	(121,065)	-	(89,386)	324,135

Segment Reporting for the year ended 31 March 2021

(Rs in '000)

Particulars	FIRE	MARINE	MISCELLANEOUS									TOTAL
			MOTOR	ENGINEERING	PUBLIC/ PROD- UCT LI- ABILITY	WORKS- MEN'S COMPEN- SATION	HEALTH INSUR- ANCE	PERSON- AL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATH- ER	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

SCHEDULE - 17 : Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2022**Ratios for the year ended 31 March 2022**

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 Mar 2022											TOTAL
		FIRE	MARINE	MISCELLANEOUS	MOTOR	ENGINEERING	PUBLIC / PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		
											OTHER LIABILITY	OTHERS	
1	Gross Direct Premium Growth rate (GDPI (CY)- GDPI(PY))/ GDPI (PY)	59.0%	11.6%	34.5%	35.9%	0.7%	(65.2%)	(3.7%)	41.0%	23.7%	18.8%	(34.2%)	36.9%
2	Gross Direct Premium to Net Worth Ratio GDPI / Net worth	NA											4.26
3	Growth Rate of Net Worth [(Net worth of CY – Net worth of PY)] / Net Worth - PY	NA											(3.1%)
4	Net Retention Ratio Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)	20.3%	3.6%	70.5%	72.6%	14.9%	26.0%	94.1%	91.3%	86.1%	3.6%	10.9%	61.8%
5	Net Commission Ratio Net Commission / Net Written premium	(6.9%)	(126.6%)	(1.6%)	(1.9%)	(9.3%)	(261.5%)	17.1%	4.5%	7.0%	(166.9%)	10.9%	(1.9%)
6	Expenses of Management to Gross direct Premium Ratio Expenses of Management/ GDPI	42.8%	39.8%	38.8%	37.8%	51.5%	40.0%	46.8%	51.4%	53.4%	34.2%	57.4%	39.4%
7	Expenses of Management to Net written Premium Ratio Expenses of Management/ NWPI	139.1%	698.4%	43.5%	40.5%	190.2%	(151.3%)	49.0%	53.2%	59.9%	658.0%	362.7%	48.9%

Sl. No.	PERFORMANCE RATIO	For the year ended 31 Mar 2022											
		FIRE	MARINE	MISCELLANEOUS	MOTOR	ENGINEERING	PUBLIC / PRODUCT LIABILITY	WORK-MEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
											OTHER LIABILITY	OTHERS	
8	Net Incurred claims to Net Earned Premium	35.0%	11.2%	69.8%	69.4%	(0.5%)	(275.5%)	96.0%	68.4%	29.9%	(15.5%)	1,106.0%	68.7%
	Net Incurred Claims / Net Earned Premium												
9	Combined Ratio	NA											117.5%
	(Claims, commission plus expenses of management)/ NWPI												
10	Technical Reserves to Net Premium Ratio	NA											2.39
	(UPR + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER) / Net Written Premium												
11	Underwriting Balance Ratio	NA											(0.29)
	(Underwriting profit/ loss)/ Net earned premium												
12	Operating Profit Ratio	NA											3.5%
	(Underwriting Profit/ loss + Investment Income)/ Net Earned Premium												
13	Liquid Assets to Liabilities Ratio	NA											0.13
	Liquid Assets / Policyholders liabilities												
14	Net Earning Ratio	NA											(1.1%)
	Profit after tax/ net premium												
15	Return on Net Worth	NA											(3.0%)
	Profit after tax/ Net Worth												
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio	NA											1.76
	ASM/RSM												
17	NPA Ratio												
	Gross NPA Ratio	NA											-
	Net NPA Ratio	NA											-

Ratios for the year ended 31 March 2021

Sl. No.	PERFORMANCE RATIO	For the year ended 31 Mar 2021											
		FIRE	MARINE	MIS-CELLA-NEOUS	MO-TOR	ENGI-NEER-ING	PUBLIC / PRODUCT LIABILITY	WORKMEN'S COMPENSA-TION	HEALTH INSUR-ANCE	PERSON-AL ACCIDENT	OTHERS		TOTAL
											OTHER LI-ABILITY	OTHERS	
1	Gross Direct Premium Growth rate (GDPI (CY)- GDPI(PY))/ GDPI (PY)	84.3%	1.3%	(0.7%)	(5.9%)	19.8%	5.1%	19.1%	60.0%	0.5%	57.2%	98.1%	4.8%
2	Gross Direct Premium to Net Worth Ratio GDPI / Net worth	NA											3.02
3	Growth Rate of Net Worth [(Net worth of CY – Net worth of PY)] / Net Worth - PY	NA											20.8%
4	Net Retention Ratio Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)	18.4%	2.0%	67.9%	70.9%	13.6%	26.2%	94.1%	85.6%	70.9%	1.9%	9.1%	59.2%
5	Net Commission Ratio Net Commission / Net Written pre-mium	(6.7%)	(274.9%)	(6.8%)	(7.1%)	(28.0%)	(22.1%)	14.4%	1.3%	3.7%	(379.8%)	(11.9%)	(6.9%)
6	Expenses of Management to Gross direct Premium Ratio Expenses of Management/ GDPI	44.5%	35.6%	34.6%	34.0%	41.7%	37.4%	41.2%	43.6%	41.2%	29.5%	44.1%	35.8%
7	Expenses of Management to Net writ-ten Premium Ratio Expenses of Management/ NWPI	136.1%	1,007.6%	34.9%	32.2%	166.2%	74.3%	43.0%	42.8%	55.3%	993.2%	305.3%	40.3%
8	Net Incurred claims to Net Earned Premium Net Incurred Claims / Net Earned Premium	91.5%	480.7%	78.9%	78.9%	21.6%	923.3%	22.8%	61.3%	87.2%	28.4%	1,742.9%	79.6%
9	Combined Ratio (Claims, commission plus expenses of management)/ NWPI	NA											120.0%

Sl. No.	PERFORMANCE RATIO	For the year ended 31 Mar 2021											
		FIRE	MARINE	MISCELLANEOUS	MOTOR	ENGINEERING	PUBLIC / PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
											OTHER LIABILITY	OTHERS	
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											3.9%
	(Underwriting Profit/ loss + Investment Income)/ Net Earned Premium												
13	Liquid Assets to Liabilities Ratio	NA											0.13
	Liquid Assets / Policyholders liabilities												
14	Net Earning Ratio	NA											2.4%
	Profit after tax/ net premium												
15	Return on Net Worth	NA											4.6%
	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											0.5%
	Net NPA Ratio	NA											-

Annexure - 3

Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2022

Summary of Financial Statements

(Rs in '000)

Sl. No.	Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
	OPERATING RESULTS					
1	Gross Direct Premium	17,571,654	12,835,925	12,247,710	9,701,115	5,266,943
2	Net Premium Income*	11,217,567	7,982,476	7,901,757	5,169,299	3,756,050
3	Income from Investments**	2,032,431	1,872,844	1,759,263	919,736	712,490
4	Investment Income from Terrorism Pool	12,472	7,776	4,144	9,761	6,101
5	Contribution from Shareholders Funds towards excess EOM	895,807	81,358	81,383	8,992	-
6	Other Income	1,767	1,421	1,011	715	344
7	Total Income	14,160,044	9,945,875	9,747,558	6,108,503	4,474,985
8	Commissions (Net) (Including Brokerage)	(218,306)	(552,524)	(629,039)	(289,424)	(118,530)
9	Operating Expenses	5,703,185	3,772,888	3,505,374	2,445,867	1,517,783
10	Net Incurred Claims	6,276,399	6,066,042	5,974,218	2,722,117	2,776,834
11	Premium deficiency Reserve	(816)	287	338	(2,357)	1,767
12	Change in Unexpired Risk Reserve	2,075,447	365,502	818,787	1,319,835	410,293
13	Operating Profit / Loss	324,135	293,680	77,880	(87,535)	(113,162)
	NON OPERATING RESULTS					
14	Total income under Shareholder's Account (Net of expenses)	(491,695)	(37,159)	(60,469)	5,490	173,809
15	Profit/(Loss) before Tax	(167,560)	256,521	17,411	(82,045)	60,647
16	Provision for Income Tax	29,571	54,210	-	106,642	11,689
17	Provision for Deferred Tax	(76,071)	8,283	78,621	(183,374)	-
18	Tax adjustment of earlier years	3,530	-	(1,102)	-	(110)
19	MAT Credit adjustment of earlier years	-	-	-	(19,657)	-
20	Profit/(Loss) after Tax	(124,590)	194,028	(60,108)	14,344	49,068
	MISCELLANEOUS					
21	Policyholder's Account					
	Total Funds	33,617,393	26,377,542	19,708,881	13,091,066	9,505,153
	Total Investments	33,617,393	26,377,542	19,708,881	13,091,066	9,505,153
	Yield on Investments (annualised)	6.08%	6.38%	7.24%	8.37%	8.21%
22	Shareholder's Account					
	Total Funds	4,122,633	4,253,090	3,520,253	2,836,217	2,304,607
	Total Investments	4,827,342	3,560,121	3,139,187	1,531,785	1,866,030
	Yield on Investments (annualised)	6.08%	6.38%	7.24%	8.37%	8.21%
23	Paid up Equity Capital	1,547,073	1,547,073	1,437,500	1,250,000	1,125,000
24	Net Worth #	4,122,633	4,253,090	3,520,253	2,836,217	2,304,607
25	Total Assets (Gross of Current Liabilities and Provisions)	41,068,209	32,446,400	25,141,815	18,224,023	12,724,943
26	Yield on Total Investments (annualised)	6.08%	6.38%	7.24%	8.37%	8.21%
27	Earning Per Share (Rs.)	(0.81)	1.26	(0.43)	0.12	0.44
28	Book value per share (Rs.)	27	27	24	23	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)

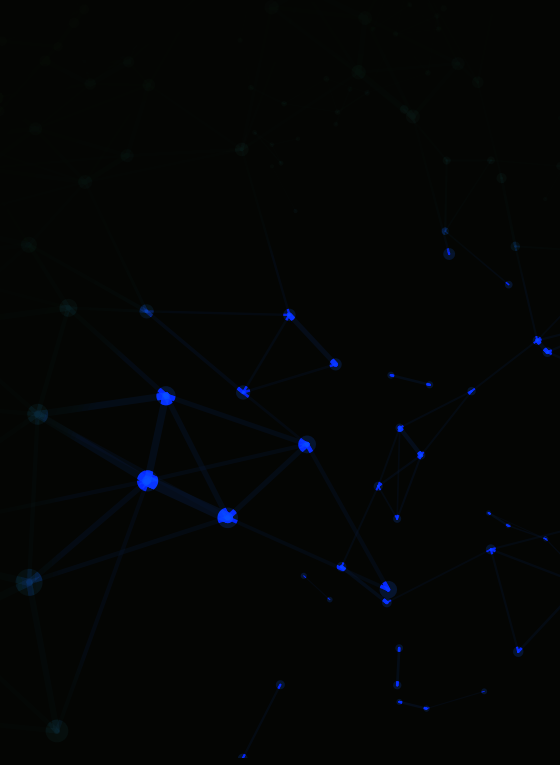
MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

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

Sl. 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
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	CARE Rating	Credit Rating Agency
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

Sl. No.	Terms	Description
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)
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

Sl. No.	Terms	Description
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
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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