

# OUR VALUES OUR STRENGTH



EXCELLENCE

INTEGRITY

FAIRNESS

EMPATHY



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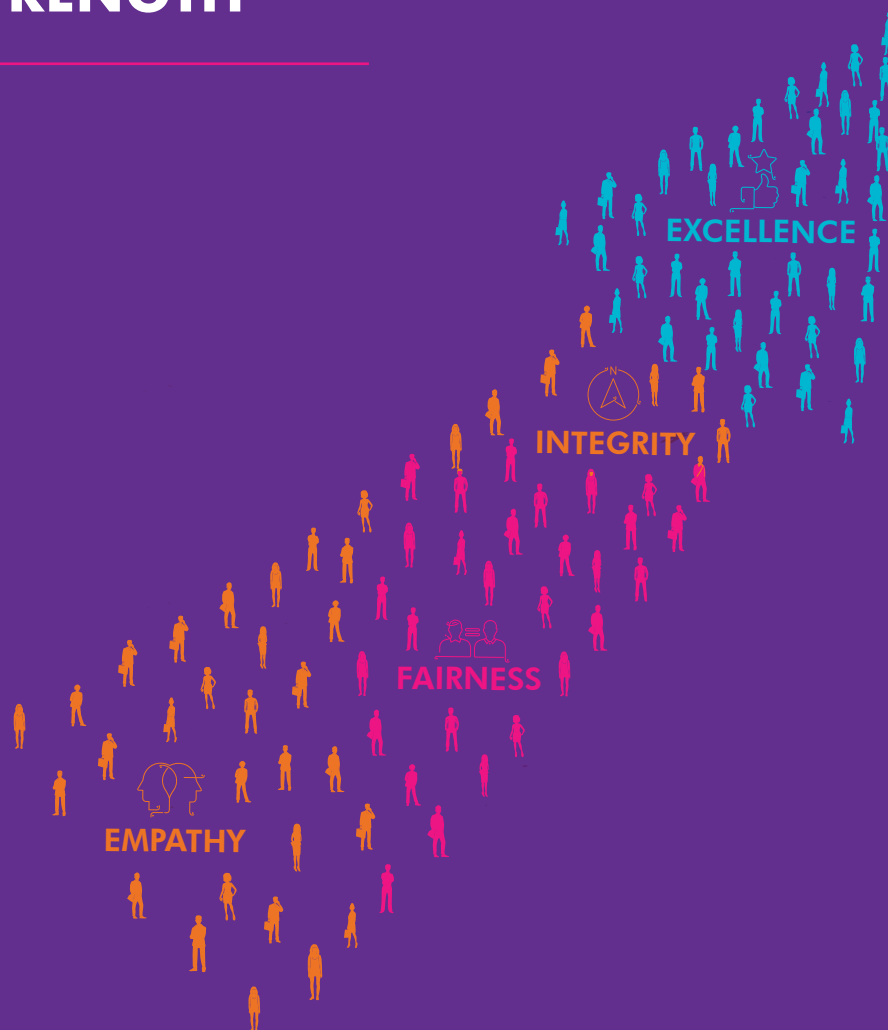
Our Values Mantra:

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**I**NSURANCE **F**OR **E**VERYONE **E**VERYWHERE

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# OUR VALUES OUR STRENGTH



At Magma HDI, we believe that values are more than just words; they are the principles that shape our culture, decisions, and daily functioning.

We are proud to present the theme for our FY24 annual report; **Our Values, Our Strength**. This marks a pivotal milestone in our journey as we embrace four new values: **Integrity, Fairness, Empathy, and Excellence**.

Integrity is at the heart of everything we do. It ensures we remain a trustworthy and reliable partner for our customers. Fairness drives us to create a level playing field, advocating equal opportunities, and fostering diversity within the workforce. Empathy allows us to connect with our stakeholders and support and address their challenges. Excellence inspires us to continually strive for superior performance and innovation.

As we move forward, these values will continue to guide us. We look towards shaping a future where Magma HDI is a beacon of trust and reliability.

Thank you for your continued support and confidence in us.



## PRODUCT SUITE

The design of our product suite, across retail and corporate clients, is founded on an understanding of customers’ protection needs – whether motor, health or commercial lines. Our servicing capabilities are also structured on similar insights.

### Retail:

Major products under this category include motor, health, personal accident, and home insurance. Motor insurance continues to dominate our portfolio with a 62.9% share in the business, whereas health is about 21.4%. With a deeper focus on the health vertical, we continued to have a remarkable growth of 228% in our business from group health insurance in FY24 as well. Within health, we have diversified the spectrum into Retail Indemnity, Group Indemnity, Group Personal Accident and more. The company’s focus is on expanding the health line of business for which it forayed into specialized Health products for Senior Citizen and no-frills Super Top Up.

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

- i) State-of-the-art health products to cater to diverse customer segments
- ii) Robust insurance network of 8900+ hospitals with a deep geographic reach.
- iii) Hassle-free claims settlement.

### Commercial:

Our commercial solutions have witnessed consistent growth, and now constitutes 15.6% of the total business. We have a wide range of products to cater to the insurance requirement of the corporate segment in various product lines. Our existing products cover Property, Engineering, Marine, Liability and Miscellaneous lines of business. We consistently revisit our existing products for any revisions in order to match the dynamic market requirements. We also engage in new product development pertaining to various customer segments to reaffirm our inventive approach. We are in the process of reviewing the requirement for flexible product offerings under home and MSME segments.

In addition, our top-tier reinsurance panel imparts 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 stay one step ahead when it comes to our product delivery.

We offer more than 70 products with various add-ons to corporate and retail clients. A glimpse of our products under various lines:

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

## OUR PILLARS OF GROWTH

The past year at Magma HDI has been a period of significant transformation, marked by both external changes and key strategic initiatives implemented across the company.

### Harnessing the Regulatory Winds of Change

The Insurance Regulatory and Development Authority of India (IRDAI), under the leadership of Mr. Debasish Panda, introduced multiple reforms aimed at market expansion and customer focus. These reforms included principle-based regulations empowering industry players while protecting consumers and easing regulatory controls. Additionally, IRDAI released a master circular to codify processes and consolidate advisories released over a period, signalling clarity and efficiency. They've also taken steps to develop the service delivery infrastructure, including distribution channels and service points.

### The Bima Trinity: A Vision for Inclusive Insurance

Bima Sugam, Bima Vistaar, and Bima Vahak represent a comprehensive approach to transforming the insurance sector. Bima Sugam facilitates seamless policy purchase and claims through a digital platform, while Bima Vistaar aims to broaden insurance coverage across diverse demographics. Bima Vahak, a women-centric distribution channel, targets untapped and rural areas. These initiatives are poised to revolutionize the industry by streamlining processes, enhancing customer engagement, and promoting wider accessibility.

Furthermore, IRDAI's focus on making cashless hospital services available under insurance and establishing the National Health Claims Exchange underscores their commitment to innovation, inclusivity, and customer-centricity.

### State Insurance Plan: Vision Insurance for All by 2047

We launched the "Insurance Liya Kya?" campaign, a thought-provoking initiative aimed at encouraging people to ask their friends and family a simple, direct question: "Have you bought insurance?"

This campaign, titled "Insurance Edutho?" in Kerala, was launched on the National Insurance Awareness Day, June 28, 2023. The event was graced by the presence of Assistant District Collector Mr. Harshil Meena, Mr. Ragesh G. Ravi, CEO of Muthoot Securities, members of the press, and employees from other insurance companies.

The campaign was widely promoted through social & digital media, wall paintings, press releases, email, and SMS blasts. A microsite was unveiled which invites the visitors to take "Insurance liya Kya" pledge and acts as an online information repository general insurance.

In December 2023, Magma HDI employees, along with three women bike riders, took to the roads of Kerala to further spread the message of insurance awareness. The bike rally, flagged off by Mr. S. Sreejith IPS, Transport Commissioner, Government of Kerala, showcased the collaborative efforts of government bodies and insurance companies.

Our "Insurance Liya Kya" campaign is a vital part of a larger strategy to increase insurance penetration across India. This aligns seamlessly with IRDAI's State Insurance Plan, a visionary initiative designed to bring insurance to every corner of the country to achieve Insurance for all by 2047.

This initiative pools together insurance companies, designating lead insurers in each state to spearhead insurance ownership, particularly targeting the uninsured populations.

It focuses on raising awareness about the need for insurance, developing state-specific products, expanding distribution channels, and improving infrastructure to facilitate claims, ensuring timely support for people in need.





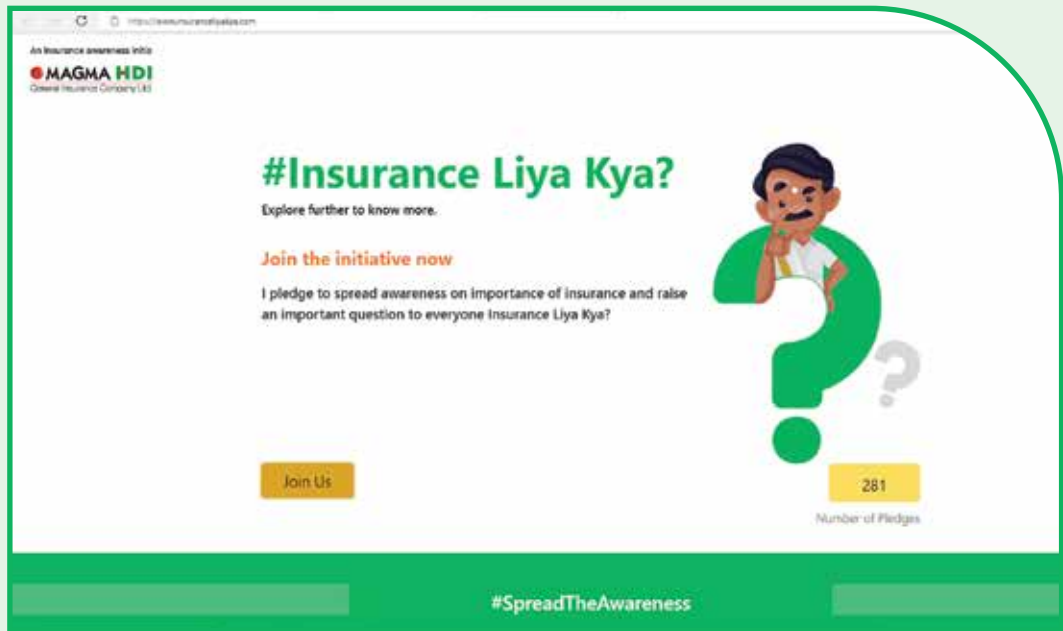
The immediate benefits will include assistance in the areas of

- ▶ Life and health emergencies
- ▶ Natural calamities
- ▶ Income security in old age
- ▶ Protection of assets of MSME
- ▶ Increasing employment through insurance infrastructure development

Magma HDI has been appointed as the lead insurer for the state of Kerala. Our primary objectives include:

- ▶ Increasing insurance penetration across retail, MSME, and commercial segments
- ▶ Enhancing customer confidence in using insurance as a risk mitigation tool
- ▶ Implementing mitigation plans to minimize NAT CAT (natural catastrophe) losses
- ▶ Addressing sector-specific issues to boost the insurance ecosystem in the state

Insurance Liya kya? Microsite ▶

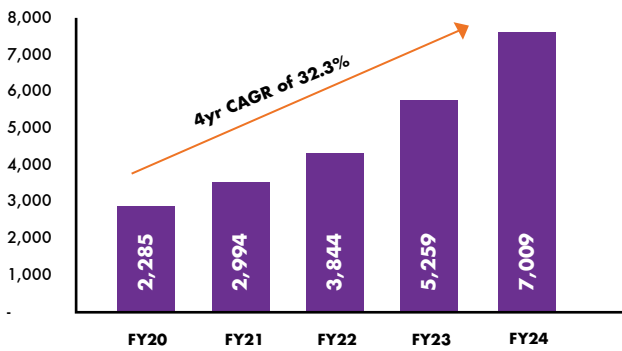


## Company Perspective: Strategic Developments and Achievements

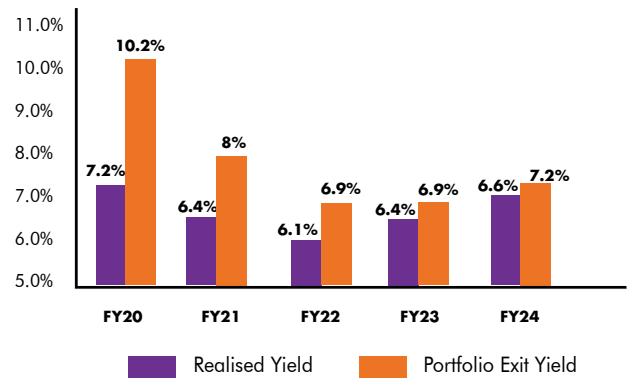
### Enhancing Stability: Shareholder Realignment and Capital Boost

A significant transition has occurred in our shareholder base with Sanoti Properties LLP and Mr. Keki Mistry acquiring shares previously held by HDI. This strategic investment strengthened our financial position through capital infusion from our promoters. Additionally, we issued subordinated debentures with a rating of AA (Stable) by CRISIL and CARE, demonstrating the strength of our promoters and balance sheet. The sub debt was subscribed by top financial institutions.

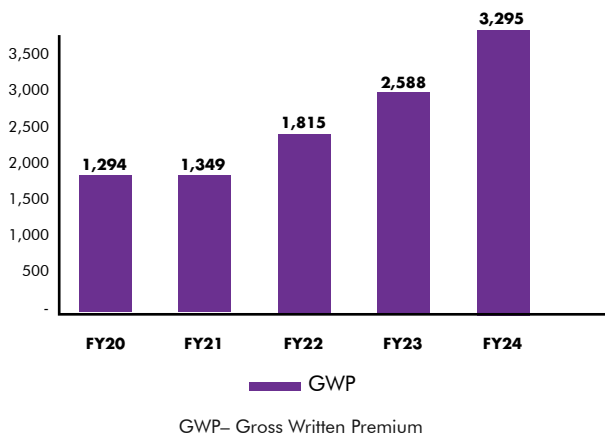
### Investment AUM (Rs. in crores)



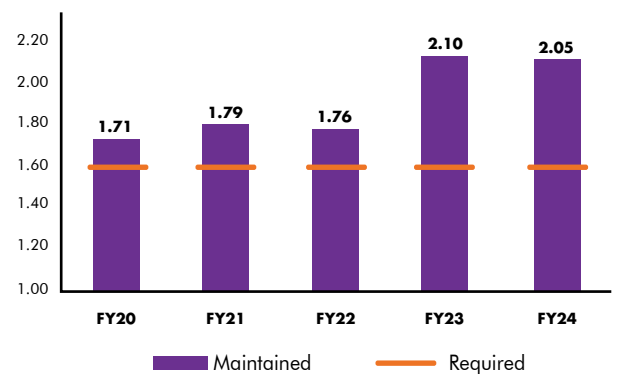
### Investment Portfolio Yield



### GWP (Rs. in crores) & Growth Chart



### Solvency



### Diversification of product portfolio: Key to path profitability

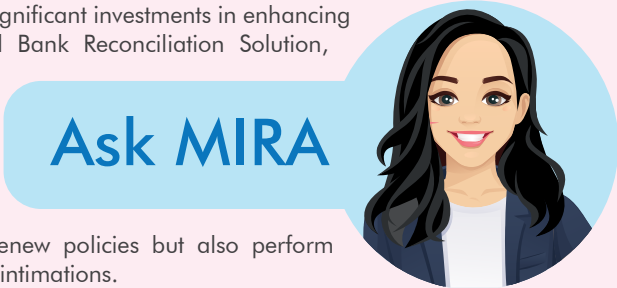
Our focus is on riding the growth opportunities, diversifying into other lines of business and by rebalancing contribution from Health, Motor and Commercial portfolios. Throughout the period we have kept a keen eye on the path to profitability which resulted in a substantial decline in the combined ratio by 7.3%. Our investment book is shy of the billion-dollar mark at Rs 7000 crores carrying a yield of 7.1%

### Distribution Expansion: Building a Strong Network

We significantly broadened our channel partner base by engaging with a diverse set of intermediaries, including agents, brokers, corporate agents, Motor Insurance Service Providers (MISPs), and Points of Sale (POS). We further bolstered distribution and accessibility by establishing partnerships with five new Automotive Original Equipment Manufacturers (OEMs) and electric vehicle (EV) manufacturers. These initiatives position us to drive growth, increase market penetration, and deliver exceptional value to our stakeholders.

### Advancing our Technological Horizons: Building a Digital Future

Technology is the backbone of our operations. This year, we made significant investments in enhancing our technological infrastructure. We implemented an automated Bank Reconciliation Solution, automated Legal and Compliance Management and tracking processes, and introduced the Buddy and Library Mobile App to empower field executives. Additionally, we upgraded the One Health App, Agent Portal, BEAM, and our website. For our customers, we launched the **MIRA** chatboat - **M**agma HDI's **I**nteractive **R**eal-time **A**ssistant, on our website and WhatsApp channel. MIRA empowers customers to not only purchase and renew policies but also perform service-related tasks like downloading policies and submitting claim intimations.



### Nurturing Growth through Talent Development

Nurturing talent to fuel growth has been a cornerstone for the Human Resources function in FY24. The journey of talent development, initiated two years ago through a range of training opportunities and empowerment initiatives, continued this year. We launched the LEAD program in collaboration with Upgrad, which aims to develop future leaders within the company. This ongoing program has trained 123 first-time managers this year.



# STEP UP

Under the banner of STEP UP, we revamped the entire onboarding process for new trainees, ensuring they receive proper guidance and an enhanced onboarding experience during their initial period with the company. This program also includes a special initiative, developed in collaboration with IIRM, to hone the technical skills of trainees joining the Corporate Sales and Commercial channel.

Our robust Reward and Recognition program, SPOTLIGHT, ensures that employees are recognized for their achievements throughout the year. This year, we hosted a significantly larger award function in Goa, recognizing employees across all functions and levels. With our continued efforts in talent development and strong collaboration across teams, we are on the right track to driving excellence by delivering responsible and high-quality service to our customers.



### Defining our Path through Core Values

This year, we proudly launched our core values, establishing a new benchmark for our organizational culture and guiding principles. The launch was marked by a comprehensive campaign aimed at deeply embedding these values within our company. The event featured inspiring speeches from senior leadership, highlighting the critical role these values play in driving our success and shaping our future. Employees across the organization united to pledge their commitment to upholding these values in their daily actions, reinforcing our collective dedication.



### A Year of Stability and Progress

Looking back, Magma HDI has navigated a dynamic landscape with resilience and purpose. We embraced regulatory changes as opportunities to enhance customer focus and market efficiency. Our strategic initiatives, from shareholder restructuring to technological advancements, have laid a strong foundation for profitable growth.

# RECOGNITION AND AWARDS

**First BFSI Innovation Confex & Awards 2023**

Best Innovation of the year: Customer Behaviour Economics



**Second Annual Technology Excellence Awards 2023**

Best Tech of the Year (Robotics & AI) – Insurance

**Second Annual India DevOps Show 2023 – Bengaluru**

Best Digital Transformation Initiative (Insurance)



**Second Annual CX Excellence Awards 2023**

Best Contact Centre of the year

**Insurance Asia Awards 2023**

Insurance Initiative of the Year - India



**Insurance Asia Awards 2023**

Customer Service Initiative of the Year - India

**First Annual Cyber Security Excellence Awards 2023**

Best Access Control Initiative



**Fourth Annual BFSI Excellence Awards 2023**

Best Use of RPA in Insurance

**NXTGEN BPO Confex & Awards 2023**

Best Call Center - Tele Sales & Customer Service



**Second Edition BFSI Leadership Awards 2024**

Best Use of Technology in Customer Service

**Third InsureNext & InsureTech Conclave and Awards 2024**

Best Customer Experience Initiative



**Second BFSI Innovation Confex & Awards 2024**

Best Innovation of the year: Tele Sale (Data Science)

**Fourth DCX Digital Customer Experience Confex & Awards 2024**

Best Customer Retention Strategy Award



**11<sup>th</sup> Edition IBEX INDIA 2024 BFSI Technology Awards**

Insurtech Innovation Award

**15<sup>th</sup> Edition CX Strategy Summit & Awards**

Best Contact Center



**15<sup>th</sup> Edition CX Strategy Summit & Awards**

Best Customer Experience Team

# COMPANY INFORMATION

## Board of Directors



### Mr. Sanjay Chamria

Chairman, Non-Executive Director

### Mr. Jens Holger Wohlthat

Vice Chairman, Non-Executive Director (upto 04.11.23)

### Mr. Mayank Poddar

Non-Executive Director

### Mr. Vinesh Kriplani

Additional Non-Executive Director (w.e.f. 01.11.23)

### Mr. Kailash Nath Bhandari

Non-Executive Independent Director

### Mr. Sunil Mitra

Non-Executive Independent Director

### Mr. V. K. Viswanathan

Non-Executive Independent Director

### Ms. Sandhya Gadkari Sharma

Non-Executive Independent Director

### Mr. Rajive Kumaraswami

Managing Director and CEO

## Joint Statutory Auditors



### M/s. Singhi & Co.

Chartered Accountants

B2, 402B, Marathon Innova, 4th Floor,  
Off Ganpatrao Kadam Marg, Lower Parel,  
Mumbai – 400 013

### M/s. M S K A & Associates

Chartered Accountants

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

## Secretarial Auditors



### M/s. Vinod Kothari & Company

Practising Company Secretaries

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

## Key Management Personnel



### Mr. Vikas Mittal

Deputy Chief Executive Officer

### Mr. Amit Bhandari

Chief Technical Officer

### Mr. Shivendra Tripathi

Appointed Actuary

### Mr. Amit S. Thapliyal

Chief Technology Officer

### Mr. Gaurav Parasrampuria

Chief Financial Officer

### Mr. Jinesh M. Shah

Chief Investment Officer

### Mr. L. Chakradhar Rao

Compliance Officer (upto 08.03.2024)

### Mr. Amit Raheja

Head Legal and Chief Compliance Officer (w.e.f. 08.03.2024)

### Mr. Anil Kumar S.

Chief Human Resource Officer (w.e.f. 14.02.2024)

### Ms. Sweta Bharucha

Company Secretary

### Mr. Amit Loya

Chief Internal Auditor

### Mr. Kishore T. Khanchandani

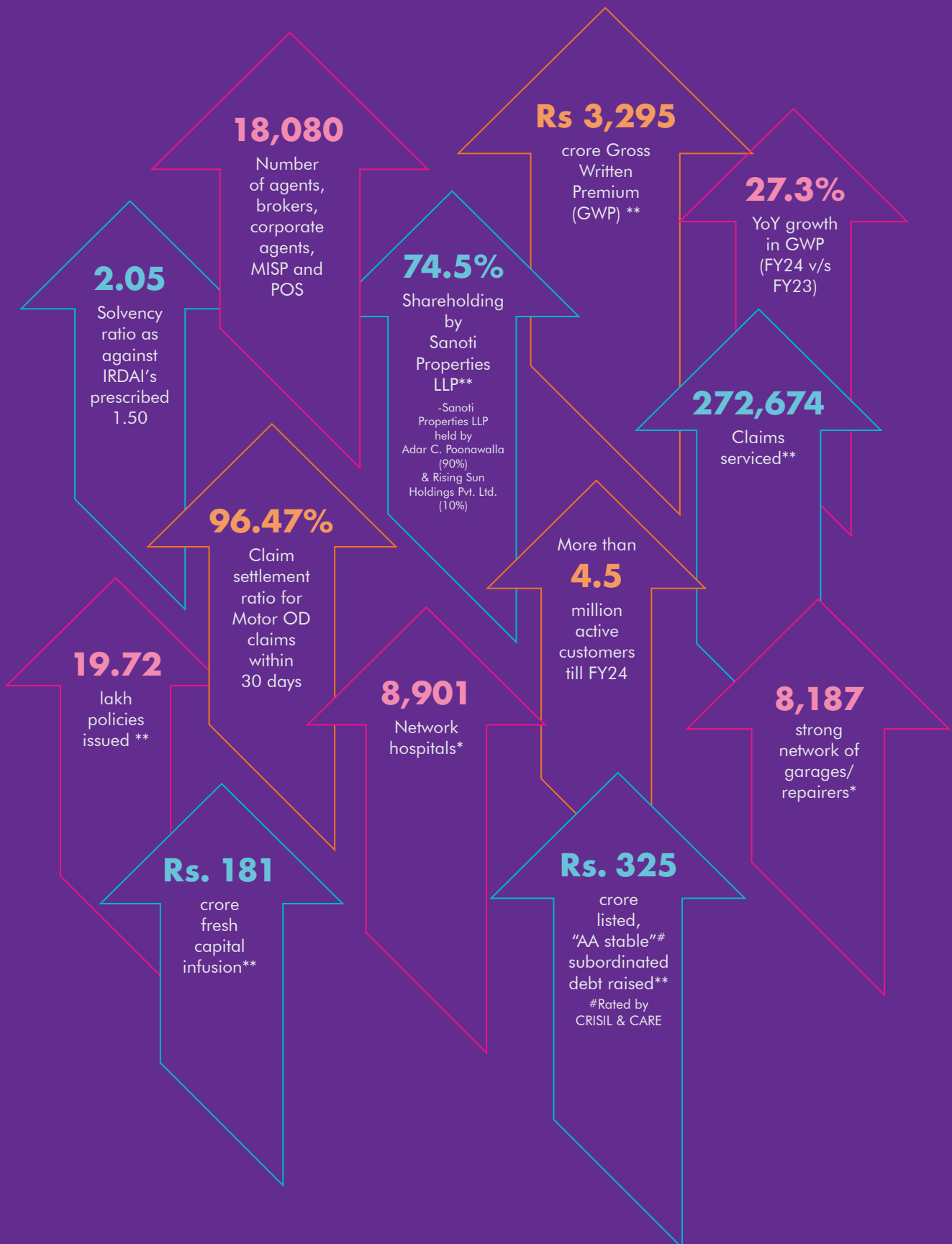
Chief Risk Officer

## Principal Bankers



Axis Bank  
HDFC Bank  
HSBC Bank  
ICICI Bank  
State Bank of India  
Punjab National Bank

# KEY PERFORMANCE HIGHLIGHTS



\*As at March 2024 \*\*In FY24





## MANAGING DIRECTOR & CEO'S MESSAGE

### Dear Stakeholders,

India continues to be one of the fastest growing economies with the strength in domestic demand, driven by private consumption, investments in physical and digital infrastructure, government reforms and initiatives implemented. Despite global economic uncertainties, geopolitical tensions (Russia-Ukraine, Israel War), disruption in supply chains (Red Sea Crisis) and tightening financial conditions in major economies like the US, India's domestic demand has remained relatively resilient. This insulation from external shocks has helped sustain growth, even as major economies face slowdowns or recessions.

The demonstrated growth over last few years continues to shape India's trajectory toward achieving its aspirations of being the third largest economy in near future and securing sustainable economic growth. Growth rate of the Indian economy is at ~8.2% in FY24 against a growth of 7.2% in FY23.

Indian insurance market for FY24 stands at ~Rs. 667,700 crores out of which the General Insurance Sector contributed ~Rs. 289,700 crores. The General Insurance Industry has grown at a CAGR of 11.3% over 5 years with Private sector insurers having 53.5% market share and public sector insurers contributing 31.2% in FY24. The Mono-line Health players & specialized insurers contribute the balance 11.4% and 3.9% respectively. General Insurance industry has seen growth of 12.8% in FY24 over FY23, whereas Private players and Mono-line health players have growth rate much higher than industry i.e. 17.5% and 26.2% respectively.

All segments of the industry grew: Health grew at 19.5% on the back of heightened awareness of the need of health insurance, contributed at 40% to the overall general insurance industry premiums. The motor segment continued to grow at 12.9% with a contribution of 32%. Motor segment has grown mainly due to double digit growth of 12.5% in new motor vehicle sales across Industry. The Commercial segment grew at 10%, contributing 17% of total industry premiums. In the commercial segment, Engineering and Aviation grew better than the overall market at 26% & 17.9% respectively, followed by Fire and Marine at 7.4% and 7.2% respectively whereas Liability premium was marginally lesser than FY23. The crop segment has shown a negative growth of 4% with 11% contribution towards overall premium.

Despite the robust growth, India's contribution to the global insurance industry stands at ~2.3% making it 10th largest globally. To drive the agenda of "Insurance for all by 2047", the Regulator continues to implement regulatory changes and reforms with twin objectives of enhancing insurance penetration and easing the burden of compliance. During FY24, the Chairman introduced two new aspects - Bima Trinity (Bima Vahaak, Bima Vistaar & Bima Sugam) and State Insurance Plan - to target insurance penetration in Rural as well Urban areas of the country. I am delighted to state that your Company grew at a rate much higher than the industry at 20% with the GDPI increasing to Rs. 3,044 crores (GWP: Rs. 3,295 crores, growth 27.3%). The Company has underwritten 1.97 million policies in the year. 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 retail policy lifecycle from purchase, servicing, claims intimation & settlement, and renewal in digital mode.



**Rajive Kumaraswami**  
Managing Director & CEO

The Company has continued to invest in expanding its distribution network. As at 31 March 2024, the Company has 18,088 partners including Agents, Brokers, Corporate Agents, POS and MISPs with a large reach in Tier 2, 3 and 4 cities. During FY24, the Company has also entered into 5 new relationships with renowned Automotive Original Motor Equipment manufacturers, now totaling to 27 OEMs (including Electrical Vehicles) tie-ups as at March 2024. The Company has already commenced business with all new partners. We are also proud of having tied up with "Suryoday Small Finance Bank" along with NBFCs, and cooperative banks during the year, further making inroads into the bancassurance space.

I am excited to inform you that along with the growth in GWP, we are building diversification in various segments. During the year, the Company has achieved an increase in share of the private car book in Motor Segment. Also, with focused efforts towards the health segment across channels, its contribution has increased from 9.7% in FY23 to 21.4% in the overall business. We will continue to strive to make health a sizable part of our total business.

The Company believes in seamless customer experience and hence focused towards simplifying claim settlement procedures and reducing the turnaround time (TAT). Our Motor OD Claims Team settled 90% of claims and assessed 63% of Motor OD claims through the video streaming application without any manual intervention. In addition, the Company has launched an AI based external damage detection and severity assessment tool for private car own damage (OD) claims, which minimizes data entry time and increases efficiency; 75,000+ private car OD claims have been processed till date using this AI based tool.

During the year, the Company has launched its self-servicing platform “MIRA” - Magma’s Interactive Real-time Assistant – on Website and WhatsApp – for enhanced customer experience. The Company has also launched the Net Promoter Score Program, a worldwide accepted methodology to measure customer satisfaction. The NPS score for the month of March 2024 is 35.1. (The Creators of NPS, Bain & Company, suggest a score: Above 0 is good, Above 20 is favorable, Above 50 is excellent, and Above 80 is world class). In addition, the Company has invested in digitizing various processes to enhance the insurance intermediaries and customers satisfaction like Relationship Management Application, Vahan integration, Customer Council, Auto IVR, etc.

The Company was recognised at various Industry Events organised by renowned National and International agencies for the various initiatives and continuous efforts taken towards satisfaction of internal as well external customers. We have received more than **fifteen** awards during FY24.

With this background, I would like to present the financial statements for the year ended 31 March 2024.

**A snapshot of the company's performance is as below:**

Particulars (Rs Crore)	FY23	FY24
No. of Policies issued (count)	2,418,934	1,972,264
Gross Written Premium	2,588.29	3,295.12
Gross Direct Premium Income	2,534.12	3,044.19
Net earned premium	1,534.18	2,266.39
Income from Investments & other Income	301.69	408.52
Profit/(Loss) before tax	(287.35)	(162.60)
Profit/(Loss) after tax	(287.17)	(141.22)
Combined Ratio (COR)	123.8%	116.5%
Solvency Margin	210%	205%

During the year, Sanoti Properties LLP [held by Mr. Adar Poonawalla (90%) and Rising Sun Holdings Private Limited (10%)] has infused primary equity capital of ₹181 crores in June 2023. In November 2023, Sanoti acquired ~9.90% direct stake held by HDI Global SE and Mr. Keki Mistry has acquired balance (~1.99%) direct stake of HDI Global SE. As a result of the above transactions, the direct shareholding of Sanoti in the Company stands at 74.54% as at March 2024. Further, the Company has issued Listed, Rated (AA Stable by CRISIL & CARE), unsecured Subordinated Debt worth Rs. 325 crores, during the year. Fresh capital not only enhances the solvency ratio of the Company, but provides high quality, growth capital to the Company.

During the year, the Investment Book of the Company has crossed **Rs. 7,000** crores with 32.8% 3-year CAGR over FY21. The net investment income was Rs. 404 crores. Out of the fixed income portfolio, 96.6% are AAA rated and Sovereign bonds. With continues efforts, the Company has achieved a reduction of 7.3% in its Combined Ratio from 123.8% in FY23 to 116.5% in this fiscal.

Values represent the essence of one’s identity, and are not only a source of inspiration, but also empower organisational decisions and actions. In FY24, the Company has rejuvenated its Organisational Values: as **Integrity, Fairness, Empathy & Excellence** (helpfully made into the acronym: **Insurance For Everyone Everywhere**). The values discovery process was led by Landor (earlier Landor & Fitch), the world’s largest brand and design specialist group, who offers a multidisciplinary range of brand strategy, designing, naming, interactive and research services; and serves customers worldwide. They used interview based qualitative research to unearth what the organisation stands for.

We are excited and looking forward towards the implementation of the various initiatives in the Insurance sector by the Regulator, IFRS Accounting, Risk Based Solvency Framework, Risk Based Supervision, Account Aggregator, Bima Satark, Bima Bharosa, Bima Trinity (Bima Vahaak, Bima Vistaar & Bima Sugam), State Insurance Plan and many more master circulars towards finance, accounting, investments, actuarial, products etc. At the same time, competition in the marketplace is expected to intensify, with stricter regulations and new entrants into the industry. While this will understandably intensify the war on talent, we are confident that with strong promoters, an experienced Board, and an energetic management team, we will be able to grow the business and serve our stakeholders.

As a full-service general insurance company, we shall continue our focus on the retail product classes across Motor, Health and Commercial lines on the one hand, and on capturing new corporate clients on the other. This gives us the granularity of a diversified book within a robust risk management framework. With continuous focus on changing distribution structures to enhance productivity and to tap uninsured opportunities, continuous support of empaneled service partners, technology advancements for channel partners and customers satisfaction and the strength of dedicated and talented manpower, the Company is future ready. We will continue to be strategically flexible in our approach and be alert, innovative and agile in spotting and participating in business and process improvement opportunities, as in the past.

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 (MD & CEO)

## BOARD OF DIRECTORS:



**Sanjay Chamria**  
Chairman, Non-Executive Director

Mr. Sanjay Chamria, the founder Chairman of the board is a first-generation entrepreneur who co-founded Magma Fincorp Limited in 1988 and later forged JV partnership with HDI Global SE, Germany in 2009 to set up Magma HDI. Magma having started with 3 employees in Kolkata grew to become one of India's large retail NBFC's having nearly 10,000 employees, across 300+ branches, in 20+ states, and AUM peaking at INR 19,500 cr. Mr. Chamria, after ceding ownership and management control to the Poonawalla group, has set up a family office, Magma Ventures to invest in listed and unlisted growth enterprises and support first generation entrepreneurs across equities, structured credit and other financial instruments. Mr. Chamria has been a well-recognized leader in India's finance industry, having made representations to the RBI, IRDAI, finance ministry and other government bodies on issues facing the BFSI sector while being on the board of Finance Industry Development Council (FIDC), FICCI & CII sub-committees.



**Mayank Poddar**  
Non-Executive Director

Mr. Mayank Poddar, is the man behind what brand "Celica" stands for today. He is the visionary who envisioned the dramatic growth of the Indian economy, some four decades ago. Mr. Poddar is the whole time Director of Celica Developers Private Limited and holds Directorship in various other Companies/LLP's/Body Corporates. He has also promoted several other companies and businesses from time to time like HDPE Bags manufacturing, Oxygen Gas production unit, hospitality, consumer goods distribution and property development & ownership of lands & buildings, automobile dealerships of 'KIA', 'CITROEN' & "JEEP" and General Insurance business company in partnership with HDI Gerling Group of Germany. He was also the Founder Chairman & later Chairman Emeritus of Poonawalla Fincorp Limited (Formerly known as Magma Fincorp Limited). He has experience of over 45 years in this field and he actively contributes to the policy formulation, provides overall guidance and support to other Directors as well as the management team in achieving corporate objectives. He also spearheads all the CSR objectives of the group.



**Vinesh Kriplani**  
Additional Non-Executive Nominee Director

Mr. Vinesh Kriplani is a chartered accountant specializing in Indian corporate and international taxes. He is currently associated with the Cyrus Poonawalla Group. He has been associated with several mergers and acquisitions and corporate restructuring projects. He is well-versed in the subjects of transfer pricing, tax dispute resolutions, valuations, and foreign exchange management. Vinesh has about 29 years of experience in the consulting field with firms including Arthur Andersen, RSM & Co., PricewaterhouseCoopers, Ernst and Young and KPMG.



**Kailash Nath Bhandari**  
Non-Executive Independent Director

A law graduate by education, Mr. Bhandari was the Chairman and Managing Director of New India Assurance Company Ltd. and United India Assurance Company Ltd. He was a consultant to the World Bank before joining the Board of the Company.



### **V K Viswanathan**

#### **Non-Executive Independent Director**

Mr. Viswanathan is a commerce graduate from Madras University and a Chartered Accountant from the Institute of Chartered Accountants of India. He is the Chairman of the Board of Directors of Bosch Limited. Prior to this role, Mr. Viswanathan was the Managing Director of Bosch Limited and President, Bosch Group in India. He was the President of Indo-German Chamber of Commerce in 2012-13. He has also served as the Vice President of ACMA (Automotive Component Manufacturers' Association), and worked with Hindustan Unilever Ltd. in many senior positions.



### **Sunil Mitra**

#### **Non-Executive Independent Director**

Mr. Mitra is a former IAS officer. He retired in June 2011 as the Revenue & Finance Secretary, Government of India, after an illustrious career of 36 years. During his tenure in the Ministry of Finance, he led the revenue teams in the formulation of the 2010-11 and 2011-12 Union Budgets and spearheaded several significant policy initiatives in public finance including a new disinvestment policy and taxation reforms. He has also worked for the West Bengal Government, where he led significant public policy reforms in the state-owned Public Sector Enterprises and the state's power sector.



### **Sandhya Gadkari Sharma**

#### **Non-Executive Independent Director**

38 years of rich and varied professional experience with ICICI, ICICI Bank, Mahindra & Mahindra Ltd. and having Directorship in Entero Healthcare Solutions Limited and ICICI Home Finance Company Limited has made Ms. Sharma an expert in different domains of finance like project appraisals, term lending, resolution of multi-partite stressed assets and NPAs, etc. She has represented ICICI as nominee Director on the Boards of several assisted companies. At M&M, she has served in Mergers & Acquisitions cell, handled corporate finance and investor relations, shaped Corporate Governance Structure, etc. She also has considerable experience in conducting investigations in PoSH and code of conduct violations in various capacities.



### **Rajive Kumaraswami**

#### **Managing Director and CEO**

A fellow member of the Institute of Chartered Accountants of India and an associate member of the Institute of Cost Accountants India, Rajive has 29 years of experience in the banking and finance sector. He has been associated with the insurance industry since it was opened up to the private sector and has had exposure to various facets of the industry. He was the Head, Corporate Centre and Chief Risk Officer with a large private sector general insurance company and thereafter the Chief Representative of SCOR SE - India Liaison Office before joining Magma HDI General Insurance in June 2016.

# BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Fifteenth (15<sup>th</sup>) Annual Report of your Company together with the Audited Financial Statements for the Financial Year ended 31 March 2024. The summarized financial results are given below:

## FINANCIAL HIGHLIGHTS

(Rs. in crore)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023	Growth
Gross Written Premium	3,295.12	2,588.29	27.3%
Net Written Premium	2,748.99	1,942.90	41.5%
Net Earned Premium	2,266.39	1,534.18	47.7%
Profit / (Loss) on sale / redemption of investments (Net)	(7.12)	6.46	(210.2%)
Interest, dividend and rent (Gross)	349.64	252.83	38.3%
Other Income	3.23	2.03	58.7%
Contribution from Shareholders Funds towards excess Expenses of Management (EoM)	80.72	251.34	
<b>Total (A)</b>	<b>2,692.85</b>	<b>2,046.84</b>	
Net Incurred Claims (including PDR)	1,810.67	1,114.21	62.5%
Net commission (income)/Expenses	659.97	76.06	767.7%
Operating Expenses	347.22	918.13	(62.2%)
<b>Total (B)</b>	<b>2,817.86</b>	<b>2,108.40</b>	
<b>Operating Profit/(Loss) (A-B)</b>	<b>(125.01)</b>	<b>(61.56)</b>	<b>103.1%</b>
Investment Income (Shareholders)	61.39	40.23	52.6%
Other Income (Shareholders)	1.38	0.14	
<b>Total (C)</b>	<b>(62.24)</b>	<b>(21.19)</b>	
Expenses other than those relating to Insurance business (Shareholders)	19.64	14.82	32.5%
Contribution from Shareholders Funds towards excess Expenses of Management (EoM)	80.72	251.34	
<b>Total (D)</b>	<b>100.36</b>	<b>266.16</b>	
<b>Profit / (Loss) before tax (C-D)</b>	<b>(162.60)</b>	<b>(287.35)</b>	
Provision for Tax (including Deferred Tax and adjustment of earlier years)	(21.38)	(0.18)	
<b>Profit / (Loss) after Tax</b>	<b>(141.22)</b>	<b>(287.17)</b>	
Credit/ (Debit) Balance in P&L A/c at the end of the financial year	(453.56)	(312.34)	

## INDUSTRY OVERVIEW AND COMPANY PERFORMANCE

### 1) GENERAL INSURANCE INDUSTRY OVERVIEW

Overall Insurance market for FY24 stands at ~Rs. 667,700 crores out of which the General Insurance Sector contributed ~Rs. 289,700 crores. The General Insurance Industry has grown at a CAGR of 11.3% over 5 years with Private sector insurers having 53.5% market share and public sector insurers contributing 31.2% in FY24. The Mono-line Health players & specialized insurers contribute the balance 11.4% and 3.9% respectively.

General Insurance industry has seen growth of 12.8% in FY24 over FY23, whereas Private players and Mono-line health players have growth rate much higher than industry i.e. 17.5% and 26.2% respectively.

**COMPANY PERFORMANCE**

(Rs. in crore)

Particular	FY21	FY22	FY23	FY24	CAGR % (3 years)
Gross Direct Premium	1,283.59	1,757.17	2,534.12	3,044.19	33.4%
Net Written Premium	798.25	1,121.76	1,942.90	2,748.99	51.0%
Investment Income (including Shareholders share of income)	214.81	231.54	299.52	403.91	23.4%
Net Incurred Claims (including PDR)	606.63	627.56	1,114.21	1,810.67	44.0%
Operating Expenses	377.29	570.32	918.13	347.22	(2.7%)
Operating profit/(loss)	29.37	32.41	(61.56)	(125.01)	-
Profit / (Loss) after tax	19.4	(12.46)	(287.17)	(141.22)	-
<b>Total Investments</b>	<b>2,993.77</b>	<b>3,844.47</b>	<b>5,259.14</b>	<b>7,008.55</b>	<b>32.8%</b>

Gross Direct Premium (GDP) has registered a robust CAGR of 33.4% over 3 years since FY21. Investment book has increased at CAGR of 32.8%.

The Gross Direct Premium Income written by the Company during FY24 is Rs. 3,044.19 crores (PY Rs. 2,534.12 crores). Motor segment has grown to Rs. 2,073.53 crores in FY24 (Rs. 1,860.50 crores in FY23).

During the year, motor continued to be the highest contributor in overall portfolio of the Company with 62.9% (PY 71.9%) share, followed by Health at 21.4% (PY 9.7%) and Commercial at 15.6% (PY 18.4%). With progressive development in the health channel and various initiatives taken in the other channels to promote health insurance business, the Group health has grown by 219% from Rs. 199 crores last year to Rs. 635 crores in FY24, whereas Group Accident has grown by 100% from Rs. 8 crores to Rs. 16 crores in FY24. The same has resulted in an accelerated growth rate of 180% for overall Health and Accident segment, which has increased upto Rs. 706 crores in FY24 from Rs. 252 crores in previous year. The commercial segment has also grown to Rs. 516 crores in FY24.

The above change of business mix and continuous rationalization of operating expenses has significantly improved company’s Combined Ratio to 116.5 % (PY 123.8%). Expenses of Management of the company has also significantly improved to 32.8% of GWP (PY 42.4%). Even with increase of 27% of GWP in FY 24 compared to FY 23, loss after tax of the company has reduced significantly to Rs. 141 crores (PY Rs. 287 crores). While company having strong cash flow from operations of Rs. 675 crores (PY Rs. 726 crores), loss appearing in financial statements mainly represents upfronting of expenses in the books of accounts compared to earning of premium over policy period. With the proposed implementation of IFRS (equivalent Indian Accounting Standards) in the insurance industry, this anomaly in recognition will be removed. IFRS implementation is in progress as per the IRDAI guidelines. The final circular in this regard is yet to be notified.

The company has added 5 more Automotive Original Equipment Manufacturers (OEM) to the existing OEM tie-ups and onboarded “Suryoday Small Finance Bank” along with other NBFCs under Bancassurance tie-ups. By adding 4482 new intermediaries, the company has strengthened its overall channel partner base. The Company uses technology to settle its Motor OD Claims. It settled 98% of the Motor OD claims in FY24 digitally. It has also enabled customers and workshop partners to do video streaming of damages and settle claims. The company settled 63% of the claims using this tool.

**2) DISTRIBUTION STRUCTURE**

The Company has a multi-channel distribution strategy, cutting across geographies, products and customers. The Company continued its focus on product diversification, with major focus on developing our retail health channel. The Company has widened its channel partner base and has 18,088 partners, in the form of Agents, Brokers, Corporate Agents, Motor Insurance Service Providers (MISPs) & Points of Sale (POS). During FY24, the Company has also entered into 5 new OEM relationships (including Electric Vehicles), totaling to 27 OEM tie-ups as at March 2024.

**3) UNDERWRITING**

The Company has developed a balanced underwriting approach considering the size of its portfolio and the overall objective of the Company. The Company remains in a competitive environment where risk selection becomes extremely important as pricing is more or less driven by market forces. The Company has taken cognizance of regulatory changes and Company’s underwriting is focused on appropriate risk selection based on the exposure and experience of the risk segments, quality of the risk etc. The Company under various lines of business has done risk segmentation based on the nature of the risk and categorized them as preferred, referral and decline segments for clarity to underwriting as well as distribution teams. While the target is to increase penetration in preferred segments, the Company realizes the business potential of other segments also and does prudent underwriting by following a more cautious approach in risks in referral category keeping its exposures suitable to its portfolio.

In retail lines comprising largely of Motor and Health, the underwriting strategy is to diversify the portfolio and to achieve a sufficiently large population 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 forward using modern techniques of analytics and IT capabilities as well as focus on skills and training.

The overall Motor insurance business faced favorable tailwinds in FY24. Sale of private cars registered a growth of 8.4% while commercial vehicles registered a 14.4% growth. Two wheelers at 1.79 crore vehicle sales registered a growth of 13.3%, however this was significantly behind its pre-COVID high of 2.12 crore vehicle sales in FY19. Overall motor industry sales registered a growth of 12.5% with total vehicle sales at 2.38 crore. Third party premiums remained unchanged for FY24. The Industry requires anywhere between 8-10% premium increase every year to account for inflation and changing behavior. The overall industry motor insurance premium saw a moderate growth of 12.92% and recorded premium of Rs. 91,781 crore. Your Company recorded growth of 11.5% in our motor book. Growth was primarily driven by Commercial Vehicle and Private car for our Motor portfolio in FY24.

While the Company was able to grow at a very healthy rate in commercial vehicle and private car segments, market factors remained very competitive and aggressive pricing did result in an increase in loss ratios. The Company expect pricing pressure to continue in the forthcoming year as well, which will keep us on toes with respect to loss ratios. Our approach would be to further micro-segment the market to select and target risk appropriate segments.

In FY24, the Company grew its Health and Accident portfolio by ~180% to a gross written premium of Rs. 706 crores. As a result, it was able to increase health segment proportion to 21.4% from 9.7% over the last year. The Company has solutions across the health spectrum such as Retail Indemnity, Group Indemnity, Group Benefit and Group Personal Accident. All these products are developed with clear focus on enriching our offer with innovative and flexible product propositions. The Company is unceasingly identifying new target segments and creating various business enablers in all areas like expanding product bouquet by adding new products for Senior Citizen and Super Top Up cover, 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 8,900 hospitals across ~800 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 continued to keep only moderate exposures in high hazard risks and high natural catastrophe prone areas to achieve a suitable balance in the portfolio. It also takes into consideration the impact on our solvency while participating in any Risk by selecting a suitable line size. At the same time, the Company writes risks with acceptable risk quality and avoid risks which are below average risk quality. Over last few years as the Company has grown, we have gradually increased our participation across various segments to balance growth and profitability. As the portfolio grows, such segments will shape up and become significant part of the portfolio.

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. The Company intend to focus on new products and segments to achieve our growth objectives. In past few years, the Company has successfully filed new products under various lines of businesses which offers a comprehensive cover for business owners in this segment in line with the new products being offered in the market.

The Company has revived its products in Liability line of business by re-launching "Public Liability Industrial", "Public Liability Non-Industrial" and "Public Liability Act" policies by bringing it in line with its peers and to address the need of its corporate customers. The Company has also developed new product "Cyber Protect Group Insurance Policy" under Liability line of business which will address the growing need of cybercrime losses which are faced by individuals.

Overall, the underwriting fundamentals and governance remain sound. Underwriting capacity and authority delegation to individuals are based on their specific expertise and set appropriate underwriting and pricing guidelines. Regular technical reviews assure that underwriters perform within authority and adhere to underwriting philosophy and policy. 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 the preferred insurance provider and achieve a responsible growth by using the insights gained by listening to our partners and customers.

#### **4) HUMAN RESOURCES (HR)**

People are the most valuable assets of the Company for creating value and supporting business growth. As on 31 March 2024, the employee strength was 1970.

The Human Resources function focused on building key people practices including hiring and onboarding talent, development of employees through learning initiatives, retention of key talent with employee engagement and rewards and recognition programs.

In order to improve employee services and people experiences, automation in the area of HR Operations continued to be an important agenda during the year.

Employee Induction programs have been revamped along with an Induction program specially designed for Front line sales executives in Composite and Health Agency called "HeadStart". Post induction programs, "SkillUp" have also been launched to enable front line field executives in their role.

Various skill development programs have been launched to facilitate learning for employees across the organization along with employee nominations for external training programs from IIRM, NIA and other industry institutes based on role requirements.

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.

## 5) OPERATIONS, TECHNOLOGY & CUSTOMER SERVICE

Over the past years, the Company has digitized various process journeys to enhance Insurance Intermediary (“IMD”) and Customer satisfaction:

### **IMD Processes:**

1. Daily Journey Plan (DJP) / Renewal Tracking Model (RTM) Application
2. Vaahan Integration

### **Customer Processes:**

1. Net Promoter Score (NPS) Program
2. Chatbot
3. Customer Council
4. Auto Interactive Voice Route (IVR)

### **IMD processes:**

**DJP/RTM Application:** This application helps the sales to plan daily journeys of FE’s (Field executives). This includes business meeting data, overall business related data along with geolocation of the FE’s during the day This application helps supervisors with a view of each their FE performance on a daily basis.

**Vaahan Integration:** Integration has been done with Vaahan through third party vendor. Through this, Vehicle details will be auto fetched from Vaahan Site once agent enters registration number of the vehicle in agent portal. This has reduced data entry time up to 3 minutes with Zero errors along with considerable reduction of document requirement for policy issuance. The application will also help in minimizing frauds.

### **Customer Process:**

**Net Promoter Score Program:** Company has started NPS journey in the month of April 2023. NPS is a worldwide accepted methodology to measure customer satisfaction. The Company has launched NPS across five key customer touchpoints:

- Policy Issuance
- Policy Servicing
- Motor Claims
- Health Claims
- Renewal

The NPS score for the month of March 2024 is at 35.1.

(The Creators of NPS, Bain & Company, suggest a score: Above 0 is good, Above 20 is favorable, Above 50 is excellent, and Above 80 is world class)

Company has created NPS having participation from each department. The forum meets on a monthly basis where the customer issues raised in NPS are discussed and close looped. A team of 20 close loopers have been assigned for close looping of issues highlighted by Detractors (Negative feedback customers).

**Chatbot:** Chatbot MIRA (**M**agma’s **I**nteractive **R**eal Time **A**ssistant) has been launched by the Company on 18 March 2024 on website and WhatsApp. This is a self-servicing platform for customers. This chat bot has the following capabilities:

- Buy and Renew the Policy
- Download Policy copy
- Claim Intimation and status track
- Endorsements
- Addressal of other queries

### **Customer Council:**

All customer complaints received by the Company are shared with process owners and a council has been set consisting of cross-functional team to address customer complaints. Through this initiative, we identified and re-engineered 40 processes, resulting in a remarkable 33% drop in complaints.



**Auto IVR:**

Company launched auto IVR options for the customers. This will enhance self-service options for the customers. 5% of the calls received by the customer service call center are auto fulfilled with no manual intervention on real time basis.

**These initiatives have also been acknowledged in various Industry Events (National & International), as below:**

Sr. No.	Timeline	Event	Category
1	May 2023	1 <sup>st</sup> BFSI Innovation Confex & Awards 2023	Best Innovation of the year: Customer Behaviour Economics
2	Jun 2023	2 <sup>nd</sup> Annual Technology Excellence Awards 2023	Best Tech of the Year (Robotics & AI) - Insurance
3	Jun 2023	2 <sup>nd</sup> Annual India DevOps Show 2023 - Bengaluru	Best Digital Transformation Initiative (Insurance)
4	Jun 2023	2 <sup>nd</sup> Annual CX Excellence Awards 2023	Best Contact Centre of the year
5	Jul 2023	Insurance Asia Awards 2023	Insurance Initiative of the Year - India
6	Jul 2023	Insurance Asia Awards 2023	Customer Service Initiative of the Year - India
7	Oct 2023	1 <sup>st</sup> Annual Cyber Security Excellence Awards 2023	Best Access Control Initiative
8	Oct 2023	4 <sup>th</sup> Annual BFSI Excellence Awards 2023	Best Use of RPA in Insurance
9	Nov 2023	NXTGEN BPO Confex & Awards 2023	Best Call Center - Tele Sales & Customer Service
10	Jan 2024	2 <sup>nd</sup> Edition BFSI Leadership Awards 2024	Best Use of Technology in Customer Service
11	Jan 2024	3 <sup>rd</sup> InsureNext & InsureTech Conclave and Awards 2024	Best Customer Experience Initiative
12	Jan 2024	2 <sup>nd</sup> BFSI Innovation Confex & Awards 2024	Best Innovation of the year: Tele Sale (Data Science)
13	Feb 2024	4 <sup>th</sup> DCX Digital Customer Experience Confex & Awards 2024	Best Customer Retention Strategy Award
14	Feb 2024	11 <sup>th</sup> Edition of IBEX INDIA 2024 BFSI Technology Awards	Insurtech Innovation Award
15	Feb 2024	15 <sup>th</sup> Edition CX Strategy Summit & Awards	Best Contact Center
16	Feb 2024	15 <sup>th</sup> Edition CX Strategy Summit & Awards	Best Customer Experience Team

**6) 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 as amended from time to time. The ultimate claims 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.

**7) 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 or any other financial liability risk as insured by the Company. The Company has fair and robust claims management practices. The Company continues to review its processes with empathy as the core value for the customers. 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 about 8,187 motor workshops spread across ~595 districts and a network of 8901 hospitals across the country. This ensures that customers are able to reach out to the nearest workshop/hospital, no matter where they are present and avail cashless claims service.

In order to make the experience seamless for the customers, there is a consistent and continuous focus to simplify procedures, thereby enabling reduction in turnaround time (TAT). Key initiatives in this regard include end to end workflow-based claims process i.e. from claim intimation to settlement, introduction of Self Survey App etc. Self-survey app connects both Motor & Non-Motor customers and vendors for registering and getting the further details of the claim on the app. Survey process has been simplified through video streaming to make it completely touchless & efficient with no necessity of moving physical documents.

The Company has an in-house claims settlement team for servicing Motor OD Claims. It has settled 90% Motor Own Damage claims in-house in FY24. Further, with the app and video streaming facility, the Company has settled 63% Motor OD claims. This had helped the Company to service its customers even during COVID-19 induced lockdown. ~10,000 Insurance claims relating to Cyclone Michaung and subsequent heavy rains/floods at Tamil Nadu were reported and all claims were inspected within 19 days using a hybrid model with the support of tech enabled process.

In addition, the Company has launched an AI based external damage detection and severity assessment tool for private car own damage (OD) claims, which minimizes data entry time and increases efficiency. More than 75,000 private car OD claims have been processed till date using this AI based tool.

In Motor Third party claims, the Company extensively uses compromise settlement mode through negotiation settlement. This year too, the Company has done 58% of total claims closure by way of negotiation settlement. The TP claims settlement performance of the Company has been acknowledged by various District Legal Services Authorities (DLSA) in different States recognizing the extended contribution and active participation of the Company to ensure success of Lok Adalats and National Lok Adalats.

## **8) 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 called 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 protect 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 Munich Re, GIC Re, SCOR SE, Swiss Re, Gen Re) which reduces counter party credit risk significantly.

## **9) INVESTMENTS**

The Company follows a prudent investment strategy with emphasis on optimizing risk-adjusted returns based on an appropriate mix of duration, liquidity & safety. Company's investment philosophy is focused on prudent and optimal investment of surplus funds keeping in mind the obligation to pay claims and meet other expenses as and when they arise.

Company's investment portfolio remains robust. The assets under management grew by 33.3% to Rs. 7,009 crore as at 31 March 2024 (vis a vis a portfolio of Rs. 5,259 crore as at 31 March 2023). The net investment income for FY24 was Rs. 403.9 crore vis-à-vis Rs. 299.5 crore in the previous year.

The Company's current investment portfolio consists of fixed income securities. Out of the total fixed income portfolio (excluding fixed deposits and money market instruments) 96.6% (PY 96.8 %) is invested in Sovereign Bonds and highest credit rated securities (AAA or equivalent). In terms of Maturity profile, 9.1% (PY 4.7%) of the portfolio comprises of the short-term instruments and balance 90.9% (PY 95.3.%) longer tenure instruments, providing sufficient liquidity when required.

The Company has a well-defined risk framework in the Investment Policy. The Investment Policy has defined exposure norms in accordance with IRDAI guidelines. The Company also keeps conducting periodic review of the investment portfolio. The Company has duly complied with these policies and regulatory guidelines during FY24. Based on the market volatility, Company dynamically reviews the investment portfolio to align it with stated objectives.

The Company's investment portfolio remains robust. There has been no delay/default in repayment on any of the investments in the current financial year. The Company does not have any non-performing/stressed assets in its portfolio as at the year end.

## **10) 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.

## **11) CHANGES IN THE NATURE OF BUSINESS**

There has been no change in the nature of business of the Company during the FY24.

## 12) DETAILS OF SUBSIDIARY/ ASSOCIATES/ JOINT-VENTURE COMPANY

Your Company does not have Subsidiary/Associates/Joint-Venture Company as on 31 March 2024.

## 13) SOLVENCY

The Company's solvency margin as at 31 March 2024 stands at 2.05 times, which is above the prescribed limit of 1.50 times 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.

## 14) DIVIDEND

Your Directors has not recommended any dividend for the financial year ended 31 March 2024.

## 15) TRANSFER TO RESERVES

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

## 16) CHANGES IN SHARE CAPITAL

### a. Fresh Issuance of Shares:

During the year, your Company has issued and allotted equity shares on preferential basis (the "Equity Shares") to Sanoti Properties LLP (Sanoti), Promoter and under ESOP 2018 scheme as below:

- i. 220,93,500 Equity Shares on a preferential basis having a face value of Rs. 10/- each at a price of Rs. 81.92/- per share including premium of Rs. 71.92/- each, aggregating to Rs. 180,98,99,520/- in June 2023.
- ii. 539,516 Equity Shares under ESOP 2018 scheme to Option holders who have exercised their options during the year.

The paid-up capital as on 31 March 2024 stands at Rs. 269,30,21,930/- comprising of 26,93,02,193 equity shares.

### b. Transfer of Shares:

During the year, 320,00,000 Shares held by HDI Global Se were transferred to Sanoti Properties LLP (2,66,20,000 aggregating to 9.84%) and Mr. Keki Mistry (53,80,000 aggregating to 1.998 %).

Post the transfer of said equity shares, HDI Global SE, ceased to be the Promoter Shareholder of the Company effective 04 November 2023.

## 17) CHANGES IN DEBENTURES

During the year, the Company issued and allotted the following Non-Convertible Debentures ("NCDs") on private placement basis in accordance with IRDAI (Other Forms of Capital) Regulations, 2022 and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. All the below NCDs are listed on BSE Limited.

Sr. No.	ISIN details	Quantum of the Issue (in Rs.)	Date of Allotment	Date of listing	Coupon Rate	Call Option	
1.	INE312X08026	200 crores	28 Dec 2023	29 Dec 2023	9.70%	At the end of 5 years and annually thereafter	
2.	INE312X08042	75 crores	20 Mar 2024	21 Mar 2024	9.70%		
3.	INE312X08034	50 crores	20 Mar 2024	21 Mar 2024	9.75%	At the end of 8 years and annually thereafter	
<b>Total</b>		<b>325 crores</b>					

The said NCDs are rated by CRISIL and CARE and were assigned ratings of CRISIL AA/Stable and CARE AA; Stable dated 23 February 2024, respectively. There is no change in the credit rating mentioned above.

As on 31 March 2024, the Company's outstanding NCDs consists of the following:

Listed / Unlisted	Date of Allotment	No. of NCDs	Face Value (in Rs.)	Total Value of NCDs (Rs. in crores)	Coupon Rate	Date of Redemption	Credit Rating
Unlisted	30 Mar 2022	1000	10,00,000	100	8.75%	30 Mar 2032	CARE AA (Stable)
Listed	28 Dec 2023	20000	1,00,000	200	9.70%	28 Dec 2033	CARE AA CRISIL AA/ Stable
Listed	20 Mar 2024	7500	1,00,000	75	9.70%	20 Mar 2034	
Listed	20 Mar 2024	5000	1,00,000	50	9.75%	20 Mar 2034	

The Company has been regular in serving its interest obligation towards the NCDs, whenever applicable.

The details of the Debenture Trustee are as under:

For Listed NCDs	For Unlisted NCDs
Name: Axis Trustee Services Limited	Name: IDBI Trusteeship Services Limited
Address: 2 <sup>nd</sup> Floor, SW, The Ruby, 29, Senapati Bapat Marg, Dadar West, Dadar, Mumbai - 400 028	Address: Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort, Mumbai - 400 001
Contact No.: (022) 6230 0451	Contact No.: (022) 6631 1776
Email: debenturetrustee@axistrustee.in	Email: itsl@idbitrustee.com
Website: <a href="https://www.axistrustee.in">https://www.axistrustee.in</a>	Website: <a href="https://www.idbitrustee.com">https://www.idbitrustee.com</a>

The details of the RTA are as under:

Name: Niche Technologies Private Limited
Address: 3A Auckland Place, 7 <sup>th</sup> Floor, Room No. 7A & 7B, Kolkata - 700 017
Contact No.: (033) 2280 6616 / 17 / 18
Email: nichetechpl@nichetechpl.com
Website: <a href="https://www.nichetechpl.com">https://www.nichetechpl.com</a>

## 18) CORPORATE GOVERNANCE

Report on Corporate Governance containing details of our compliance with various provisions of Corporate Governance Guidelines prescribed by Insurance Regulatory and Development Authority of India for the FY24 together with a Certificate of Compliance are attached and form part of this Annual Report.

## 19) SECRETARIAL STANDARDS

During the year, the Company has complied with applicable secretarial standards i.e. SS-1 and SS-2, issued by the Institute of Company Secretaries of India, with respect to Meetings of Board and its Committees and General Meetings respectively.

## 20) OFFICES

The total number of offices of the Company is 96 as of 31 March 2024.

## 21) 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.

## 22) EMPLOYEE STOCK OPTION SCHEME

The Company has formulated and implemented Magma HDI General Insurance Company Limited - Employee Stock Option Plan 2018 (MHDI ESOP Plan) including its amendments which was approved in January 2024, through Magma HDI General Insurance Company ESOP Trust ("ESOP Trust") in accordance with the Companies Act, 2013 read with SEBI (Share Based Employee Benefits) Regulations, 2014, now SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 including any amendments thereto ('SEBI Regulations').

The ESOP Trust under the supervision/guidance of the Nomination and Remuneration Committee of the Board of Directors of the Company, inter-alia, administers and monitors 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 read with SEBI (Share Based Employee Benefits) Regulations, 2014, now SEBI (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 including any amendments thereto, is annexed herewith as "Annexure A".

The Information required under Regulation 14 of the SEBI Regulations is available on the website of the Company [www.magmahdi.com](http://www.magmahdi.com) at <https://www.magmahdi.com/public-disclosures/other-disclosures/esop> and the Secretarial Auditors' Certificate will be placed at the forthcoming Annual General Meeting pursuant to Regulation 13 of the said Regulations.

## 23) DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, the Board of Directors on the recommendations of Nomination and Remuneration Committee, had appointed Mr. Vinesh Kriplani (DIN 08212644) as an Additional Director (Non-Executive Director) of the Company w.e.f. 01 November 2023 and Mr. Jens Wohlthat (DIN 05245642) ceased to be the Director of the Company w.e.f. 04 November 2023.

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

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

The brief resume/details relating to directors who are to be appointed / re-appointed are furnished in the Notice of the ensuing AGM. The Board of Directors of your Company recommends the appointment / re-appointment of the said Directors at the ensuing AGM.

### **Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMPs) of the Company as on 31 March 2024, are as under:

- a) Mr. Rajive Kumaraswami, Managing Director & CEO
- b) Mr. Gaurav Parasrampurua, Chief Financial Officer
- c) Ms. Sweta Bharucha, Company Secretary
- d) Mr. Vikas Mittal, Deputy CEO
- e) Mr. Amit Bhandari, Chief Technical Officer

In accordance with the IRDAI CG Guidelines, the Company has following Key Management Persons in addition to aforesaid KMPs:

- a) Mr. Vikas Mittal, Deputy CEO
- b) Mr. Amit Bhandari, Chief Technical Officer
- c) Mr. Shivendra Tripathi, Appointed Actuary
- d) Mr. Anil Kumar S., Chief Human Resources Officer\*
- e) Mr. Amit Raheja, Head- Legal, Secretarial & Chief Compliance Officer\*\*
- f) Mr. Jinesh Shah, Chief Investment Officer
- g) Mr. Amit Thapliyal, Chief Technology Officer
- h) Mr. Amit Loya, Chief Internal Auditor
- i) Mr. Kishore Khanchandani, Chief Risk Officer

\*Appointed w.e.f. 14 February 2024

\*\*Appointed w.e.f. 08 March 2024. Mr. L Chakradhar Rao ceased to be the Compliance Officer of the Company w.e.f. 08 March 2024.

## **24) DECLARATION OF INDEPENDENCE GIVEN BY INDEPENDENT DIRECTORS**

All the independent Directors viz. Mr. Kailash Nath Bhandari (DIN 00026078), Mr. Sunil Mitra (DIN 00113473), Mr. V. K. Viswanathan (DIN 01782934) and Ms. Sandhya Sharma (DIN 02005378) have given declaration to the Company stating that they meet the criteria of independence for the FY24 as prescribed under Section 149(6) & Section 149 (7) of the Companies Act, 2013 read with rules made thereunder.

As required under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 including its amendments made thereof, the Independent Directors of the Company have confirmed that their names are available in the data bank maintained by the Indian Institute of Corporate Affairs and they have either undertaken the online proficiency self-assessment test or are exempted therefrom.

There has been no change in the circumstances affecting their status as Independent Directors of the Company.

All the Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013.

The Board is of the opinion that the Independent Directors of the Company are eminent persons with the highest standard of integrity and have necessary expertise and experience to continue to discharge their responsibilities as Directors of the Company.

Further, all the Directors have confirmed that they comply with the 'Fit and Proper' criteria prescribed under the Corporate Governance Guidelines issued by IRDAI.

## **25) MEETINGS**

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

### **Board Meetings:**

During FY24, nine (9) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. All Board meetings were convened in accordance with SS-1 by giving appropriate notice to address the Company's specific needs and were governed by a structured agenda. All the agenda items were backed up 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 FY24, the Board had also approved certain matters by way of resolutions passed by circulation considering the business exigencies or urgency of matters. There were six (6) resolutions that were passed by means of circular resolutions.

### **Committee Meetings:**

#### **Audit Committee**

During the year, four (4) Audit Committee Meetings were convened and held. The composition and terms of reference of the Audit Committee have been furnished in the Corporate Governance Report forming a part of this Annual Report.

The terms of reference of the Audit Committee are in compliance with the provisions of Section 177 of the Companies Act, 2013 read with rules made thereunder 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.

Further, during FY24, the Audit Committee had also approved certain 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.

#### **Nomination and Remuneration Committee**

During the year under review, seven (7) 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. The composition and terms of reference of the CSR have been furnished in the Corporate Governance Report forming a part of this Annual Report.

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. <https://www.magmaahdi.com/public-disclosures/other-disclosures/policies>.

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 FY24.

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 Directors**

During the year, a separate meeting of independent Directors was held on 18 January 2024 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 forming a part of this Annual Report.

## **26) FORMAL ANNUAL EVALUATION OF BOARD, ITS OWN PERFORMANCE AND 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 18 January 2024 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.

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.

## 27) MANAGERIAL REMUNERATION

The Executive Director (Managing Director & CEO) is appointed based on terms approved by the Shareholders. The remuneration paid to Managing Director & CEO is recommended by the Nomination and Remuneration Committee (NRC) taking into account various parameters included in the Remuneration Policy of the Company. 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 fee is paid for attending the meeting(s) of the Corporate Social Responsibility Committee. Further, no sitting fee is paid to Non-Executive Non-Independent Directors. The details of remuneration are given in the Corporate Governance Report.

## 28) 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. Familiarization Program forms part of the Remuneration Policy.

This Policy is available on the website of the Company at <https://www.magmaahdi.com/documents/5553002/5570861/Remuneration%20Policy.pdf/183d3dc5-8a36-e9d5-e2eb-590b554581dc>

The 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 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, basis which the candidature will be finalized
  - iv. Compensation discussion and resulting fitment will be 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 ON REMUNERATION OF MANAGING DIRECTOR AND KEY MANAGEMENT PERSONS AS MANDATED UNDER IRDAI GUIDELINES DATED 05 AUGUST 2016.**

**(i) Qualitative Disclosures:**

**A. Information relating to the composition and mandate of the Nomination and Remuneration Committee.**

**B. Information relating to the design and structure of remuneration policy and the key features and objective of remuneration policy:**

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 features and objectives of the Remuneration Policy 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. While deciding the remuneration of MD&CEO/WTDs/KMPs, the company shall also take into consideration the following factors:
  - i. Remuneration shall be adjusted for 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
  - ii. The level and composition of remuneration is market competitive, reasonable and sufficient to attract, retain and motivate directors and KMPs required to efficiently run the company successfully
  - iii. Remuneration pay-outs are sensitive to the time horizon of the Risk. The mix of cash, equity and other forms of remuneration will be consistent with risk alignment such that Remuneration outcomes are symmetric with risk outcomes
- c. The following aspects may be considered while framing the remuneration structure of the MD/WTD/CEO/KMP:

**Fixed pay** of the remuneration shall be reasonable taking into all relevant factors and will consist of elements like Basic Salary, Allowances, Perquisites as defined under the Income-tax Act, 1961, contribution towards retirals and all other fixed items of compensation.

**Variable Pay –**

- i. Variable pay shall comprise of Share Linked Instruments and cash in the form of bonus or incentives and shall be paid out not more frequently than annually.
- ii. Share Linked Instruments can be in the form of Employee Stock Options or any other instrument where the settlement, on vesting/exercise, happens in the form of shares.
- iii. KMPs of the Company shall not be issued/granted any sweat equity shares.
- iv. Company shall ensure proper balance between fixed pay and variable pay.
- v. At least 50% of fixed pay will be variable and paid based on individual, business-unit and Company performance. The total variable pay (including cash bonus and Share Linked Instrument) shall not exceed 300% of the fixed pay.
- vi. In case the total variable pay is up to 200% of the fixed pay, a minimum of 50% of the total variable pay and in case the variable pay is above 200%, a minimum of 70% of the total variable pay shall be via Share Linked Instruments.



- vii. In case of Share Linked Instruments, the total number of ESOPs granted in a year shall not exceed 1% of the paid-up capital of the Company.
- viii. The total number of ESOPs issued, granted, vested or outstanding at any point of time shall not exceed 5% of the paid-up capital of the Company
- ix. The value of the Share Linked Instrument, for the purpose of quantifying the variable pay, shall be determined basis fair value (calculated using Black-Scholes model or any other commonly used model) of the Options at the date of grant
- x. Of the total variable pay, at least 50% shall be deferred. The Deferred remuneration could be in the form of share linked instruments and/or cash bonus/incentive.
- xi. The deferral period would be minimum of three years. In case of Share Linked Instrument, the actual deferral period shall be governed by the relevant rules of Share Linked Plan which will be approved by the Board and Shareholders.
- xii. For a particular year, where total variable pay is under Rs. 25 Lakhs, deferral arrangement may not be necessary.

**C. Description of the ways in which current and future risks are taken into account in the remuneration policy. It shall include the nature and type of the key measures used to take account of these risks.**

While deciding the remuneration of MD&CEO/WTDs/KMPs, the NRC shall also take into consideration the following factors:

- i. Remuneration shall be adjusted for 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
- ii. The level and composition of remuneration is market competitive, reasonable and sufficient to attract, retain and motivate directors and KMPs required to efficiently run the company successfully
- iii. Remuneration pay-outs are sensitive to the time horizon of the Risk. The mix of cash, equity and other forms of remuneration will be consistent with risk alignment such that Remuneration outcomes are symmetric with risk outcomes

Variable pay shall be in the form of “pay at risk”. Depending on performance and risk outcomes at individual, business units and company-wide level, the variable pay shall be truly variable and can even be reduced to zero.

The Company has defined the Malus & Claw-back arrangement for deferred variable pay as defined under:

**Malus arrangement** wherein in case of subdued or negative financial performance arising not on account of gross negligence or misconduct of the KMPs, the Company may withhold cash bonus or vesting of Employee Stock Options and may lapse unvested Employee Stock Options in accordance with the ESOP Plan.

**Claw-back arrangement** wherein in case of gross negligence or misconduct or cause as defined in the Company’s code of conduct, the KMP shall be liable to return previously paid or vested variable pay.

**D. 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 Organisation performance norms for bonuses based on the financial and strategic plan approved by the Board.

The minimum parameters which shall be taken into account for performance assessment of all KMPs (including MD/CEO/ED) for payment of variable pay shall be:

- Overall financial soundness such as Net Worth position, solvency, growth in AUM, Net Profit etc.
- Compliance with Expenses of Management Regulations
- Claim efficiency in terms of settlement and outstanding
- Improvement in grievance redressal status/ position
- Reduction in Unclaimed Amounts of policyholders
- Renewal Rate
- Overall Compliance status w.r.t. all applicable laws

The KPIs mentioned above shall have at least 60% of total weightage in the performance assessment matrix of MD/CEO/WTDs and at least 30% of total weightage in the performance assessment matrix of other KMPs individually.

The committee may configure weightage for each of the above parameters suitably depending on the respective roles.

The above parameters shall also be used as an input for determining fixed pay increments as well.

**(ii) Quantitative Disclosures:**

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

Particulars	For the year ended 31 Mar 2024
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. 299.60 lakhs
Variable	Rs. 105.60 lakhs*
Deferred	256,000 Options *
Non-deferred	Rs. 105.60 lakhs
ESOP	140,000 options exercised during the year

*\*Subject to IRDAI Approval*

**29) 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 an 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 an 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.

**30) 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 have 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.

[https://www.magmahdi.com/documents/5553002/0/Whistle%20Blower%20Policy\\_BOI%20and%20WB%20Policy%20printed%20versionn-MHDI%20%282%29.pdf/70a84297-f7c7-8182-bc78-9772443635ed](https://www.magmahdi.com/documents/5553002/0/Whistle%20Blower%20Policy_BOI%20and%20WB%20Policy%20printed%20versionn-MHDI%20%282%29.pdf/70a84297-f7c7-8182-bc78-9772443635ed)

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

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis and the same were also reviewed by the Audit Committee of the Board. The Policy is hosted on the website of the Company and can be viewed at- <https://www.magmahdi.com/public-disclosures/other-disclosures/policies>

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

During the year under review, the Company had not entered into any contract / arrangement / transaction with related parties which requires reporting in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, as amended from time to time.

### 32) MAINTENANCE OF COST RECORDS

The Company being an Insurance Company is not required to maintain Cost Records.

### 33) 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 the 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.

### 34) STATUTORY AUDITORS

The Company has following Joint Statutory Auditors in compliance with IRDAI Corporate Governance Guidelines 2016 as amended from time to time:

- a) M/s. Singhi & Co., Chartered Accountants, having Registration No. 302049E were appointed for a period of 5 years from the conclusion of the 12<sup>th</sup> AGM (FY22) till the conclusion of the 17<sup>th</sup> AGM (FY26); and
- b) M/s. M S K A & Associates, Chartered Accountants, having Registration No. 105047W were appointed for a period of 5 years from conclusion of 13<sup>th</sup> AGM (FY23) till the conclusion of the 18<sup>th</sup> AGM (FY27).

### 35) 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 FY24.

### 36) 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, Practicing Company Secretaries (Unique Identification Number of the Firm: P1996WB042300) to undertake the Secretarial Audit of the Company for the FY24. The Report of the Secretarial Auditor for the financial year ended 31 March 2024, is annexed herewith as "Annexure C".

### 37) SECRETARIAL AUDITORS' OBSERVATIONS

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. However, the Secretarial Audit Report includes observation matter of emphasis on compliance of Section 40C of the Insurance Act read with IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016. Your Company has made an application for the forbearance of Expense of Management ("EoM") limits for which approval is awaited from IRDAI. Further, the Company has submitted a 3-years' plan with a glide path to IRDAI indicating compliance with the EoM limits by FY26.

Due to the practical difficulty in implementation, the Company has not maintained caps on exposure of single empaneled broker as prescribed by IRDAI.

**38) 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 Joint Statutory Auditors have reported that no material fraud by the Company or by its employees or officers has been noticed or reported during the year.

**39) 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.

**40) 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 ("ICC") to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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.

There was no complaint pending as of 31 March 2023. During the year under review, one complaint was received in Q1FY'24, which was duly investigated and disposed off within a statutory time frame with the judgement formally notified to related parties. Further, there are no complaints pending as of 31 March 2024.

**41) DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. In the preparation of the annual accounts for the year ended 31 March 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. The Directors have 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 2024 and of the profit/(loss) of the Company for that period;
- c. The Directors have 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;
- d. The Directors have prepared the annual accounts of the Company on a going concern basis; and
- e. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and ensured that they were adequate and operating effectively.

**42) 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.

**43) PARTICULARS REGARDING CONSERVATION OF ENERGY OR TECHNOLOGY ABSORPTION**

Your Company being an insurance Company, the provisions with respect to disclosure of particulars regarding conservation of energy and technology absorption are not applicable to the Company.

On Technology front, your Company has implemented various solutions, some of which are mentioned below:

- Launched Chatbot "MIRA" which caters to Policy Copy, Renewal Payment, Claim Intimation, Claim Status, Endorsement etc.
- Launched an automated Bank Reconciliation Solution to increase automated controls and improve the overall TATs for money reconciliation.
- Successfully launched "Insurance Liya Kya" website to support IRDAI initiative on Insurance Awareness

- Legal & Compliance Management and tracking has now been automated through “Lets Contract & “We Comply” which enables timely reviews & dashboards to identify Legal and Compliance management.
- Successfully launched Buddy & Library Mobile App which ensures field executives can manage their calendars, track business, partner meetings and have access to Product documents on the field.
- Successfully upgraded Technology assets – One Health App, Agent Portal, BEAM, Website etc.

**44) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the period under review, the Company had Foreign Exchange earnings or outgo which is detailed as below:

(Rs. in crores)

Particulars	FY24	FY23
Expenditure in foreign currency	65.56	71.64
Earnings in foreign currency	7.01	11.42

**45) ANNUAL RETURN**

The Annual Return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013, will be hosted on the website of the Company at <https://www.magmahdi.com/public-disclosures>.

**46) DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

During the year under review, the Company has not filed any application, or no such proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

**47) 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**

During the year under review, this is not applicable as the Company has not filed any application for settlement under the Insolvency and Bankruptcy Code, 2016.

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

The provisions of Section 186(4) of the Companies Act, 2013 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 utilized by the recipient of the loan or guarantee or security is not applicable to the Company, being an insurance company.

**49) ACKNOWLEDGEMENT**

The Board wishes to thank the Insurance Regulatory and Development Authority of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, 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.

On behalf of the Board of Directors

Place: Mumbai  
Date: 30 April 2024

**Sanjay Chamria**  
Chairman  
DIN 00009894

## Annexure A to Board Report

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

### MHDI ESOP 2018 (Details as on 31 March 2024)

Sl. No.	Description	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6 ^
a	Number of options granted	-	-	-	-	-	2,280,000
b	Options vested during the year	-	-	397,000	NIL as the criteria for vesting has not yet been met	345,750	-
c	Options exercised during the year	100,466	105,550	256,500	-	99,000	-
d	Total number of equity shares of Rs. 10/- each arising as a result of exercise of options	100,466	105,550	256,500	-	99,000	-
e	Number of Options lapsed during the year	-	-	-	430,000	100,000	-
f	Exercise Price	44.10	42.08	50.46	50.46	79.6684	86.35
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	Complied as per the applicable law
h	Money realized by exercise of options (In Rs.)	4,430,551	4,441,544	12,942,990	-	7,887,172	-
<b>i</b>	<b>Total number of options in force*</b>	<b>28,448</b>	<b>206,450</b>	<b>407,500</b>	<b>-</b>	<b>767,500</b>	<b>2,280,000</b>
<b>i</b>	<b>Employee wise details of options granted to:</b>						
	(a) Key managerial personnel;	Given Separately in Annexure (i) (Present Employee)					
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Given Separately in Annexure (ii) (Present Employee)					
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	NIL					

\*No. of options in force as on date = Tot. grant - Options exercised - Options lapsed

^ ESOP Granted to the MD & CEO is subject to IRDAI approval

**Annexure (i)**

**List of Key managerial personnel to whom stock options were granted**

Plan Name	Name of Employee	Date of Grant of Options	Tranche	Designation	No. of options granted till 31 Mar 2024	Exercise Price (in Rs.)
MHDI ESOP 2018	Rajive Kumaraswami	07 May 2018	1	Managing Director & CEO	239,055	44.10
		24 Jan 2020	2		200,000	42.08
		22 Oct 2020	3		200,000	50.46
		21 Jan 2021	4		203,250	50.46
		17 Dec 2021	5		200,000	79.6684
		19 Feb 2024	6		256,000 ^	86.35
	Vikas Mittal	07 May 2018	1	Deputy CEO	109,969	44.10
		24 Jan 2020	2		100,000	42.08
		22 Oct 2020	3		100,000	50.46
		21 Jan 2021	4		102,000	50.46
		17 Dec 2021	5		100,000	79.6684
		19 Feb 2024	6		160,000	86.35
	Amit Bhandari	07 May 2018	1	Chief Technical Officer	74,588	44.10
		24 Jan 2020	2		67,500	42.08
		22 Oct 2020	3		67,500	50.46
		21 Jan 2021	4		68,750	50.46
		17 Dec 2021	5		77,500	79.6684
		19 Feb 2024	6		120,000	86.35
	Gaurav Parasrampur	07 May 2018	1	Chief Financial Officer	47,813	44.10
		24 Jan 2020	2		55,000	42.08
		22 Oct 2020	3		55,000	50.46
		21 Jan 2021	4		56,000	50.46
		17 Dec 2021	5		60,000	79.6684
		19 Feb 2024	6		84,000	86.35

^ ESOP Granted to the MD & CEO is subject to IRDAI approval

**Annexure (ii)**

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

Plan Name	Name of Employee	Date of Grant of Options	Grant	Designation	No. of options granted in FY24	Exercise Price (in Rs.)
MHDI ESOP 2018	Rajive Kumaraswami	19 Feb 2024	6	Managing Director & CEO	256,000 ^	86.35
	Vikas Mittal	19 Feb 2024	6	Deputy CEO	160,000	86.35
	Amit Bhandari	19 Feb 2024	6	Chief Technical Officer	120,000	86.35

^ ESOP Granted to the MD & CEO is subject to IRDAI approval

**Disclosure as per Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 as on 31 March 2024**

Sl. No.	Particulars	Details of employee who have exercised options
(a)	The names of the employees who have not exercised the voting rights directly	Mr. Debasis Sanyal Mr. Jinesh Shah Mr. Nirjhar Pramanik Mr. Debapratim Guha * Mr. Vikas Mittal Mr. Jagannath Venkatraman Mr. Gaurav Parasrampur Mr. Mayank Tanti Mr. Rajive Kumaraswami Mr. Nifin Jain Mr. Hemant Trivedi Mr. Amit Bhandari Mr. Soumen Boyal Mr. Abhishek Ranjan Mr. Kishore T Khanchandani Mr. Manish Gangaram Mhadgut Mr. Nirmal Kumar Gupta Mr. Nikhil Manhapra * Mr. Sanjeev Punn Mr. Dinesh Pande Mr. Amit Loya Mr. Subhash Goenka * Ms. Rashmi Dipesh Dalal Mr. Amit Jagdish Sirsikar Mr. Shivendra Tripathi Mr. Pankaj Chaudhary Mr. Priyalal Ghosh *
(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, Practising 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	20,34,931 shares & 0.756%
(e)	The date of the general meeting in which such voting power was exercised	Tuesday, 16 Jan 2024
(f)	The resolutions on which votes have been cast by persons holding such voting power	1. Amendment of Magma HDI Employee Stock Option Plan, 2018 2. Re-appointment of Mr. Rajive Kumaraswami as the MD and CEO of the Company
(g)	The percentage of such voting power to the total voting power on each resolution	0.756%
(h)	Whether the votes were cast in favour of or against the resolution	All the votes casted were in favour of the resolution
* Employees resigned during FY24		



## Annexure B to Board's Report

### Annual Report on CSR Activities for Financial Year 2023-24

#### 1. Brief outline on CSR Policy of the Company

Magma firmly believes that it has a commitment to all its stakeholders, customers, employees and the community in which it operates, and it can fulfil 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.

In accordance with applicable provisions of Companies Act 2013, no CSR contribution was applicable to Magma HDI for Financial Year 2023-24.

#### 2. Composition of CSR Committee:

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

\*Resigned w.e.f. 04 November 2023

\*\*Appointed w.e.f. 01 November 2023

#### 3. 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>

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

#### 4. Details of Impact assessment of CSR projects carried out in pursuance of subrule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

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 (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2023-24	NIL	NIL
2	2022-23	NIL	NIL
3	2021-22	NIL	NIL
4	2020-21	NIL	NIL
<b>Total</b>		NIL	NIL

#### 6. Average net profit of the company as per Section 135(5): (Rs. 10120.85 Lakhs)

In accordance with IRDAI Corporate Governance Guidelines, Average net profit of the Company is (Rs. 9,292.74) Lakhs

7. (a) **Two percent of average net profit of the company as per section 135(5):** (Rs. NIL) as per Companies Act 2013 as well as IRDAI Corporate Governance Guidelines.
- (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):** NIL

\*The CSR obligation of the Company was NIL in terms of Section 135(5) as well as per the IRDAI Corporate Governance Guidelines against which Company has spent NIL.

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

Total Amount Spent for the Financial Year (in Rs.)	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
NIL	NIL	NIL	NIL	NIL	NIL

(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	Item from the list of activities in Schedule VII to the Act	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 Implementing Agency	
				State	District						Name	CSR Registration No.
1.	NA	NA	NA	NA	NA	NA	NIL	NIL	NIL	NA	NA	NA
2.	NA	NA	NA	NA	NA	NA	NIL	NIL	NIL	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NIL	NIL	NIL	NA	NA	NA

(c) **Details of CSR amount spent against other than ongoing projects for the financial year: NIL**

(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.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration No.
1.	NA	NA	NA	NA	NA	NIL	NA	NA	NA
2.	NA	NA	NA	NA	NA	NIL	NA	NA	NA
Total	NA	NA	NA	NA	NA	NIL	NA	NA	NA

(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): NIL**

(g) **Excess amount for set off, if any: NIL**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	NIL
(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 Companies Act 2013, as well as IRDAI Corporate Governance Guidelines, the Company has spent NIL towards CSR activities.

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	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.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2020-21	NIL	NIL	NIL	NIL	NIL	NIL
2.	2021-22	NIL	NIL	NIL	NIL	NIL	NIL
3.	2022-23	NIL	NIL	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL	NIL	NIL

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
1	NA	NA	NA	NA	NIL	NIL	NIL	NA
2	NA	NA	NA	NA	NIL	NIL	NIL	NA
Total	NA	NA	NA	NA	NIL	NIL	NIL	NA

**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 (asset-wise details).**

- (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). - 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 FY24.**

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

**Rajive Kumaraswami**  
 Managing Director and CEO  
 DIN 07501971

**Mayank Poddar**  
 Chairperson CSR Committee  
 DIN 00009409

Date: 30 April 2024

Date: 30 April 2024

## Annexure C

### Form No. MR-3

### Secretarial Audit Report

FOR THE YEAR ENDED 31 MARCH 2024

[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 2024 [**'Period under Review'**] in terms of Audit Engagement Letter dated 05 May 2023 read with addendum dated 29 February 2024. 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. SEBI Act, 1992 read with the following regulations applicable to the Company being a debt-listed entity:
  - a. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c. SEBI (Prohibition of Insider Trading) Regulations, 2015;
3. 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 of India ('IRDAI') (Corporate Governance Guidelines), 2016;
  - c) IRDAI (Appointed Actuary) Regulations, 2017 read with IRDAI (Appointed Actuary) Regulations, 2022;
  - d) IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (as amended in 2021);
  - e) IRDAI (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2016 read with IRDAI (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2022;
  - f) IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015;
  - g) IRDAI (Loans or Temporary advances to the full-time Employees of the Insurers) Regulations, 2016;
  - h) IRDAI (Insurance Web Aggregators) Regulations, 2017;
  - i) IRDAI (Sharing of Database for Distribution of Insurance Products) Regulations, 2010;
  - j) IRDAI (Maintenance of Insurance Records) Regulations, 2015;
  - k) IRDA (Manner of Receipt of Premium) regulations, 2002;
  - l) IRDAI (Obligation of Insurer in respect of Motor Third Party Insurance Business) Regulations 2015;
  - m) Master Guidelines on Anti-Money Laundering /Counter Financing of Terrorism, 2022;
  - n) IRDAI (Place of Business) Regulations, 2015;
  - o) Public Disclosures by Insurers, 2021;
  - p) IRDAI (Transfer of Equity Shares of Insurance Companies) Regulations, 2015;
  - q) IRDAI (General Insurance - Reinsurance) Regulations, 2018;
  - r) IRDAI (Insurance Advertisements and Disclosure) Regulations, 2021;
  - s) Indian Insurance Companies (Foreign Investment) Rules, 2015 (as amended in 2021);
  - t) IRDAI (Registration of Indian Insurance Companies) Regulations, 2022;
  - u) IRDAI (Protection of Policyholder's Interests) Regulations, 2017;

- v) IRDAI (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) IRDAI (Other Forms of Capital) Regulations, 2022;
- ab) IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2023;
- ac) Clarifications on Guidelines on insurance e-commerce and electronic issuance of insurance policies;
- ad) Guidelines on Stewardship Code for Insurers in India; and
- ae) 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. Insurance Laws**

#### **a. Increase in expenses of management ("EoM") beyond permissible limits**

As per the update shared with the board of directors in its meeting held on 25 January 2024, the Company has made an application for the forbearance of non-compliance with the EoM limits. The Company has breached the limits by 3.54% during FY23, the excess thereof having been transferred to the Profit & Loss Account.

Further, pursuant to the supersession of the erstwhile Regulations by the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2023, the Company has submitted a 3-years' plan to IRDAI indicating compliance with the EoM limits by FY26.

#### **b. Maintenance of caps on exposure to a single empanelled broker**

The IRDAI (Investment) Regulations, 2016 require the Company to cap exposure to a single empanelled broker at 5% of the total actual secondary market transactions through brokers, and monitor the same on a three months rolling basis. The Company has not complied with the same on account of difficulty in implementation and has sought forbearance from complying with the same, vide letters dated 04 July 2023, 06 October 2023, 10 January, 2024 and 12 April 2024 respectively.

### **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. During the Review Period, there has been one instance of resignation and one instance of appointment of a director, along with the re-appointment of Managing Director & CEO, in due compliance with applicable requirements of the law.

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 and for meetings held on a shorter notice, the requisite consent of the directors was obtained, 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:

**a. Amendment of Magma HDI Employee Stock Option Plan, 2018 ("2018 Plan")**

During the Review Period, the Company has amended the 2018 Plan with the approval of the shareholders in an extra-ordinary general meeting dated 16 January 2024 for the purpose of extension in the tenure of the 2018 Plan for 12 years upto 17 April 2030 and increase in the number of options to 71,90,000 options.

**b. Alteration in the Articles of Association of the Company**

During the Review Period, the Company has altered and adopted a new set of Articles of Association (AoA) of the Company, pursuant to the approval of the shareholders in an extraordinary general meeting dated 10 November 2023. The same has been pursuant to the sale of stake held by HDI Global SE and its discontinuance as a JV partner.

**c. Preferential allotment of equity shares to Sanoti Properties LLP**

During the Review Period, the Company has made a preferential allotment of 2,20,93,500 Equity shares to Sanoti Properties LLP, the holding company. Pursuant to the said preferential allotment and other secondary market transfer of the Equity Shares of the Company, the total shareholding of Sanoti Properties LLP in the Company amounts to 74.54% of the paid-up share capital of the Company as on 31 March 2024.

**d. Issuance of listed sub-ordinated non-convertible debentures**

During the Review Period, the Company has issued and allotted 32,500 nos. of Unsecured, Listed, Rated, Redeemable, Taxable, Non-cumulative, non-convertible, fully paid up, Subordinated debentures of Rs. 1,00,000/- each amounting to Rs. 325 crore in aggregate in two tranches to various investors. Pursuant to the same, the Company has become a debt-listed entity during the FY23-24.

**For M/s. Vinod Kothari & Company**

Practicing Company Secretaries  
Unique Code: P1996WB042300

Place: Kolkata  
Date: 30 April 2024

**Pammy Jaiswal**

Partner  
Membership No.: A48046  
CP No.: 18059  
UDIN: A048046F000280531  
Peer Review Certificate No.: 4123/2023

## Annexure I

### 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.

We have conducted online 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.

- iv. 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.
- v. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
- vi. 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.
- vii. 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.
- viii. 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.
- ix. 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. Minutes of the following Meetings:
  - i. Board Meeting
  - ii. Audit Committee
  - iii. Nomination and Remuneration Committee
  - iv. Investment Committee
  - v. Risk Management Committee
  - vi. Policyholders' Protection Committee
  - vii. Corporate Social Responsibility Committee
  - viii. General Meetings
2. Annual Report
3. Disclosures under the Act and as per IRDAI Guidelines on sample basis
4. Policies framed under the Act and IRDAI Guidelines
5. Forms and returns filed with the ROC and IRDAI on sample basis
6. Registers maintained under Act and as per IRDAI on sample basis
7. Compliance certificates and internal audit reports placed before the Board till the 3<sup>rd</sup> quarter



# REPORT ON CORPORATE GOVERNANCE



# REPORT ON CORPORATE GOVERNANCE

## Philosophy on the Code of Corporate Governance

Corporate Governance is a commitment to conduct business in an ethical and transparent manner, by complying with the Applicable Laws, Rules, Regulations and Guidelines in true spirit. Corporate Governance involves balancing the interest of various stake holders. The Companies Act, 2013 as well as IRDAI Guidelines on Corporate Governance recognize the importance of having good corporate governance structure and laid down the various initiatives which should be taken by the corporates.

Magma HDI General Insurance Company Limited ("Company") 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 and core values i.e. Integrity, Empathy, Fairness and Excellence. 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 believes in the philosophy of conducting business through fair and ethical means. The true spirit of corporate governance emanates from the strong values that the Company believes and practices.

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 eight (8) Directors, comprising of four (4) Independent Directors (including one (1) woman director), three (3) Non-Executive Directors and one (1) Managing Director & CEO.

The CEO of the Company, who is also the Managing Director, is an executive member of the Board. All other Directors including the Chairman are Non-Executive Directors and none of the Independent Directors are relative of any other Director or employee of the Company. The declaration as required under Corporate Governance Guidelines for fit and proper criteria has been obtained from all the Directors of the Company.

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

## The composition of the Board of Directors as on 31 March 2024, is as follows:

Sr. No.	Name of the Director	DIN	Qualification	Field of Specialization	Category	No. of other Directorships
1	Mr. Sanjay Chamria (Chairman)	00009894	B. Com (H), FCA	Finance	Promoter, Non-Executive Director	5
2	Mr. Mayank Poddar	00009409	B.Com.	Finance	Promoter, Non-Executive Director	12
3	Mr. Kailash Nath Bhandari	00026078	B.A.L.L.B.	Insurance	Non-Executive Independent Director	5
4	Mr. Sunil Mitra	00113473	B.SC, IAS	Finance & Economics	Non-Executive Independent Director	5
5	Mr. V. K. Viswanathan	01782934	B.Com, FCA	Finance & Industry	Non-Executive Independent Director	6
6	Ms. Sandhya Sharma	02005378	B.Com, M.M.S.	Finance	Non-Executive Independent Directors	2
7	Mr. Vinesh Kriplani*	08212644	B.Com, C.A.	Finance	Non-Executive Director	NIL
8	Mr. Rajive Kumaraswami Managing Director & CEO	07501971	B.Com, FCA, ACMA	Insurance	Professional, Executive Director	NIL

\* Appointed w.e.f. 01 November 2023

## Responsibilities of the Directors

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 behalf of the shareholders. 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 the interest of all stakeholders. The Board plays a pivotal role in ensuring good governance and creating value for all stakeholders. The Directors acknowledge their duties as prescribed under the applicable laws.

## Role of Independent Directors

The Independent Directors bring an independent judgement to bear on the Board's deliberations 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. Further they abide with the Code on Independent Directors reviewed by the Board from time to time.

## Familiarisation Programme

The Company conducts the Familiarization Programme for newly inducted Directors on the Board with the nature of the industry and the business model of the Company. The Directors are briefed through representations on the economy and industry overview, business overview, key regulatory developments, governance, strategy, investment, human resources and operating performance which are made to the Directors from time to time.

The familiarisation programme enables the Non-Executive Directors to make better-informed decisions in the interest of the Company and its stakeholders. It also gives insights to the Director about their roles, rights and responsibilities in the Company.

## 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 be determined 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 based on collective consensus amongst the Directors. During the year, nine (9) meetings of the Board of Directors were held. The following table sets out the particulars of attendance of Board at such meetings:

Name of the Director	Date of Board Meeting								
	05 May 2023	08 Jun 2023	23 Jun 2023	23 Jun 2023	26 Jun 2023	25 Jul 2023	01 Nov 2023	11 Jan 2024	25 Jan 2024
Mr. Sanjay Chamria	√	√#	√#	√#	√#	√	√	√#	√#
Mr. Mayank Poddar	LOA	√#	√#	√#	√#	√#	√#	LOA	√#
Mr. Jens Wohlthat*	√#	√#	√	√#	√#	√#	√#	NA	NA
Mr. Vinesh Kriplani**	NA	NA	NA	NA	NA	NA	√	√#	√
Mr. Kailash Nath Bhandari	√#	√#	√#	√#	√#	√#	√#	√#	√#
Mr. Sunil Mitra	√	√#	√#	√#	√#	√	√#	√#	√
Mr. V. K. Viswanathan	√#	√#	√#	√#	√#	√#	√#	√#	√
Ms. Sandhya Sharma	√	√#	√#	√#	√#	√	√	√#	√
Mr. Rajive Kumaraswami	√	√	LOA	LOA	LOA	√	√	√#	LOA

√ - Present

LOA – Leave of Absence

# - Through Video Conferencing

\*Resigned w.e.f. 04 November 2023

\*\*Appointed w.e.f. 01 November 2023

The Senior Management of the Company attend the Board meeting(s) as Invitee(s).

The maximum gap, in between two meetings, was not more than 120 days and the required information was made available to the Board.

## Board Procedures

A 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.

The notice of each Board and Committee meeting is given in writing through email to each Director, Appointed Actuary, members of Senior Management and Statutory and Internal Auditors, as and when required.

The Company also makes arrangements for the participation of Directors in the meeting through Videoconferencing (VC), if for any reason they are unable to participate in the meeting in person. All the rules and regulations relating to the conduct of meetings through Audio-Visual Means/video conferencing were duly complied with.

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. The draft minutes of each Board and Committee meetings are circulated to the members of the Board / Committee within fifteen days from the date of meeting and the comments, if any on the draft minutes received within seven days of its circulation, are incorporated in the minutes. The minutes are finalized and recorded in the Minutes Book within thirty days of the meeting.

## Separate Meeting of Independent Directors

Pursuant to requirements of the applicable laws, Independent Directors of the Company met on 18 January 2024, without having presence of Non-Executive Directors, Executive Directors and the Management of the Company. At this Meeting, all Independent Directors were present and inter-alia had:

- reviewed the performance of Non-Independent Directors and 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.

## Remuneration of Directors

The Independent Directors are paid sitting fees 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.

No sitting fee is paid for attending the meeting(s) of the Corporate Social Responsibility Committee. Further, no sitting fee is paid to Non-Executive Non-Independent Directors.

The detail of the sitting fees paid to the Independent Directors during the Financial Year 2023-24 is as follows:

(Amount in Rs.)

Sl. No.	Name of the Director	Sitting Fees			Total
		Committees	Board	Independent Director's Meeting	
1	Mr. Kailash Nath Bhandari	17,40,000	9,00,000	30,000	26,70,000
2	Mr. Sunil Mitra	1,220,000	9,00,000	30,000	21,50,000
3	Mr. V. K. Viswanathan	1,680,000	9,00,000	30,000	26,10,000
4	Ms. Sandhya Sharma	8,20,000	8,00,000	30,000	16,50,000

## 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 are decided by the Board. Minutes of the Committee meetings are placed before the Board for its information and noting.

### 1. Audit Committee

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

#### a. Terms of Reference

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommend the appointment, replacement or removal, remuneration and terms of appointment of auditors of the company;
3. Approve rendering of services by the statutory auditor other than those expressly barred under Section 144 of Companies Act, 2013 and remuneration for the same;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with other legal requirements relating to financial statements;

- f. Disclosure of any related party transactions (AS 18 of ICAI and IRDAI guidelines); and
  - g. Qualifications in the 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 utilization 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. Sanjay Chamria and Mr. Vinesh Kriplani, 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**

During the year, four (4) meetings of the Audit Committee were held. The following table sets out the particulars of attendance of members of the Committee at such meetings:

Name of the Director	Nature of Directorship	Designation in the Committee	Date of Meeting			
			04 May 2023	25 Jul 2023	01 Nov 2023	25 Jan 2024
Mr. Sunil Mitra	Non-Executive Independent Director	Chairman	√	√	√#	√
Mr. Sanjay Chamria	Promoter, Non-Executive Director	Member	√	√	√	√#
Mr. V. K. Viswanathan	Non-Executive Independent Director	Member	√#	√#	√#	√
Mr. Kailash Nath Bhandari	Non-Executive Independent Director	Member	√#	√#	√#	√#
Mr. Jens Holger Wohlthat*	Promoter, Non-Executive Director	Member	√#	√#	√#	NA
Mr. Vinesh Kriplani**	Non-Executive Director	Member	NA	NA	NA	√

√- Present

# - Through Video Conferencing

\*Resigned w.e.f. 04 November 2023

\*\*Appointed w.e.f. 01 November 2023

**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 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. Review of investment decisions through use the due diligence and not merely rely on credit ratings.

**b. Composition**

Mr. Kailash Nath Bhandari, an Independent Director, is the Chairman of the Investment Committee and Mr. Sanjay Chamria, Mr. V. K. Viswanathan, Mr. Vinesh Kriplani, Mr. Rajive Kumaraswami, MD & CEO, Mr. Gaurav Parasarapura, Chief Financial Officer, Mr. Jinesh Shah, Chief Investment Officer, Mr. Amit Bhandari, Chief Technical Officer, Mr. Kishore Khanchandani, 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**

During the year, four (4) meetings of the Investment Committee were held. The following table sets out the particulars of attendance of members of the Committee at such meetings:

Name of the Member	Nature of Directorship	Designation in the Committee	Date of Meeting			
			04 May 2023	25 Jul 2023	01 Nov 2023	25 Jan 2024
Mr. Kailash Nath Bhandari	Non-Executive Independent Director	Chairman	√#	√#	√#	√#
Mr. Sanjay Chamria	Promoter, Non-Executive Director	Member	√	√	√	√#
Mr. Jens Holger Wohlthat*	Promoter, Non-Executive Director	Member	√#	√#	√#	NA
Mr. V. K. Viswanathan	Non-Executive Independent Director	Member	LOA	√	√#	√
Mr. Vinesh Kriplani**	Non-Executive Director	NA	NA	NA	NA	√
Mr. Rajive Kumaraswami	Managing Director & CEO	Member	√	√	√	LOA
Mr. Gaurav Parasrampurua	Chief Financial Officer	Member	√	√	√	√
Mr. Amit Bhandari	Chief Technical Officer	Member	√	√	√	√
Mr. Jinesh Shah	Chief Investment Officer	Member	√	√	√	√
Mr. Shivendra Tripathi	Appointed Actuary	Member	√	√	√	√
Mr. Kishore Khanchandani	Chief Risk Officer	Member	√	√	√	√

√ - Present

LOA – Leave of absence

# - Through Video Conferencing

\*Resigned w.e.f. 04 November 2023

\*\*Appointed w.e.f. 01 November 2023

**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. Recommend policy on customer education for approval of the Board and ensure proper implementation of the same.
2. Adopt standard operating procedures to treat the customer fairly including timeframes for policy and claims servicing parameters and monitoring implementation thereof.
3. Establish policies and procedures, for the creation of a dedicated unit to deal with customer complaints and resolve disputes expeditiously.
4. Establish effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
5. Put systems in place to systems to ensure that policyholders have access to redressal mechanisms.
6. 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.
7. Review all the awards given by Insurance Ombudsman/Consumer Forums remaining unimplemented for more than three (3) months with reasons therefor and report the same to the Board for initiating remedial action, where necessary.
8. Review the measures and take steps to reduce customer complaints at periodic intervals.
9. Ensure compliance with the statutory requirements as laid down in the regulatory framework.
10. 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.
11. Provide details of grievances at periodic intervals in such formats as may be prescribed by the Authority.
12. Ensure that details of insurance ombudsmen are provided to the policyholders.
13. Review of Claims Report, including status of Outstanding Claims with ageing of outstanding claims.
14. Reviewing Repudiated claims with analysis of reasons.
15. Review status of settlement of other customer benefit payouts.
16. Review of unclaimed amounts of Policyholders, as required under the Circulars and guidelines issued by the Authority.
17. Report to the Board, a status on the policyholders’ protection issues.

**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, Ms. Sandhya Sharma 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 2 meetings out of 4 during the year.

**c. Meeting and the attendance during the year**

During the year, four (4) meetings of the Policyholders Protection Committee were held. The following table sets out the particulars of attendance of members of the Committee at such meetings:

Name of the Director	Nature of Directorship	Designation in the Committee	Date of Meeting			
			04 May 2023	25 Jul 2023	01 Nov 2023	25 Jan 2024
Mr. Kailash Nath Bhandari	Non-Executive Independent Director	Chairman	√#	√#	√#	√#
Mr. Sunil Mitra	Non-Executive Independent Director	Member	√	√	√#	√
Ms. Sandhya Sharma	Non-Executive Independent Director	Member	√	√	√	√
Mr. V. K. Viswanathan	Non-Executive Independent Director	Member	LOA	√	√#	√
Mr. Rajive Kumaraswami	Managing Director & CEO	Member	√	√	√	LOA

√ - Present

# - Through Video Conferencing

LOA – Leave of Absence

**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, as amended, issued by the Authority.

**Additional TOR of RMC in lieu of Asset Liability Management Committee**

1. Setting the Company's risk/reward objectives and assessing policyholder expectations.
2. Quantifying the level of risk exposure (eg. market, credit and liquidity) and assessing the expected rewards and costs associated with the risk exposure
3. Formulating and implementing optimal ALM strategies and meeting risk-reward objectives at both product and enterprise level.



4. 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.
5. 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.
6. Regular review and monitoring of mismatch between assets and liabilities and the acceptable tolerance limits for mismatch, if any.
7. Ensuring that management and valuation of all assets and liabilities comply with standards, prevailing legislation and internal and external reporting requirements.
8. Submitting the ALM information before the Board at periodic intervals. Annual review of strategic asset allocation.
9. Reviewing key methodologies and assumptions including actuarial assumptions, used to value assets and liabilities.
10. Managing capital requirements at the company level using the regulatory solvency requirements.
11. Reviewing, approving and monitoring capital plans and related decisions over capital transactions (e.g. dividend payments, acquisitions, disposals, etc.).

**b. Composition**

The Committee comprises of Mr. Sanjay Chamria, Non- Executive Director, Mr. Kailash Nath Bhandari, Mr. V. K. Viswanathan and Mr. Rajive Kumaraswami, MD & CEO. Mr. Jens Holger Wohlthat who was the Chairman for the Risk Management Committee ceased to be Director w.e.f. 04 November 2023. The Members elect Chairman for each meeting of the Committee.

**c. Meeting and the attendance during the year**

During the year, four (4) meetings of the Risk Management Committee were held. The following table sets out the particulars of attendance of members of the Committee at such meetings:

Name of the Director	Nature of Directorship	Designation in the Committee	Date of Meeting			
			04 May 2023	25 Jul 2023	01 Nov 2023	25 Jan 2024
Mr. Jens Holger Wohlthat*	Promoter, Non-Executive Director	Chairman	√#	√#	√#	NA
Mr. Sanjay Chamria	Promoter, Non-Executive Director	Member	√	√	√	√#
Mr. V. K. Viswanathan	Non-Executive Independent Director	Member	√#	√#	√#	√
Mr. Kailash Nath Bhandari	Non-Executive Independent Director	Member	√#	√#	√#	√#
Mr. Rajive Kumaraswami	Managing Director & CEO	Member	√	√	√	LOA

√ - Present

# - Through Video Conferencing

LOA – Leave of Absence

\*Resigned w.e.f. 04 November 2023

Mr. Kishore Khanchandani, Chief Risk Officer of the Company is a permanent invitee to the meetings of the Risk Management Committee. He has attended all the Risk Management Committee meetings held during the year under review.

**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.

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

**b. Composition**

The Committee comprises of Mr. Sunil Mitra, Mr. V. K. Viswanathan, Ms. Sandhya Sharma and Mr. Kailash Nath Bhandari, Non-Executive Independent Directors and Mr. Sanjay Chamria, Mr. Mayank Poddar, Non-Executive Directors. The Committee is chaired by Mr. Sunil Mitra, Independent Director.

**c. Meeting and the attendance during the year**

During the year, seven (7) meetings of the Committee were held. The following table sets out the particulars of attendance of members of the Committee at such meetings:

Name of the Director	Nature of Directorship	Designation in the Committee	Date of Meeting						
			05 May 2023	08 Jun 2023	25 July 2023	01 Nov 2023	11 Jan 2024	25 Jan 2024	19 Feb 2024
Mr. Sunil Mitra	Non-Executive Independent Director	Chairman	√	√#	√	√#	√#	√	√#
Mr. V. K. Viswanathan	Non-Executive Independent Director	Member	√#	√#	√#	√#	√#	√	√#
Mr. Sanjay Chamria	Promoter, Non-Executive Director	Member	√	√#	√	√	√#	√#	√#
Mr. Jens Holger Wohlthat*	Promoter, Non-Executive Director	Member	√#	√#	√#	√#	NA	NA	NA
Mr. Kailash Nath Bhandari	Non-Executive Independent Director	Member	√#	√#	√#	√#	√#	√#	√#
Mr. Mayank Poddar	Promoter, Non-Executive Director	Member	LOA	√#	√#	LOA	LOA	√	LOA
Ms. Sandhya Sharma	Non-Executive Independent Director	Member	√	√#	√	√	√#	√	√#

√ - Present

# - Through Video Conferencing

LOA – Leave of Absence

\* Resigned w.e.f. 04 November 2023

**6. Corporate Social Responsibility Committee**

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

**a. Terms of Reference**

Terms of reference of the Committee are as follows:

1. Formulation and ensuring compliance of CSR Policy
2. Recommendation of the CSR budget and annual action plan of the Company
3. Approving the CSR activities and the geographical distribution of CSR
4. Identifying manner of CSR implementation
5. Execution, implementation, monitoring and reporting of CSR activities
6. Review of CSR expenditure of the Company
7. Recommend the Annual Report on CSR activities of the Company to the board for adoption
8. 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. Vinesh Kriplani, 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**

During the year, one (1) meeting of the Corporate Social Responsibility Committee was held. The following table sets out the particulars of attendance of members of the Committee at such meeting:

Name of the Director	Nature of Directorship	Designation in the Committee	01 Nov 2023
Mr. Mayank Poddar	Promoter, Non-Executive Director	Chairman	√/#
Mr. Jens Holger Wohlthat*	Promoter, Non-Executive Director	Member	√/#
Mr. Vinesh Kriplani**	Non-Executive Director	Member	NA
Mr. Sunil Mitra	Non-Executive Independent Director	Member	√/#
Mr. Rajive Kumaraswami	Managing Director & CEO	Member	√

√ - Present

# - Through Video Conferencing

\*Resigned w.e.f. 04 November 2023

\*\*Appointed w.e.f. 01 November 2023

**7. Management Committee of the Board**

**a. Terms of Reference**

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

1. To do all such acts, deeds and things and decide on all such matters relating to signing and filing of application / execution / registration of Lease Agreement/ Electricity/ telephone connection/ State Electricity Board / obtaining Trade License and Certificate under Shops and Establishment Act / telephone and transferring old as well as new connection for the purpose of the business of the Company and for this purpose issue various Power of Attorneys in favour of such person or persons as the Committee may deem fit and proper for legal and administrative purposes from time to time.
2. To authorise such person or persons as the Committee may deem fit and proper to appear on behalf of the Company before various regulatory and law enforcing authorities / court / government department / local administration or authority/market intermediaries under applicable laws, rules and regulations and submit documents undertaking, affidavits, papers etc.
3. To authorize such person or persons as the Committee may deem fit and proper in relation to Provident Fund, Employee State Insurance matters, Professional Tax, National Pension System and also to comply with statutory matters in relation to Value Added Tax, Goods and Services Tax, and other statutory authorities.
4. To do all such acts, deeds and things and decide on all such matters relating to Opening and Closing of Current/ Cash Credit/Demat Account and Inclusion and Deletion of the Authorised Signatories to the said Current/Cash Credit/Demat Account opened in the name of the Company for the purpose of the business of the Company and availing various services viz. viewing facility, cash management services etc. in respect of these Accounts.
5. To issue Power of Attorney(s) in favour of such persons as it may be deemed to be fit and expedient to act as true and lawful Attorney of the Company to, inter-alia, represent, the Company before the courts, civil or criminal, tribunals, quasi-judicial and statutory authorities and such other forums (the 'Authorities'), to verify all plaints, written statements, and other pleadings, applications, petitions or documents to be submitted to such Authorities; to receive and acknowledge notice(s) and to consent or submit to or appeal against, any judgment, order or award in any such suit, criminal case including complaints, action or proceedings before such Authorities; to compromise

or discontinue any such suit, criminal cases including complaints, action or proceedings; to deposit, withdraw and receive documents and any money or monies to and from the court or any such suit, or any such authorities either in execution of decree or otherwise and sign and deliver proper receipts thereof and to engage and appoint any solicitor, advocate or advocates or counsel to act and plead and otherwise conduct the cases / legal proceedings instituted by or against the Company, for all the offices of the Company from time to time as may be required.

6. To avail credit facilities from Banks within the limit as may be prescribed by the Board of Directors of the Company from time to time and authorize such person(s) as the Committee may deem fit to sign and execute on behalf of the Company, such documents, deeds, notes, letters, agreements in respect of the aforesaid availment of the Loan or any disbursement(s) / interim disbursement(s) thereof from the Bank, and to make or accept amendments in the documents relating to the above credit facilities from time to time on such terms and conditions as the said Committee may deem fit.
7. Authorised to do all such acts, deeds and things and decide on all such matters as are necessary or required in connection with or incidental to submission of bid in relation to Request for Proposal (RFP) and any other matters related thereto on behalf of the Company.
8. To authorize officials of the Company to sign and execute all types of documents which the Company may enter into with various entities / firms / individuals from time to time on behalf of the Company in connection with the business of the Company.
9. Exercise such powers which may be delegated by the Board from time to time subject to provisions of Companies Act, 2013, Memorandum and Articles of Association of the Company.

**b. Composition**

The Committee comprises of Mr. Sanjay Chamria, Mr. Vinesh Kriplani, Non-Executive Director 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**

During FY24, no meeting was held amongst the Committee members. Decisions, if any of the Committee were recorded through circular resolutions.

**Vigil Mechanism/ Whistle Blower Policy**

Section 177 of Companies Act, 2013 read with rules made thereunder and IRDAI Corporate Governance Guidelines require 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.

Further for better Governance the Company do have following Policies in place which gets monitored and complied in timely manner:

- 1) Prevention and Redressal of Sexual Harassment Policy
- 2) Remuneration Policy
- 3) Code of Practices and Procedures for Fair Disclosure
- 4) Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders
- 5) Policy on Preservation of Documents and Archival

**Details of shares held by Directors and KMPs:**

<b>Name of Director / KMP</b>	<b>No. of Equity Shares</b>
Mr. Sanjay Chamria, Director Jointly with Celia Developers Private Limited	222
Mr. Rajive Kumaraswami, Managing Director & CEO	9,00,000
Mr. Vikas Mittal, Deputy CEO	7,22,575
Mr. Amit Bhandari, Chief Technical Officer	7,22,575
Mr. Jinesh Shah, Chief Investment Officer	20,650
Mr. Amit Loya, Internal Auditor	20,650
Mr. Shivendra Tripathi, Appointed Actuary	20,650

**Shareholding under ESOP Scheme:**

**A) Under the Companies Act 2013:**

Mr. Rajive Kumaraswami, Managing Director & CEO, Mr. Vikas Mittal, Deputy CEO, Mr. Amit Bhandari, Chief Technical Officer and Mr. Gaurav Paraspurpuria, Chief Financial Officer holds certain beneficial ownership Equity shares of the Company respectively pursuant to exercise of Option under MHD I ESOP Plan 2018 while the registered owner of such shares is Magma HDI General Insurance Company ESOP Trust.

**B) Under the Insurance Act 1938 read with IRDAI Guidelines on Remuneration of Directors and Key Managerial Persons of Insurers dated 30.06.2023:**

During the year, 3,191,269 Options were granted and 1,398,769 Options were exercised by the KMPs of the Company.

No employee is granted Options in excess of 1% of the issued share capital of the Company at the time of grant. Except as disclosed above, none of the other directors, Key Managerial Persons or their relatives hold any Equity Shares in the Company.

As on 31 March 2024, none of the Directors / KMPs of the Company held Non-Convertible Debentures of the Company.

On behalf of the Board of Directors

Place: Kolkata  
Date: 30 April 2024

**Sanjay Chamria**  
**Chairman**  
**DIN 00009894**

## Certification for Compliance of the Corporate Governance Master Circular

I, Amit Raheja, Chief Compliance Officer, hereby certify that the Company has complied with the IRDAI (Corporate Governance for Insurers) Regulations, 2024 and the Circulars issued thereunder and nothing has been concealed or suppressed.

For & on behalf of Magma HDI General Insurance Company Limited

Place: Mumbai  
Date: 30 April 2024

**Amit Raheja**  
**Chief Compliance Officer**

# MANAGEMENT REPORT



# 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 2024:

1. We confirm the validity of Certificate of Registration granted by the Insurance Regulatory and Development Authority of India (IRDAI) to undertake General Insurance business in India.
2. To the best of our knowledge and belief, we certify that all the undisputed dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares during the year are in accordance with statutory and regulatory requirements.
4. We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. We confirm that the Company has maintained the required solvency margins as laid down by Insurance Regulatory and Development Authority of India. The Company's solvency margin as at 31 March 2024 stands at 2.05 times.
6. We certify that the values of all the assets of the Company have been reviewed on the date of the balance sheet and to the best of our knowledge and belief the assets set forth in the balance sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the headings 'Loans', 'Investments', 'Agents Balance', 'Outstanding Premium', '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.
7. The Company is exposed to various types of risks associated with general insurance business. The company closely monitors these risks and manages them by adopting prudent risk mitigating measures.  
The Company has established Underwriting process to mitigate the underwriting risk. Appropriate reinsurance arrangements are made to reinsure the risks in excess of retention.  
Investment risk is mitigated by laying down the investment guidelines through the Investment Policy and Operating Guidelines. The Investment Policy & Operating Guidelines are reviewed at regular intervals to take care of the latest developments including regulatory changes.
8. The Company does not have any operations outside India.
9. Ageing analysis of claims outstanding and average claims settlement time during the preceding five years, please refer Annexure A & B.
10. We certify that all debt securities are stated at historical cost subject to amortization of premium or accretion of discount. Investments in mutual fund units are stated at Net Asset Value, which is taken from AMFI as on the Balance Sheet date. Market values of Government Securities and other debt instruments have been reported in accordance with IRDAI Guidelines.  
The Company assesses at each balance sheet date whether any impairment has occurred in respect of investment in Debt Securities. The impairment loss, if any, is recognized in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at balance sheet date a previously impaired loss no longer exists, then such loss is reversed in the profit & loss account and the investment is restated to that extent.
11. The Company has adopted a prudent investment policy with emphasis on optimizing risk adjusted returns based on appropriate mix of duration, liquidity & safety. Emphasis is made to maintain the portfolio quality through investments in Government securities and other AAA rated debt instruments and to manage the duration of the portfolio dynamically depending on the volatility in interest rates. Investments are managed in accordance with the investment policy approved 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.

Sr. No.	Name of Director	Entity / party in which Directors are interested	Interested as	Amount (Rs. in Crore)	Nature of Payments
1	Sanjay Chamria	Magma Ventures Private Limited	Shareholder	0.01	Brand Licence Fees
2	Mayank Poddar	CLP Business LLP	Designated Partner	0.32	Rent Payment
3	Mayank Poddar	Shaili Poddar	Relative of Director	0.06	Rent Payment
4	Mayank Poddar	Celica Developers Private Limited	Relative is a Director	0.05	Rent Payment
				0.05	Security Deposit
5	Mayank Poddar	Solvex Properties & Services Private Limited	Relative is a Director	0.05	Payment of utility charges
				0.003	Payment of maintenance charges
				0.02	Advertisement & Publicity Exp



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

- a) In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanation relating to material departures, if any.
- b) The management has adopted accounting policies and applied them consistently except otherwise stated and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating loss and of the loss of the Company for the financial year.
- c) The management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), Companies Act, 2013 to the extent applicable, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The management has prepared the financial statements on a going concern basis.
- e) The management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

For and on behalf of the Board of Directors

**Sanjay Chamria**  
Chairman

**Rajive Kumaraswami**  
Managing Director & CEO

**Mayank Poddar**  
Director

**Gaurav Parasrampur**  
Chief Financial Officer

**Sunil Mitra**  
Director

**Sweta Bharucha**  
Company Secretary

Place: Mumbai  
Date: 30 April 2024

Annexure - A

Ageing of Claims outstanding

Rs. in crores

As at 31 Mar 2024	Fire		Marine (Cargo)		Engineering		Motor Own Damage		Motor Third Party		Public/Product Liability	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	64	1.57	41	1.74	1	0.02	2828	25.41	1274	67.20	0	0.00
31 Days to 6 months	170	47.79	44	4.77	9	7.87	1855	41.36	5148	304.49	0	0.00
6 months to 1 year	87	28.98	16	4.08	11	10.49	117	5.05	4792	335.26	0	0.00
1 year to 5 years	83	30.61	45	3.57	1	0.08	364	10.76	8666	693.79	1	0.40
5 years or more	3	0.26	7	1.16	4	0.25	154	5.92	1304	119.78	0	0.00
<b>Total</b>	<b>407</b>	<b>109.21</b>	<b>153</b>	<b>15.32</b>	<b>26</b>	<b>18.71</b>	<b>5318</b>	<b>88.50</b>	<b>21184</b>	<b>1520.52</b>	<b>1</b>	<b>0.40</b>

Rs. in crores

As at 31 Mar 2024	Workmen's Compensation		Other Liability		Personal Accident		Health Insurance		All Other Misc		Grand Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	20	0.10	2	0.04	30	0.77	4124	35.35	4	0.07	8388	132.27
31 Days to 6 months	31	0.97	10	0.64	32	0.27	322	1.72	8	0.30	7629	410.18
6 months to 1 year	2	0.07	10	0.79	0	0.00	4	0.05	0	0.00	5039	384.78
1 year to 5 years	2	0.01	12	3.76	3	0.06	2	0.04	1	0.00	9180	743.08
5 years or more	0	0.00	0	0.00	0	0.00	0	0.00	1	1.47	1473	128.83
<b>Total</b>	<b>55</b>	<b>1.15</b>	<b>34</b>	<b>5.24</b>	<b>65</b>	<b>1.09</b>	<b>4452</b>	<b>37.16</b>	<b>14</b>	<b>1.84</b>	<b>31709</b>	<b>1799.15</b>

Rs. in crores

As at 31 Mar 2023	Fire		Marine (Cargo)		Engineering		Motor Own Damage		Motor Third Party		Public/Product Liability	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	179	8.11	22	3.30	1	0.04	3033	22.47	931	45.62	1	0.01
31 Days to 6 months	37	21.54	45	3.66	0	0.00	1829	37.49	3816	197.34	2	0.01
6 months to 1 year	13	2.01	22	2.89	1	0.19	106	3.65	3098	192.25	5	0.16
1 year to 5 years	44	16.71	33	1.01	13	0.57	335	10.15	5877	443.85	33	1.81
5 years or more	7	4.47	6	0.85	0	0.00	126	4.29	1121	106.80	1	0.02
<b>Total</b>	<b>280</b>	<b>52.84</b>	<b>128</b>	<b>11.71</b>	<b>15</b>	<b>0.80</b>	<b>5429</b>	<b>78.05</b>	<b>14843</b>	<b>985.86</b>	<b>42</b>	<b>2.01</b>

Rs. in crores

As at 31 Mar 2023	Workmen's Compensation		Other Liability		Personal Accident		Health Insurance		All Other Misc		Grand Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	14	0.07	5	0.69	18	0.17	2358	17.69	2	0.00	6564	98.17
31 Days to 6 months	2	0.01	2	0.14	12	0.78	198	0.97	0	0.00	5943	261.94
6 months to 1 year	4	0.21	7	3.11	0	0.00	3	0.07	1	0.00	3260	204.53
1 year to 5 years	3	0.24	5	0.05	1	0.02	2	0.05	2	1.48	6345	475.96
5 years or more	0	0.00	2	0.01	0	0.00	0	0.00	0	0.00	1266	116.44
<b>Total</b>	<b>23</b>	<b>0.53</b>	<b>21</b>	<b>4.00</b>	<b>31</b>	<b>0.97</b>	<b>2561</b>	<b>18.78</b>	<b>5</b>	<b>1.49</b>	<b>23378</b>	<b>1157.04</b>

Rs. in crores

As at 31 Mar 2022	Fire		Marine (Cargo)		Engineering		Motor Own Damage		Motor Third Party		Public/Product Liability	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	212	0.37	25	0.52	0	0.00	2490	15.91	360	17.98	0	0.00
31 Days to 6 months	794	12.47	37	1.64	9	0.14	1340	27.34	3326	151.36	0	0.00
6 months to 1 year	106	4.92	30	0.84	14	0.27	85	1.98	2049	113.08	0	0.00
1 year to 5 years	29	10.91	11	2.86	8	0.76	368	12.18	4426	326.76	1	0.40
5 years or more	1	0.51	7	6.36	2	0.04	92	2.60	989	78.71	0	0.00
<b>Total</b>	<b>1142</b>	<b>29.18</b>	<b>110</b>	<b>12.22</b>	<b>33</b>	<b>1.21</b>	<b>4375</b>	<b>60.01</b>	<b>11150</b>	<b>687.88</b>	<b>1</b>	<b>0.40</b>

Rs. in crores

As at 31 Mar 2022	Workmen's Compensation		Other Liability		Personal Accident		Health Insurance		All Other Misc		Grand Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Upto 30 days	6	0.03	7	0.19	11	0.37	865	7.02	0	0.00	3976	42.38
31 Days to 6 months	8	0.24	5	0.16	3	0.03	106	0.63	0	0.00	5628	193.99
6 months to 1 year	7	0.66	18	0.33	3	0.03	2	0.04	1	0.00	2315	122.14
1 year to 5 years	0	0.00	26	1.27	1	0.02	0	0.00	1	1.40	4871	356.57
5 years or more	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1091	88.23
<b>Total</b>	<b>21</b>	<b>0.93</b>	<b>56</b>	<b>1.94</b>	<b>18</b>	<b>0.45</b>	<b>973</b>	<b>7.69</b>	<b>2</b>	<b>1.40</b>	<b>17881</b>	<b>803.31</b>

Rs. in crores

As at 31 Mar 2021	Fire		Marine (Cargo)		Engineering		Motor Own Damage		Motor Third Party		Public/Product Liability	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>Upto 30 days</b>	38	0.30	20	1.31	2	0.06	2011	9.07	117	7.87	0	0.00
<b>31 Days to 6 months</b>	90	16.74	35	1.93	4	0.30	1290	18.84	1164	58.68	0	0.00
<b>6 months to 1 year</b>	24	11.52	6	0.41	2	0.12	54	2.34	677	39.80	1	0.40
<b>1 year to 5 years</b>	24	13.70	27	6.00	18	2.57	387	12.98	4462	312.36	0	0.00
<b>5 years or more</b>	0	0.00	2	6.19	0	0.00	0	0.00	645	45.58	0	0.00
<b>Total</b>	<b>176</b>	<b>42.28</b>	<b>90</b>	<b>15.84</b>	<b>26</b>	<b>3.06</b>	<b>3742</b>	<b>43.21</b>	<b>7065</b>	<b>464.29</b>	<b>1</b>	<b>0.40</b>

Rs. in crores

As at 31 Mar 2021	Workmen's Compensation		Other Liability		Personal Accident		Health Insurance		All Other Misc		Grand Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>Upto 30 days</b>	4	0.03	1	0.05	21	0.52	644	5.02	0	0.00	2868	24.65
<b>31 Days to 6 months</b>	4	0.11	19	1.02	6	0.16	56	0.47	4	0.04	2657	97.43
<b>6 months to 1 year</b>	0	0.00	0	0.00	2	0.01	1	0.00	1	0.03	770	54.89
<b>1 year to 5 years</b>	0	0.00	9	0.28	2	0.03	0	0.00	2	1.46	4933	349.56
<b>5 years or more</b>	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	648	51.79
<b>Total</b>	<b>8</b>	<b>0.14</b>	<b>29</b>	<b>1.35</b>	<b>31</b>	<b>0.72</b>	<b>701</b>	<b>5.49</b>	<b>7</b>	<b>1.53</b>	<b>11876</b>	<b>578.33</b>

Rs. in crores

As at 31 Mar 2020	Fire		Marine (Cargo)		Engineering		Motor Own Damage		Motor Third Party		Public/Product Liability	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>Upto 30 days</b>	16	4.60	28	1.19	5	0.08	2545	25.53	129	6.29	0	0.00
<b>31 Days to 6 months</b>	28	2.09	15	3.56	5	0.33	314	9.14	1868	81.61	0	0.00
<b>6 months to 1 year</b>	22	5.38	17	3.93	3	2.44	65	2.90	1168	74.87	0	0.00
<b>1 year to 5 years</b>	40	16.05	24	8.53	12	2.06	367	11.72	2994	223.52	0	0.00
<b>5 years or more</b>	0	0.00	1	0.74	0	0.00	0	0.00	344	28.68	0	0.00
<b>Total</b>	<b>106</b>	<b>28.12</b>	<b>85</b>	<b>17.95</b>	<b>25</b>	<b>4.91</b>	<b>3291</b>	<b>49.29</b>	<b>6503</b>	<b>414.97</b>	<b>0</b>	<b>0.00</b>

Rs. in crores

As at 31 Mar 2020	Workmen's Compensation		Other Liability		Personal Accident		Health Insurance		All Other Misc		Grand Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
<b>Upto 30 days</b>	0	0.00	1	0.03	7	0.10	65	0.57	2	0.03	1756	21.00
<b>31 Days to 6 months</b>	1	0.01	3	0.12	0	0.00	19	0.25	0	0.00	3295	114.54
<b>6 months to 1 year</b>	0	0.00	4	0.06	0	0.00	6	0.01	0	0.00	1285	89.58
<b>1 year to 5 years</b>	0	0.00	3	0.20	1	0.02	0	0.00	2	1.46	3443	263.56
<b>5 years or more</b>	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	345	29.42
<b>Total</b>	<b>1</b>	<b>0.01</b>	<b>11</b>	<b>0.41</b>	<b>8</b>	<b>0.12</b>	<b>90</b>	<b>0.83</b>	<b>4</b>	<b>1.50</b>	<b>10124</b>	<b>518.10</b>

**Annexure – B**  
**Average Claims Settlement time**

Class of Business	Trend in average claim settlement time for various segments											
	FY 2023-24		FY 2022-23		FY 2021-22		FY 2020-21		FY 2019-20			
	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)	No. of claims	Average settlement time (Days)
Fire	19,725	25	10,753	65	16,539	56	4,654	59	1,631	37		
Marine Cargo	13,801	5	6,355	10	1,036	66	1,108	55	1,517	47		
Engineering	32	369	44	199	46	347	305	28	398	18		
Motor OD**	168,022	3	178,649	1	100,886	2	63,153	2	59,902	2		
Public/Product Liability	1	1228	0	0	2	2	0	0	0	0		
Workmen's Compensation	85	146	37	173	22	113	21	94	48	120		
Other Liability	67	600	17	364	18	565	3	447	9	229		
Personal Accident	417	1	197	5	164	23	101	32	175	35		
Health	62,634	3	22,983	4	11,224	5	4,025	11	9,812	12		
Others Misc	40	41	60	70	59	96	166	26	170	18		
<b>Grand Total</b>	<b>264,824</b>	<b>5</b>	<b>219,095</b>	<b>5</b>	<b>129,996</b>	<b>10</b>	<b>73,536</b>	<b>7</b>	<b>73,662</b>	<b>6</b>		

\* The above ageing does not include Motor third party claims which have to be settled through MACT and other judicial bodies.

\*\* Average settlement time for Motor OD claims is calculated considering Garage Payments as same day settlement.

# INDEPENDENT AUDITORS' REPORT





# INDEPENDENT AUDITORS' 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 2024, the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, the schedules annexed there and notes to the financial statements, including a summary of the significant accounting policies and other explanatory notes (hereinafter referred to as "Financial Statements").

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 2024;
- ii. in the case of the Revenue Accounts, of the operating profit in the Fire business, and operating loss in the Marine and Miscellaneous business for 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 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant risks identified by us that may lead to material misstatement (whether or not due to fraud) and assessed by us as part of the audit procedures. . These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	Auditors' Response
<b>Information Technology Systems and Controls (IT Controls):</b>		
1.	<p>The Company is highly dependent on its information technology ('IT') systems for carrying out its operations and due to the large volume of transactions that are processed daily across multiple IT systems, there exists a potential risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated.</p> <p>The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness, and validity of the data that is processed by the applications and is ultimately used for financial reporting. These controls contribute to mitigating risk of potential misstatements caused by fraud or error.</p>	<ul style="list-style-type: none"> <li>We have involved our IT specialists in the assessment of IT systems and controls over financial reporting which included carrying out the following key audit procedures:</li> <li>Involved IT specialists as part of the audit for the purpose of testing the IT general controls and application controls (automated and semi-automated controls) to determine the accuracy of the information produced by the Company's IT systems.;</li> </ul>

Sr. No.	Key Audit Matters	Auditors' Response
	<p>On account of the extensive use of IT systems across varied phases of business, the testing with respect to general computer controls of the IT systems used in financial reporting was identified to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's IT applications, databases and operating systems relevant to financial reporting and the control environment, including an understanding of the process, mapping of applications and understanding financial risks posed by people-process and technology.</li> <li>• Tested design and operating effectiveness of key controls over user access management (including user access provisioning, de-provisioning, user access review, password configuration review and privilege access), change management (including compliance of change release in production environment to the defined procedures), program development (including review of data migration activity), computer operations (including testing of key controls pertaining to, backup, batch processing, incident management and data centre security);</li> <li>• Performed procedures for a selected group of key controls over financial and reporting system to determine that these controls remained unchanged during the year or were changed following the standard change management process.</li> <li>• Tested key automated and manual business cycle controls including testing of alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.</li> </ul>

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

Our opinion on the financial statements does not cover the other information and we 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 auditors' 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 cash flows of the Company in accordance with the requirements of the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, the Act and in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended 31 March 2024 and are therefore, the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

Pursuant to IRDAI (Appointed Actuary) Regulations 2017, the actuarial valuation of liabilities in respect of claims Incurred But Not Reported ("IBNR"), claims Incurred But Not Enough Reported ("IBNER") and Premium Deficiency Reserve ("PDR") as at 31 March 2024, has been duly certified by the Appointed 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.

Our opinion is not modified in respect of above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated 30 April 2024 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- i. As required by the Companies (Amendment) Act, 2017, in our opinion, according to information and explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is within the limits prescribed under section 197 of the Act read with Section 34A of the Insurance Act, 1938;
- 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 Auditors' 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 17.1 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 Company did not have any other long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 17.27 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; 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 Company has not declared and paid any dividend during the year and accordingly no compliance with respect to section 123 of the Act is required to be followed.

- vi. Based on our examination, the Company has used accounting software(s) for maintaining its books of account which has a feature of recording audit trail (edit log) facility. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software(s). Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with, post enablement of the audit trail facility.

**For Singhi & Co.**

Chartered Accountants  
ICAI Firm Registration No:302049E

**For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No: 105047W

**Shweta Singhal**

Partner  
Membership No: 414420  
UDIN: 24414420BKASKP3948

**Swapnil Kale**

Partner  
Membership No: 117812  
UDIN: 24117812BKFI5585

Place: Mumbai  
Date: 30 April 2024

Place: Mumbai  
Date: 30 April 2024

## 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(i) 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 2024)

### 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 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, 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 2024, 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.

#### 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 2024, has been duly certified by the Appointed 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. 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 2024. 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  
ICAI Firm Registration No:302049E

#### **For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No: 105047W

#### **Shweta Singhal**

Partner  
Membership No: 414420  
UDIN: 24414420BKASKP3948

Place: Mumbai  
Date: 30 April 2024

#### **Swapnil Kale**

Partner  
Membership No: 117812  
UDIN: 24117812BKFIEI5585

Place: Mumbai  
Date: 30 April 2024

# AUDITED FINANCIAL STATEMENTS





**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

IRDAI Registration No. 149 dated 22 May 2012

**REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024**

(Rs in '000)

Particulars	Schedule	FIRE		MARINE		MISCELLANEOUS		TOTAL	
		Year ended 31 Mar 2024	Year ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2023
		1	698,305 (1,806)	613,491 3,010	52,954 (180)	20,220 109	21,912,616 (69,237)	14,708,078 61,525	22,663,875 (71,223)
Others:-									
Investment Income from Terrorism Pool		26,932	15,621	-	-	1,209	275	28,141	15,896
Miscellaneous Income		904	1,249	106	53	3,102	3,122	4,112	4,424
Contribution from Shareholders Funds towards excess Expenses of Management (EoM)		-	295,912	-	46,183	807,193	2,171,304	807,193	2,513,399
Interest, dividend and rent (Gross)		86,775	119,848	8,674	4,333	3,400,971	2,404,082	3,496,420	2,528,263
<b>TOTAL (A)</b>		<b>811,110</b>	<b>1,049,131</b>	<b>61,554</b>	<b>70,898</b>	<b>26,055,854</b>	<b>19,348,386</b>	<b>26,928,518</b>	<b>20,468,415</b>
Claims incurred (Net)	<b>2</b>	289,554	162,904	100,787	37,950	17,714,422	10,940,101	18,104,763	11,140,955
Commission (Net)	<b>3</b>	52,947	(66,445)	(688)	(8,136)	6,547,484	835,214	6,599,743	760,633
Operating expenses related to insurance business	<b>4</b>	324,420	1,235,098	34,554	120,052	3,113,183	7,826,164	3,472,157	9,181,314
Premium deficiency reserve		-	-	1,935	1,126	-	-	1,935	1,126
<b>TOTAL (B)</b>		<b>666,921</b>	<b>1,331,557</b>	<b>136,588</b>	<b>150,992</b>	<b>27,375,089</b>	<b>19,601,479</b>	<b>28,178,598</b>	<b>21,084,028</b>
<b>Operating Profit/(Loss) (C) = (A - B)</b>		<b>144,189</b>	<b>(282,426)</b>	<b>(75,034)</b>	<b>(80,094)</b>	<b>(1,319,235)</b>	<b>(253,093)</b>	<b>(1,250,080)</b>	<b>(615,613)</b>
<b>Appropriations</b>									
Transfer to Shareholders' Account		144,189	(282,426)	(75,034)	(80,094)	(1,319,235)	(253,093)	(1,250,080)	(615,613)
Transfer to Catastrophe Reserve		-	-	-	-	-	-	-	-
Transfer to Other Reserves		-	-	-	-	-	-	-	-
<b>TOTAL (C)</b>		<b>144,189</b>	<b>(282,426)</b>	<b>(75,034)</b>	<b>(80,094)</b>	<b>(1,319,235)</b>	<b>(253,093)</b>	<b>(1,250,080)</b>	<b>(615,613)</b>

Significant Accounting Policies

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Notes to Accounts

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The Schedules referred to above &amp; 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 Regn. No. 302049E**Shweta Singhal**Partner  
Membership No. 414420**Swapnil Kale**Partner  
Membership No. 117812**For M S K A & Associates**Chartered Accountants  
Firm Regn. No. 105047W**Sanjay Chamria**Chairman  
DIN 00009894**Mayank Poddar**Director  
DIN 00009409**Sunil Mitra**Director  
DIN 00113473**Rajive Kumaraswami**Managing Director & CEO  
DIN 07501971**Gaurav Parasrampuria**

Chief Financial Officer

**Sweta Bharucha**Company Secretary  
Membership No. A22946

For and on behalf of the Board of Directors

**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

**FORM B-PL**

IRDAI Registration No. 149 dated 22 May 2012

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024**

(Rs in '000)

Particulars	Schedule	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>OPERATING PROFIT / (LOSS)</b>			
(a) Fire insurance		144,189	(282,426)
(b) Marine insurance		(75,034)	(80,094)
(c) Miscellaneous insurance		(1,319,235)	(253,093)
<b>INCOME FROM INVESTMENTS</b>			
(a) Interest, dividend and rent (Gross)		626,981	392,454
(b) Profit on sale / redemption of investments		19,612	16,901
Less: (Loss) on sale / redemption of investments		(32,658)	(7,043)
<b>OTHER INCOME</b>			
(a) Miscellaneous income / Liabilities written back		13,836	1,425
<b>TOTAL (A)</b>		<b>(622,309)</b>	<b>(211,876)</b>
<b>PROVISIONS (Other than taxation)</b>			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		300	(156)
(c) Others		23	(11)
<b>OTHER EXPENSES</b>			
(a) Expenses other than those related to insurance business			
- Employees' remuneration and welfare benefits (Refer Note 17.17a)		3,124	27,438
- Legal Fees related to Shareholders funds		36,700	6,663
(b) Bad debts written off		359	541
(c) Interest on subordinated debt		141,850	87,500
(d) Expenses towards CSR activities (Refer Note 17.24)		-	700
(e) Penalties (Refer Note 17.36)		195	1
(f) Contribution to Policyholders Funds towards Expenses of Management (EoM) (Refer Note 17.19)		807,193	2,513,399
(g) Others			
- Investment Expenses (Refer Note 17.11)		3,739	2,890
- Loss on sale / discard of fixed assets		1,078	5,001
- Director Fees (Refer Note 17.17d)		9,080	7,780
- Fees paid for increase in Authorised share capital		-	9,869
<b>TOTAL (B)</b>		<b>1,003,641</b>	<b>2,661,615</b>
<b>Profit / (Loss) before tax</b>		<b>(1,625,950)</b>	<b>(2,873,491)</b>
<b>Less: Provision for taxation</b>			
(a) Current tax		-	-
(b) Deferred tax expense / (income)		(213,782)	(1,442)
(c) Tax adjustment of earlier years		-	(319)
<b>Profit / (Loss) after tax</b>		<b>(1,412,168)</b>	<b>(2,871,730)</b>
<b>APPROPRIATIONS</b>			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Debenture Redemption Reserve		-	-
(e) Transfer to any reserve or other account		-	-
Balance of profit / (loss) brought forward from last year		(3,123,449)	(251,719)
<b>Balance carried forward to Balance Sheet</b>		<b>(4,535,617)</b>	<b>(3,123,449)</b>
<b>Basic &amp; Diluted Earnings Per Share of face value of Rs. 10/-</b>		<b>(5.35)</b>	<b>(14.22)</b>

Significant Accounting Policies  
Notes to Accounts

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17

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

For and on behalf of the Board of Directors

As per our Report of even date attached

**For Singhi & Co.**

Chartered Accountants  
Firm Regn. No. 302049E

**For M S K A & Associates**

Chartered Accountants  
Firm Regn. No. 105047W

**Sanjay Chamria**

Chairman  
DIN 00009894

**Rajive Kumaraswami**

Managing Director & CEO  
DIN 07501971

**Shweta Singhal**

Partner  
Membership No. 414420

**Swapnil Kale**

Partner  
Membership No. 117812

**Mayank Poddar**

Director  
DIN 00009409

**Gaurav Parasrampur**

Chief Financial Officer

Place: Mumbai

Date: 30 April 2024

**Sunil Mitra**

Director  
DIN 00113473

**Sweta Bharucha**

Company Secretary  
Membership No. A22946

**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

FORM B-B5

IRDAI Registration No. 149 dated 22 May 2012

**BALANCE SHEET AS AT 31 MARCH 2024**

(Rs in '000)

Particulars	Schedule	As at 31 Mar 2024	As at 31 Mar 2023
<b>SOURCES OF FUNDS</b>			
Share capital	5	2,693,022	2,466,692
Share application money pending allotment		-	-
Employee stock option reserve		65,577	56,952
Reserves and surplus	6	10,772,777	9,209,763
Fair value change account - Shareholders		375	138
Fair value change account - Policyholders		1,953	825
Borrowings	7	4,250,141	1,000,591
<b>TOTAL</b>		<b>17,783,845</b>	<b>12,734,961</b>
<b>APPLICATION OF FUNDS</b>			
<b>Investments</b>			
Investments - Shareholders	8	11,279,293	7,529,635
Investments - Policyholders	8A	58,806,241	45,061,724
<b>Total Investments</b>		<b>70,085,534</b>	<b>52,591,359</b>
Loans	9	5,664	-
Fixed assets	10	444,570	417,218
Deferred tax asset (Net) (Refer Note 17.30)		487,247	273,465
<b>Current Assets</b>			
Cash and bank balances	11	381,149	3,023,336
Advances and other assets	12	4,151,237	2,632,677
<b>Sub-Total (A)</b>		<b>4,532,386</b>	<b>5,656,013</b>
Current liabilities	13	46,370,819	38,260,017
Provisions	14	15,936,354	11,066,526
<b>Sub-Total (B)</b>		<b>62,307,173</b>	<b>49,326,543</b>
<b>Net Current Assets / (Liabilities) (C) = (A - B)</b>		<b>(57,774,787)</b>	<b>(43,670,530)</b>
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		4,535,617	3,123,449
<b>TOTAL</b>		<b>17,783,845</b>	<b>12,734,961</b>

Significant Accounting Policies

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Notes to Accounts

17

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

For and on behalf of the Board of Directors

As per our Report of even date attached

**For Singhi & Co.**  
Chartered Accountants  
Firm Regn. No. 302049E

**For M S K A & Associates**  
Chartered Accountants  
Firm Regn. No. 105047W

**Sanjay Chamria**  
Chairman  
DIN 00009894

**Rajive Kumaraswami**  
Managing Director & CEO  
DIN 07501971

**Shweta Singhal**  
Partner  
Membership No. 414420

**Swapnil Kale**  
Partner  
Membership No. 117812

**Mayank Poddar**  
Director  
DIN 00009409

**Gaurav Parasrampur**  
Chief Financial Officer

Place: Mumbai  
Date: 30 April 2024

**Sunil Mitra**  
Director  
DIN 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 2024**

(Rs in '000)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
<b>Cash flows from the operating activities:</b>		
Premium received from policyholders, including advance receipts and GST	35,452,606	32,968,241
Other receipts	1,247,488	154,380
Receipts / (Payments) from / to reinsurers, net of commissions and claims	(3,337,147)	(4,008,773)
Receipts / (Payments) from / to co-insurers, net of claims recovery	(79,980)	9,563
Payments of claims	(11,391,838)	(9,157,608)
Payments of commission & brokerage	(7,108,879)	(1,992,207)
Payments of other operating expenses	(5,609,772)	(8,872,929)
Deposits, advances and staff loans (Net)	(42,550)	(113,930)
Income Tax refund / (paid) (Net)	30,767	(68,518)
GST paid	(2,410,347)	(1,653,729)
<b>Cash flows before extraordinary items</b>	<b>6,750,348</b>	<b>7,264,490</b>
Cash flow from extraordinary operations	-	-
<b>Net cash flow from operating activities (A)</b>	<b>6,750,348</b>	<b>7,264,490</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets (including capital advances)	(179,143)	(273,617)
Proceeds from sale of fixed assets	1,833	463
Purchases of investments	(87,387,297)	(103,164,294)
Sales / redemption of investments	69,617,737	89,075,787
Loans disbursed	(5,687)	-
Repayments Received	-	2,654
Rents / Interests / Dividends received	3,604,782	2,590,971
Investments in money market instruments and in liquid mutual funds (Net)	7,616	4,421
Expenses related to investments	(3,739)	(2,890)
<b>Net cash flow from investing activities (B)</b>	<b>(14,343,898)</b>	<b>(11,766,505)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of share capital / share application money including share premium (net of issue expenses)	1,789,343	7,349,088
Proceeds from borrowing	3,250,000	-
Repayments of borrowing	(480)	(1,665)
Interest Paid	(87,500)	(78,798)
<b>Net cash flow from financing activities (C)</b>	<b>4,951,363</b>	<b>7,268,625</b>
<b>Effect of foreign exchange rates on cash and cash equivalents, net (D)</b>	-	-
Net increase / (decrease) in cash and cash equivalents: (A+B+C+D)	(2,642,187)	2,766,610
Cash and Cash Equivalent at the beginning of the year	3,023,336	256,726
<b>Cash and Cash Equivalent at the end of the year</b>	<b>381,149</b>	<b>3,023,336</b>

Refer Schedule 11 for components of Cash and Bank balances

As per our Report of even date attached

For and on behalf of the Board of Directors

**For Singhi & Co.**  
Chartered Accountants  
Firm Regn. No. 302049E

**For M S K A & Associates**  
Chartered Accountants  
Firm Regn. No. 105047W

**Sanjay Chamria**  
Chairman  
DIN 00009894

**Rajive Kumaraswami**  
Managing Director & CEO  
DIN 07501971

**Shweta Singhal**  
Partner  
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**Mayank Poddar**  
Director  
DIN 00009409

**Gaurav Parasrampur**  
Chief Financial Officer

Place: Mumbai  
Date: 30 April 2024

**Sunil Mitra**  
Director  
DIN 00113473

**Sweta Bharucha**  
Company Secretary  
Membership No. A22946

## MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

Schedules to the Financial Statements

### SCHEDULE – 1 PREMIUM EARNED [NET]

(Rs in '000)

Particulars	YEAR ENDED 31 MAR 2024					YEAR ENDED 31 MAR 2023						
	FIRE	MARINE			*MISCELLA-NEOUS	TOTAL	FIRE	MARINE			*MISCELLA-NEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Premium from direct business written (net of GST)	3,131,363	389,815	-	389,815	26,920,735	3,176,773	332,555	-	332,555	21,831,877	25,341,205	
Add : Premium on reinsurance accepted	534,422	2,127	-	2,127	1,972,700	482,742	26,596	-	26,596	32,368	541,706	
Less : Premium on reinsurance ceded	(2,983,537)	(323,747)	-	(323,747)	(2,153,983)	(2,738,514)	(325,856)	-	(325,856)	(3,389,510)	(6,453,880)	
<b>Net Premium</b>	<b>682,248</b>	<b>68,195</b>	<b>-</b>	<b>68,195</b>	<b>26,739,452</b>	<b>921,001</b>	<b>33,295</b>	<b>-</b>	<b>33,295</b>	<b>18,474,735</b>	<b>19,429,031</b>	
Reserve for unexpired risk at the end of the year	910,741	30,645	-	30,645	14,706,353	926,798	15,404	-	15,404	9,879,517	10,821,719	
Reserve for unexpired risk at the beginning of the year	(926,798)	(15,404)	-	(15,404)	(9,879,517)	(619,288)	(2,329)	-	(2,329)	(6,112,860)	(6,734,477)	
Adjustment for change in reserve for unexpired risk	(16,057)	15,241	-	15,241	4,826,836	307,510	13,075	-	13,075	3,766,657	4,087,242	
<b>Total premium earned (Net)</b>	<b>698,305</b>	<b>52,954</b>	<b>-</b>	<b>52,954</b>	<b>21,912,616</b>	<b>613,491</b>	<b>20,220</b>	<b>-</b>	<b>20,220</b>	<b>14,708,078</b>	<b>15,341,789</b>	

\* Refer to Schedule - I (A)

**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

Schedules to the Financial Statements

**SCHEDULE – 1 (A)**

**PREMIUM EARNED [NET]**

**MISCELLANEOUS PREMIUM EARNED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2024**

(Rs in '000)

Particulars	MISCELLANEOUS											TOTAL
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL	
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS		
Premium from direct business written (net of GST)	5,850,815	14,884,521	20,735,336	213,846	433	38,078	4,942,378	173,380	807,276	10,008	26,920,735	
Add : Premium on reinsurance accepted	-	-	-	27,745	-	-	1,945,240	-	(660)	375	1,972,700	
Less : Premium on reinsurance ceded	(308,539)	(619,518)	(928,057)	(210,961)	(655)	(1,578)	(195,295)	(15,741)	(794,453)	(7,243)	(2,153,983)	
<b>Net Premium</b>	<b>5,542,276</b>	<b>14,265,003</b>	<b>19,807,279</b>	<b>30,630</b>	<b>(222)</b>	<b>36,500</b>	<b>6,692,323</b>	<b>157,639</b>	<b>12,163</b>	<b>3,140</b>	<b>26,739,452</b>	
Reserve for unexpired risk at the end of the year	3,207,273	8,200,161	11,407,434	17,767	58	20,446	3,155,361	94,567	9,489	1,231	14,706,353	
Reserve for unexpired risk at the beginning of the year	(1,848,869)	(6,496,918)	(8,345,787)	(12,377)	(58)	(9,477)	(1,463,272)	(38,930)	(9,003)	(613)	(9,879,517)	
Adjustment for change in reserve for unexpired risk	1,358,404	1,703,243	3,061,647	5,390	-	10,969	1,692,089	55,637	486	618	4,826,836	
<b>Total premium earned (Net)</b>	<b>4,183,872</b>	<b>12,561,760</b>	<b>16,745,632</b>	<b>25,240</b>	<b>(222)</b>	<b>25,531</b>	<b>5,000,234</b>	<b>102,002</b>	<b>11,677</b>	<b>2,522</b>	<b>21,912,616</b>	

**MISCELLANEOUS PREMIUM EARNED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2023**

(Rs in '000)

Particulars	MISCELLANEOUS											TOTAL
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL	
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS		
Premium from direct business written (net of GST)	5,871,762	12,733,252	18,605,014	98,204	432	18,615	2,424,056	95,849	596,316	(6,609)	21,831,877	
Add : Premium on reinsurance accepted	-	-	-	29,913	-	-	-	-	2,455	-	32,368	
Less : Premium on reinsurance ceded	(2,054,259)	(534,188)	(2,588,447)	(111,927)	(420)	(810)	(100,722)	(9,093)	(585,804)	7,713	(3,389,510)	
<b>Net Premium</b>	<b>3,817,503</b>	<b>12,199,064</b>	<b>16,016,567</b>	<b>16,190</b>	<b>12</b>	<b>17,805</b>	<b>2,323,334</b>	<b>86,756</b>	<b>12,967</b>	<b>1,104</b>	<b>18,474,735</b>	
Reserve for unexpired risk at the end of the year	1,848,869	6,496,918	8,345,787	12,377	58	9,477	1,463,272	38,930	9,003	613	9,879,517	
Reserve for unexpired risk at the beginning 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)	
Adjustment for change in reserve for unexpired risk	983,737	1,919,223	2,902,960	2,821	(22)	4,049	847,642	16,599	(3,572)	(3,820)	3,766,657	
<b>Total premium earned (Net)</b>	<b>2,833,766</b>	<b>10,279,841</b>	<b>13,113,607</b>	<b>13,369</b>	<b>34</b>	<b>13,756</b>	<b>1,475,692</b>	<b>70,157</b>	<b>16,539</b>	<b>4,924</b>	<b>14,708,078</b>	

**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

Schedules to the Financial Statements

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

(Rs in '000)

Particulars	YEAR ENDED 31 MAR 2024					YEAR ENDED 31 MAR 2023						
	FIRE	MARINE			*MISCELLANEOUS	TOTAL	FIRE	MARINE			*MISCELLANEOUS	TOTAL
		MARINE CARGO	MARINE HULL	MARINE TOTAL				MARINE CARGO	MARINE HULL	MARINE TOTAL		
Claims paid												
Direct	297,532	227,294	-	227,294	11,268,099	227,072	203,164	-	203,164	8,466,484		8,896,720
Add : Reinsurance accepted	153,400	16,924	-	16,924	1,397,534	242,291	45,245	-	45,245	1,509		289,045
Less : Reinsurance ceded	(304,424)	(191,120)	-	(191,120)	(2,052,261)	(323,856)	(210,010)	-	(210,010)	(2,661,833)		(3,195,699)
<b>Net Claims paid</b>	<b>146,508</b>	<b>53,098</b>	<b>-</b>	<b>53,098</b>	<b>10,613,372</b>	<b>145,507</b>	<b>38,399</b>	<b>-</b>	<b>38,399</b>	<b>5,806,160</b>		<b>5,990,066</b>
Add : Claims outstanding at the end of the year	411,418	90,113	-	90,113	32,707,813	268,372	42,424	-	42,424	24,905,626		25,216,422
Less : Claims outstanding at the beginning of the year	(268,372)	(42,424)	-	(42,424)	(25,216,422)	(250,975)	(42,873)	-	(42,873)	(19,771,685)		(20,065,533)
<b>Total claims incurred (Net)</b>	<b>289,554</b>	<b>100,787</b>	<b>-</b>	<b>100,787</b>	<b>18,104,763</b>	<b>162,904</b>	<b>37,950</b>	<b>-</b>	<b>37,950</b>	<b>10,940,101</b>		<b>11,140,955</b>

\* Refer to Schedule - 2(A)



**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

Schedules to the Financial Statements

**SCHEDULE – 2 (A)**

**CLAIMS INCURRED [NET]**

**MISCELLANEOUS CLAIMS INCURRED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2024**

(Rs in '000)

Particulars	MISCELLANEOUS											TOTAL
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL	
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS		
Claims paid												
Direct	3,660,864	4,097,684	7,758,548	12,063	4,032	16,013	2,866,095	33,902	47,801	4,819		10,743,273
Add : Reinsurance accepted	-	-	-	2,912	-	-	1,224,298	-	-	-	-	1,227,210
Less : Reinsurance ceded	(859,941)	(516,100)	(1,376,041)	(11,539)	(2,621)	(708)	(116,765)	(1,424)	(45,212)	(2,407)		(1,556,717)
<b>Net Claims paid</b>	<b>2,800,923</b>	<b>3,581,584</b>	<b>6,382,507</b>	<b>3,436</b>	<b>1,411</b>	<b>15,305</b>	<b>3,973,628</b>	<b>32,478</b>	<b>2,589</b>	<b>2,412</b>		<b>10,413,766</b>
Add : Claims outstanding at the end of the year	995,170	29,805,926	30,801,096	27,263	1,565	20,863	692,622	31,561	7,252	624,060		32,206,282
Less : Claims outstanding at the beginning of the year	(652,962)	(23,325,431)	(23,978,393)	(15,521)	(1,651)	(10,064)	(241,747)	(26,089)	(11,292)	(620,869)		(24,905,626)
<b>Total claims incurred (Net)</b>	<b>3,143,131</b>	<b>10,062,079</b>	<b>13,205,210</b>	<b>15,178</b>	<b>1,325</b>	<b>26,104</b>	<b>4,424,503</b>	<b>37,950</b>	<b>(1,451)</b>	<b>5,603</b>		<b>17,714,422</b>

**MISCELLANEOUS CLAIMS INCURRED [NET] BREAKUP FOR THE YEAR ENDED 31 MARCH 2023**

(Rs in '000)

Particulars	MISCELLANEOUS											TOTAL
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL	
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS		
Claims paid												
Direct	3,805,143	3,532,249	7,337,392	2,995	-	4,234	1,051,343	18,074	48,621	3,825		8,466,484
Add : Reinsurance accepted	-	-	-	217	-	-	-	1,292	-	-	-	1,509
Less : Reinsurance ceded	(1,949,605)	(596,505)	(2,546,110)	(2,558)	-	(209)	(51,747)	(1,119)	(48,137)	(11,953)		(2,661,835)
<b>Net Claims paid</b>	<b>1,855,538</b>	<b>2,935,744</b>	<b>4,791,282</b>	<b>654</b>	<b>-</b>	<b>4,025</b>	<b>999,596</b>	<b>18,247</b>	<b>484</b>	<b>(8,128)</b>		<b>5,806,160</b>
Add : Claims outstanding at the end of the year	652,962	23,325,431	23,978,393	15,521	1,651	10,064	241,747	26,089	11,292	620,869		24,905,626
Less : Claims outstanding at the beginning 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)
<b>Total claims incurred (Net)</b>	<b>2,056,998</b>	<b>7,562,999</b>	<b>9,619,997</b>	<b>(6,210)</b>	<b>(135)</b>	<b>(688)</b>	<b>1,102,692</b>	<b>11,800</b>	<b>(1,560)</b>	<b>214,205</b>		<b>10,940,101</b>

## MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

Schedules to the Financial Statements

### SCHEDULE – 3 COMMISSION

(Rs in '000)

Particulars	YEAR ENDED 31 MAR 2024				YEAR ENDED 31 MAR 2023				TOTAL
	FIRE	MARINE		*MISCELLA-NEOUS	FIRE	MARINE		*MISCELLA-NEOUS	
		MARINE CARGO	MARINE HULL			MARINE CARGO	MARINE HULL		
Commission paid									
Direct	342,324	34,085	-	34,085	188,581	22,394	-	22,394	1,723,017
<b>TOTAL (A)</b>	<b>342,324</b>	<b>34,085</b>	<b>-</b>	<b>34,085</b>	<b>188,581</b>	<b>22,394</b>	<b>-</b>	<b>22,394</b>	<b>1,723,017</b>
Add : Commission on reinsurance accepted	65,473	142	-	142	66,100	2,503	-	2,503	72,663
Less : Commission on reinsurance ceded	(354,850)	(34,915)	-	(34,915)	(321,126)	(33,033)	-	(33,033)	(1,035,047)
<b>Net commission</b>	<b>52,947</b>	<b>(688)</b>	<b>-</b>	<b>(688)</b>	<b>(66,445)</b>	<b>(8,136)</b>	<b>-</b>	<b>(8,136)</b>	<b>760,633</b>

\* Refer to Schedule - 3(A)

### COMMISSION PAID - DIRECT

(Rs in '000)

Particulars	YEAR ENDED 31 MAR 2024				YEAR ENDED 31 MAR 2023				TOTAL
	FIRE	MARINE		*MISCELLA-NEOUS	FIRE	MARINE		*MISCELLA-NEOUS	
		MARINE CARGO	MARINE HULL			MARINE CARGO	MARINE HULL		
Agents	8,796	175	-	175	(48)	46	-	46	43,673
Brokers	323,673	33,901	-	33,901	182,075	22,293	-	22,293	1,410,969
Corporate Agency	9,855	9	-	9	6,550	55	-	55	44,567
Motor Insurance Service Providers	-	-	-	-	-	-	-	-	14,219
Point of Sale	-	-	-	-	-	-	-	-	205,874
Insurance Marketing Firm	-	-	-	-	3	-	-	-	714
Web Aggregators	-	-	-	-	-	-	-	-	3,003
<b>TOTAL (B)</b>	<b>342,324</b>	<b>34,085</b>	<b>-</b>	<b>34,085</b>	<b>188,581</b>	<b>22,394</b>	<b>-</b>	<b>22,394</b>	<b>1,723,017</b>

**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

Schedules to the Financial Statements

**SCHEDULE – 3 (A)**

**COMMISSION**

**MISCELLANEOUS COMMISSION BREAKUP FOR THE YEAR ENDED 31 MARCH 2024**

(Rs in '000)

Particulars	MISCELLANEOUS											TOTAL
	MOTOR		MOTOR TOTAL	ENGINEERING	PUBLIC/PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL	
	MOTOR - OD	MOTOR - TP							OTHER LIABILITY	OTHERS		
Commission paid												
Direct	1,687,568	4,166,358	5,853,926	35,457	61	11,392	798,801	51,719	28,011	2,685		6,782,052
<b>TOTAL (A)</b>	<b>1,687,568</b>	<b>4,166,358</b>	<b>5,853,926</b>	<b>35,457</b>	<b>61</b>	<b>11,392</b>	<b>798,801</b>	<b>51,719</b>	<b>28,011</b>	<b>2,685</b>		<b>6,782,052</b>
Add : Commission on reinsurance accepted	-	-	-	3,602	-	-	116,714	-	(66)	299		120,549
Less : Commission on reinsurance ceded	(117,523)	(89,372)	(206,895)	(40,379)	(72)	(375)	(24,141)	(2,027)	(79,271)	(1,957)		(355,117)
<b>Net commission</b>	<b>1,570,045</b>	<b>4,076,986</b>	<b>5,647,031</b>	<b>(1,320)</b>	<b>(11)</b>	<b>11,017</b>	<b>891,374</b>	<b>49,692</b>	<b>(51,326)</b>	<b>1,027</b>		<b>6,547,484</b>

**MISCELLANEOUS COMMISSION BREAKUP FOR THE YEAR ENDED 31 MARCH 2023**

(Rs in '000)

Particulars	MISCELLANEOUS											TOTAL
	MOTOR		MOTOR TOTAL	ENGINEERING	PUBLIC/PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL	
	MOTOR - OD	MOTOR - TP							OTHER LIABILITY	OTHERS		
Commission paid												
Direct	1,128,687	193,287	1,321,974	11,426	69	2,933	145,936	8,948	22,146	(1,390)		1,512,042
<b>TOTAL (A)</b>	<b>1,128,687</b>	<b>193,287</b>	<b>1,321,974</b>	<b>11,426</b>	<b>69</b>	<b>2,933</b>	<b>145,936</b>	<b>8,948</b>	<b>22,146</b>	<b>(1,390)</b>		<b>1,512,042</b>
Add : Commission on reinsurance accepted	-	-	-	3,603	-	-	-	-	448	9		4,060
Less : Commission on reinsurance ceded	(517,371)	(51,726)	(569,097)	(19,335)	(69)	(163)	(26,092)	(1,306)	(61,073)	(3,753)		(680,888)
<b>Net commission</b>	<b>611,316</b>	<b>141,561</b>	<b>752,877</b>	<b>(4,306)</b>	<b>-</b>	<b>2,770</b>	<b>119,844</b>	<b>7,642</b>	<b>(38,479)</b>	<b>(5,134)</b>		<b>835,214</b>

**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

Schedules to the Financial Statements

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

(Rs in '000)

Particulars	YEAR ENDED 31 MAR 2024					YEAR ENDED 31 MAR 2023					
	FIRE	MARINE		*MISCELLANEOUS	TOTAL	FIRE	MARINE		*MISCELLANEOUS	TOTAL	
		MARINE CARGO	MARINE HULL				MARINE TOTAL	MARINE CARGO			MARINE HULL
Employees' remuneration and welfare benefits	190,875	19,880	-	19,880	2,279,537	206,643	19,596	-	19,596	1,646,902	1,873,141
Travel, conveyance and vehicle running expenses	9,222	986	-	986	82,895	11,445	1,123	-	1,123	68,402	80,970
Training expenses	658	70	-	70	5,918	475	45	-	45	3,790	4,310
Rents, rates and taxes	18,843	2,448	-	2,448	192,089	12,288	1,243	-	1,243	97,091	110,622
Repairs and maintenance	5,395	577	-	577	48,493	4,630	454	-	454	27,668	32,752
Printing and stationery	1,565	169	-	169	14,065	1,940	192	-	192	11,595	13,727
Communication	3,095	332	-	332	27,821	4,444	435	-	435	26,559	31,438
Legal and professional charges	11,031	1,180	-	1,180	145,127	14,277	1,400	-	1,400	118,591	134,268
Auditors' fees, expenses etc.											
(a) as auditor	534	58	-	58	4,800	509	50	-	50	3,041	3,600
(b) as adviser or in any other capacity, in respect of											
(i) Taxation matters	50	6	-	6	450	153	15	-	15	917	1,085
(ii) Insurance matters	113	14	-	14	1,015	74	8	-	8	443	525
(c) out of pocket expenses	45	5	-	5	403	41	5	-	5	246	292
Advertisement and publicity	502	54	-	54	889,293	87,277	87,277	-	87,277	5,314,805	6,291,375
Interest and bank charges	15,030	1,606	-	1,606	135,101	17,808	1,749	-	1,749	106,430	125,987
Others											
Manpower hire charges	1,901	204	-	204	17,088	9,631	945	-	945	57,557	68,133
Information technology expenses	26,813	2,866	-	2,866	241,014	28,067	2,755	-	2,755	167,742	198,564
Membership fees and subscription expenses	1,740	185	-	185	15,637	1,521	149	-	149	9,088	10,758
Business promotion expenses	1,441	154	-	154	12,949	3,464	340	-	340	20,705	24,509
Miscellaneous expenses	17,085	1,783	-	1,783	77,110	10,467	511	-	511	37,444	48,422
Insurance Awareness	334	36	-	36	3,003	-	-	-	-	-	-
Brand / Trade Mark usage fee / charges	16	2	-	2	141	-	-	-	-	-	-
Depreciation	18,132	1,939	-	1,939	162,986	17,928	1,760	-	1,760	107,148	126,836
<b>TOTAL</b>	<b>324,420</b>	<b>34,554</b>	<b>-</b>	<b>34,554</b>	<b>3,472,157</b>	<b>1,235,098</b>	<b>120,052</b>	<b>-</b>	<b>120,052</b>	<b>7,826,164</b>	<b>9,181,314</b>

\* Refer to Schedule - 4(A)

**MAGMA HDI GENERAL INSURANCE COMPANY LIMITED**

Schedules to the Financial Statements

**SCHEDULE – 4 (A)**

**MISCELLANEOUS OPERATING EXPENSES RELATED TO INSURANCE BUSINESS BREAK UP FOR THE YEAR ENDED 31 MARCH 2024**

(Rs in '000)

Particulars	MISCELLANEOUS											TOTAL
	MOTOR			ENGINEERING	PUBLIC/PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL	
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS		
Employees' remuneration and welfare benefits	440,453	870,711	1,311,164	12,292	22	2,224	684,087	17,544	40,919	530	2,068,782	
Travel, conveyance and vehicle running expenses	14,719	37,445	52,164	608	1	96	17,327	436	2,029	26	72,687	
Training expenses	1,051	2,674	3,725	43	-	7	1,237	31	145	2	5,190	
Rents, rates and taxes	30,890	76,575	107,465	1,242	2	213	55,086	2,591	4,146	53	170,798	
Repairs and maintenance	8,610	21,905	30,515	356	1	56	10,136	255	1,187	15	42,521	
Printing and stationery	2,497	6,353	8,850	103	-	16	2,940	74	344	4	12,331	
Communication	4,940	12,567	17,507	204	-	32	5,815	146	681	9	24,394	
Legal and professional charges	46,269	44,788	91,057	727	1	115	38,036	522	2,427	31	132,916	
Auditors' fees, expenses etc.												
(a) as auditor	852	2,168	3,020	35	-	6	1,003	25	117	2	4,208	
(b) as adviser or in any other capacity, in respect of												
(i) Taxation matters	80	203	283	3	-	1	94	2	11	-	394	
(ii) Insurance matters	180	458	638	7	-	1	212	5	25	-	888	
(c) out of pocket expenses	72	182	254	3	-	-	84	2	10	-	353	
Advertisement and publicity	802	2,039	2,841	33	-	5	944	24	111	1	3,959	
Interest and bank charges	23,989	61,027	85,016	991	2	156	28,239	711	3,307	43	118,465	
Others												
Manpower hire charges	3,034	7,719	10,753	125	-	20	3,572	90	418	5	14,983	
Information technology expenses	42,794	108,870	151,664	1,767	3	279	50,378	1,268	5,900	76	211,335	
Membership fees and Subscription expenses	2,777	7,063	9,840	115	-	18	3,269	82	383	5	13,712	
Business promotion expenses	2,299	5,849	8,148	95	-	15	2,707	68	317	4	11,354	
Miscellaneous expenses	11,104	28,248	39,352	1,551	1	73	15,229	377	1,632	27	58,242	
Insurance Awareness	533	1,356	1,889	22	-	3	628	16	74	1	2,633	
Brand / Trade Mark usage fee / charges	25	64	89	1	-	-	29	1	3	-	123	
Depreciation	28,940	73,623	102,563	1,195	2	188	34,068	858	3,990	51	142,915	
<b>TOTAL</b>	<b>666,910</b>	<b>1,371,887</b>	<b>2,038,797</b>	<b>21,518</b>	<b>35</b>	<b>3,524</b>	<b>955,120</b>	<b>25,128</b>	<b>68,176</b>	<b>885</b>	<b>3,113,183</b>	

MISCELLANEOUS OPERATING EXPENSES RELATED TO INSURANCE BUSINESS BREAKUP FOR THE YEAR ENDED 31 MARCH 2023

(Rs in '000)

Particulars	MISCELLANEOUS										TOTAL
	MOTOR			ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSA- TION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		
	MOTOR - OD	MOTOR - TP	MOTOR TOTAL						OTHER LIABILITY	OTHERS	
Employees' remuneration and welfare benefits	411,857	755,719	1,167,576	7,057	24	1,106	421,699	16,622	32,818	-	1,646,902
Travel, conveyance and vehicle running expenses	18,364	39,824	58,188	401	1	58	7,581	300	1,873	-	68,402
Training expenses	948	1,739	2,687	16	0	3	970	38	76	-	3,790
Rents, rates and taxes	20,061	43,504	63,565	430	1	72	29,296	1,717	2,009	1	97,091
Repairs and maintenance	7,428	16,108	23,536	162	1	24	3,067	121	757	-	27,668
Printing and stationery	3,113	6,751	9,864	68	-	10	1,285	51	317	-	11,595
Communication	7,130	15,462	22,592	156	1	23	2,944	116	727	-	26,559
Legal and professional charges	46,273	49,675	95,948	500	2	73	19,358	374	2,336	-	118,591
Auditors' fees, expenses etc											
(a) as auditor	816	1,771	2,587	18	-	3	337	13	83	-	3,041
(b) as adviser or in any other capacity, in respect of											
(i) Taxation matters	246	534	780	5	-	1	102	4	25	-	917
(ii) Insurance matters	119	258	377	3	-	-	49	2	12	-	443
(c) out of pocket expenses	66	144	210	1	-	-	27	1	7	-	246
Advertisement and publicity	1,426,889	3,094,289	4,521,178	31,134	105	4,524	589,066	23,292	145,506	-	5,314,805
Interest and bank charges	28,574	61,964	90,538	623	2	91	11,796	466	2,914	-	106,430
Others											
Manpower hire charges	15,453	33,510	48,963	337	1	49	6,379	252	1,576	-	57,557
Information technology expenses	45,034	97,660	142,694	983	3	143	18,592	735	4,592	-	167,742
Membership fees and Subscription expenses	2,440	5,291	7,731	53	-	8	1,007	40	249	-	9,088
Business promotion expenses	5,559	12,054	17,613	121	-	18	2,295	91	567	-	20,705
Miscellaneous expenses	8,509	18,453	26,962	329	1	27	5,032	2,379	2,095	619	37,444
Insurance Awareness	-	-	-	-	-	-	-	-	-	-	-
Brand / Trade Mark usage fee / charges	-	-	-	-	-	-	-	-	-	-	-
Depreciation	28,766	62,382	91,148	628	2	91	11,876	470	2,933	-	107,148
<b>TOTAL</b>	<b>2,077,645</b>	<b>4,317,092</b>	<b>6,394,737</b>	<b>43,025</b>	<b>144</b>	<b>6,324</b>	<b>1,132,758</b>	<b>47,084</b>	<b>201,472</b>	<b>620</b>	<b>7,826,164</b>

## SCHEDULE – 5 SHARE CAPITAL

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>Authorised Capital</b>		
350,000,000 (Previous Year - 350,000,000) Equity Shares of Rs 10/- each fully paid-up	3,500,000	3,500,000
<b>Issued Capital</b>		
269,302,193 (Previous Year - 246,669,177) Equity Shares of Rs 10/- each fully paid-up	2,693,022	2,466,692
<b>Subscribed Capital</b>		
269,302,193 (Previous Year - 246,669,177) Equity Shares of Rs 10/- each fully paid-up	2,693,022	2,466,692
<b>Called-up- Capital</b>		
269,302,193 (Previous Year - 246,669,177) Equity Shares of Rs 10/- each fully paid-up	2,693,022	2,466,692
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	-	-
<b>TOTAL</b>	<b>2,693,022</b>	<b>2,466,692</b>

## SCHEDULE – 5A PATTERN OF SHAREHOLDING

(As certified by the management)

Shareholder	As at 31 Mar 2024		As at 31 Mar 2023	
	No of Shares	% of Holding	No of Shares	% of Holding
<b>Promoters</b>				
Indian	259,211,612	96.25%	210,498,112	85.34%
Foreign	-	-	32,000,000	12.97%
<b>Others</b>	10,090,581	3.75%	4,171,065	1.69%
<b>TOTAL</b>	<b>269,302,193</b>	<b>100.00%</b>	<b>246,669,177</b>	<b>100.00%</b>

## SCHEDULE – 6 RESERVES AND SURPLUS

(Rs in '000)

Particulars	As at 31 Mar 2024		As at 31 Mar 2023	
Capital reserve		-		-
Capital redemption reserve		-		-
Share premium				
Balance brought forward from Previous Year	9,209,763		2,780,294	
Add: Addition during the period / year	1,612,246		6,450,229	
Less: Share / Debenture Issue Expenses	(49,232)	10,772,777	(20,760)	9,209,763
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 period / year	-	-	-	-
Balance of profit in profit & loss account		-		-
<b>TOTAL</b>		<b>10,772,777</b>		<b>9,209,763</b>

## SCHEDULE - 7 BORROWINGS

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Debentures/ Bonds (Refer Note 17.20c)	4,250,000	1,000,000
Banks (Refer Note below)		
- Due within 12 months	141	450
- Due after 12 months	-	141
Financial institutions (Refer Note below)		
- Due within 12 months	-	-
- Due after 12 months	-	-
Others	-	-
<b>TOTAL</b>	<b>4,250,141</b>	<b>1,000,591</b>

Note:-

Borrowing is secured by hypothecation of vehicles, the WDV of which is Rs. Nil (Previous Year Rs. 366 thousands)

## SCHEDULE - 8 INVESTMENTS - SHAREHOLDERS (Refer Note 16.10)

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including treasury bills	5,184,470	4,020,932
Other approved securities	56,062	49,848
Other investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual funds	-	-
(c) Debentures/ Bonds	2,101,607	1,022,850
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	-	10,022
Investments in infrastructure and housing	2,905,751	2,081,483
<b>TOTAL LONG TERM INVESTMENTS</b>	<b>10,247,890</b>	<b>7,185,135</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including treasury bills	-	-
Other approved securities	-	-
Other investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual funds	336,355	155,425
(c) Debentures/ Bonds	307,446	100,869
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	233,760	52,501
Investments in infrastructure and housing	153,842	35,705
<b>TOTAL SHORT TERM INVESTMENTS</b>	<b>1,031,403</b>	<b>344,500</b>
<b>TOTAL</b>	<b>11,279,293</b>	<b>7,529,635</b>

### 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	10,247,890	7,185,135
	-Market Value	10,288,549	7,016,468
Short Term Investments	-Book Value	695,048	189,075
	-Market Value	693,704	187,440
Total	-Book Value	10,942,938	7,374,210
	-Market Value	10,982,253	7,203,908



3) Aggregate value of the investments in Mutual funds

Long Term Investments	-Book Value	-	-
Short Term Investments	-Book Value	335,980	155,287

- 4) Value of contracts in relation to investments where deliveries are pending Rs. 42,487 thousand (31 March 2023 - Nil) and in respect of sale of Investments where payments are overdue Rs. Nil (31 March 2023 - Nil).
- 5) Investments in Mutual Funds includes Rs. 375 thousand (31 March 2023 - Rs. 138 thousand) being the change in their fair value as at 31 March 2024, which is classified under Fair Value Change Account.
- 6) All the above investments are performing assets.
- 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 – 8A INVESTMENTS - POLICYHOLDERS (Refer Note 16.10)

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including treasury bills	27,029,990	24,063,596
Other approved securities	292,291	298,321
Other investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual funds	-	-
(c) Debentures/ Bonds	10,957,033	6,121,337
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	-	59,978
Investments in infrastructure and housing	15,149,556	12,456,805
<b>TOTAL LONG TERM INVESTMENTS</b>	<b>53,428,870</b>	<b>43,000,037</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including treasury bills	-	-
Other approved securities	-	-
Other investments		
(a) Shares		
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual funds	1,753,638	930,150
(c) Debentures/ Bonds	1,602,916	603,656
(d) Investment properties-real estate	-	-
(e) Other securities (Bank deposits)	1,218,740	314,199
Investments in infrastructure and housing	802,077	213,682
<b>TOTAL SHORT TERM INVESTMENTS</b>	<b>5,377,371</b>	<b>2,061,687</b>
<b>TOTAL</b>	<b>58,806,241</b>	<b>45,061,724</b>

### 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	53,428,870	43,000,037
	-Market Value	53,640,847	41,990,632
Short Term Investments	-Book Value	3,623,733	1,131,537
	-Market Value	3,616,725	1,121,753
Total	-Book Value	57,052,603	44,131,574
	-Market Value	57,257,572	43,112,385

3) Aggregate value of the investments in Mutual funds

Long Term Investments	-Book Value	-	-
Short Term Investments	-Book Value	1,751,685	929,325

- 4) Value of contracts in relation to investments where deliveries are pending Rs. 221,511 thousand (31 March 2023 - Nil) and in respect of sale of Investments where payments are overdue Rs. Nil (31 March 2023 - Nil).
- 5) Investments in Mutual Funds includes Rs. 1,953 thousand (31 March 2023 - Rs. 825 thousand) being the change in their fair value as at 31 March 2024, which is classified under Fair Value Change Account.
- 6) All the above investments are performing assets.
- 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 2024	As at 31 Mar 2023
<b>SECURITY-WISE CLASSIFICATION</b>		
<b>Secured</b>		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
<b>Unsecured</b>	5,664	-
<b>TOTAL</b>	5,664	-
<b>BORROWER-WISE CLASSIFICATION</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others (Employee Benefit Trust)	5,664	-
<b>TOTAL</b>	5,664	-
<b>PERFORMANCE-WISE CLASSIFICATION</b>		
(a) Loans classified as standard		
(aa) In India	5,664	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
<b>TOTAL</b>	5,664	-
<b>MATURITY-WISE CLASSIFICATION</b>		
(a) Short Term	5,664	-
(b) Long Term	-	-
<b>TOTAL</b>	5,664	-

## MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

Schedules to the Financial Statements

### SCHEDULE – 10 FIXED ASSETS

(Rs in '000)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	OPENING AS AT 01 APR 2023	ADDITIONS / TRANSFER	DEDUCTIONS / TRANSFER	CLOSING AS AT 31 MAR 2024	AS AT 01 APR 2023	FOR THE YEAR ENDED 31 MAR 2024	ON SALES/ ADJUSTMENTS	AS AT 31 MAR 2024	AS AT 31 MAR 2024
Computer Software*	408,069	58,813	3,182	463,700	241,525	73,800	3,180	312,145	151,555
Leasehold improvements	99,792	87,470	9,242	178,020	16,383	27,561	6,684	37,260	140,760
Furniture & Fittings	30,073	14,780	443	44,410	13,991	6,571	400	20,162	24,248
Information Technology Equipment	157,509	25,897	8,923	174,483	96,658	38,917	8,783	126,792	47,691
Vehicles	9,503	5,035	4,197	10,341	9,137	1,295	4,101	6,331	4,010
Office Equipment	62,751	14,077	2,557	74,271	11,925	14,084	2,514	23,495	50,776
Electronic Equipment	1,053	996	161	1,888	902	758	132	1,528	360
<b>TOTAL</b>	<b>768,750</b>	<b>207,068</b>	<b>28,705</b>	<b>947,113</b>	<b>390,521</b>	<b>162,986</b>	<b>25,794</b>	<b>527,713</b>	<b>419,400</b>
Capital Work in Progress	38,989	51,556	65,375	25,170	-	-	-	-	25,170
<b>Grand Total</b>	<b>807,739</b>	<b>258,624</b>	<b>94,080</b>	<b>972,283</b>	<b>390,521</b>	<b>162,986</b>	<b>25,794</b>	<b>527,713</b>	<b>444,570</b>

(Rs in '000)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK		
	OPENING AS AT 01 APR 2022	ADDITIONS / TRANSFER	DEDUCTIONS / TRANSFER	CLOSING AS AT 31 MAR 2023	AS AT 01 APR 2022	FOR THE YEAR ENDED 31 MAR 2023	ON SALES/ ADJUSTMENTS	AS AT 31 MAR 2023	AS AT 31 MAR 2023
Computer Software*	375,596	57,176	24,703	408,069	202,079	63,082	23,636	241,525	166,544
Leasehold improvements	19,295	86,625	6,128	99,792	11,038	9,658	4,313	16,383	83,409
Furniture & Fittings	1,948	30,477	2,352	30,073	1,761	12,974	744	13,991	16,082
Information Technology Equipment	129,003	40,290	11,784	157,509	77,209	30,846	11,397	96,658	60,851
Vehicles	11,267	-	1,764	9,503	9,502	1,399	1,764	9,137	366
Office Equipment	2,174	56,906	(3,671)	62,751	1,828	8,167	(1,930)	11,925	50,826
Electronic Equipment	4,585	670	4,202	1,053	2,066	710	1,874	902	151
<b>TOTAL</b>	<b>543,868</b>	<b>272,144</b>	<b>47,262</b>	<b>768,750</b>	<b>305,483</b>	<b>126,836</b>	<b>41,798</b>	<b>390,521</b>	<b>378,229</b>
Capital Work in Progress	37,141	37,076	35,228	38,989	-	-	-	-	38,989
<b>Grand Total</b>	<b>581,009</b>	<b>309,220</b>	<b>82,490</b>	<b>807,739</b>	<b>305,483</b>	<b>126,836</b>	<b>41,798</b>	<b>390,521</b>	<b>417,218</b>

\* useful life of software is ranging between 1 to 13 years.

## MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

Schedules to the Financial Statements

### SCHEDULE – 11 CASH AND BANK BALANCES

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Cash (including cheques, drafts and stamps)	5,646	-
Bank balances		
(a) Deposit accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current accounts	375,503	3,023,336
(c) Others	-	-
Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	-	-
Others	-	-
<b>TOTAL</b>	<b>381,149</b>	<b>3,023,336</b>

### SCHEDULE – 12 ADVANCES AND OTHER ASSETS

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
<b>ADVANCES</b>		
Reserve deposits with ceding companies	-	-
Application money for investments	-	-
Prepayments	53,774	28,945
Advances to directors/officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	73,072	99,841
<b>Others</b>		
Advance recoverable in cash or in kind	114,200	120,319
Advance to employees	1,031	1,011
Gratuity (excess of plan assets over obligation)	11,980	12,561
<b>TOTAL (A)</b>	<b>254,057</b>	<b>262,677</b>
<b>OTHER ASSETS</b>		
Income accrued on investments	1,883,394	1,210,560
Outstanding premiums	-	-
Agents' balances	-	-
Foreign agencies balances	-	-
Due from other insurance companies, including reinsurers (net)	1,343,904	601,759
Due from subsidiaries/ holding company	-	-
Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
<b>Others</b>		
Unutilised GST Credit / Service Tax Credit (net)	-	299,619
Unsettled investment contract receivable	454,982	150,508
Unclaimed amount of policyholders (Investments)	28,359	33,660
Deposits	186,541	73,894
<b>TOTAL (B)</b>	<b>3,897,180</b>	<b>2,370,000</b>
<b>TOTAL (A+B)</b>	<b>4,151,237</b>	<b>2,632,677</b>

## MAGMA HDI GENERAL INSURANCE COMPANY LIMITED

Schedules to the Financial Statements

### SCHEDULE – 13 CURRENT LIABILITIES

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Agents' balances	217,345	21,926
Balances due to other insurance companies (net)	1,731,306	1,216,485
Deposits held on reinsurance ceded	175,037	881,843
Premium received in advance	7,717,404	7,476,482
Unallocated premium	51,927	37,869
Sundry creditors	1,028,502	2,094,952
Due to subsidiaries / holding company	-	-
Claims outstanding (net)	32,718,475	25,229,884
Due to directors / officers	-	-
Unclaimed amount of policyholders (Refer Note 17.32)	27,861	33,037
Others -		
Due to policyholders	24,508	17,700
GST Liability (net)	83,746	-
TDS payable	126,414	107,331
Unsettled Investment Contracts Payable	263,998	-
Other statutory dues	19,045	16,337
Book Overdraft	196,097	420,674
Employee Payables	47,323	34,390
Interest accrued but not due on Non-convertible debenture	49,346	432
Other payable	1,892,485	670,675
<b>TOTAL</b>	<b>46,370,819</b>	<b>38,260,017</b>

### SCHEDULE – 14 PROVISIONS

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Reserve for Unearned Premium	15,647,739	10,821,719
Reserve for Premium Deficiency	4,255	2,320
For taxation (net of advance tax and tax deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Provision for employee benefit	279,018	237,445
Provision for diminution in value of Investments	-	-
Others	5,342	5,042
<b>TOTAL</b>	<b>15,936,354</b>	<b>11,066,526</b>

### SCHEDULE – 15 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

(Rs in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
Discount allowed in issue of shares/ debentures	-	-
Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**SCHEDULE – 16:****Significant Accounting Policies forming part of the Financial Statements for the year ended 31 March 2024****Background**

Magma HDI General Insurance Company Limited ('the Company') was incorporated on 26th June 2009. 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. The Company was formed as 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. Pursuant to preferential allotment to and secondary acquisition of shares by Sanofi Properties LLP ('Sanofi'), an entity predominantly held by Mr. Adar Poonawalla, Sanofi is now a majority shareholder in the Company.

**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, stamp duty and taxes etc, 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.

Sliding scale commission under reinsurance treaties, wherever applicable, is determined at every balance sheet date as per terms of the respective treaties.

**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.

**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 and Marine Cargo 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 and various other circulars / notifications issued by the IRDAI in this context, as amended from time to time. Investments maturing within twelve months from the balance sheet date or investments made with the specific intention to dispose off within twelve months from the date of purchase 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 as amended from time to time. 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 of the security

#### Mutual Funds

Investment in Mutual Fund units are stated at 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 a NPA if the interest and / or instalment of principal remain overdue for more than 90 days. Once an investment gets classified as NPA, any unrealized interest is reversed from the 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 any of its 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 an 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 of that particular segment.

Miscellaneous Income which is directly identifiable is allocated on actuals to Revenue Account(s) and Profit and Loss Account as applicable. Miscellaneous Income in Revenue Account which is not directly identifiable has been allocated to different segments on the basis of respective Gross Written Premium of that particular segment.

**(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.

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 & Fittings	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.

Management reviews its estimate of useful life at each Balance Sheet date.

**(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.

#### (ii) Long Term Employee Benefits

##### A) 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.

##### B) 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.

##### C) 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 Contingencies

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, other than insurance contracts, is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

### **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 (i) 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 crore.

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.

### **(ii) Marine Cargo Pool**

General Insurance Companies have entered into an arrangement effective 01 June 2022 by creating a pool managed by GIC Re to share in the insurance of Marine Cargo risk insured in the Excluded Territories and War / SRCC risk. Excluded Territories means the Republic of Belarus, Ukraine and / or the Russian Federation.

The members will cede the entire premium underwritten in the above risk categories, after the obligatory cession, to the pool in accordance with the terms of the arrangement. GIC Re retro cedes to the Company, pool premium to the extent of the share agreed to be borne by the Company in the risk, which is recorded as reinsurance accepted. The reinsurance accepted on account of marine cargo pool has been recorded in accordance with the last statement received from the GIC Re.

### **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 4 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 1st March 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 5 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 equivalents include cash and cheques in hand, bank balances and fixed deposits (other than fixed deposits forming part of investment portfolio as per IRDAI investment regulations) with original maturity of three months or less which are subject to insignificant risk of changes in values.

**16.30 Goods and Service Tax**

The Goods and Service Tax ("GST") is collected as per the GST Laws in force and the same is considered as a liability. The Input Tax Credit (ITC) eligible as per the GST Laws is considered as an asset. The ineligible ITC is examined and expensed off on such determination. The eligible unutilised ITC, if any, is carried forward for utilisation in subsequent periods.

**SCHEDULE – 17:**

**Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2024**

**17.1 Contingent Liabilities**

(Rs in '000)

Particulars		As at 31 Mar 2024	As at 31 Mar 2023
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 <sup>i</sup>	250,268	250,268
	• Goods and Service Tax <sup>ii</sup>	1,565,150	23,764
	• Income Tax	13	13
6	Reinsurance obligations to the extent not provided for in accounts	-	-
7	Others <sup>iii</sup>	-	600,000

<sup>i</sup> The Company had received a Show Cause Notice (SCN) from Service Tax Authorities in FY 2020-21 with respect to payments done to motor dealers, raising a demand of Rs. 250,268 thousand 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.

<sup>ii</sup> The Company has received certain demand notices under the provisions of CGST / SGST Act, 2017 against which the Company has filed / is in the process of filing appeals before the appropriate Authorities.

Apart from the contingent liabilities mentioned above, there are Show Cause Notices issued by various Government Authorities which are not considered as Obligation. When the demand notices are raised against such show cause notices and are disputed by the Company, these are classified accordingly.

<sup>iii</sup> In respect of a regulatory matter pertaining to the capital raise in the year 2012 wherein an order dated 24 November 2021 was issued by the Government authority levying a penalty of Rs. 600,000 thousand on the Company for alleged violations of Foreign Exchange and Management Act (FEMA) and rules and regulations made thereunder, the Hon'ble High Court at Calcutta has on a further petition filed by the Company passed an order dated 05 July 2023 allowing the original promoter entity "Celica Developers Pvt Ltd" to pay the penalty and disposed of the writ petition. The High Court in its order has clarified that the payment by Celica shall not amount to any admission or acceptance of violation of any law by the Company and the said order shall not be treated as being prejudicial to the interests of the Company by any regulatory / statutory authorities in the course of conducting business and / or seeking any regulatory compliance / approval.

Celica has deposited the amount as per the directions of the High Court. This brings closure to the matter thereby discharging the Company from all the obligations under the aforesaid order and has no financial implication on the Company.

**17.2 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 2024 (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.

**17.3 Encumbrances on Assets**

The assets of the Company are free from any encumbrances except in case of security deposits of Rs. 82,567 thousand (Previous Year - Rs. 72,353 thousand) provided by the Company to the lessors under the operating lease agreements and fixed assets (vehicles) WDV of Rs. Nil thousand (Previous Year - Rs. 366 thousand) which is hypothecated under finance arrangement with bank.

**17.4 Capital Commitments**

- a. There are no commitments made and outstanding for Loans and Investments as at 31 March 2024 (Previous Year - Nil).
- b. Estimated amount of commitment pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is Rs. 76,677 thousand as at 31 March 2024 (Previous Year - Rs. 65,220 thousand).

**17.5 Premium**

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

**17.6 Sector wise business based on Gross Direct Premium (GDP)**

Business Sector	Year ended 31 Mar 2024		Year ended 31 Mar 2023	
	GDP (Rs. in '000)	% of GDP	GDP (Rs. in '000)	% of GDP
Rural	9,623,724	31.6	8,875,497	35.0
Urban	20,818,189	68.4	16,465,708	65.0
<b>Total</b>	<b>30,441,913</b>	<b>100.0</b>	<b>25,341,205</b>	<b>100.0</b>

Business Sector	Year ended 31 Mar 2024		Year ended 31 Mar 2023	
	GDP (Rs. in '000)	No. of Lives	GDP (Rs. in '000)	No. of Lives
Social	38,078	101,182	18,615	76,171

As against the minimum rural contribution of 7.0% of GDPI mandated by IRDAI, the Company’s rural contribution for the year stands at 31.6%. As against the minimum requirement of 5.0% of the total lives written in previous year, the Company’s social sector contribution for the year stands at 5.5%.

**17.7 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 2024

(Rs. in '000)

Particulars	Basis	Gross Premium	Retention	Cession	Retention %	Cession %
Fire	Total Sum Insured	3,665,785	777,170	2,888,615	21.2%	78.8%
Marine Cargo	Value at Risk	391,942	105,156	286,786	26.8%	73.2%
Marine Hull	NA	-	-	-	-	-
Miscellaneous						
Motor	Total Sum Insured	20,735,336	19,897,917	837,419	96.0%	4.0%
Engineering	Total Sum Insured	241,591	33,061	208,530	13.7%	86.3%
Public/ Product Liability	Value at Risk	433	156	277	36.0%	64.0%
Workmen's Compensation	Value at Risk	38,078	36,555	1,523	96.0%	4.0%
Health Insurance	Value at Risk	6,887,618	6,692,323	195,295	97.2%	2.8%
Personal Accident	Value at Risk	173,380	164,287	9,093	94.8%	5.2%
Other Liability	Value at Risk	806,616	18,282	788,334	2.3%	97.7%
Others	Value at Risk	10,383	3,314	7,069	31.9%	68.1%
<b>Total</b>		<b>32,951,162</b>	<b>27,728,220</b>	<b>5,222,942</b>	<b>84.1%</b>	<b>15.9%</b>

The above excludes Excess of Loss cover reinsurance premium and re-instatement premium of Rs. 238,325 thousand for the year ended on 31 March 2024.

For the year ended on 31 March 2023

(Rs. in '000)

Particulars	Basis	Gross Premium	Retention	Cession	Retention %	Cession %
Fire	Total Sum Insured	3,659,515	964,689	2,694,826	26.4%	73.6%
Marine Cargo	Value at Risk	359,151	68,691	290,460	19.1%	80.9%
Marine Hull	NA	-	-	-	-	-
Miscellaneous						
Motor	Total Sum Insured	18,605,014	16,082,672	2,522,342	86.4%	13.6%
Engineering	Total Sum Insured	128,117	17,581	110,536	13.7%	86.3%
Public/ Product Liability	Value at Risk	432	155	277	35.9%	64.1%
Workmen's Compensation	Value at Risk	18,615	17,867	748	96.0%	4.0%
Health Insurance	Value at Risk	2,424,056	2,323,334	100,722	95.8%	4.2%
Personal Accident	Value at Risk	95,849	89,862	5,987	93.8%	6.2%
Other Liability	Value at Risk	598,771	18,995	579,776	3.2%	96.8%
Others	Value at Risk	(6,609)	1,323	(7,932)	-20.0%	120.0%
<b>Total</b>		<b>25,882,911</b>	<b>19,585,169</b>	<b>6,297,742</b>	<b>75.7%</b>	<b>24.3%</b>

The above excludes Excess of Loss cover reinsurance premium and re-instatement premium of Rs. 156,138 thousand for the year ended on 31 March 2023.

### 17.8 Reinsurance Regulations

As per Insurance Regulatory and Development Authority (General Insurance - Reinsurance) (Amendment) Regulations, 2023, 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.

### 17.9 Premium Deficiency Reserve

The Company has recognised Premium Deficiency Reserve on segment basis amounting to Rs. 4,255 thousand as at 31 March 2024 (Previous year - Rs.2,320 thousand).

### 17.10 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 2024	Year ended 31 Mar 2023
In India	10,612,972	5,989,927
Outside India	400	139

- 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 2024	Year ended 31 Mar 2023
More than 6 months	12,566,997	7,969,305
Others	5,424,493	3,601,125

- 17.11 Expenses directly identifiable with investment activity amounting to Rs. 3,739 thousand (Previous year - Rs. 2,890 thousand) are included under "Investment Expenses" in the Profit and Loss Account.

### 17.12 Employee Benefit Plans

#### Defined Contribution Plan

(Rs in '000)

Expenses on defined contribution plan	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Contribution to Staff Provident Fund	95,877	80,408
Contribution to National Pension Scheme	10,158	7,099

#### 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 2024. 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 2024	Year ended 31 Mar 2023
	Gratuity	Gratuity
Opening defined benefit obligation	97,409	75,926
Current service cost	17,717	15,378
Past service cost	-	354
Interest cost	6,783	4,438
Actuarial losses/(gains)	9,606	7,406
Benefit paid	(8,465)	(6,093)
Closing defined benefit obligation	123,051	97,409

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

(Rs. in '000)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
	Gratuity	Gratuity
Opening fair value of the plan assets	109,969	80,146
Interest Income on plan assets	8,274	5,602
Contributions by employer	24,603	29,768
Actuarial (losses)/gains	649	546
Benefit paid	(8,465)	(6,093)
Closing fair value of the plan assets	135,031	109,969

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

(Rs. in '000)

Particulars	As at 31 Mar 2024	As at 31 Mar 2023
	Gratuity	Gratuity
Present value of the defined benefit obligations	(123,051)	(97,409)
Fair value of plan assets	135,031	109,969
Net asset/(liability)	11,980	12,561

**(d) Expense recognized in the Revenue Account**

(Rs. in '000)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
	Gratuity	Gratuity
Current service cost	17,717	15,378
Past service cost	-	354
Interest on defined benefit obligation	6,783	4,438
Net actuarial losses/(gains) recognized	8,957	6,860
Interest income on plan assets	(8,274)	(5,602)
<b>Total included in "Employee benefit expenses"</b>	<b>25,183</b>	<b>21,428</b>

**(e) Summary of actuarial assumptions**

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
	Gratuity	Gratuity
Discount rate	7.16%	7.28%
Salary increase	8.50%	8.50%
Expected rate of return on plan assets	7.67%	7.01%

**(f) Experience adjustments**

(Rs. in '000)

Particulars	31 Mar 2024	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
	Gratuity	Gratuity	Gratuity	Gratuity	Gratuity
Present value of defined benefit obligation	(123,051)	(97,409)	(75,926)	(58,595)	(46,517)
Fair value of plan assets	135,031	109,969	80,146	63,871	50,200
Funded Status - Surplus/(Deficit)	11,980	12,561	4,221	5,276	3,683
Experience (gain)/loss adjustment on plan liabilities	10,421	13,655	7,788	156	(708)
Experience gain/(loss) adjustment on plan assets	649	546	(2,337)	-	-
Experience (gain)/loss adjustment on plan liabilities due to change in assumption	(815)	(6,250)	(2,310)	906	7,690

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 financial year FY 2024-25, amounts to Rs. 36,130 thousand (Previous year - Rs. 25,715 thousand).

**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 2024	Year ended 31 Mar 2023
Opening Balance	76,177	58,615
Add: Provision made during the year	29,075	26,853
Less: Benefits paid during the year	(12,313)	(9,291)
Closing Balance	92,939	76,177

- 17.13** 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.

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

**17.15 Details of outsourcing, business development and marketing expenses:**

(Rs in '000)

Particulars	Year ended 31 Mar 2024	Year ended 31 Mar 2023
Outsourcing expenses	120,302	148,118
Business development	12,949	24,509
Marketing Expenses	4,515	6,291,375

**17.16 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 2024	Year ended 31 Mar 2023
Payable not later than one year	89,753	67,397
Payable later than one year but not later than five years	52,577	88,103
Payable later than five years	-	-

- Rent expense charged to Revenue account include lease rent paid during the year for non-cancellable leases Rs. 79,526 thousand (Previous year Rs. 30,891 thousand)
- The period of agreements ranges between three to nine years and generally renewable thereafter at the option of the lessee.

**17.17 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 :
  - 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 2024	Year ended 31 Mar 2023
Salary, perquisites & allowances (including incentives)	39,868	39,582
Contribution to Provident and other Funds	3,256	2,856
<b>TOTAL</b>	<b>43,124</b>	<b>42,438</b>

Out of the above Rs. 40,000 thousand has been charged to Revenue account and amount in excess of Rs. 40,000 thousand 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 2024	Year ended 31 Mar 2023
Salary, perquisites & allowances (including incentives)	163,220	165,357
Contribution to Provident and other Funds	9,722	7,612
<b>TOTAL</b>	<b>172,942</b>	<b>172,969</b>

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. 9,080 thousand (Previous year - Rs. 7,780 thousand).
- (II) In terms of disclosure requirements as per IRDAI Guidelines on Remuneration of Directors and Key Managerial Persons of Insurers, the summary of disclosures are provided in Annexure 4.

- 17.18** 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 2024	Year ended 31 Mar 2023
MSKA & Associates	Certification	605	405
	Taxation Matters	-	660
Singhi & Co.	Certification	410	120
	Taxation Matters	450	425

- 17.19** In accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2023, operating expenses in excess of overall limits are to be borne by the shareholders. Accordingly, operating expenses in excess of overall limits amounting to Rs. 807,193 thousand (Previous year - Rs. 2,513,399 thousand) are transferred from Revenue account and charged to Profit and loss account.

The Company has filed an application with IRDAI for forbearance from the above Regulation for the FY 2022-23 and FY 2023-24. The approval is in progress.

**17.20 a. Share Capital**

During the year, the Company has allotted 22,093,500 equity shares (Previous year - 91,352,000) under preferential issue and allotted 539,516 equity shares (Previous year - 609,927) under ESOP plan of the Company to the Trust.

**b. Share Application**

The amount of Share application money received by the Company, pending allotment as on balance sheet date is Nil (Previous year - Nil).

**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 Crore)
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, 30 <sup>th</sup> March every year

Security Name	9.70% MAGMA HDI 2033
Type, Nature and Seniority of Instrument	Unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non-convertible Debentures issued on private placement basis fully paid up
Face Value (per security)	Rs. 100,000/- (Rs. One Lakh) per Debenture
Issue Size	Rs. 2,000,000,000/- (Rs. Two Hundred Crore)
Issue Date / Date of Allotment	28/12/2023
Redemption Date	28/12/2033
Call option Date	Annually after 5 years i.e. 28/12/2028, 28/12/2029, 28/12/2030, 28/12/2031, 28/12/2032
Coupon Rate	9.70% per annum
Credit Rating	CARE AA (stable Outlook) & CRISIL AA (Stable Outlook)
Listing	Listed on BSE
Frequency of the Interest Payment	Annually, 28 <sup>th</sup> December every year

Security Name	9.70% MAGMA HDI 2034
Type, Nature and Seniority of Instrument	Unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non-convertible Debentures issued on private placement basis fully paid up
Face Value (per security)	Rs. 100,000/- (Rs. One Lakh) per Debenture
Issue Size	Rs. 750,000,000/- (Rs. Seventy Five Crore)
Issue Date / Date of Allotment	20/03/2024
Redemption Date	20/03/2034
Call option Date	Annually after 5 years i.e. 20/03/2029, 20/03/2030, 20/03/2031, 20/03/2032, 20/03/2033
Coupon Rate	9.70% per annum
Credit Rating	CARE AA (stable Outlook) & CRISIL AA (Stable Outlook)
Listing	Listed on BSE
Frequency of the Interest Payment	Annually, 20 <sup>th</sup> March every year

Security Name	9.75% MAGMA HDI 2034
Type, Nature and Seniority of Instrument	Unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non-convertible Debentures issued on private placement basis fully paid up
Face Value (per security)	Rs. 100,000/- (Rs. One Lakh) per Debenture
Issue Size	Rs. 500,000,000/- (Rs. Fifty Crore)
Issue Date / Date of Allotment	20/03/2024
Redemption Date	20/03/2034
Call option Date	Annually after 8 years i.e. 20/03/2032, 20/03/2033
Coupon Rate	9.75% per annum
Credit Rating	CARE AA (stable Outlook) & CRISIL AA (Stable Outlook)
Listing	Listed on BSE
Frequency of the Interest Payment	Annually, 20 <sup>th</sup> March every year

**(ii) Maturity Pattern from the date of issue:**

Maturity buckets	Borrowings Amount
1 - 5 Yrs	Nil
Above 5 Yrs	Rs.4,250,000,000
<b>Total</b>	<b>Rs.4,250,000,000</b>

**17.21 Employee Stock Option Plan (ESOP)**

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

Under ESOP Plan, during the year 2,280,000 options under Grant VI (Previous year - Nil) were granted at an exercise price of Rs. 86.35 per option (Previous Year - Nil). 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 - 358,400) were vested out of Grant II, 397,000 Options (Previous year - 297,750) from Grant III and 345,750 Options (Previous year - 345,750) from Grant V.

**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

**Grant - VI (Granted in FY 2023-24)**

Vesting (%)	Vesting Period
30%	12 months from date of grant
30%	24 months from date of grant
40%	36 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 2024	31 Mar 2023
Outstanding at the beginning of the year	128,914	290,182
Add: Granted during the year	-	-
Less: Forfeited/lapsed during the year	-	-
Less: Exercised during the year	100,466	161,268
<b>Outstanding at the end of the year</b>	<b>28,448</b>	<b>128,914</b>

**Grant - II**

Particulars	31 Mar 2024	31 Mar 2023
Outstanding at the beginning of the year	312,000	602,500
Add: Granted during the year	-	-
Less: Forfeited/lapsed during the year	-	-
Less: Exercised during the year	105,550	290,500
<b>Outstanding at the end of the year</b>	<b>206,450</b>	<b>312,000</b>

**Grant - III**

Particulars	31 Mar 2024	31 Mar 2023
Outstanding at the beginning of the year	664,000	844,500
Add: Granted during the year	-	-
Less: Forfeited/lapsed during the year	-	8,000
Less: Exercised during the year	256,500	172,500
<b>Outstanding at the end of the year</b>	<b>407,500</b>	<b>664,000</b>

**Grant - IV**

Particulars	31 Mar 2024	31 Mar 2023
Outstanding at the beginning of the year	-	430,000
Add: Granted during the year	-	-
Less: Forfeited/lapsed during the year	-	430,000
Less: Exercised during the year	-	-
<b>Outstanding at the end of the year</b>	<b>-</b>	<b>-</b>

**Grant - V**

Particulars	31 Mar 2024	31 Mar 2023
Outstanding at the beginning of the year	966,500	1,142,500
Add: Granted during the year	-	-
Less: Forfeited/lapsed during the year	100,000	50,000
Less: Exercised during the year	99,000	126,000
<b>Outstanding at the end of the year</b>	<b>767,500</b>	<b>966,500</b>

**Grant - VI**

Particulars	31 Mar 2024	31 Mar 2023
Outstanding at the beginning of the year	-	-
Add: Granted during the year	2,280,000	-
Less: Forfeited/lapsed during the year	-	-
Less: Exercised during the year	-	-
<b>Outstanding at the end of the year</b>	<b>2,280,000</b>	<b>-</b>

**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, Rs. 30.69 for Grant - V and Rs. 36.07 for Grant - VI.

**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, Grant V and Grant VI as on the date of grant viz. 7<sup>th</sup> May 2018, 15<sup>th</sup> January 2020, 22<sup>nd</sup> October 2020, 21<sup>st</sup> January 2021, 17<sup>th</sup> December 2021 and 19<sup>th</sup> February 2024 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
Grant VI	7.00% to 7.04%	3 to 5 Years	38.56% to 41.51%	Nil

**Information in respect of options outstanding as on 31 March 2024**

Particulars	Exercise Price	No. of Options	Weighted Average Remaining Life
Grant I	44.10	28,448	3 months
Grant II	42.08	206,450	16 months
Grant III	50.46	407,500	28 months
Grant IV	50.46	-	Nil
Grant V	79.67	767,500	42 months
Grant VI	86.35	2,280,000	72 months

**17.22 Earning per Share ('EPS')**

Particulars		Units	As at 31 Mar 2024	As at 31 Mar 2023
Profit/(Loss) after Tax	(A)	Rs. '000	(1,412,168)	(2,871,730)
Weighted average number of equity shares (Basic)	(B)	Nos.	263,930,650	201,929,681
Weighted average number of equity shares (Diluted)*	(C)	Nos.	263,930,650	201,929,681
Basic earnings per share	(A/B)	Rs.	(5.35)	(14.22)
Diluted earnings per share*	(A/C)	Rs.	(5.35)	(14.22)
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.

**17.23** 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 2024 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 2024 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 2024 has been carried out by an independent actuary.

**17.24 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 year ended 31 March 2024 (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. Nil for CSR activities for financial year 2023-24 in current year (Previous year - Rs. 700 thousand).

**17.25 Senior Citizens' Welfare Fund**

There are no amounts which are required to be transferred to the Senior Citizens' Welfare Fund (SCWF) Account by the Company for the year ended 31 March 2024 (Previous year Nil). Company has transferred Rs.47 thousand to SCWF Account during the financial year 2023-24 (Previous Year - Nil).

**17.26 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 2024 (Previous year Nil).

**17.27** As at 31 March 2024, the Company did not have any outstanding long term derivative contracts (Previous year Nil)

**17.28 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 direct premium on all motor third party policies towards contribution to the Solatium fund.

During the year, the Company has provided Rs.14,885 thousand (Previous year 12,733 thousand) 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 2023 (Previous year : upto 31 December 2022).

**c. Environment Relief Fund**

During the year, an amount of Rs. 316 thousand (Previous year Rs. 311 thousand) was collected towards Environment Relief Fund for public liability policies and an amount of Rs. 270 thousand (Previous year Rs.326 thousand) has been transferred to "United India Insurance Company Limited, Environment Fund Account" as per Notification of Environment Relief Fund (ERF) scheme under the public liability Insurance Act, 1991 as amended. The balance amount of 46 (Previous year Nil) is included under Current Liabilities in Schedule 13.

**17.29 Solvency Margin**

Particulars		Units	As at 31 Mar 2024	As at 31 Mar 2023
Required Solvency Margin under IRDAI Regulations	(A)	Rs. '000	5,961,188	4,265,815
Available Solvency Margin	(B)	Rs. '000	12,220,601	8,977,809
Solvency Ratio	(B/A)	Times	2.05	2.10
Minimum Solvency Ratio prescribed by Regulation		Times	1.50	1.50

**17.30 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 2024		As at 31 Mar 2023	
	DTA	DTL	DTA	DTL
Unexpired risk reserve (Rule 6E of Income Tax Rules, 1962)	468,928	-	270,948	-
WDV of Fixed assets	-	812	-	12,540
Expense allowed on payment basis	19,516	3,015	15,669	3,161
Provision for standard assets and doubtful debts	1,224	-	1,143	-
Contribution to Solatium Fund	1,406	-	1,406	-
<b>Total deferred tax asset / (liability)</b>	<b>491,074</b>	<b>3,827</b>	<b>289,166</b>	<b>15,701</b>
<b>Net deferred tax asset</b>	<b>487,247</b>	<b>-</b>	<b>273,465</b>	<b>-</b>

**17.31 Related Party Disclosures**

Related Party disclosure as at and for the year ended 31 March 2024.

Names of the related parties and description of relationship:

**Joint Venturer**

Celica Developers Private Limited	HDI Global SE (upto 04/11/2023)
Jaguar Advisory Services Private Limited	Poonawalla Fincorp Limited (formerly Magma Fincorp Limited) (upto 30/05/2022)

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

Sanoti Properties LLP (w.e.f 31/05/2022)	HDI Global Network AG (upto 04/11/2023)
Rising Sun Holdings Private Limited (upto 30/05/2022)	Grihum Housing Finance Limited (formerly Poonawalla Housing Finance Limited) (upto 30/05/2022)

**Directors**

Mayank Poddar	V.K.Viswanathan
Sanjay Chamria	Sunil Mitra
Jens Holger Wohlthat (upto 04/11/2023)	Kailash Nath Bhandari
Sandhya Gadkari Sharma (w.e.f 08/11/2022)	

**Relatives of Directors** (with whom company has transactions):

Mansi Poddar Tulshan (Daughter of Mayank Poddar)
Ashita Poddar Khaitan (Daughter of Mayank Poddar)
Shaili Poddar (Daughter of Mayank Poddar)

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

CLP Business LLP	Celica Automobiles Private Limited
Celica Motocorp Private Limited	Magma Ventures Private Limited (formerly Magma Consumer Finance Private Limited)

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

Celica Properties Private Limited	Mayank Poddar HUF (HUF of Director)
Solvex Properties & Services Private Limited (Relative of Director is a Director)	

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

Proman Associates LLP

**Key Management Personnel (KMP)**

Rajive Kumaraswami, MD & CEO  
 Gaurav Parasrampuria, CFO  
 Vikas Mittal, Deputy CEO  
 Amit Bhandari, Chief Technical Officer  
 Sweta Pranay Bharucha, CS (appointed w.e.f. 29/04/2022)

**Relatives of Key Management Personnel** (with whom Company has transactions):

Subramania Kumaraswami, Father of Rajive Kumaraswami  
 Manasi Mittal, Daughter of Vikas Mittal

**Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2024**

(Rs. in '000)

Name of related party	Nature of transaction	Transaction value for the year ended 31 Mar 2024	Outstanding amount as at 31 Mar 2024	Transaction value for the year ended 31 Mar 2023	Outstanding amount as at 31 Mar 2023
<b>Joint Venturer</b>					
Poonawalla Fincorp Limited	Corporate Agent Commission	-	-	11,279	-
	Premium Deposit Received	-	-	107,719	-
	Premium Deposit Adjusted for Policies Issued	-	-	110,930	-
	Premium for Policies Underwritten	-	-	51,422	-
	Claims Paid Against Policies Issued	-	-	6,328	-
	Interest Income Received on NCDs	-	-	78,750	-
	Interest Income Accrued on NCDs	-	-	19,634	-

Name of related party	Nature of transaction	Transaction value for the year ended 31 Mar 2024	Outstanding amount as at 31 Mar 2024	Transaction value for the year ended 31 Mar 2023	Outstanding amount as at 31 Mar 2023
HDI Global SE	Equity Share Capital	-	-	-	320,000
	Share Premium	-	-	-	1,275,000
	Premium Ceded	5,322	-	2,275	-
	RI Commission Income on Premium Ceded	750	-	307	-
	Claims on Premium Ceded	1,191	-	-	-
	Payments of Reinsurance Balances	3,246	-	1,968	-
	Receipts against Reinsurance Claims	1,180	-	-	-
	Reinsurance Balances Payable	-	-	-	28
Celica Developers Private Limited	Equity Share Capital	-	359,662	-	359,662
	Share Premium	-	-	-	310,833
	Premium for Policies Underwritten	58	-	58	-
	Security Deposit Given	530	530	-	-
	Payment of Rent	516	-	-	-
	Reimbursement of Expenses	10,366	-	19,543	-
Jaguar Advisory Services Private Limited	Equity Share Capital	-	225,000	-	225,000
<b>Investing Party and its Group Companies</b>					
Rising Sun Holdings Private Limited	Interest Accrued on Sub-Debt	-	-	21,815	-
Sanoti Properties LLP	Equity Share Capital	220,935	2,007,454	913,520	1,520,319
	Share Premium	1,588,965	-	6,424,632	6,424,632
	Reimbursement of Expenses	222	-	941	-
Grihum Housing Finance Limited	Premium Deposit Received	-	-	19,139	-
	Premium Deposit Adjusted for Policies Issued	-	-	24,120	-
	Premium for Policies Issued	-	-	16,892	-
	Advance Received against Policies	-	-	3,113	-
	Claims Paid Against Policies Issued	-	-	1,637	-
HDI Global Network AG	Premium Ceded	438,194	-	747,759	-
	RI Commission Income on Premium Ceded	34,179	-	74,459	-
	Claims on Premium Ceded	105,419	-	151,508	-
	Receipts against Reinsurance Claims	37,301	-	-	-
	Payments of Reinsurance Balances	235,751	-	529,023	-
	Reinsurance Balances Payable	-	-	-	249,117
<b>Directors</b>					
Sunil Mitra	Payment of Sitting Fees	2,150	-	1,950	400
V. K. Viswanathan	Payment of Sitting Fees	2,610	-	2,470	400
Sandhya Gadkari Sharma	Payment of Sitting Fees	1,650	-	890	400
Kailash Nath Bhandari	Payment of Sitting Fees	2,670	-	2,470	400
	Reimbursement of Expenses	-	-	28	16
<b>Key Management Personnel</b>					
Key Management Personnel	Managerial Remuneration	116,977	-	122,509	-
	Equity Share Capital	-	23,452	-	23,452
	Share Premium	-	-	-	90,288
	Premium for Policies Underwritten	221	-	125	-
<b>Private Company in which Director is a Director</b>					
CLP Business LLP	Payment of Rent	3,193	-	1,999	-
	Security Deposit Given	-	1,590	802	1,590
Magma Ventures Private Limited	Premium for Policies Underwritten	-	-	29	-
	Brand License Fees	60	-	-	-
Celica Automobiles Pvt Ltd	Premium for Policies Underwritten	22	-	21	-



Name of related party	Nature of transaction	Transaction value for the year ended 31 Mar 2024	Outstanding amount as at 31 Mar 2024	Transaction value for the year ended 31 Mar 2023	Outstanding amount as at 31 Mar 2023
Celica Motocorp Pvt Ltd	Premium for Policies Underwritten	19	-	21	-
<b>Entities in which Directors or their Relatives have Significant Influence</b>					
Celica Properties Pvt Ltd	Premium for Policies Underwritten	99	-	-	-
Solvex Properties & Services Private Limited	Payment of Utility Charges	540	47	1,048	38
	Payment of Maintenance Charges	29	-	-	-
	Advertisement & Publicity Expenses	239	-	398	72
Mayank Poddar HUF	Premium for Policies Underwritten	-	-	9	-
<b>Entities in which KMP or their Relatives have Significant Influence</b>					
Proman Associates LLP	Business Promotion	18	-	-	-
<b>Relatives of Directors / KMPs</b>					
Shaili Poddar	Payment of Rent	584	-	1,138	-
	Security Deposit Refunded back	474	-	-	474
Mansi Poddar Tulshan	Premium for Policies Underwritten	44	-	44	-
Ashita Poddar Khaitan	Premium for Policies Underwritten	37	-	31	-
Subramania Kumaraswami	Premium for Policies Underwritten	3	-	2	-
Manasi Mittal	Premium for Policies Underwritten	10	-	10	-

Note - Transaction amount considered above are excluding taxes.

**17.32 Details of age-wise analysis of the unclaimed amount of the policyholders for the year ended 31 March 2024**

As per the circular issued by IRDAI vide reference number IRDA/F&A/CIR/Misc/282/11/2020 dated 17 November 2020 & IRDAI/Life/CIR/Misc/41/2/2024 dated 16 February 2024, below table mentions the age-wise analysis of unclaimed amount of the policyholders as on 31 March 2024:

**As on 31 March 2024**

(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	8,960	336	455	413	332	303	388	6,733	-
4	Cheques issued but not encashed by the policyholder/ beneficiaries	18,902	1,988	1,809	756	532	1,308	760	11,749	-
<b>Total</b>		<b>27,861</b>	<b>2,325</b>	<b>2,264</b>	<b>1,168</b>	<b>864</b>	<b>1,611</b>	<b>1,148</b>	<b>18,482</b>	-

As on 31 March 2023

(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	9,053	838	519	482	306	401	573	5,933	-
4	Cheques issued but not encashed by the policyholder/ beneficiaries	23,984	4,472	992	557	2,283	1,135	3,659	10,886	-
<b>Total</b>		<b>33,037</b>	<b>5,310</b>	<b>1,511</b>	<b>1,039</b>	<b>2,589</b>	<b>1,536</b>	<b>4,233</b>	<b>16,819</b>	<b>-</b>

**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 2024		As at 31 Mar 2023	
	Policy Dues	Income Accrued	Policy Dues	Income Accrued
<b>Opening Balance</b>	<b>30,481</b>	<b>2,556</b>	<b>33,601</b>	<b>1,996</b>
Add: Amount transferred to unclaimed amount	23,307	-	24,019	-
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	-	787	-	579
Less: Amount of claims paid during the year	29,079	144	27,139	19
Less: Amount transferred to Senior Citizens' Welfare Fund (net of claims paid in respect of amounts transferred earlier)	47	-	-	-
<b>Closing balance of Unclaimed amount fund</b>	<b>24,662</b>	<b>3,199</b>	<b>30,481</b>	<b>2,556</b>

**17.33** The provision for Free Look period is Rs. 22 thousand (Previous year Nil), as certified by the Appointed Actuary.

**17.34 Indian Accounting Standards (Ind AS) Implementation in Insurance sector**

In convergence with International Financial Reporting Standards (IFRS) standards, India has formulated Ind AS and the various standards in the Ind AS have become applicable to different sectors in last few years. Ind AS is yet to be notified for adoption by Insurance Companies in India. For the international entities that follow IFRS, Insurance Contracts (IFRS 17) became effective for annual reporting periods beginning on or after 01 January 2023. Institute of Chartered Accountants of India (ICAI) has issued exposure draft of Ind AS 117, the equivalent of IFRS 17.

As advised by IRDAI, the Company has constituted a Steering Committee to oversee and prepare itself for the implementation of Ind AS as and when the same are notified by the ICAI and the guidelines in this regard are issued by IRDAI.

Ind AS implementation is likely to significantly impact the financial reporting systems and process of Insurance Companies.

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

(Rs. in '000)

Previous Year Grouping		Current Year Grouping		Previous Year Amount
Description	Schedule	Description	Schedule	
Balances of GST Liability were reported under 'GST Liability (net)' in schedule for 'Current Liabilities'	13	Now balances of GST Liability are netted off with asset balances under 'Unutilised GST Credit / Service Tax Credit (net)' in schedule for 'Other Assets'	12	35,720

**17.36 Details of Penal actions taken by various Government Authorities**

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

**For the Year ended 31 March 2024**

(Rs. in '000)

Sl. No.	Authority	Non-compliance / violation	Penalty Awarded	Penalty Paid	Penalty Waived / Received / Stay Recd.
1	Insurance Regulatory and Development Authority	-	-	-	-
2	Service Tax Authorities / GST Authorities	-	-	-	-
3	Income Tax Authorities	-	-	-	-
4	Any other Tax Authorities	-	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	-	-	-	-
6	Registrar of Companies / NCLT / CLB / Department of Corporate Affairs or any Authority under Companies Act, 2013 / 1956	-	-	-	-
7	Penalty awarded by Court/Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
8	Securities Exchange Board of India	-	-	-	-
9	Competition Commission of India	-	-	-	-
10	Any other Central / State / Local Government / Statutory Authority	-	195	195	-

**For the Year ended 31 March 2023**

(Rs. in '000)

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

**17.37 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.**

As per our Report of even date attached

For and on behalf of the Board of Directors

**For Singhi & Co.**

*Chartered Accountants*  
Firm Regn. No. 302049E

**For M S K A & Associates**

*Chartered Accountants*  
Firm Regn. No. 105047W

**Sanjay Chamria**

*Chairman*  
DIN 00009894

**Rajive Kumaraswami**

*Managing Director &  
Chief Executive Officer*  
DIN 07501971

**Shweta Singhal**

*Partner*  
Membership No. 414420

**Swapnil Kale**

*Partner*  
Membership No. 117812

**Mayank Poddar**

*Director*  
DIN 00009409

**Gaurav Parasrampur**

*Chief Financial Officer*

Place: Mumbai

Date: 30 April 2024

**Sunil Mitra**

*Director*  
DIN 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 2024**

**Annexure 1**

**Segment Reporting**

**Primary reportable segments**

**Segment Information for the year ended 31 March 2024**

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	MISCELLANEOUS											TOTAL
	FIRE	MARINE	MOTOR	ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATHER	OTHERS	
Premium received in advance	20	-	7,707,872	3	-	384	8,773	119	233	-	-	7,717,404
Claims outstanding at the end of the year	414,951	90,120	30,807,973	27,334	1,565	20,863	692,622	31,561	7,252	-	624,235	32,718,475
Reserve for unexpired risk at the end of the year	910,741	30,645	11,407,433	17,767	58	20,446	3,155,362	94,567	9,489	-	1,231	15,647,739
Reserve for premium deficiency	-	4,255	-	-	-	-	-	-	-	-	-	4,255

**Segment Information for the year ended 31 March 2023**

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	MISCELLANEOUS											TOTAL
	FIRE	MARINE	MOTOR	ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATHER	OTHERS	
Premium received in advance	20	-	7,468,531	-	-	-	7,026	572	-	-	333	7,476,482
Claims outstanding at the end of the year	274,070	42,431	23,985,606	15,593	1,651	10,064	241,747	26,089	11,292	-	621,341	25,229,884
Reserve for unexpired risk at the end of the year	926,798	15,404	8,345,787	12,377	58	9,477	1,463,272	38,930	9,003	-	613	10,821,719
Reserve for premium deficiency	-	2,320	-	-	-	-	-	-	-	-	-	2,320

**Secondary reportable segments**

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

**Segment Reporting for the year ended 31 March 2024**

(Rs in '000)

Particulars	FIRE	MARINE	MOTOR	ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	MISCELLANEOUS			TOTAL
									OTHER LIABILITY	WEATHER	OTHERS	
Premiums earned (Net) (Refer Schedule 1)	698,305	52,954	16,745,632	25,240	(222)	25,531	5,000,234	102,002	11,677	-	2,522	22,663,875
Profit / (loss) on sale / redemption of investments (Net)	(1,806)	(180)	(50,891)	(81)	1	(97)	(17,711)	(417)	(31)	-	(10)	(71,223)
Others:-												
Investment Income from Terrorism Pool	26,932	-	-	1,209	-	-	-	-	-	-	-	28,141
Miscellaneous Income	904	106	2,414	21	-	1	540	7	30	-	89	4,112
Contribution from Shareholders Funds towards excess Expenses of Management (EOM)	-	-	579,281	6,749	12	1,064	192,419	4,844	22,534	-	290	807,193
Interest, dividend and rent (Gross)	86,775	8,674	2,519,273	3,896	(28)	4,642	851,192	20,050	1,547	-	399	3,496,420
<b>TOTAL SEGMENTAL REVENUE (A)</b>	<b>811,110</b>	<b>61,554</b>	<b>19,795,709</b>	<b>37,034</b>	<b>(237)</b>	<b>31,141</b>	<b>6,026,674</b>	<b>126,486</b>	<b>35,757</b>	<b>-</b>	<b>3,290</b>	<b>26,928,518</b>
Claims incurred (Net) (Refer Schedule 2)	289,554	100,787	13,205,210	15,178	1,325	26,104	4,424,503	37,950	(1,451)	-	5,603	18,104,763
Commission (Net) (Refer Schedule 3)	52,947	(688)	5,647,031	(1,320)	(11)	11,017	891,374	49,692	(51,326)	-	1,027	6,599,743
Operating expenses related to insurance business (Refer Schedule 4)	324,420	34,554	2,038,797	21,518	35	3,524	955,120	25,128	68,176	-	885	3,472,157
Premium Deficiency Reserve	-	1,935	-	-	-	-	-	-	-	-	-	1,935
<b>TOTAL SEGMENTAL EXPENDITURE (B)</b>	<b>666,921</b>	<b>136,588</b>	<b>20,891,038</b>	<b>35,376</b>	<b>1,349</b>	<b>40,645</b>	<b>6,270,997</b>	<b>112,770</b>	<b>15,399</b>	<b>-</b>	<b>7,515</b>	<b>28,178,598</b>
<b>SEGMENTAL PROFIT / (LOSS) (C) = (A - B)</b>	<b>144,189</b>	<b>(75,034)</b>	<b>(1,095,329)</b>	<b>1,658</b>	<b>(1,586)</b>	<b>(9,504)</b>	<b>(244,323)</b>	<b>13,716</b>	<b>20,358</b>	<b>-</b>	<b>(4,225)</b>	<b>(1,250,080)</b>

**Segment Reporting for the year ended 31 March 2023**

(Rs. in '000)

Particulars	MISCELLANEOUS											TOTAL
	FIRE	MARINE	MOTOR	ENGINEERING	PUBLIC/ PRODUCT LIABILITY	WORKMEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS			
									OTHER LIABILITY	WEATHER	OTHERS	
Premiums earned (Net) (Refer Schedule 1)	613,491	20,220	13,113,607	13,369	34	13,756	1,475,692	70,157	16,539	-	4,924	15,341,789
Profit / (Loss) on sale / redemption of investments (Net)	3,010	109	53,490	53	-	58	7,594	284	43	-	3	64,644
Others:-												
Investment Income from Terrorism Pool	15,621	-	-	275	-	-	-	-	-	-	-	15,896
Miscellaneous Income	1,249	53	2,652	18	-	2	352	13	85	-	-	4,424
Contribution from Shareholders Funds towards excess Expenses of Management (EOM)	295,912	46,183	1,697,707	13,187	-	521	424,739	16,796	16,775	-	1,579	2,513,399
Interest, dividend and rent (Gross)	119,848	4,333	2,084,205	2,107	2	2,317	302,331	11,289	1,687	-	144	2,528,263
<b>TOTAL SEGMENTAL REVENUE (A)</b>	<b>1,049,131</b>	<b>70,898</b>	<b>16,951,661</b>	<b>29,009</b>	<b>36</b>	<b>16,654</b>	<b>2,210,708</b>	<b>98,539</b>	<b>35,129</b>	<b>-</b>	<b>6,650</b>	<b>20,468,415</b>
Claims incurred (Net) (Refer Schedule 2)	162,904	37,950	9,619,997	(6,210)	(135)	(688)	1,102,692	11,800	(1,560)	-	214,205	11,140,955
Commission (Net) (Refer Schedule 3)	(66,445)	(8,136)	752,877	(4,306)	-	2,770	119,844	7,642	(38,479)	-	(5,134)	760,633
Operating expenses related to insurance business (Refer Schedule 4)	1,235,098	120,052	6,394,737	43,025	144	6,324	1,132,758	47,084	201,472	-	620	9,181,314
Premium Deficiency Reserve	-	1,126	-	-	-	-	-	-	-	-	-	1,126
<b>TOTAL SEGMENTAL EXPENDITURE (B)</b>	<b>1,331,557</b>	<b>150,992</b>	<b>16,767,611</b>	<b>32,509</b>	<b>9</b>	<b>8,406</b>	<b>2,355,294</b>	<b>66,526</b>	<b>161,433</b>	<b>-</b>	<b>209,691</b>	<b>21,084,028</b>
<b>SEGMENTAL PROFIT / (LOSS) (C) = (A - B)</b>	<b>(282,426)</b>	<b>(80,094)</b>	<b>184,050</b>	<b>(3,500)</b>	<b>27</b>	<b>8,248</b>	<b>(144,586)</b>	<b>32,013</b>	<b>(126,304)</b>	<b>-</b>	<b>(203,041)</b>	<b>(615,613)</b>

**SCHEDULE – 17 : Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2024** **Annexure 2**

**Ratios for the year ended 31 March 2024**

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 2024										TOTAL	
		FIRE	MARINE	MISCELLANEOUS	MOTOR	ENGINEERING	PUBLIC / PRODUCT LIABILITY	WORK-MEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHER LIABILITY		OTHERS
1	Gross Direct Premium Growth rate (GDP (CY) - GDP(PY)) / GDP (PY)	(1.4%)	17.2%	23.3%	11.5%	117.8%	0.2%	104.6%	103.9%	80.9%	35.4%	(251.4%)	20.1%
2	Gross Direct Premium to Net Worth Ratio GDP / Net worth						NA						3.38
3	Growth Rate of Net Worth						NA						4.5%
4	[(Net worth of CY - Net worth of PY)] / Net Worth - PY												
4	Net Retention Ratio	18.6%	17.4%	92.5%	95.5%	12.7%	(51.3%)	95.9%	97.2%	90.9%	1.5%	30.2%	83.4%
	Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)												
5	Net Commission Ratio	7.8%	(1.0%)	24.5%	28.5%	(4.3%)	5.0%	30.2%	13.3%	31.5%	(422.0%)	32.7%	24.0%
	Net Commission / Net Written premium												
6	Expenses of Management to Gross direct Premium Ratio	21.3%	17.6%	36.8%	38.1%	26.6%	22.2%	39.2%	35.5%	44.3%	11.9%	35.7%	34.9%
	Expenses of Management / GDPI												
7	Expenses of Management to Net written Premium Ratio	55.3%	49.7%	36.1%	38.8%	65.9%	(10.8%)	39.8%	27.6%	47.5%	138.5%	60.9%	36.6%
	Expenses of Management / NWPI												
8	Net Incurred claims to Net Earned Premium	41.5%	190.3%	80.8%	78.9%	60.1%	(596.8%)	102.2%	88.5%	37.2%	(12.4%)	222.2%	79.9%
	Net Incurred Claims / Net Earned Premium												
9	Combined Ratio						NA						116.5%
	(Claims, commission plus expenses of management) / NWPI												
10	Technical Reserves to Net Premium Ratio						NA						1.76
	(UPR + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER) / Net Written Premium												
11	Underwriting Balance Ratio						NA						(0.24)
	(Underwriting profit / loss) / Net earned premium												



FOR THE YEAR ENDED 31 MAR 2024

SL. NO.	PERFORMANCE RATIO	FIRE	MARINE	MISCELLANEOUS	MOTOR	ENGINEERING	PUBLIC / PRODUCT LIABILITY	WORK-MEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
											OTHER LIABILITY	OTHERS	
12	Operating Profit Ratio (Underwriting profit / loss + Investment Income) / Net Earned Premium						NA						(5.5%)
13	Liquid Assets to Liabilities Ratio						NA						0.12
14	Liquid Assets / Policyholders liabilities Net Earning Ratio						NA						(5.1%)
15	Profit after tax / net premium Return on Net Worth Profit after tax / Net Worth						NA						(15.7%)
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio						NA						2.05
17	ASM / RSM NPA Ratio Gross NPA Ratio Net NPA Ratio						NA						-

Ratios for the year ended 31 March 2023

SL. NO.	PERFORMANCE RATIO	FOR THE YEAR ENDED 31 MAR 2023										TOTAL	
		FIRE	MARINE	MISCELLANEOUS	MOTOR	ENGINEERING	PUBLIC / PRODUCT LIABILITY	WORK-MEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHER LIABILITY		OTHERS
1	Gross Direct Premium Growth rate (GDP) (CY - GDP)(PY) / GDP (PY)	38.3%	39.1%	45.2%	41.4%	35.2%	188.0%	28.8%	125.6%	75.6%	0.3%	(110.3%)	44.2%
2	Gross Direct Premium to Net Worth Ratio GDP / Net worth						NA						2.94
3	Growth Rate of Net Worth [(Net worth of CY - Net worth of PY) / Net Worth - PY]						NA						108.8%
4	Net Retention Ratio Net Premium / (Gross Direct Premium Income + Reinsurance Accepted)	25.2%	9.3%	84.5%	86.1%	12.6%	2.8%	95.6%	95.8%	90.5%	2.2%	(16.7%)	75.1%
5	Net Commission Ratio Net Commission / Net Written premium	(7.2%)	(24.4%)	4.5%	4.7%	(26.6%)	-	15.6%	5.2%	8.8%	(296.7%)	(465.0%)	3.9%
6	Expenses of Management to Gross direct Premium Ratio Expenses of Management / GDP	44.8%	42.8%	42.8%	41.5%	55.4%	49.3%	49.7%	52.8%	58.5%	37.5%	11.7%	43.0%
7	Expenses of Management to Net written Premium Ratio Expenses of Management / NWPI	126.9%	336.1%	46.9%	44.6%	239.2%	1,200.0%	51.1%	53.9%	63.1%	1,257.0%	(408.9%)	51.2%
8	Net Incurred claims to Net Earned Premium Net Incurred Claims / Net Earned Premium	26.6%	187.7%	74.4%	73.4%	(46.5%)	(397.1%)	(5.0%)	74.7%	16.8%	(9.4%)	4,350.2%	72.6%
9	Combined Ratio (Claims, commission plus expenses of management) / NWPI						NA						123.8%
10	Technical Reserves to Net Premium Ratio (UPR + Reserve for premium deficiency + Reserve for outstanding claims including IBNR and IBNER) / Net Written Premium						NA						1.86
11	Underwriting Balance Ratio (Underwriting profit / loss) / Net earned premium												(0.37)
12	Operating Profit Ratio (Underwriting profit / loss + Investment Income) / Net Earned Premium												(4.0%)
13	Liquid Assets to Liabilities Ratio Liquid Assets / Policyholders liabilities												0.12

FOR THE YEAR ENDED 31 MAR 2023													
SL. NO.	PERFORMANCE RATIO	FIRE	MARINE	MISCELLANEOUS	MOTOR	ENGINEERING	PUBLIC / PRODUCT LIABILITY	WORK-MEN'S COMPENSATION	HEALTH INSURANCE	PERSONAL ACCIDENT	OTHERS		TOTAL
											OTHER LIABILITY	OTHERS	
14	Net Earning Ratio						NA						(14.8%)
	Profit after tax / net premium												
15	Return on Net Worth						NA						(33.4%)
	Profit after tax / Net Worth												
16	Available Solvency Margin Ratio to Required Solvency Margin Ratio						NA						2.10
	ASM / RSM												
17	NPA Ratio												
	Gross NPA Ratio						NA						-
	Net NPA Ratio						NA						-

**SCHEDULE – 17 : Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2024**

**Annexure 3**

**Summary of Financial Statements**

(Rs. in '000)

S. No.	Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
	<b>OPERATING RESULTS</b>					
1	Gross Direct Premium	30,441,913	25,341,205	17,571,654	12,835,925	12,247,710
2	Net Premium Income*	27,489,895	19,429,031	11,217,567	7,982,476	7,901,757
3	Income from Investments**	3,425,197	2,592,907	2,032,431	1,872,844	1,759,263
4	Investment Income from Terrorism Pool	28,141	15,896	12,472	7,776	4,144
5	Contribution from Shareholders Funds towards excess EOM	807,193	2,513,399	895,807	81,358	81,383
6	Other Income	4,112	4,424	1,767	1,421	1,011
<b>7</b>	<b>Total Income</b>	<b>31,754,538</b>	<b>24,555,657</b>	<b>14,160,044</b>	<b>9,945,875</b>	<b>9,747,558</b>
8	Commissions (Net)	6,599,743	760,633	(218,306)	(552,524)	(629,039)
9	Operating Expenses	3,472,157	9,181,314	5,703,185	3,772,888	3,505,374
10	Net Incurred Claims	18,104,763	11,140,955	6,276,399	6,066,042	5,974,218
11	Premium deficiency Reserve	1,935	1,126	(816)	287	338
12	Change in Unexpired Risk Reserve	4,826,020	4,087,242	2,075,447	365,502	818,787
<b>13</b>	<b>Operating Profit / (Loss)</b>	<b>(1,250,080)</b>	<b>(615,613)</b>	<b>324,135</b>	<b>293,680</b>	<b>77,880</b>
	<b>NON OPERATING RESULTS</b>					
14	Total income under Shareholder's Account (Net of expenses)	(375,870)	(2,257,878)	(491,695)	(37,159)	(60,469)
<b>15</b>	<b>Profit / (Loss) before Tax</b>	<b>(1,625,950)</b>	<b>(2,873,491)</b>	<b>(167,560)</b>	<b>256,521</b>	<b>17,411</b>
16	Provision for Income Tax	-	-	29,571	54,210	-
17	Provision for Deferred Tax	(213,782)	(1,442)	(76,071)	8,283	78,621
18	Tax adjustment of earlier years	-	(319)	3,530	-	(1,102)
19	MAT Credit adjustment of earlier years	-	-	-	-	-
<b>20</b>	<b>Profit / (Loss) after Tax</b>	<b>(1,412,168)</b>	<b>(2,871,730)</b>	<b>(124,590)</b>	<b>194,028</b>	<b>(60,108)</b>
	<b>MISCELLANEOUS</b>					
21	Policyholder's Account					
	Total Funds	58,806,241	45,061,724	33,617,393	26,377,542	19,708,881
	Total Investments	58,806,241	45,061,724	33,617,393	26,377,542	19,708,881
	Yield on Investments (annualised)	7.19%	6.85%	6.08%	6.38%	7.24%
22	Shareholder's Account					
	Total Funds	8,995,759	8,609,958	4,122,633	4,253,090	3,520,253
	Total Investments	11,279,293	7,529,635	4,827,342	3,560,121	3,139,187
	Yield on Investments (annualised)	7.19%	6.85%	6.08%	6.38%	7.24%
23	Paid up Equity Capital	2,693,022	2,466,692	1,547,073	1,547,073	1,437,500
24	Net Worth #	8,995,759	8,609,958	4,122,633	4,253,090	3,520,253
<b>25</b>	<b>Total Assets</b>	<b>75,555,401</b>	<b>58,973,775</b>	<b>41,068,209</b>	<b>32,446,400</b>	<b>25,141,815</b>
26	Yield on Total Investments (annualised)	7.19%	6.85%	6.08%	6.38%	7.24%
27	Earning Per Share (Rs.)	(5.35)	(14.22)	(0.81)	1.26	(0.43)
28	Book Value Per Share (Rs.)	33.40	34.90	26.65	27.00	24.49
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)

**SCHEDULE – 17 : Notes to Accounts forming part of the Financial Statements for the year ended 31 March 2024  
Disclosure as per IRDAI Guidelines (Ref: IRDAI/F&A/GDL/MISC/141/6/2023 dated 30 June 2023) on Remuneration of  
Directors and Key Managerial Persons of Insurers ("Guidelines")**

**Annexure 4**

**i. Qualitative Disclosures**

The Nomination and Remuneration Committee (NRC) of the company constitutes of 4 Independent Director, 2 Nominee Director and the Committee is headed by one of the Independent Directors as per the provisions of Guidelines. NRC oversees and governs the compensation practices of the company. It ensures that remuneration is adjusted for various types of risks and outcomes are symmetric with risk outcomes. Under the guidance of the Board and the NRC, the company follows compensation practices intended to drive meritocracy and fairness and to attract, retain and motivate competent resources.

The remuneration includes fixed and variable components. The variable component includes cash and non-cash components. The NRC defines Key Performance Indicators (KPIs) for Managing Director cum CEO and KMPs for performance measurement linked to the financial and strategic plan approved by the Board. The Company has incorporated the Malus & Clawback arrangement for deferred variable pay as mentioned below:

- (a) Malus arrangement wherein in the case of subdued or negative financial performance arising not on account of gross negligence or misconduct of the Key Managerial Persons (KMP), the company may withhold variable pay.
- (b) Clawback arrangement wherein in the case of gross negligence or misconduct or cause as defined in the Company's Code of Conduct, the KMP shall be liable to return previously paid or vested variable pay.

**ii. Quantitative Disclosures**

**Remuneration and other payments made during the Financial Year to MD/CEO/WTD**

(Rs. in '000)

Sl. No.	Name of MD/ CEO/ WTD	Designation	Fixed Pay			Variable Pay				Total Fixed and Variable Pay (c) + (f)	Amount Debited to Revenue A/c	Amount Debited to Profit/ Loss A/c	Value of Joining/ Sign On Bonus during the year	Retirement Benefits like Gratuity, Pension, etc. paid during the year	Amount of deferred remuneration of earlier years paid/ settled during the year	
			Pay & Allowances (a)	Perquisites, etc. (b)	Total (c) = (a) + (b)	Cash Component (d)		Non-Cash component (e)								Total (f) = (d) + (e)
						Paid	Deferred*	Settled	Deferred**							
1	Rajive Kumaraswami	MD & CEO	29,920	40	29,960	-	10,512	-	2,652	-	13,164	43,124	40,000	3,124	Nil	9,552

**Details of Outstanding Deferred Remuneration of MD/CEO/WTD as at 31 March 2024**

(Rs. in '000)

Sl. No.	Name of MD/ CEO/ WTD	Designation	Remuneration pertains to Financial Year #	Nature of remuneration outstanding	Amount Outstanding
1	Rajive Kumaraswami	MD & CEO	FY24	Annual bonus ESOPs **	10,560 9,234

\* Amount is net of provisions.

\*\* During the year, 256000 (nos) of ESOPs were granted to MD & CEO, subject to IRDAI Approval. The fair value of these grants works out to Rs. 9,234 Thousand and the same will be charged to Revenue / P&L A/c as the case may be, over the 3 year vesting period.

# The details of outstanding deferred remuneration in the table above represents such remuneration applicable for FY24 and onwards.

**TRUTH MUST BE TOLD**

# **GLOSSARY**



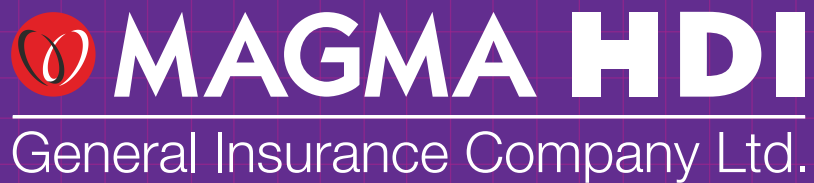
# GLOSSARY

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

Sr. No.	Terms	Description
1	Accretion of discount / amortisation of premium	Premium/ discount refers to the price paid for a bond as against the par value of the bond. This discount or premium is spread over the remaining life of the bond and is called accretion or amortisation, respectively
2	Available Solvency Margin / ASM	Available solvency margin means the excess of value of assets of an insurance company over the value of its liabilities, with certain further prescribed adjustments by the IRDAI
3	Bad debts	Bad debt expense is the amount of an account receivable that is considered to be not collectible.
4	Book Value Per Share	This is computed as net worth divided by number of outstanding shares.
5	Catastrophic loss	One or more related losses whose consequences are extremely harsh in their severity. The loss is usually of such magnitude as to be difficult to predict.
6	Certificate of registration	Certificate granted by Insurance Regulatory and Development Authority of India under the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, registering an insurance company to transact the classes of business specified therein.
7	Claim Incurred (net)	Claim incurred (net) are gross incurred claims less all claims recovered from reinsurers related to those gross incurred claims. The gross claims incurred comprise of claims paid, settlement costs, wherever applicable and change in the outstanding provision for claims at the period end
8	Co-insurance	Sharing of the same risk by multiple insurance companies.
9	Combined ratio	The combined ratio is a measure of profitability of a non- life insurance company's underwriting business. The combined ratio is the sum of the loss ratio and the net expense ratio
10	Commission	It is the incentive received by the insurance agent or salesperson for the sales achieved in a given period and includes brokerage, rewards and distribution fees
11	Deferred Tax Asset	An asset that is used to represent lower amount of tax that a company will have to pay in a later tax period.
12	Deferred Tax Liability	A tax liability that a company owes and does not pay at the current point, although it will be responsible for paying it in a later tax period.
13	EPS	Earning Per Share (EPS) is arrived at by dividing Net Profit After Tax by the weighted average number of shares.
14	Excess of loss reinsurance / XOL (also known as non- proportional reinsurance)	A type of reinsurance transaction pursuant to which the reinsurer, subject to a specified limit, indemnifies the ceding insurer against the amount of loss in excess of a specified retention amount
15	Expenses of Management (EOM)	All expenses in the nature of operating expenses including commission, brokerage / remuneration to the insurance agents, intermediaries and insurance intermediaries which are charged to the revenue account, but does not include the charges against profits such as income tax and other charges, as defined in the Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health insurance business) Regulations, 2016
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	CRISIL and CARE	Credit Rating Agencies
22	Incurred but not enough reported / IBNER	IBNER is a reserve reflecting expected changes (increases and decreases) in the estimates of reported claims as on the accounting date
23	Incurred But Not Reported Claim Reserves / IBNR	Includes IBNER, estimate for reopened claims, provision for incurred but not reported claims, provision for claims in transit as on the accounting date
24	Investment Income	Investment income will include, income taken to revenue account and profit and loss account (interest, profit/loss on sale, accretion of discount, amortization of premium, dividend earned during the period) and taken to financial statements pertaining to all the securities held under that category during that period
25	KMP	Key Managerial Personnel
26	Loss ratio	Loss ratio is the ratio of claims incurred (net) to NEP
27	MAT	Minimum Alternate Tax
28	NCD	Non-Convertible debentures
29	Net written premium / NWP	GWP less premium on reinsurance ceded
30	Net earned premiums / NEP	Net written premium adjusted by the change in UPR for the period
31	Net expense ratio	Net expense ratio is the ratio of the sum of operating expenses related to insurance business and commission paid (net) to the NWP
32	Net retention ratio	Premium retained by the Company and is calculated as Net Written Premium divided by Gross Written Premium

Sr. No.	Terms	Description
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
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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**Toll Free No.:** 1800 266 3202

**CIN:** U66000WB2009PLC136327

**IRDAI Registration No.:** 149

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