



STAR HEALTH AND ALLIED INSURANCE CO LIMITED
ANNUAL REPORT 2016-17

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Eleventh Annual Report and the Audited Financial Statements for the year ended 31st March 2017, together with the Auditors' Report and the Management Report.

IRDAI APPROVAL

The Company received the Certificate of Registration from the Insurance Regulatory and Development Authority of India dated 16th March 2006 to carry on General Insurance business to underwrite Health, Personal Accident and Travel Insurance.

COMPANY'S PERFORMANCE AND STATE OF AFFAIRS

A. Operational Summary

During the year the Company procured a Gross Premium of Rs. 296,005 lakh as compared to Rs. 200,734 lakh during last year, registering a growth of Rs. 95,271 lakh. While the market segment showed a growth of 47.5% with a Gross premium of Rs.293,905 lakh as compared to Rs. 199,201 lakh in the previous year. The RSBY Gross Premium during this financial year is Rs.2,100 lakh.

Overall net incurred claims ratio to net earned premium worked out to 60.51 %, whereas in the market segment it was 61.05%. The profit after adjustment of tax for the Year was Rs. 11,794 lakh.

With absolute thrust on the market business coupled with control on incurred claims ratio and rationalizing expenses, the company's outlook for future is positive.

B. Financial Summary

Particulars	2016-17	2015-16
	Rs in Lakh	
Gross Direct Premium	296,005.29	200,073.42
RI Premium Accepted	13.99	29.38
Net Premium	228,316.21	153,974.74
Net Earned Premium	191,145.48	151,387.17
Net Incurred Claims	115,670.85	81,455.42
Commission Earned (Net)	(9,529.41)	(6,105.86)
Operating Expenses	63,582.41	49,823.67
Investment income-Policy holders	6,248.82	6,333.64
Other income-Policy holders	-	-
Underwriting Profit/(Loss)	8,611.63	24,852.81
Investment income-Shareholders	3,815.35	1,786.41
Other outgo	632.65	8,306.96
Sweat Equity Shares Pending Allotment	-	119.98
Profit/(Loss) before Tax	11,794.32	13,657.79
Provision for Taxation	2,582.82	1,414.80
MAT Credit Entitlement	(2,582.82)	(1,414.80)
Net Profit/(Loss) for the year	11,794.32	13,657.79

DEPOSITS

During the year under review, the Company has not accepted any deposits under Rule 8(5)(v) of Chapter IX of the Companies Act, 2013.

DIVIDEND

Your Directors do not recommend any dividend on equity shares for the year under review.

INVESTMENTS

The aggregate investments and the Fixed Deposits held with Banks & Flexi Deposits stood at Rs. 175,958.14 lakh as at 31st March 2017. The investment income, net of amortization including Profit on sale of investments was Rs.10,064.16 lakh for the year ended 31st March 2017. The Weighted Average yield on income bearing investments was 8.66%

BOARD OF DIRECTORS

The Company has a broad based Board consisting of members who are eminent persons with considerable expertise and experience in Insurance, Finance, Public administration, Law and Banking Sector. The Company is greatly benefitted by experience, knowledge, and wise counsel rendered by them.

During the year Mr.Matteo Stefanel was appointed as Nominee Director of APIS Growth 6 Ltd., as a Director with effect from 26th August 2016.

Ms. Justice. KBK Vasuki, (Retd) retires by rotation and being eligible, offer herself for re- election.

REPORT ON CORPORATE GOVERNANCE

SL. No	NAME	DESIGNATION	CATEGORY	QUALIFICATION	FIELD OF SPECIALIZATION
1	Mr. V. Jagannathan	Chairman and Managing Director	CEO/ Whole time Director	M.A	Insurance
2	Mr. D.R.Kaarthikeyan	Director	Independent Director	M.A, LLB, IPS	Law
3	Dr.M Y Khan	Director	Independent Director	Phd.	Banking & Finance
4	Mr.D.C.Gupta	Director	Independent Director	M.com, LLB, IAS	Finance & Public Admin
5	Mr. V. P. Nagarajan	Director	Whole time Director	B. Com, ACA,ACS,AICWA	Finance
6	Mr.Gautam Mago	Director, Nominee of Star Health Investments Pvt Ltd	Non Executive	ACA, MBA	Finance & Marketing
7	Mr.Akhil Awasthi	Director, Nominee of Tata Capital Ltd	Non Executive	MBA	Finance
8	Mr.Gagandeep Singh Chhina	Director, Nominee of ICICI Ventures Funds Management Ltd	Non Executive	BE, MBA	Finance & Marketing
9	Ms. Justice. KBK Vasuki, (Retd)	Director	Non Executive	B Sc., BL	Law
10	Mr.Matteo Stefanel	Director, Nominee of APIS Growth 6 Ltd	Non Executive	MA (Hons)	Philosophy, Politics and Economics

Your Company is committed to the principles and features of good corporate governance and follows the same in all spheres of activities. Your Company has complied with the Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Report is as under.

Board Meetings

During the Year, Five Board Meetings were held on 18th May 2016, 18th July 2016, 10th August 2016, 01st November 2016 and 14th February 2017. The attendance of each Director in the Board Meetings is as under.

S.No.	Name	Number of Board Meetings held during the year 2016-17	Number of Board Meetings attended during the year 2016-17
1	Mr. V. Jagannathan	5	5
2	Mr. D.R.Kaarthikeyan	5	5
3	Dr.M Y Khan	5	3
4	Mr. V. P. Nagarajan	5	5
5	Mr.D.C.Gupta	5	5
6	Mr.Gautam Mago	5	3
7	Mr.Gagandeep Singh Chhina	5	5
8	Mr.Akhil Awasthi	5	5
9	Ms. Justice. KBK Vasuki, (Retd)	5	5
10	Mr.Matteo Stefanel	5	1

* Mr.N.Srinivasan, Actuary, attended all the above Board Meetings.

Details of Directorship, Chairmanship and Committees Memberships in other Companies held by Directors as on 31st March 2017.

SL. No	NAME	DESIGNATION	Number of Other Companies in which Directorship / Chairmanship is held		Number of Membership / Chairmanship held in Committee of Board of other Companies	
			Director	Chairman	Member	Chairman
1	Mr. V. Jagannathan	Chairman and Managing Director	Nil	Nil	Nil	Nil
2	Mr. D.R.Kaarthikeyan	Director	8	Nil	Nil	Nil
3	Dr.M Y Khan	Director	6	Nil	Nil	Nil
4	Mr. V. P. Nagarajan	Director	2	Nil	Nil	Nil
5	Mr.D.C.Gupta	Director	Nil	Nil	Nil	Nil
6	Mr.Gautam Mago	Director, Nominee of Star Health Investments Pvt Ltd	8	Nil	Nil	Nil
7	Mr.Akhil Awasthi	Director, Nominee of Tata Capital Ltd	5	Nil	Nil	Nil
8	Mr.Gagandeep Singh Chhina	Director, Nominee of ICICI Venture Funds Management Ltd	Nil	Nil	Nil	Nil
9	Ms.Justice KBK Vasuki	Director	Nil	Nil	Nil	Nil
10	Mr.Matteo Stefanel	Director, Nominee of APIS Growth 6 Ltd	Nil	Nil	Nil	Nil

Audit Committee

During the Year, Four Audit Committee Meetings were held on 18th May 2016, 10th August 2016, 01st November 2016 and 14th February 2017. The attendance of each Director in the Audit Committee Meeting is detailed herein below.

S.No.	Name	Number of Audit Committee Meetings held during the year 2016-17	Number of Audit Committee Meetings attended during the year 2016-17
1	Dr.M Y Khan	4	3
2	Mr. D.R.Kaarthikeyan	4	4
3	Mr. V. P. Nagarajan	4	4
4	Mr.Gautam Mago	4	3
5	Mr.Gagandeep Singh Chhina	4	4
6	Mr.D.C.Gupta	4	4
7	Mr.Akhil Awasthi	4	4
8	Mr.Matteo Stefanel	4	1

Investment Committee

During the Year, Four Investment Committee Meetings were held on 18th May 2016, 10th August 2016, 01st November 2016 and 14th February 2017. The details and attendance of the Investment Committee Meeting is given below.

S. No.	NAME	CATEGORY	Number of Investment Committee Meetings held during the year 2016-17 / Attended
1	Mr. V. Jagannathan	CMD	4/4
2	Mr. D.R.Kaarthikeyan	Independent Director	4/4
3	Dr. M Y Khan	Independent Director	4/3
4	Mr. V. P. Nagarajan	Director	4/4
5	Mr.N.Srinivasan	Actuary	4/4
6	Mr.S. Ramaswamy	Chief Financial Officer	4/4
7	Mr.N. Jayaraman	Chief Investment Officer	4/4
8	Ms.Justice KBK Vasuki	Director	4/3
9	Mr. A M Mallesh	Chief Risk Officer	4/3

Risk Management Committee

During the Year, Four Risk Management Committee Meetings were held on 17th June 2016, 8th August 2016, 07th October 2016 and 06th January 2017.

S.No.	NAME	CATEGORY	Number of Risk Management Committee Meetings held during the year 2016-17 / Attended
1	Mr. V.Jagannathan	CMD	4/4
2	Mr.S Sundaresan	Executive Director (Designated)	4/4

3	Mr.V.Jayaprakash	Executive Director (Designated)	4 / 4
4	Mrs.Rama Duraishwamy	Asst.Vice President	4 / 4
5	Mr.H.Srinivasan	Asst.Vice President	4 / 4
6	Mr.A M Mallesh	Chief Risk Officer	4/ 3

Policy Holders Protection Committee

During the Year, 4 Policy Holders Protection Committee Meetings were held on 18th April 2016, 15th July 2016, 01st November 2016 and 14th February 2017.

S.No.	NAME	CATEGORY	No. of Policy Holders Protection Committee Meetings held during the year 2016-17 / Attended
1	Mr. V.Jagannathan	CMD	4 / 4
2	Mr. V. P. Nagarajan	Director	4/ 4
3	Mr.V.Jayaprakash	Executive Director (Designated)	4 / 4
4	Mr.A M Mallesh	Chief Risk Officer	4 / 4
5	Mr.V Vasudevan	Grievance Redressal Officer	4 / 4

COMPLIANCE OFFICER

Mr. C.M.Kannan Unni, Joint Executive Director and Company Secretary is the Compliance Officer for Corporate Governance.

MANAGEMENT REPORT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board at its Meeting held on May 08, 2014 had constituted a Corporate Social Responsibility Committee of Star Health and Allied Insurance Company Limited for formulating, drafting and implementing the CSR activities within the frame work of Companies Act 2013.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF EMPLOYEES

The sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 was enacted by the parliament for protection of women against sexual harassment at workplace. In accordance with the provisions of the Act, the company has formulated a policy on prevention of sexual harassment of women employees at workplace and has constituted an internal Complaints Committee to consider and redress complaints on sexual harassment, if any.

The Committee did not receive any complaint under the legislation during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of the Companies Act 2013 and in accordance with Insurance Act, 1938, with respect to Directors' Responsibility statement, it is hereby confirmed:

- that in the preparation of the Annual Accounts for the year ended 31st March 2017, the applicable Accounting Standards have been followed;
- appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March 2017 and of the Loss of the Company for the financial year ended 31st March 2017 ;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the financial statements have been prepared on a 'going concern' basis;
- Internal audit system commensurate with the size and nature of the business exists and is operating effectively.

PARTICULARS REGARDING CONSERVATION OF ENERGY AND TECHNICAL OBSERVATION:

The Company has no activity relating to conservation of energy or technology absorption and hence, the provisions of Section 134 (3)(m) of the Companies Act, 2013 do not apply.

FOREIGN EXCHANGE EARNINGS & OUTGO

Earnings : Rs. 21,426.14 lakh
Outgo : Rs. 641.84 lakh

PARTICULARS OF SWEAT EQUITY SHARES ISSUED TO DIRECTORS

According to Section 54 of the Companies Act 2013 approved by the Members and also approved by IRDAI, 1,397,480 equity shares of Rs. 10/- each issued to Mr.V.Jagannathan, Chairman cum Managing Director during the financial year.

As per the provisions of the Chapter IV Rule 8(13) Companies Rules 2013, the following information is furnished.

No. of Shares to be issued to employee/directors.	1,397,480 Equity Shares of Rs.10/- each.
Condition for Issue of Sweat Equity Share	Lock in period of 3 years.
Pricing Formula	As certified by Category-1 Merchant Banker registered with SEBI
Total No. of Shares arising as a result of issue of Sweat Equity Shares	5,714,199 Equity Shares of Rs.10/- each.
Money realized or benefit accrued to the Company from issue of Sweat Equity Shares	Shares have been issued for consideration other than cash, recognizing the services rendered.
Basic Earnings per share	Rs. 2.77

Other details forming part of Directors Report are given in Annexure to Directors Report

STATUTORY AUDITORS

The Joint statutory Auditors, M/s. Rajagopal & Badrinarayanan, and M/s. N.C.Rajagopal & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.


As per the revised guidelines issued by the IRDAI, M/s. N.C.Rajagopal & Co, and M/s. Rajagopal & Badrinarayanan, Chartered Accountants satisfy the eligibility criteria set by the Authority and furnished the information to the Company.

ACKNOWLEDGEMENT

Your Directors wish to thank the officials and members of Insurance Regulatory and Development Authority of India (IRDAI) for their continued guidance and support to your Company. The support and co-operation extended by all the shareholders and stake holders merit appreciation. Your Directors express their sincere appreciation to the employees of the Company at all levels for their hard work, dedication and commitment.

The Directors also thank the Bankers, Corporate partners and customers for their valued support to your Company.

For and on behalf of the Board



V. Jagannathan


Chairman cum Managing Director

Place: Chennai

Date: 25th May, 2017.

CERTIFICATION FOR COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES FOR 2016-17

I, C.M.Kannan Unni, Company Secretary & Compliance Officer, Star Health and Allied Insurance Company Limited, hereby certify that the Company has complied with the Corporate Governance Guidelines for Insurance Companies, for 2016-17, as amended from time to time and nothing has been concealed or suppressed.



C.M.Kannan Unni
Company Secretary & Compliance Officer

Annexure forming part of Directors Report for the Financial Year 2016-17

Name of the Company	STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
CIN	U66010TN2005PLC056649
Report for Financial Year starting on:	01.04.2016
Financial Year ending date:	31.03.2017
Date of Board Meeting Approving Annual Accounts and Date of Board Meeting Approving Board's Report	25-05-2017

Dates of Board Meetings Held during the Financial Year:
18th May 2016, 18th July 2016, 10th August 2016, 01st November 2016 and 14th February 2017

Amount proposed to be carried to Reserves Section 134(3)(j)	NIL	NIL
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Amount proposed to be declared as Dividend on Equity shares: Section 134 (3)(k)	Current Year
Proposed Equity Dividend %	-Nil-

Amount proposed to be declared as Dividend on Preference shares:	Current Year
Proposed Preference Dividend %	-Nil-

Details of Material Changes and commitments from the Date of Finalisation of Accounts Section 134 (3)(l)	Current Year
	-Nil-

<i>Audit Report Qualifications, adverse remarks and Responses of Directors Section 134(3)(f)</i>
-Nil-

Details of Change in Nature of Business if any During the year
-Nil-

DETAILS OF APPOINTMENT OF DIRECTORS & OTHER MANAGERIAL PERSONNEL DURING THE YEAR RULE 8(5)(III)

Name	Designation	Date of Appointment	Term of Appointment
Mr.Matteo Stefanel	Director, Nominee of APIS Growth 6 Ltd	26-08-2016	

DETAILS OF AUDITORS

Reappointment of Auditors	
Name of Audit Firm / Auditor	M/S. RAJAGOPAL & BADRINARAYANAN & CO
Date of of Appointment	18-08-2016
Term of Appointment	Till the end of 12 th AGM
Number of Years for which the Auditor/ Firm already audited the Company	5 Years

Reappointment of Auditors	
Name of Audit Firm / Auditor	M/S. N C RAJAGOPAL & CO
Date of Appointment	18-08-2016
Term of Appointment	Till the end of 12 th AGM
Number of Years for which the Auditor/ Firm already audited the Company	4 Years

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO. Section 134 (3)(m)

(A) Conservation of energy- Rule 8 (3)A	-Nil-
(i) the steps taken or impact on conservation of energy;	
(ii) the steps taken by the company for utilising alternate	
(iii) the capital investment on energy conservation equipments;	
(B) Technology absorption- Rule 8(3) B	-Nil-
(i) the efforts made towards technology absorption;	
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial	
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development.	
(C) Foreign exchange earnings and Outgo- Rule 8(3)C	
Foreign Exchange Earned (Actual Inflows)	Rs. 21,426.14 lakh
Foreign Exchange Outgo (Actual Outflows)	Rs. 641.84 lakh

A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY; Section 134 (3)(n)

The company has a Risk Management Committee constituted by the Board which regularly assess the Risk and take suitable measures to mitigate the same. Periodical meetings are held and minutes are drawn for taking suitable action plan. There is no element of Risk in the opinion of the board may threaten the existence of the company.

STATEMENT SHOWING THE NAME OF EMPLOYEES OF THE COMPANY, WHO WAS IN RECEIPT OF REMUNERATION FOR THAT YEAR WHICH, IN THE AGGREGATE, WAS NOT LESS THAN SIXTY LAKH -

S.No.	Name	Designation	Gross Remuneration	Qualification	Years of Experience	Date of Commencement of employment	Age (Yrs)	Particulars of previous Employment	Previous Experience(Yrs)
1	V.JAGANNATHAN	CMD	106233432	Master's Degree in Economics	11	1/2/2006	72	United India Insurance Company Limited	

2	S. SUNDARESAN	EXECUTIVE DIRECTOR	10600576	B.com., A.F.I.I	10	5/21/2007	70	United India Insurance Company Limited	35 Years
3	S. PRAKASH	EXECUTIVE DIRECTOR	23555440	MBBS,M.S FRCS (U.K) FAIS	9	5/2/2008	50	Consultant Surgeon - Apollo Hospital	5 Years
4	V. JAYAPRAKASH	EXECUTIVE DIRECTOR	13425622	B.A.B.L.,	8	1/12/2009	68	United India Insurance Company Limited	31 Years
5	MALLESH .A.M	SENIOR VICE PRESIDENT	10168489	M.A. (Economics)	11	6/1/2006	62	United India Insurance Company Limited, 3I Infotech	20 years
6	ANAND ROY	SENIOR VICE PRESIDENT	23632729	B.com,PGDBA	11	6/12/2006	41	ANZ Grindlays, American Express, ICICI Lombard	6 Years
7	RAMASWAMY .S	CHIEF FINANCIAL OFFICER	15562872	B.COM, Chartered Accountant (ACA)	11	2/27/2006	63	United India Insurance Company Limited	28 Years
8	K. HARIKRISHNAN	SENIOR VICE PRESIDENT	7838052	M.V.Sc ., AIII	9	5/1/2008	62	Animal Husbandary Dept., United India Insurance Company	25 years
9	RAJEEVALOCHANAN.V	VICE PRESIDENT	10732190	B.V.Sc & AH ., FIII	11	6/3/2006	55	United India Insurance Company Limited	21 Years
10	MANDAR MARUTI HADSHI	SENIOR SALES MANAGER	9841812	HIGHER SECONDARY	10	6/14/2007	37	ORIENTAL INSURANCE	15 years
11	HIMANSHU WALIA	ASSISTANT VICE PRESIDENT	21666524	MBA	10	9/6/2007	37	ICICI Lombard General Insurance Co ltd, TATA AIG LTD	4 years
12	DAMODARA .P	AREA MANAGER	7575925	MBA (MARKETING & FINANCE)	11	4/15/2006	42	ICICI Lombard General Insurance Co ltd	6 Years
13	VIKAS SHARMA	ASSISTANT VICE PRESIDENT	14611533	B.COM, PGDBM (SALES & MARKETING)	8	4/6/2009	41	ICICI Lombard General Insurance Co ltd, Eureka forbes Ltd,	11 years
14	MEENA HEMANT SHARMA	SENIOR SALES MANAGER	7443312	B.COM	9	12/18/2007	49	Bajaj Allianz,Amrit Corporation ltd	12 years
15	SUNITA PARIKH	SENIOR SALES MANAGER	6523908	HIGHER SECONDARY	9	3/4/2008	47	Lic Housing finance ltd	2.5 years
16	SHIRISH PATEL	SENIOR SALES MANAGER	7146534	B.COM	8	9/9/2009	39	Prudential financial services	10 years

Declaration from independent directors that they meet the criteria of independence Section 149(6) has been obtained

Yes

Details of significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future Rule 8(5)(vii)

-Nil-

The details in respect of adequacy of internal financial control with reference to financial statements Rule 8(5)(viii)

The Company has adequate internal financial control system commensurate with size of the Company.

Any Director receiving commission from the Company and who is a managing or WTD of the Company of the Company and receiving remuneration or commission from any holding company or subsidiary company of such company as specified in Sec. 196(14)

-Nil-

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 INCLUDING JUSTIFICATION FOR ENTERING INTO SUCH CONTRACTS. (AOC 2)

1. Details of contracts or arrangements or	-Nil-
(a) Name(s) of the related party and nature of	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts /	
(d) Salient terms of the contracts or arrangements	
(e) Justification for entering into such contracts or	
(f) date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the special resolution was passed	
2. Details of material contracts or arrangement or	-Nil-
(a) Name(s) of the related party and nature of	
(b) Nature of contracts/arrangements/transactions	
(c) Duration of the contracts /	
(d) Salient terms of the contracts or arrangements	
(e) Date(s) of approval by the Board, if any:	
(f) Amount paid as advances, if any:	

Recommendations of the Audit Committee of the Board not accepted by the Board during the year and reasons thereof. Section 177(8)

-Nil-

COMPANY'S POLICY ON APPOINTMENT & REMUNERATION OF DIRECTORS & OTHER SENIOR MANAGERIAL PERSONNEL COVERING ASPECTS OF:Section 178(3) & (4)

1. Quantum of Remuneration	Based on Qualification, Experience and Responsibility
2. Criteria for Determining Qualifications	Need based
3. Criteria for Determining Positive Attributes	As per profile and periodical internal assessment
4. Criteria for Determining Independence	Functional basis

COMPOSITION OF THE REMUNERATION COMMITTEE

The Remuneration Committee consists of the following Directors as on 31-03-2017:

Members

1. Dr.M.Y.Khan – Independent Director
2. Mr. D R Kaarthikeyan – Independent Director
3. Mr.D C Gupta – Independent Director
4. Mr. V.P. Nagarajan – Non Executive Director
5. Mr.Gagandeep Singh Chhina – Nominee Director
6. Mr.Akhil Awasthi – Nominee Director

Permanent Invitee

1. Mr. Gautam Mago – Nominee Director

COMPOSITION OF THE AUDIT COMMITTEE OF THE BOARD SECTION 134 (3) 177(8)

The Audit Committee consists of the following Directors as on 31-03-2017:

Members

1. Dr.M.Y.Khan – Independent Director
2. Mr. D R Kaarthikeyan – Independent Director
3. Mr.D C Gupta – Independent Director
4. Mr. V.P. Nagarajan – Non Executive Director
5. Mr.Gagandeep Singh Chhina – Nominee Director

Permanent Invitees

1. Mr.Akhil Awasthi – Nominee Director
2. Mr. Gautam Mago – Nominee Director

COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE SECTION 135(2)

The Corporate Social Responsibility Committee consists of the following Directors as on 31-03-2017:

Members

- 1.Dr.M.Y.Khan – Independent Director
2. Mr. D R Kaarthikeyan – Independent Director
3. Mr.D C Gupta – Independent Director
4. Mr. V.P. Nagarajan – Non Executive Director
5. Mr. Gautam Mago – Nominee Director
6. Mr.Gagandeep Singh Chhina – Nominee Director
7. Mr.Akhil Awasthi – Nominee Director

Corporate Social Responsibility Rule 9 of Chapter IX

Average Net Profit for the last three Financial Years	
Prescribed expenditure on CSR	
Total amount to be spent on CSR during the year	
Amount unspent	
Details of Amounts Spent	Nil
Name of the CSR Project	
Sector	
State / District / Area	
Budget Program wise	
Amount Spent	
Direct Expenditure	Nil
Overheads	
Cumulative Amount spent on the Project till reporting period	
Breakup of Amount Spent:	Nil
Directly	
Through implementing Agency (Give name of agency)	
Reason if the prescribed amount is not spent during the year Proviso to Section 135(5)	Since the Company has not made average profit of more than 5 cr in the past 3 years

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

Section 134(3)(p)

As per the Companies Act, 2013 Board evaluation of Director's performance have been carried out to assess the performance of the Board, its Directors, Chairperson and the Committees.

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS

CIN	U66010TN2005PLC056649	Registration Date	17/06/2005
Category/Sub-Category of the Company	Company Limited by Shares/Indian Non Government Company		
Company name	STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED		
Registered Office Address	NO.1,NEW TANK STREET,VALLUVARKOTTAM HIGH ROAD, NUGAMBAKKAM, CHENNAI 600034		
Phone	044-28288800	Fax	044-28260062
Email	info@starhealth.in	Website	www.starhealth.in
Whether listed Company Yes/No	No		
Name & Address of Registrar and Transfer Agent, if any	Karvy Computershare-4, Plot No.17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081.		
Phone	040-23420815-25		
Email	varghese@karvy.com		
Contact Person	Mr.P A Varghese		

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the Company shall be stated)

Sl No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Non Life Insurance - Health Insurance Services	6512	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Nil

Sl No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares held	Applicable Section

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

i) Category-wise Share Holding

Category of shareholders	No of shares held at the year beginning				No of shares held at the year end				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.		170924907		44.16		170924907		37.52	
e) Banks / FI									
f) Any Other....									
Sub-total (A) (1):-		170924907		44.16		170924907		37.52	
(2) Foreign									
a) NRIs - Individuals		28049147		7.25		13571924		2.97	
b) Other-Individuals						14477223		3.18	
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-		28049147		7.25		28049147		6.15	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		198974054		51.41		198974054		43.67	
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	74604708	17984690		23.92	74604708	17984690		20.32	
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds	48090594			12.43	69367189	45296775		25.17	
i) Others (specify)									
Sub-total (B)(1):-	122695302	17984690		36.35	143971897	63281465		45.49	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian		1554642		0.40	1554642			0.34	
ii) Overseas		22536655		5.82		22536655		4.95	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		42420		0.01		42420		0.01	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2238300	20346046		5.84	2532300	21849908		5.35	
c) Others (NRI Repatriable)		620000		0.16		832765		0.19	

Sub-total (B)(2):-	2238300	45099763		12.23	4129362	45219328		10.84	
Total Public Shareholding (B)=(B)(1)+ (B)(2)	124933602	63084453		48.58	148101259	108500793		56.33	
C. SHARES HELD BYCUSTODIAN FOR GDRs & ADRs									
Grand Total (A+B+C)	124933602	262058507	100	124933602	347075313	108500793		100	

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/S.STAR HEALTH INVESTMENTS (P) LTD	170924907	44.17%		170924907	37.52		
2	Mr. ESSA ABDULLA AL GHURAIR	14477223	3.74%		14477223	3.18		
3	Mr.SYED M.SALAHUDDIN	13571924	3.51%		13571924	2.97		
	Total	198974054	51.42%		198974054	43.67		

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

Sl No	Date wise Increase / Decrease in Promoters Share holding during the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	01.04.2016	170924907	44.17%			
	31.03.2016			170924907	37.52%	
2	01.04.2016	14477223	3.74%			
	31.03.2017			14477223	3.18%	
3	01.04.2016	13571924	3.51%			
	31.03.2017			13571924	2.97%	

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

Sl No	Name of Top 10 Shareholders	Date wise Increase /Decrease in Share holding during the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity allotment /transfer / bonus/ sweat equity
			No. of shares	% of total shares	No. of shares	% of total shares	
1	M/S.INDIA ADVANTAGE FUND S3 I	01.04.2016	68544102	17.71%			
		31.03.2017			68544102	15.05%	
2	M/S.APIS GROWTH 6 LTD.	26.08.2016	42936170	9.97%	42936170	9.97%	
		07.10.2016	2360605	9.94%	45296775	9.94%	
		31.03.2017			45296775	9.94%	
3	M/S.ALPHA TC HOLDINGS PTE LTD	01.04.2016	42029988	10.86%			
		31.03.2017			42029988	9.23%	
4	M/S.OMAN INSURANCE COMPANY PSC	01.04.2016	22536655	5.82%			
		31.03.2017			22536655	4.95%	
5	M/S.INDIA ADVANTAGE FUND S4 I	30.08.2016	10638298	2.41%	10638298	2.41%	
		30.09.2016	10638297	4.71%	21276595	4.71%	
		31.03.2017			21276595	4.67%	
6	M/S.TATA CAPITAL GROWTH FUND I	01.04.2016	24045296	6.21%			
		31.03.2017			24045296	5.29%	
7	M/S.ALPHA FDI HOLDINGS PTE LTD	01.04.2016	6060606	1.57%			
		31.03.2017			6060606	1.33%	
8	MR.V. JAGANNATHAN	01.04.2016	11232979	2.90%	11232979	2.90%	
		02.01.2017	1397480	2.77%	12630459	2.77%	Sweat Equity Share
		31.03.2017			12630459	2.77%	
9	Mr.RAJEEV GUPTA	01.04.2016	1708000	0.44%			
		30.09.2016	294000	0.44%	2,002,000	0.44%	
		31.03.2017			2,002,000	0.44%	
10	MRS. S M NAJEEMA AHAMED	01.04.2016	3518106	0.91%			
		31.03.2017			3518106	0.77%	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No	Name of Shareholders Who are also KMP/ Directors of the Company	Date wise Increase / Decrease in Promoters Share holding during the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	MR.V. JAGANNATHAN	01.04.2016	11232979	2.90%	11232979	2.90%	
		02.01.2017	1397480	2.77%	12630459	2.77%	Sweat Equity Share
		31.03.2017			12630459	2.77%	
2	Mr.V.P.NAGARAJAN	01.04.2016	2364242	0.61%	2364242	0.61%	
		31.03.2017			2364242	0.52%	
3	MRS RAMASWAMY	01.04.2016	15151	0.004%			
		31.03.2017			15151	0.003%	
4	MR.C M KANNAN UNNI	01.04.2016	15151	0.004%			
		31.03.2017			15151	0.003%	

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

	Amount in Rupees Current Year	Amount in Rupees Current Year	Amount in Rupees Current Year
Name	V.JAGANNATHAN	S.RAMASWAMY	C.M.KANNAN UNNI
Designation	CMD	CFO	COMPANY SECRETARY
Basic	15999996	870000	735000
Hra	3332004	630000	495000
Trans. Allow.	480000	120000	120000
OTHER. ALLOW	20056236	3645216	1641696
SPL. ALLOW	0	0	
Medical Allow	0	15000	15000
YEARLY GROSS	39868240	5280216	3006696
BONUS	5000	5000	5000
INCENTIVE	0	1000000	1500000
WEAR & TEAR	0	0	217268
VEHICLE MAINTENANCE	0	277656	
LOAN INTEREST-PERQUISITE	0	0	70003
EX-GRATIA	0		
SPL. ALLOW			
SHARES	65681560		
MEDI REIMBURSEMENT	678632		
TOTAL	106233432	15562872	4798967

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

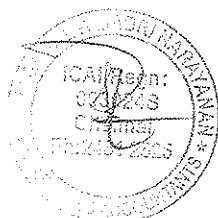
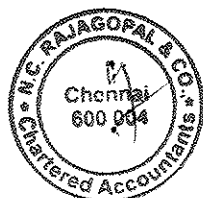
1. Report on the Financial Statements

We have audited the accompanying financial statements of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

In accordance with the provisions of Section 11 of the Insurance Act, 1938 ("the Insurance Act") read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and the provision of section 129 of the Companies Act 2013 ("the Act"), the Balance Sheet, the Revenue Accounts and the Profit and Loss Account are not required to be, and are not, drawn up in accordance with Schedule III of The Act. The Balance Sheet, the Revenue Accounts and the Profit and Loss Account, are, therefore, drawn up in conformity with the Regulations.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Receipts and Payments Statement of the Company in accordance with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of Sub section (1) of Section 129 of The Act, provisions of Section 11 of the Insurance Act read with the IRDAI Regulations/Guidelines/Circulars/orders. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.



3. Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

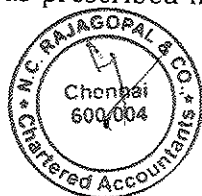
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, The Insurance Regulatory and Development Act, 1999 and The Companies Act, 2013 to the extent applicable and give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) In the case of Revenue Accounts, of the operating profit for the year ended on that date;
- c) In the case of Profit and Loss Account, the profit for the year ended on that date;
- d) In the case of Receipts and Payments Statement, receipts and payments for the year ended on that date.
- e) Investments of the Company have been valued in accordance with the Provisions of the Insurance Act and the Regulations
- f) The Accounting policies selected by the insurer are appropriate and are in compliance with the applicable Accounting Standards and with the Accounting Principles, as prescribed in the regulations or any order or direction issued by the

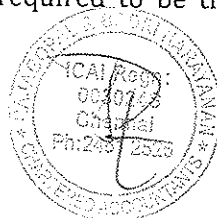
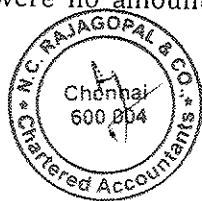


Authority in this behalf.

5. Report on Other Legal and Regulatory Requirements - As required under provisions of Section 143(3) of the Act and IRDAI regulations

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 purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, the Revenue Accounts, Profit and Loss Account, and Receipts and Payments Statement dealt with by this Report are in agreement with the books of account.
- d) The financial accounting system of the Company is centralized and therefore accounting returns are not required to be submitted by branches.
- e) In our opinion, the Balance Sheet, Profit and Loss Account, and Receipts and Payments Statement comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014 read together with IRDAI Regulations/Circulars/Orders.
- f) The estimates of claims Incurred but Not Reported [IBNR] and claims Incurred but Not Enough Reported [IBNER] have been certified by the Company's appointed actuary. The appointed actuary has certified to the Company that the assumptions used for such are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority [IRDA] and Actuarial Society of India in concurrence with IRDAI. We have relied on the appointed Actuary's certificate in this regard.
- g) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure (A).
- i) 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 Note No.2 (a) of Schedule 17 to the financial statements.
 - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor



Education and Protection Fund by the Company.

6. Further, according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- We have reviewed the Management Report attached to the financial statements for the financial year ended March 31, 2017 and there is no apparent mistake or material inconsistency therein with the financial statements.
 - The Company has complied with the terms and conditions of registration stipulated by IRDAI vide their letter dated 16th March, 2006.
 - We have verified the cash balances at the corporate office of the Company and investments of the Company.
 - The Company is not a trustee of any trust.
 - No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to application and investment of policyholders' funds.
 - All expenses of management in respect of Miscellaneous Insurance Business have been fully debited to the Miscellaneous Revenue Accounts.


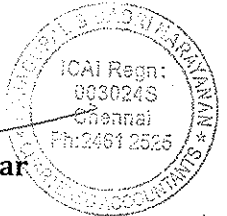
For N. C. Rajagopal & Co.,
Chartered Accountants
Registration No:003398S




V Chandrasekaran
Partner

Membership No: 024844

For Rajagopal & Badri Narayanan
Chartered Accountants
Registration No 003024S

P.S. Prabhakar
Partner

Membership No: 020909

Place: Chennai
Date: 25-May-2017

ANNEXURE (A) REFERRED TO IN PARAGRAPH (6)(h) OF OUR REPORT OF EVEN DATE

TO THE MEMBERS OF STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

We have audited the Internal Financial Controls over financial reporting of **STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

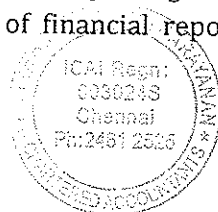
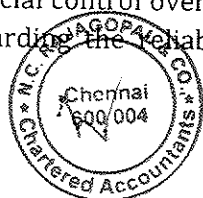
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of



financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

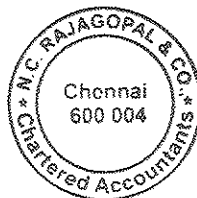
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.


**For N. C. Rajagopal & Co.,
Chartered Accountants
Registration No:003398S**


**V Chandrasekaran
Partner**

Membership No: 024844



**For Rajagopal & Badri Narayanan
Chartered Accountants
Registration No 003024S**


**P.S. Prabhakar
Partner**

Membership No: 020909



Place : Chennai

Dated: 25-May-2017

M. FRANCIS
Practicing Company Secretary

*No.6/32, South K R Koil Street,
West Mambalam, Chennai - 600 033.
Ph: 9941432201
Email id: francis.acs@gmail.com*

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]*

To,

The Members
Star Health And Allied Insurance Company Limited
No.1, New Tank Street, Valluvarkottam High Road
Nugambakkam
Chennai - 600 034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED (hereinafter called the "Company").

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 the secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) *The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;



M. Francis