



THIRTEENTH ANNUAL REPORT

2017-2018

Star Health and Allied Insurance Co. Ltd.

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IRDAI Regn. No.129

STAR HEALTH AND ALLIED INSURANCE CO LIMITED

ANNUAL REPORT 2017-18

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report and the Audited Financial Statements for the year ended 31st March 2018, 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.416, 111 lakh as compared to Rs. 296,005 lakh during last year, registering a growth of Rs. 120,106 lakh. While the market segment showed a growth of 40.24% with a Gross premium of Rs.412, 180 lakh as compared to Rs. 293,905 lakh in the previous year. The RSBY Gross Premium during this financial year is Rs.3,931 lakh.

Overall net incurred claims ratio to net earned premium worked out to 61.76 %, whereas in the market segment it was 61.87%. The profit after adjustment of tax for the Year was Rs. 17,015 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	2017-18	2016-17
	Rs in Lakh	
Gross Direct Premium	416,111.45	296,005.29
RI Premium Accepted	-	13.99
Net Premium	319,603.78	228,316.22
Net Earned Premium	273,960.00	191,145.48
Net Incurred Claims	169,201.58	115,670.85
Commission Earned (Net)	(13,657.67)	(9,529.42)
Operating Expenses	86,134.53	62,534.64
Investment Income-Policy Holders	8,875.95	6,239.78
Other Income-Policy Holders	-	-
Underwriting Profit/(Loss)	13,842.16	9,650.35
Investment Income-Shareholders	5,917.30	3,824.38
Other Outgo	2,639.11	1,680.38
Sweat Equity Shares Pending Allotment	-	-
Profit/(Loss) Before Tax	17,120.35	11,794.37
Provision for Taxation	3,664.63	2,582.82
MAT Credit Entitlement	(3,559.76)	(2,582.82)
Net Profit/(Loss) For The Year	17,015.48	11,794.37

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 stood at Rs. 2, 29,507.55 lakh as at 31st March 2018. The investment income, net of amortization including Profit on sale of investments was Rs.14, 793.25 lakh for the year ended 31st March 2018. The Weighted Average yield on income bearing investments was 8.36%

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.Abhay Kumar Pandey was appointed as Nominee Director of Star Health Investments Pvt Ltd with effect from 31st December 2017 due to the resignation of Mr. Gautam Mago from the directorship of the company in the Board Meeting dated 09-02-2018.

Mr. V.P Nagarajan retires by rotation and being eligible, offer himself 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	Non Executive	B. Com, ACA,ACS,AICWA	Finance
6	Mr.Abhay Kumar Pandey	Director, Nominee of Star Health Investments Pvt Ltd	Non Executive	B.Tech , MBA	Technical & Finance
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, Four Board Meetings were held on 25th May 2017, 26th July 2017, 9th November 2017 and 9th February 2018. The attendance of each Director in the Board Meetings is as under.

S.No.	Name	Category	Number of Board Meetings attended / held during the year 2017-18
1	Mr. V. Jagannathan	CMD	4/4
2	Mr. D.R.Kaarthikeyan	Independent Director	4/4
3	Dr.M Y Khan	Independent Director	4/4
4	Mr. V. P. Nagarajan	Director	4/4
5	Mr.D.C.Gupta	Independent Director	4/4
6	Mr.Gautam Mago	Director, Nominee of Star Health Investments Pvt Ltd	3/4
7	Mr.Gagandeep Singh Chhina	Director, Nominee of ICICI Venture Funds Management Ltd	4/4
8	Mr.Akhil Awasthi	Director, Nominee of Tata Capital Ltd	4/4
9	Ms. Justice. KBK Vasuki, (Retd)	Director	4/4
10	Mr.Matteo Stefanel	Director, Nominee of APIS Growth 6 Ltd	3/4
11	Mr. Abhay Kumar Pandey	Director, Nominee of Star Health Investments Pvt Ltd	0/4

* 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 2018.

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	7	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.Abhay Kumar Pandey	Director, Nominee of Star Health Investments Pvt Ltd	13	Nil	Nil	Nil

7	Mr.Akhil Awasthi	Director, Nominee of Tata Capital Ltd	3	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 25th May 2017, 26th July 2017, 9th November 2017 and 9th February 2018. The attendance of each Director in the Audit Committee Meeting is detailed herein below.

S.No.	Name	Category	Number of Audit Committee Meetings attended/ held during the year 2017-18
1	Dr.M Y Khan	Independent Director	4/4
2	Mr. D.R.Karthikeyan	Independent Director	4/4
3	Mr. V. P. Nagarajan	Director	4/4
4	Mr.Gautam Mago	Director, Nominee of Star Health Investments Pvt Ltd	3/4
5	Mr.Gagandeep Singh Chhina	Director, Nominee of ICICI Venture Funds Management Ltd	4/4
6	Mr.D.C.Gupta	Independent Director	4/4
7	Mr.Akhil Awasthi	Director, Nominee of Tata Capital Ltd	4/4
8	Mr.Matteo Stefanel	Director, Nominee of APIS Growth 6 Ltd	3/4
9	Mr.Abhay Kumar Pandey	Director, Nominee of Star Health	3/4

Investment Committee

During the Year, Four Investment Committee Meetings were held on 25th May 2017, 26th July 2017, 9th November 2017 and 9th February 2018. The details and attendance of the Investment Committee Meeting is given below.

S. No.	NAME	CATEGORY	Number of Investment Committee Meetings attended / held during the year 2017-18
1	Mr. V. Jagannathan	CMD	4/ 4
2	Mr. D.R.Karthikeyan	Independent Director	4/ 4
3	Dr. M Y Khan	Independent Director	4 / 4
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/ 4
9	Mr. A M Mallesh	Chief Risk Officer	4/ 4

Risk Management Committee

During the Year, Four Risk Management Committee Meetings were held on 13th April 2017, 12th July 2017, 25th October 2017 and 23rd January 2018.

S.No.	NAME	CATEGORY	Number of Risk Management Committee Meetings attended / held during the year 2017-18
1	Mr. V.Jagannathan	CMD	4/ 4
2	Mr.S Sundaresan	Senior Executive Director (Designated)	4 / 4
3	Mr.V.Jayaprakash	Senior Executive Director (Designated)	4 / 4
4	Mrs.Rama Duraiswamy	Consultant	4 / 4
5	Mr.H.Srinivasan	Vice President	4 / 4
6	Mr.A M Mallesh	Chief Risk Officer	4/ 4

Policy Holders Protection Committee

During the Year, Four Policy Holders Protection Committee Meetings were held on 13th April 2017, 12th July 2017, 9th October 2017 and 5th January 2018.

S.No.	NAME	CATEGORY	No. of Policy Holders Protection Committee Meetings attended / held during the year 2017-18
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 8th May, 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. During the Financial year 2017-18, the Company has spent an amount of Rs. 76.32 lakhs towards CSR activities based on the recommendation of the Corporate Social Responsibility Committee.

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 2018, 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 2018 and Profit of the Company for the financial year ended 31st March 2018 ;
- 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 : NIL
Outgo : Rs. 117.79 lakh

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



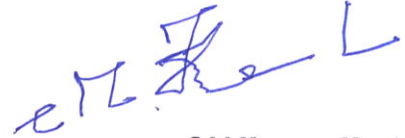
V.Jagannathan
Chairman cum Managing Director

Place: Chennai
Date: 9th May, 2018.



CERTIFICATION FOR COMPLIANCE OF CORPORATE GOVERNANCE GUIDELINES FOR 2017-18

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 2017-18, 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 2017-18

Name of the Company	STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
CIN	U66010TN2005PLC056649
Report for Financial Year starting on:	01.04.2017
Financial Year ending date:	31.03.2018
Date of Board Meeting Approving Annual Accounts and Date of Board Meeting Approving Board's Report	09-05-2018

Dates of Board Meetings Held during the Financial Year:
25th May 2017, 26th July 2017, 09th November 2017 and 09th February 2018

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.Abhay Kumar Pandey	Director, Nominee of Star Health Investments Pvt. Ltd	31-12-2017	

DETAILS OF AUDITORS

Reappointment of Auditors	
Name of Audit Firm / Auditor	M/S. RAJAGOPAL & BADRINARAYANAN & CO
Date of Appointment	26-07-2017
Term of Appointment	Till the end of 13 th AGM

Number of Years for which the Auditor/ Firm already audited the Company	6 Years
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Reappointment of Auditors	
Name of Audit Firm / Auditor	M/S. N C RAJAGOPAL & CO
Date of Appointment	26-07-2017
Term of Appointment	Till the end of 13 th AGM
Number of Years for which the Auditor/ Firm already audited the Company	5 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)	NIL
Foreign Exchange Outgo (Actual Outflows)	Rs. 117.79 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 (YEARS)	DATE OF COMMENCEMENT OF EMPLOYMENT	AGE (YEARS)	PARTICULARS OF PREVIOUS EMPLOYMENT	PRE EMPLOYMENT EXP (YEARS)
1	JAGANNATHAN V	CMD	40420259	M.A. (ECONOMICS)	12	02-Jan-06	74	UNITED INDIA INSURANCE COMPANY LIMITED	41
2	RAMASWAMY S	CHIEF FINANCIAL OFFICER	15696041	B.COM, CHARTERED ACCOUNTANT (ACA)	12	27-Feb-06	64	UNITED INDIA INSURANCE COMPANY LIMITED	28
3	MALLESH A M	EXECUTIVE DIRECTOR	8117786	M.A. (ECONOMICS)	12	13-Mar-06	63	UNITED INDIA INSURANCE COMPANY LIMITED, 3I INFOTECH	20
4	RAJEEVALOCHANAN V	SENIOR VICE PRESIDENT	11555720	B.V.SC & AH., FIII	12	03-Jun-06	56	UNITED INDIA INSURANCE COMPANY LIMITED	21
5	ANAND ROY	EXECUTIVE DIRECTOR	30232081	B.COM., PGD BA	12	12-Jun-06	43	ANZ GRINDLAYS, AMERICAN EXPRESS, ICICI LOMBARD	6
6	KANNAN UNNI C M	EXECUTIVE DIRECTOR	6313624	B.COM, ACA, ACS	12	28-Jun-06	63	UNITED INDIA INSURANCE	37
7	SURESH R S	JOINT VICE PRESIDENT	6561618	B.SC (MATHS), MBA	12	12-Jun-06	46	EUREKHA FORBES LTD, ULTRA PURE TECHNOLOGIES & APPLIANCES INDIA LTD	12
8	KUMAR K C	EXECUTIVE DIRECTOR	9259899	B.COM, MBA	12	02-Aug-06	62	HINDUSTAN LEVER, BHARAT OVERSEAS BANK LTD (BHOB)	28
9	SUNDARESAN S	SENIOR EXECUTIVE DIRECTOR	12165166	B.COM., A.F.II	11	21-May-07	71	UNITED INDIA INSURANCE COMPANY LIMITED	35
10	SACHIN SHRIKANT MAHAJAN	VICE PRESIDENT	9266200	DIPLOMA IN INDUSTRIAL ELECTRONICS ENG, PGDBM (MARKETING MANAGEMENT)	11	03-Jul-07	49	MAX NEWYORK LIFE INSURANCE CO. LTD, TATA AIG GENERAL INSURANCE CO. LTD	13
11	NAYAK R S	SENIOR VICE PRESIDENT	7660264	B.COM, AFII	11	11-Aug-07	70	UNITED INDIA INSURANCE	35
12	HIMANSHU WALIA	VICE PRESIDENT	23937881	MBA	11	06-Sep-07	38	ICICI LOMBARD GENERAL INSURANCE CO LTD, TATA AIG LTD	4
13	PRAKASH S	CHIEF OPERATING OFFICER	30337833	MBBS, M.S FRCS (U.K) FAIS	10	02-May-08	52	CONSULTANT SURGEON - APOLLO HOSPITAL	5

14	HARIKRISHNAN K	EXECUTIVE DIRECTOR	9780440	M.V.SC., AIII	10	01-May-08	63	ANIMAL HUSBANDARY DEPT., UNITED INDIA INSURANCE COMPANY LIMITED	25
15	JAYAPRAKASH V	SENIOR EXECUTIVE DIRECTOR	12243588	B.A.B.L.,	9	12-Jan-09	69	UNITED INDIA INSURANCE COMPANY LIMITED	31
16	VIKAS SHARMA	VICE PRESIDENT	13138922	B.COM, PGDBM (SALES & MARKETING)	9	06-Apr-09	42	ICICI LOMBARD GENERAL INSURANCE CO LTD, EUREKA FORBES LTD,	11
17	PANKAJ DURGA	ASSISTANT ZONAL MANAGER	6176697	B.COM, ADVANCE DIPLOMA IN SALES & MARKETING	9	02-May-09	41	ICICI LOMBARD GIC LTD, HDFC BANK LTD	8.5
18	VEERARAGHAVAIA H CH	VICE PRESIDENT	7720595	B.SC, BL, FFII	9	13-Jul-09	71	UNITED INDIA INSURANCE (FOUR DECADES)	40
19	PRADIPTA CHANDRA TRIPATHY	SENIOR VICE PRESIDENT	7734031	BA, MA (ENG), AFII	9	01-Oct-09	67	UNITED INDIA INSURANCE, CHOLAMANDALAM MS GENERAL INSURNACE	32
20	ANURAG SOOD	JOINT VICE PRESIDENT	7754607	B.SC (CHEMISTR Y), MBA (MARKETIN G)	3	01-Jun-15	43	RELANCE COMMUNICATION LIMITED, TATA AIG GENERAL INSURANCE COMPANY LIMITED	18
21	MANDAR MARUTI HADSHI	SENIOR SALES MANAGER	8241710	HIGHER SECONDARY	11	14-Jun-07	38	ORIENTAL INSURANCE	15
22	MONALI M SAWANT	SENIOR SALES MANAGER	6995330	B.COM	11	15-Jun-07	42	NIL	-
23	DARSHAN KAUR PLAHA	SENIOR SALES MANAGER	7557193	HIGHER SECONDARY	11	15-Jun-07	65	NIL	-
24	VILAS V VAIDYA	SENIOR SALES MANAGER	7526016	B.COM	10	15-Dec-07	57	LIFE INSURANCE CORPORATION OF INDIA	25
25	MEENA HEMANT SHARMA	SENIOR SALES MANAGER	9550625	B.COM	10	18-Dec-07	51	BAJAJ ALLIANZ,AMRIT CORPORATION LTD	12
26	SUPRIYA AMOL SALUNKE	SENIOR SALES MANAGER	6272505	B.COM	10	20-Feb-08	42	LIFE INSURANCE CORPORATION OF INDIA	20
27	SUNITA PARIKH	SENIOR SALES MANAGER	8204387	HIGHER SECONDARY	10	04-Mar-08	49	LIC HOUSING FINANCE LTD	2.5
28	VIKAS AKRUR ASHTEKAR	SENIOR SALES MANAGER	8212685	B.SC (PHYSICS)	10	08-Jul-08	47	LIFE INSURANCE CORPORATION OF INDIA	14

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 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 31-03-2018:

S. No	Members	Category
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

S. No	Permanent Invitee	Category
1	Mr. Abhay Kumar Pandey	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 31-03-2018:

S. No	Members	Category
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

S. No	Permanent Invitee	Category
1	Mr. Abhay Kumar Pandey	Nominee Director
2	Mr.Akhil Awasthi	Nominee Director
3	Mr.Matteo Stefanel	Nominee Director

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

The Corporate Social Responsibility Committee consists of the following Directors as on 31-03-2018:

S. No	Members	Category
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. Abhay Kumar Pandey	Nominee Director
7	Mr.Akhil Awasthi	Nominee Director

Corporate Social Responsibility Rule 9 of Chapter IX

The details of the expenditure incurred towards Corporate Social Responsibility is given in Appendix-1

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 31.03.2018

[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 Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032	
Phone	040-6716 1602		
Email	hanumantha.patri@karvy.com		
Contact Person	Mr. Hanumantha Rao Patri		

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 if 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.	17,09,24,907	-	17,09,24,907	37.52	17,09,24,907	-	17,09,24,907	37.52	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	17,09,24,907	-	17,09,24,907	37.52	17,09,24,907	-	17,09,24,907	37.52	-
(2) Foreign									
a) NRIs – Individuals *	-	1,35,71,924	1,35,71,924	2.97	-	1,35,71,924	1,35,71,924	2.97	-
b) Other-Individuals *	-	1,44,77,223	1,44,77,223	3.18	-	1,44,77,223	1,44,77,223	3.18	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	2,80,49,147	2,80,49,147	6.15	-	2,80,49,147	2,80,49,147	6.15	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	17,09,24,907	2,80,49,147	19,89,74,054	43.67	17,09,24,907	2,80,49,147	19,89,74,054	43.67	-
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	7,46,04,708	1,79,84,690	9,25,89,398	20.32	7,46,04,708	1,79,84,690	9,25,89,398	20.32	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	6,93,67,189	4,52,96,775	11,46,63,964	25.17	6,93,67,189	4,52,96,775	11,46,63,964	25.17	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	14,39,71,897	6,32,81,465	20,72,53,362	45.49	14,39,71,897	6,32,81,465	20,72,53,362	45.49	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	15,54,642	-	15,54,642	0.34	-	-	-	-	-
ii) Overseas	-	2,25,36,655	2,25,36,655	4.95	-	2,25,36,655	2,25,36,655	4.95	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	42,420	42,420	0.01		42,420	42,420	0.01	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	25,32,300	2,18,49,908	2,43,82,208	5.35	51,84,770	2,07,52,080	2,59,36,850	5.69	-
c) Others (NRI Repatriable)	-	8,32,765	8,32,765	0.19	-	8,32,765	8,32,765	0.19	-
Sub-total (B)(2):-	40,86,942	4,52,61,748	4,93,48,690	10.84	51,84,770	4,41,63,920	4,93,48,690	10.84	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	14,80,58,839	10,85,43,213	25,66,02,052	56.33	14,91,56,667	10,74,45,385	25,66,02,052	56.33	-
C. SHARES HELD BYCUSTODIAN FOR GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	31,89,83,746	13,65,92,360	45,55,76,106	100	32,00,81,574	13,54,94,532	45,55,76,106	100	-

* Based on a suit filed against the individual shareholders referred above, the Honorable High court of Madras has passed an interim injunction order, restraining the company from giving effect to any transfer of shares held by them and this matter is sub judice.

(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	17,09,24,907	37.52	-	17,09,24,907	37.52	-	-
2	Mr. ESSA ABDULLA AL GHURAIR	1,44,77,223	3.18	-	1,44,77,223	3.18	-	-
3	Mr.SYED M.SALAHUDDIN	1,35,71,924	2.97	-	1,35,71,924	2.97	-	-
	Total	19,89,74,054	43.67	-	19,89,74,054	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	01.04.2017	17,09,24,907	37.52%	-	-	-
	31.03.2018	-	-	17,09,24,907	37.52%	-
2	01.04.2017	1,44,77,223	3.18%	-	-	-
	31.03.2018	-	-	1,44,77,223	3.18%	-
3	01.04.2017	1,35,71,924	2.97%	-	-	-
	31.03.2018	-	-	1,35,71,924	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	01.04.2017	6,85,44,102	15.05%	-	-	-
		31.03.2018	-	-	6,85,44,102	15.05%	-
2	M/S.APIS GROWTH 6 LTD.	01.04.2017	4,52,96,775	9.94%	-	-	-
		31.03.2018	-	-	4,52,96,775	9.94%	-

3	M/S.ALPHA TC HOLDINGS PTE LTD	01.04.2017	4,20,29,988	9.23%	-	-	-
		31.03.2018	-	-	4,20,29,988	9.23%	-
4	M/S.OMAN INSURANCE COMPANY PSC	01.04.2017	2,25,36,655	4.95%	-	-	-
		31.03.2018	-	-	2,25,36,655	4.95%	-
5	M/S.INDIA ADVANTAGE FUND S4 I	01.04.2017	2,12,76,595	4.67%	-	-	-
		31.03.2018	-	-	2,12,76,595	4.67%	-
6	M/S.TATA CAPITAL GROWTH FUND I	01.04.2017	2,40,45,296	5.29%	-	-	-
		31.03.2018	-	-	2,40,45,296	5.29%	-
7	M/S.ALPHA FDI HOLDINGS PTE LTD	01.04.2017	60,60,606	1.33%	-	-	-
		31.03.2018	-	-	60,60,606	1.33%	-
8	MR.V. JAGANNATHAN	01.04.2017	1,26,30,459	2.77%	-	-	-
		31.03.2018	-	-	1,26,30,459	2.77%	-
9	Mr.RAJEEV GUPTA	01.04.2017	20,02,000	0.44%	-	-	-
		31.03.2018	-	-	20,02,000	0.44%	-
10	MRS. S M NAJEEMA AHAMED	01.04.2017	35,18,106	0.77%	-	-	-
		31.03.2018	-	-	35,18,106	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	01.04.2017	1,26,30,459	2.77%	-	-	-
		31.03.2018	-	-	1,26,30,459	2.77%	-
2	Mr.V.P.NAGARAJAN	01.04.2017	23,64,242	0.52%	-	-	-
		31.03.2018	-	-	23,64,242	0.52%	-
3	MRS RAMASWAMY	01.04.2017	15,151	0.003%	-	-	-
		31.03.2018	-	-	15,151	0.003%	-
4	MR.C M KANNAN UNNI	01.04.2017	15,151	0.003%	-	-	-
		31.03.2018	-	-	15,151	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+DA	15,999,996	3,372,500	2,239,250

HRA	3,332,004	1,644,475	1,081,014
Trans. Allow.	480,000	27,600	27,600
Other. Allow	20,056,236	353,870	206,910
Spl. Allow	0	0	0
Medical Reimbursement	547,023	15,000	15,000
Annual Gross	40,415,259	5,413,445	3,569,774
Bonus	5,000	5,000	5,000
Incentive	0	10,000,000	2,500,000
Wear & Tear	0	0	191,025
Vehicle Maintenance	0	277,596	0
Loan Interest-Perquisite	0	0	47,825
Ex-Gratia	0	0	0
LTA	0	0	0
TOTAL	40,420,259	15,696,041	6,313,624

Appendix-1

1. A brief outline of Company's CSR Policy , including overview of projects or programs to be undertaken and a reference to the web -link to the CSR policy and projects or programs

The Company's CSR Policy is inspired by its belief in supporting meaningful socio economic development. It works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. In line with its objectives, the following areas have been shortlisted for the CSR roadmap such as health care, education, skill development and sustainable livelihoods etc. The CSR policy was approved by the Board of Directors and subsequently was put up on the official website.

Weblink to the CSR policy:
https://www.starhealth.in/sites/default/files/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf

2. The Composition of the CSR Committee:

The CSR Committee comprises of three Independent Director, one Non-executive Director and three Nominee Directors and is chaired by an Independent Director.

The composition of the Committee is set out below:

Sl. No	Name of Member	Designation in the Company	Role in committee
1	Mr. D R Kaarthikeyan	Independent Director	Chairman
2	Dr.M Y Khan	Independent Director	Member
3	Mr. D C Gupta	Independent Director	Member
4	Mr.V P Nagarajan	Non Executive Director	Member
5	Mr.Gagandeep Singh Chhina	Nominee Director	Member
6	Mr.Akhil Awasthi	Nominee Director	Member
7	Mr.Abhay Kumar Pandey	Nominee Director	Member

The functions of the Committee include review of corporate social responsibility (CSR) initiatives undertaken by the Company, formulation and recommendation to the Board of a CSR Policy stating the activities to be undertaken by the Company and the amount of the expenditure to be incurred on such activities, review and recommend the Annual CSR plan to the Board, monitor the CSR activities, implementation and compliance with the CSR Policy and to review and implement, any other matter related to CSR initiatives .

3. Average net profit of the Company for last three financial years:

The average net profit of the Company for the last three financial years calculated as specified by the Companies Act 2013 was Rs.11, 446.86 lakh.

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The prescribed CSR expenditure requirement for FY2017 was Rs.76.31 lakh.

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year

Total amount spent towards CSR during FY2017 was Rs.76.32 lakh.

(b) Amount unspent, if any : Nil

(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	Program	Execution Partner	Amount(in lakhs)
1.	Promoting sanitation, education and vocabulary skills for the elderly	ZRII Trust	13.5
2.	Promoting education	Olcott School	5
3.	Promoting healthcare facilities	Elders for Elders	5
4.	Promoting employment enhancing skills among children and livelihood enhancement projects	Sowbhagya Illam	5
5.	Promoting education and employment enhancement skills among children and women respectively	PATH	5
6.	Promoting health care facilities	Voluntary Health Services	5
7.	Setting up homes and hostels for women and orphans.	Sandeepani Seva Samithi	5

8.	Providing medical services to the elderly people	Aathma Foundation	5
9.	Providing table chair and bench for students	Ambasamudram Sarvodaya Sangh	4.25
10.	Teaching and training children with autism	Behavior Momentum India Foundation	3
11.	Renovation of toilets for special children	Creations Charitable Trust	3.5
12.	Renovation of Monomania Sundaranar University College	GSR Builders	8
13.	Educating economically weaker autistic children	Lotus Foundation	1.08
14.	Providing hostel for school children,boarding and lodging facilities for destitute women	Madras Seva Sadan	2
15.	Providing visual/ performing arts programs to children	Nalanda Way Foundation	1.5
16.	Construction of restrooms in village school in Tiruvalluvar Dist	Path Trust	1.5
17.	Providing free health care for senior citizens in various slum areas	Sneha Sandhya	1
18.	Providing alms for 15 destitute women.	Tamilnadu Differently Abled Federation Charitable Trust (Sumaithangi Trust)	0.25
19.	Providing rain water harvesting facility at the home/s for children	Thirumaran Rural Upliftment Stable Trust	2.04
20.	Providing equipment for physics lab	United Scientific Suppliers	1

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

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, 2018, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Statement of the Company for the year ended, and a summary of significant accounting policies and other explanatory notes thereon.

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.

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 accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with 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 IRDA 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.

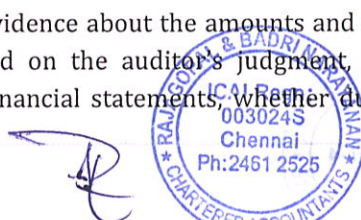
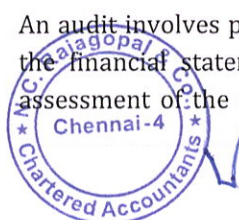
Auditor's Responsibility

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 there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or



error. In making those risk assessments, the auditor considers internal 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.

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, 2018;
- 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.

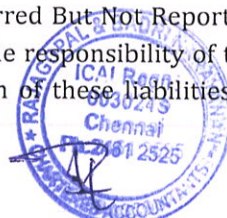
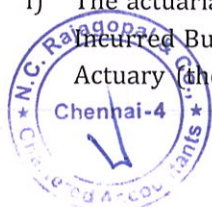
Report on Other Legal and Regulatory Requirements - As required under provisions of Section 143(3) of The Act and IRDA regulations

As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated April 27, 2017 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.

As required by IRDA Financial Statements Regulations and the provisions of 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 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) As the financial accounting system of the Company is centralized no returns for the purpose of our audit are prepared at the branches and other offices of the company;
- e) in our opinion, the Balance Sheet, Revenue Accounts, Profit and Loss Account, and Receipts and Payments Statement comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 read together with IRDA Regulations/Circulars/Orders;

- f) The actuarial valuation of liabilities in respect of Incurred But Not Reported (the "IBNR") and Incurred But Not Enough Reported (the "IBNER") is the responsibility of the Company's Panel Actuary (the "Panel Actuary"). The actuarial valuation of these liabilities, that are estimated



using statistical methods as at March 31, 2018 has been duly certified by the Panel Actuary and in his opinion, the assumptions considered by him for such valuation are 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 Panel Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claims reserves in the financial statements of the Company;

- g) Investments of the Company have been valued in accordance with the Provisions of the Insurance Act and the Regulations;
- h) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act;
- i) 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);
- j) 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.

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

V Chandrasekaran
Partner

Membership No: 024844

Place: Chennai

Date: May 9th, 2018

For Rajagopal & Badri Narayanan
Chartered Accountants
Registration No 003024S

P.S. Prabhakar
Partner

Membership No: 020909

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

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

We have audited the Internal Financial Controls over financial reporting of STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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.

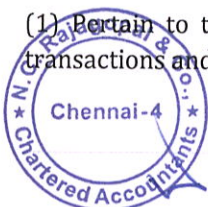
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 judgment, 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, 2018, 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.

Other Matters

The actuarial valuation of liabilities in respect of Incurred But Not Reported (the "IBNR") and Incurred But Not Enough Reported (the "IBNER") is the responsibility of the Company's Panel Actuary (the "Panel Actuary"). The actuarial valuation of these liabilities, that are estimated using statistical methods as at March 31, 2018 has been duly certified by the Panel Actuary and in his opinion, the assumptions considered by him for such valuation are 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 Panel Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claims reserves in the financial statements of the Company.

For N.C. Rajagopal & Co.,

Chartered Accountants

Registration No: 003398S


V Chandrasekaran

Partner

Membership No: 024844

Place : Chennai

Date : May 9th, 2018

For Rajagopal & Badri Narayanan

Chartered Accountants

Registration No 003024S


P.S. Prabhakar

Partner

Membership No: 020909

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

This certificate is issued to comply with the provisions of paragraph 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulation 2002, (the "IRDA Financial Statements Regulations") read with Regulation 3 and may not be suitable for any other purpose.

Management's Responsibility for the statement

The Company's Board of Directors is responsible for complying with the provisions of The Insurance Act, 1938 (the "Insurance Act") as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA 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") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Auditor's Responsibility

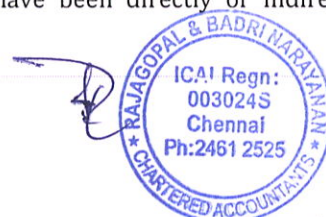
Our responsibility, for the purpose of this certificate, is limited of certifying matters contained in paragraphs 3 and 4 of Schedule C of the IRDA Financial Statements Regulations. We have conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the 'ICAI') which include the concepts of test checks and materiality.

Opinion

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED (the 'Company') for the year ended March 31, 2018, we certify that:

- i. We have reviewed the Management Report attached to the financial statements for the financial year ended March 31, 2018 and there is no apparent mistake or material inconsistency therein with the financial statements.
- ii. The Company has complied with the terms and conditions of registration stipulated by IRDA vide their letter dated 16th March, 2006.
- iii. We have verified the cash balances at the corporate office of the Company and investments of the Company.
- iv. The Company is not a trustee of any trust.

v. 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.

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: May 9th, 2018

M. FRANCIS

Practicing Company Secretary

*Flat No.13/15, S.N.R.Flats,
3rd Floor, 4th Avenue,
Ashok Nagar, Chennai – 600 083
Ph: 9941432201
Email id: francis.acs@gmail.com*

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018

*[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 2018, 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 2018 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;

- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, *Overseas Direct Investment and *External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) *The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) *The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) *The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The other laws applicable specifically to the company:
- Insurance Act 1938 and the Rules made there under.
 - Insurance Regulatory and Development Authority Act, 1999 and the Regulations made there under.

We have also examined whether adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition laws, environment laws etc.

In respect of financial laws like Tax laws, etc we have relied on the audit reports made available during our audit for us to have the satisfaction that the Company has complied with the provisions of such laws.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) *The Listing Agreements entered into by the Company with NSE and BSE for securities.

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

Note: * Denotes "NOT APPLICABLE"..

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Women Director and Independent Directors. The changes in

the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that during the audit period the company has the following major transactions

1. The Company had issued and allotted 800 Nos. and 1200 Nos. rated, unlisted, unsecured, redeemable, non – convertible debentures of face value of Rs.10,00,000/- per non – convertible debenture to M/s. Kotak Mahindra Investments Limited and M/s. Franklin India Corporate Bond Opportunities Fund respectively on 06.09.2017.
2. The Company had issued and allotted 200 Nos., 110 Nos. and 190 Nos. rated, unlisted, unsecured, redeemable, non – convertible debentures of face value of Rs.10,00,000/- per non – convertible debenture to M/s. Kotak Mahindra Investments Limited, M/s. Franklin India Corporate Bond Opportunities Fund and M/s. Franklin India Dynamic Accrual Fund respectively on 31.10.2017.
3. The Company has reappointed Mr.V.Jagannathan as Chairman Cum Managing Director for a Period of Two Years with effect from 17.06.2018 as per the existing terms.
4. The Company has approved payment of profit related commission to 3 Independent Directors (Non – Executive Directors) not exceeding of Rs.10,00,000/- p.a. to each.
5. The Company has approved payment of profit related commission to Mr. V.P. Nagarajan (Non – Executive Director) not exceeding of Rs.10,00,000/- p.a.

This report has to be read along with our statement furnished in Annexure A

M. Francis



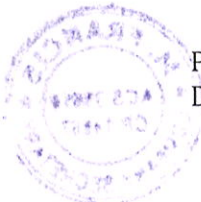
Name of Company Secretary in practice: M. Francis

ACS No.: 39610

C.P. No.: 14967

Place: Chennai

Date: 9th May 2018



M. FRANCIS

Practicing Company Secretary

*Flat No.13/15, S.N.R.Flats,
3rd Floor, 4th Avenue,
Ashok Nagar, Chennai – 600 083
Ph: 9941432201
Email id: francis.acs@gmail.com*

Annexure 'A'

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

Dear Sir(s),

Sub.: Secretarial Audit Report for the Financial Year ended 31.03.2018

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

Name of Company Secretary in practice: M. Francis
ACS No.: 39610
C.P. No.: 14967

Place: Chennai
Date: 9th May 2018

Form B - RA
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDAI : **129/16.03.2006**

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
FIRE BUSINESS

(Rs.'000)

Particulars	Schedule	31st Mar 2018	31st Mar 2017
1 Premiums earned (Net)	1 A	-	-
2 Profit/ (Loss) on sale/redemption of Investments		-	-
3 Others (to be specified)		-	-
4 Interest, Dividend & Rent - (Gross)		-	-
TOTAL (A)		-	-
1 Claims Incurred (Net)	2 A	-	-
2 Commission	3 A	-	-
3 Operating Expenses related to Insurance Business	4	-	-
4 Premium Deficiency		-	-
TOTAL (B)		-	-
Operating Profit/(Loss) from Fire Business C= (A - B)		-	-
APPROPRIATIONS			
Transfer to Shareholders' Account		-	-
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)			
Significant accounting policies	16		
Notes to financial statements	17		

As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Fire Business have been fully debited in the Fire Revenue Account as expenses.

As Per Our Report of Even Date attached

For N.C.Rajagopal & Co.
Chartered Accountants
Firm Reg No. 003398S

V.Chandrasekaran
Partner
M.No.24844

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg.No. 003024S

P.S.Prabhakar
Partner
M.No.20909

Place: Chennai - 600 034
Date: 09-May-2018

For And On Behalf of Board of Directors

V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Form B - RA
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDAI : 129/16.03.2006

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
MARINE BUSINESS

(Rs.'000)

Particulars	Schedule	31st Mar 2018	31st Mar 2017
1 Premiums earned (Net)	1 B	-	-
2 Profit/ (Loss) on sale/redemption of Investments		-	-
3 Others (to be specified)		-	-
4 Interest, Dividend & Rent – (Gross)		-	-
TOTAL (A)		-	-
1 Claims Incurred (Net)	2 B	-	-
2 Commission	3 B	-	-
3 Operating Expenses related to Insurance Business	4	-	-
4 Premium Deficiency		-	-
TOTAL (B)		-	-
Operating Profit/(Loss) from Marine Business C= (A - B)		-	-
APPROPRIATIONS			
Transfer to Shareholders' Account		-	-
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
TOTAL (C)		-	-
Significant accounting policies	16		
Notes to financial statements	17		

As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Marine Business have been fully debited in the Marine Revenue Account as expenses.

As Per Our Report of Even Date attached

For N.C.Rajagopal & Co.
Chartered Accountants
Firm Reg No. 0033985

V.Chandrasekaran
Partner
M.No.24844

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 0030245

P.S.Prabhakar
Partner
M.No.20909

Place: Chennai – 600 034
Date: 09-May-2018

For And On Behalf of Board of Directors

V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Form B - RA
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDAI : **129/16.03.2006**

REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018
MISCELLANEOUS BUSINESS

		(Rs.'000)	
Particulars	Schedule	31st Mar 2018	31st Mar 2017
1 Premiums earned (Net)	1 D	2,73,96,000	1,91,14,548
2 Profit/ (Loss) on sale/redemption of Investments (Refer Note No.5(b) of Sch 17)		70,155	40,105
3 Others		-	-
4 Interest, Dividend & Rent – (Gross) (Refer Note No.21 of Sch 17)		8,17,439	5,83,873
TOTAL (A)		2,82,83,594	1,97,38,526
1 Claims Incurred (Net)	2 D	1,69,20,158	1,15,67,085
2 Commission	3 D	13,65,767	9,52,942
3 Operating Expenses related to Insurance Business	4	86,13,593	62,53,464
4 Premium Deficiency		-	-
TOTAL (B)		2,68,99,518	1,87,73,491
Operating Profit/(Loss) from Miscellaneous Business C= (A - B)		13,84,076	9,65,035
APPROPRIATIONS			
Transfer to Shareholders' Account		13,84,076	9,65,035
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves (to be specified)		-	-
TOTAL (C)		13,84,076	9,65,035
Significant accounting policies	16		
Notes to financial statements	17		

As required by Section 40C(2) of the Insurance Act, 1938, we hereby certify that all expenses of management in respect of Miscellaneous Business have been fully debited in the Miscellaneous Revenue Account as expenses.

As Per Our Report of Even Date attached

For N.C.Rajagopal & Co.
Chartered Accountants
Firm Reg No. 0033985

V.Chandrasekaran
Partner
M.No.24844

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 0030245

P.S.Prabhakar
Partner
M.No.20909

Place: Chennai – 600 034
Date: 09-May-2018

For And On Behalf of Board of Directors

V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Form B - PL
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDAI : **129/16.03.2006**
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018

(Rs.'000)

Particulars	Schedule	31st Mar 2018	31st Mar 2017
1 OPERATING PROFIT/(LOSS)			
(a) Fire Insurance		-	-
(b) Marine Insurance		-	-
(c) Miscellaneous Insurance		13,84,076	9,65,035
2 INCOME FROM INVESTMENTS			
(a) Interest, Dividend & Rent - (Gross) (Refer Note No.21 of Sch 17)		5,44,960	3,57,858
(b) Profit on sale of investments (Refer Note No.5(b) of Sch 17)		46,770	24,581
Less: Loss on sale of investments		-	-
3 OTHER INCOME		-	-
TOTAL (A)		19,75,806	13,47,474
4 PROVISIONS (Other than taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		-	-
(c) Others		-	-
5 OTHER EXPENSES			
(a) Expenses other than those related to Insurance Business		-	-
(b) Bad debts written off		-	-
(c) Others		-	-
i) Sweat Equity Shares		-	37,315
ii) Key Management Personnel Remuneration (Refer Note No.13 of Sch 17)		25,552	25,552
iii) Management expenses allocated (Refer Note No.23 of Sch 17)		43,448	1,04,221
iv) Donation		4,900	950
v) Interest on NCD		1,37,499	-
vi) Remuneration To Non-Executive Directors - Profit Related Commission (Refer Note No.31 of Sch 17)		4,400	-
vii) NCD issue expenses		40,341	-
viii) CSR Expenses		7,632	-
TOTAL (B)		2,63,771	1,68,038
Profit Before Tax (A-B)		17,12,035	11,79,437
Provision for Taxation			
(a) Current Tax		3,66,463	2,58,282
Add: Reversal of MAT Credit relating to earlier years		10,487	-
Less: MAT Credit Entitlement		(3,66,463)	(2,58,282)
(b) Deferred Tax		-	-
Profit After Tax		17,01,548	11,79,437
APPROPRIATIONS			
(a) Interim dividends paid during the year		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer Contingency reserve for Unexpired Risk		-	-
Balance of profit/ (loss) brought forward from last year		(24,06,994)	(35,86,431)
Balance carried forward to Balance Sheet		(7,05,446)	(24,06,994)
Significant accounting policies	16		
Notes to financial statements	17		
Earnings per share - Basic		3.73	2.77
- Diluted		3.73	2.77

As Per Our Report of Even Date attached

For N.C.Rajagopal & Co.
Chartered Accountants
Firm Reg No. 0033985

V.Chandrasekaran
Partner
M.No.24844

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 0030245

P.S.Prabhakar
Partner
M.No.20909

Place: Chennai - 600 034
Date: 09-May-2018

For And On Behalf of Board of Directors

V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

Form B - BS
STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED
Registration No. and Date of Registration with the IRDAI : **129/16.03.2006**
BALANCE SHEET AS AT 31st MARCH 2018

(Rs.'000)

Particulars	Schedule	31st Mar 2018	31st Mar 2017
SOURCES OF FUNDS			
SHARE CAPITAL	5	45,55,761	45,55,761
RESERVES AND SURPLUS	6	57,45,592	57,45,592
FAIR VALUE CHANGE ACCOUNT		-	-
BORROWINGS	7	25,00,000	-
TOTAL		1,28,01,353	1,03,01,353
APPLICATION OF FUNDS			
INVESTMENTS	8 & 8A	2,16,47,155	1,42,84,773
LOANS	9	-	-
FIXED ASSETS	10	9,69,609	8,38,073
CURRENT ASSETS			
Cash and Bank Balances	11	50,19,968	33,11,056
Advances and Other Assets	12	58,34,966	36,92,238
Sub-Total (A)		1,08,54,934	70,03,294
CURRENT LIABILITIES	13	53,74,931	27,81,623
PROVISIONS	14	1,60,00,861	1,14,50,158
Sub-Total (B)		2,13,75,792	1,42,31,781
NET CURRENT ASSETS (C) = (A - B)		(1,05,20,858)	(72,28,487)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		7,05,446	24,06,994
TOTAL		1,28,01,353	1,03,01,353
Significant accounting policies	16		
Notes to financial statements	17		

As Per Our Report of Even Date Attached

For And On Behalf of Board of Directors

For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. 003398S

V.Chandrasekaran
Partner
M.No.24844

For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. 003024S

P.S.Prabhakar
Partner
M.No.20909

Place: Chennai - 600 034
Date: 09-May-2018

V.Jagannathan
Chairman Cum Managing Director

V.P.Nagarajan
Director

S.Ramaswamy
Chief Financial Officer

C.M.Kannan Unni
Company Secretary

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1A

PREMIUM EARNED [NET]

FIRE BUSINESS ACCOUNT

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Premium from direct business written	-	-
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	-	-
Net Premium	-	-
Adjustment for change in reserve for unexpired risks	-	-
Total Premium Earned (Net)	-	-

SCHEDULE - 1B

PREMIUM EARNED [NET]

MARINE CARGO BUSINESS ACCOUNT

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Premium from direct business written	-	-
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	-	-
Net Premium	-	-
Adjustment for change in reserve for unexpired risks	-	-
Total Premium Earned (Net)	-	-



SCHEDULE - 1C**PREMIUM EARNED [NET]****MARINE HULL BUSINESS ACCOUNT**

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Premium from direct business written	-	-
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	-	-
Net Premium	-	-
Adjustment for change in reserve for unexpired risks	-	-
Total Premium Earned (Net)	-	-

SCHEDULE - 1D**PREMIUM EARNED [NET]****MISCELLANEOUS BUSINESS**

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Premium from direct business written	4,16,11,145	2,96,00,529
Add: Premium on reinsurance accepted	-	1,399
Less : Premium on reinsurance ceded	96,50,767	67,70,306
Net Premium	3,19,60,378	2,28,31,622
Adjustment for change in reserve for unexpired risks	45,64,378	37,17,074
Total Premium Earned (Net)	2,73,96,000	1,91,14,548

All premium written, less reinsurance, is from business in India.



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 2A

CLAIMS INCURRED [NET]

FIRE BUSINESS ACCOUNT

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Claims paid		
Direct	-	-
Add :Re-insurance accepted	-	-
Less :Re-insurance Ceded	-	-
Net Claims paid	-	-
Add Claims Outstanding at the end of the year	-	-
Less Claims Outstanding at the beginning	-	-
Total Claims Incurred	-	-

SCHEDULE – 2B

CLAIMS INCURRED [NET]

MARINE CARGO BUSINESS ACCOUNT

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Claims paid		
Direct	-	-
Add :Re-insurance accepted	-	-
Less :Re-insurance Ceded	-	-
Net Claims paid	-	-
Add Claims Outstanding at the end of the year	-	-
Less Claims Outstanding at the beginning	-	-
Total Claims Incurred	-	-



SCHEDULE - 2C**CLAIMS INCURRED [NET]****MARINE HULL BUSINESS ACCOUNT**

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Claims paid		
Direct	-	-
Add :Re-insurance accepted	-	-
Less :Re-insurance Ceded	-	-
Net Claims paid	-	-
Add Claims Outstanding at the end of the year	-	-
Less Claims Outstanding at the beginning	-	-
Total Claims Incurred	-	-

SCHEDULE - 2D**CLAIMS INCURRED [NET]****MISCELLANEOUS BUSINESS**

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Claims paid		
Direct (Refer Note No.22 of Sch 17)	2,15,88,535	1,48,70,947
Add :Re-insurance accepted	286	1,636
Less :Re-insurance Ceded	51,51,781	35,78,844
Net Claims paid	1,64,37,040	1,12,93,739
Add Claims Outstanding at the end of the year	20,44,069	15,60,951
Less Claims Outstanding at the beginning	15,60,951	12,87,605
Total Claims Incurred	1,69,20,158	1,15,67,085

All claims paid, less reinsurance, are to claimants in India.



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 3A

COMMISSION

FIRE BUSINESS ACCOUNT

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Commission paid		
Direct	-	-
Add: Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	-	-
Net Commission	-	-
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	-	-

SCHEDULE- 3B

COMMISSION

MARINE CARGO BUSINESS ACCOUNT

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Commission paid		
Direct	-	-
Add: Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	-	-
Net Commission	-	-
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	-	-



SCHEDULE- 3C
COMMISSION
MARINE HULL BUSINESS ACCOUNT

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
Commission paid		
Direct	-	-
Add: Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	-	-
Net Commission	-	-
Break-up of the expenses (Gross) incurred to procure business :		
Agents	-	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
Others	-	-
TOTAL	-	-

SCHEDULE- 3D
COMMISSION
MISCELLANEOUS BUSINESS

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
COMMISSION PAID		
Direct	5,037,076	3,356,042
Add: Re-insurance Accepted	-	350
Less: Commission on Re-insurance Ceded	3,671,309	2,403,450
Net Commission	1,365,767	952,942
Break-up of the expenses (Gross) incurred to procure Business :		
Agents	4,741,048	3,097,701
Brokers	151,732	188,166
Corporate Agency	76,096	34,656
Referral	-	-
Others	68,200	35,518
TOTAL	5,037,076	3,356,042



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs.'000)

	Particulars	31st Mar 2018	31st Mar 2017
1	Employees' remuneration & welfare benefits (Refer Note No.13 and Note No.17 of Sch 17)	6,291,861	4,519,178
2	Travel, conveyance and vehicle running expenses	236,860	205,053
3	Training expenses	67,680	84,040
4	Rents, rates & taxes	460,914	406,656
5	Repairs and Maintenance	211,493	163,112
6	Printing & Stationery	204,636	177,382
7	Communication	165,108	122,776
8	Legal & professional charges	106,226	105,649
9	Auditors' fees, expenses etc		
	(a) as auditor	4,715	3,055
	(b) as adviser or in any other capacity, in respect of		
	(i) Taxation matters	2,000	2,000
	(ii) Insurance matters	-	-
	(iii) Management services; and	-	-
	(c) in any other capacity	514	1,156
	(d) Out of Pocket Expenses	1,026	1,315
10	Advertisement and publicity	1,093,243	603,825
11	Interest & Bank Charges	65,706	30,085
12	Others		
	- Director's Sitting Fees	1,001	1,105
	- Software Expenses	240,281	198,218
	- Outsourcing Expenses	374,006	250,565
	- Miscellaneous Expenses	127,461	129,584
	- In House Claim Processing Cost (Refer Note No.22 of Sch 17)	(1,228,510)	(847,886)
	- Management Expenses allocated to Profit and Loss account (Refer Note No.23 of Sch 17)	(43,448)	(104,221)
13	Depreciation	230,819	200,817
	TOTAL	8,613,593	6,253,463



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE – 5
SHARE CAPITAL**

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
1 Authorised Capital 600,000,000 (Previous Year - 600,000,000) Equity Shares of Rs10/- each	60,00,000	60,00,000
2 Issued Capital 455,576,106 (Previous Year - 455,576,106) Equity Shares of Rs10/- each	45,55,761	45,55,761
3 Subscribed Capital 455,576,106 (Previous Year - 455,576,106) Equity Shares of Rs10/- each	45,55,761	45,55,761
4 Called-up / paid up Capital 455,576,106 (Previous Year - 455,576,106) Equity Shares of Rs10/- each (Out of above 5,714,199 (previous year 5,714,199) equity shares of Rs.10/- each issued for consideration other than cash.)	45,55,761	45,55,761
Less : Calls unpaid	-	-
Add : Equity Shares forfeited (Amount originally paid up)	-	-
Less : Par Value of Equity Shares bought back	-	-
Less : Preliminary Expenses Expenses including commission or brokerage on Underwriting or subscription of shares	-	-
TOTAL	45,55,761	45,55,761

SCHEDULE – 5A

SHARE CAPITAL

PATTERN OF SHAREHOLDING

[As certified by the Management]

Shareholder	Current Year		Previous Year	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian	17,09,24,907	37.52%	17,09,24,907	37.52%
Foreign	2,80,40,847	6.16%	2,80,40,847	6.16%
Others	25,66,10,352	56.33%	25,66,10,352	56.33%
TOTAL	45,55,76,106	100.00%	45,55,76,106	100.00%



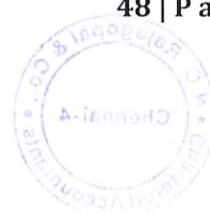
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 6

RESERVES AND SURPLUS

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	57,45,592	57,45,592
4 General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
5 Catastrophe Reserve	-	-
6 Other Reserves	-	-
7 Balance of Profit in Profit & Loss Account	-	-
TOTAL	57,45,592	57,45,592



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 7 BORROWINGS

		(Rs.'000)	
	Particulars	31st Mar 2018	31st Mar 2017
1	Debentures/ Bonds (Refer Note No:15 of Sch 17)	25,00,000	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others (to be specified)	-	-
	TOTAL	25,00,000	-



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule -8 - SHAREHOLDERS

INVESTMENTS

(Rs.'000)

	Particulars	31st Mar 2018	31st Mar 2017
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	42,14,680	27,01,042
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	8,80,338	8,89,845
	(e) Other Securities (to be specified)	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	10,043	9,541
4	Investments in Infrastructure and Social Sector	32,84,085	17,51,369
5	Other than Approved Investments	-	-
SHORT TERM INVESTMENTS			
6	Government securities and Government guaranteed bonds including Treasury Bills		
		-	380
7	Other Approved Securities	-	-
8	Other Investments		
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(a) Derivative Instruments	-	-
	(b) Debentures / Bonds	1,69,742	38,036
	(c) Other Securities	-	-
	(d) Subsidiaries	-	-
	(e) Investment Properties-Real Estate	-	-
9	Investments in Infrastructure and Social Sector	99,974	38,000
10	Other than Approved Investments	-	-
	TOTAL	86,58,862	54,28,213
	Aggregate Market Value of Quoted Investments other than equity shares.	85,50,137	54,84,531
	Aggregate Book Value of Quoted Investments other than equity shares	86,48,818	54,18,672
	Aggregate Book Value of Un-Quoted Investments - Investment Properties	10,043	9,541
	Aggregate Market Value of Investment Properties	10,043	9,541
	Historical cost of Mutual Funds valued on Fair Value basis	-	-



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule -8A - POLICYHOLDERS INVESTMENTS

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	63,22,019	44,06,963
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	13,20,508	14,51,853
(e) Other Securities (to be specified)	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	15,065	15,567
4 Investments in Infrastructure and Social Sector	49,26,128	28,57,497
5 Other than Approved Investments	-	-
SHORT TERM INVESTMENTS		
6 Government securities and Government guaranteed bonds including Treasury Bills	-	620
7 Other Approved Securities	-	-
8 Other Investments		
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(a) Derivative Instruments	-	-
(b) Debentures / Bonds	2,54,613	62,059
(c) Other Securities	-	-
(d) Subsidiaries	-	-
(e) Investment Properties-Real Estate	-	-
9 Investments in Infrastructure and Social Sector	1,49,960	62,000
10 Other than Approved Investments	-	-
TOTAL	1,29,88,293	88,56,559
Aggregate Market Value of Quoted Investments other than equity shares.	1,28,25,205	89,48,446
Aggregate Book Value of Quoted Investments other than equity shares	1,29,73,228	88,40,992
Aggregate Book Value of Un-Quoted Investments - Investment Properties	15,065	15,567
Aggregate Market Value of Investment Properties	15,065	15,567
Historical cost of Mutual Funds valued on Fair Value basis	-	-

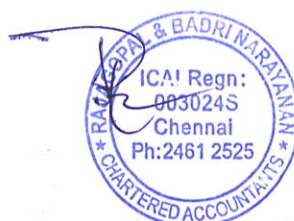


SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9 LOANS

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
1 SECURITY-WISE CLASSIFICATION		
Secured		
(a) On mortgage of property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others (to be specified)	-	-
Unsecured	-	-
TOTAL	-	-
2 BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others (Inter Corporate Deposit)	-	-
TOTAL	-	-
3 PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
TOTAL	-	-
4 MATURITY-WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	-	-
TOTAL	-	-



	Particulars	Gross Block			Amortization/Depreciation Reserve			Net Block			
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	As at year end	Previous Year
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles - IT Software	883,580	1,81,352	-	10,64,932	6,22,969	87,873	-	7,10,842	3,54,090	2,60,611
3	Land - Freehold (Refer Note No.7 of Sch 17)	75,600	-	-	75,600	-	-	-	-	75,600	75,600
4	Leasehold Property	-	-	-	-	-	-	-	-	-	-
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	2,58,646	41,134	-	2,99,780	96,826	31,173	-	1,27,999	1,71,781	1,61,821
7	Information Technology	-	-	-	-	-	-	-	-	-	-
8	Equipment	5,91,366	1,09,255	280	7,00,341	4,06,283	78,032	227	4,84,088	2,16,253	1,85,082
9	Vehicles	18,151	13,816	-	31,967	10,702	3,499	-	14,201	17,766	7,449
10	Office Equipment	1,94,651	39,112	31	2,33,732	1,16,283	29,639	19	1,45,903	87,829	78,368
	Others	-	-	-	-	-	-	-	-	-	-
	Temporary Construction	2,567	-	-	2,567	1,835	603	-	2,438	129	732
	Total	20,24,561	3,84,669	311	24,08,919	12,54,898	2,30,819	246	14,85,471	9,23,448	7,69,663
	Capital work in progress	68,409	64,408	86,657	46,160	-	-	-	-	46,160	68,409
	Grand Total	20,92,970	4,49,077	86,968	24,55,079	12,54,898	2,30,819	246	14,85,471	9,69,608	8,38,072
	Previous year	17,09,968	3,85,160	2,158	20,92,969	10,55,841	2,00,818	1,761	12,54,898	9,69,608	8,38,072



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE- 11 CASH AND BANK BALANCES

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
1 Cash (including cheques, drafts and stamps)	12,72,769	10,38,440
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	12,83,800	4,56,100
(bb) Others	19,800	5,68,800
(b) Current Accounts	24,43,599	12,47,716
(c) Others (to be specified)	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
TOTAL	50,19,968	33,11,056



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
A ADVANCES		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments (Refer Note No.27 of Sch 17)	1,34,709	55,053
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source (Net of Provisions for Tax amounting 830,930.59 ; Previous Year NIL)	1,09,776	-
6 Others		
- Travel Advance	127	393
- Rental Advance	2,16,602	1,88,339
- Telephone Deposit	544	429
- Staff Advance	1,04,828	35,739
- Other Advances (Refer Note No.28 of Sch 17)	56,793	82,199
- Security Deposits (Refer Note No.26 of Sch 17)	30,500	22,425
TOTAL (A)	6,53,879	3,84,576
B OTHER ASSETS		
1 Income accrued on investments	6,03,977	4,98,664
2 Outstanding Premiums (Refer Note No.28 of Sch 17)	3,58,438	3,60,800
3 Agents' Balances	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	30,83,593	19,03,752
6 Due from subsidiaries/ holding	-	-
7 Deposit with RBI	-	-
[Pursuant to section 7 of Insurance Act, 1938]		
8 Others		
- Service Tax Input Credit	7,742	27,983
- GST Input Credit	2,91,458	-
- Service Tax on Collection	80,142	1,16,701
- MAT Credit Entitlement	7,55,737	3,99,762
TOTAL (B)	51,81,087	33,07,662
TOTAL (A+B)	58,34,966	36,92,238



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 13

CURRENT LIABILITIES

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
1 Agents' Balances	3,18,110	3,30,781
2 Balances due to other insurance companies	2,806	9,945
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	2,36,014	1,73,682
5 Unallocated Premium	67,330	88,995
6 Sundry creditors	6,75,597	2,78,539
7 Due to subsidiaries/ holding company	-	-
8 Claims Outstanding	20,44,069	15,60,951
9 Due to Officers/ Directors	-	-
10 Unclaimed Amount of policyholders (Refer Note No.24 of Sch 17)	3,512	12,952
11 Others		
- Premium Deposit on Corporate Accounts	1,47,784	1,18,547
- Interest on Non Convertible Debentures	1,23,749	-
- Statutory dues payable	17,50,961	2,07,230
- Advance receipt against sale of investment property	5,000	-
TOTAL	53,74,931	27,81,623



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 14

PROVISIONS

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
1 Reserve for Unexpired Risk	1,59,80,189	1,14,15,811
2 For taxation (less advance tax paid and taxes deducted at source amounting Nil ; Previous Year Rs. 447,490.58 thousands)	-	16,977
3 For proposed dividends	-	-
4 For dividend distribution tax	-	-
5 Others	-	-
- Provision for Gratuity	20,672	17,370
TOTAL	1,60,00,861	1,14,50,158



SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

(Rs.'000)

Particulars	31st Mar 2018	31st Mar 2017
1 Discount Allowed in issue of shares/ debentures	-	-
2 Others	-	-
TOTAL	-	-



SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting practices and accounting requirements prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Accounting Regulations') and amendments if any, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI') and the requirements of the Companies Act, 2013 ('the Companies Act'), to the extent applicable.

The Company follows the mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

2. Use of Estimates

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

3. Revenue recognition for insurance business

3.1 Premium

Premium (net of Service tax / GST) is recognized as income over the contract period or period of risk, as appropriate and for premium receivable on installment basis, it is recognized on installment due dates after adjusting for unearned premium (unexpired risk) and premium deficiency, if any. Subsequent revisions to or cancellations of premium are accounted for in the year in which they occur.

Premium deficiency is recognized whenever expected claims cost, related expenses and maintenance cost exceed related reserve for unexpired risk in Miscellaneous Revenue Accounts.

3.2 Investment Income

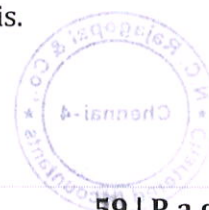
Interest income on investment is recognized on accrual basis.

Dividend income is recognized when the right to receive dividend is established.

Profit or Loss on sale of securities is recognized on trade date. Cost of securities is arrived on weighted average cost basis.

3.3 Income from reinsurance business

Commission on reinsurance business is recognized as income on accrual basis.



4. Reserve for Unexpired risk

Reserve for unexpired risks is created as the amount representing that part of the premium written which is attributable to and allocated to the succeeding accounting periods and has been created at 50% of the Net Written Premium of the preceding 12 months as per the directives issued by IRDAI from time to time.

5. Premium received in advance

This represents premium received during the year, where the risk commences subsequent to the balance sheet date.

6. Reinsurance

Reinsurance is ceded in the year in which risk commences and recognized over the contract period or the period of risk, whichever is appropriate as per the treaty arrangements. Any subsequent revision to or cancellation of premium is recognized in the year in which they occur. Unearned premium on reinsurance ceded is carried forward to the period of risk and set off against related unearned premium.

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

7. Acquisition cost

Acquisition costs are those that vary with and are primarily cost that are related to acquisition of new and renewal contracts and are expensed in the year in which they are incurred.

8. Claims

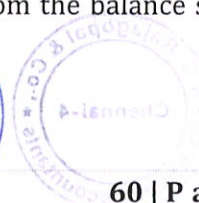
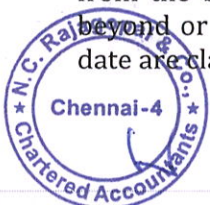
Claims incurred represents claims paid, estimated liability for outstanding claims made following a loss occurrence reported and estimated liability incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER). It also includes legal and investigation fees and In House claims processing expenditure calculated at the rate of 3% of Gross Premium pertaining to Health (Retail & Group) Segment.

Estimated liability for outstanding claims in respect of direct business is provided on the basis of claims reported till the end of the financial year. IBNR and IBNER represent that amount of claims that may have been incurred during the accounting period but have not been reported / not enough reported. The Panel actuary for the purpose has certified the said amount on the basis of available statistical data.

9. Investments

Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) (Amendment) Regulations, 2016.

Investments are recorded at cost on trade date including acquisition charges (such as brokerage, transfer stamps etc), if any, and exclude interest accrued upto the date of purchase. Investments maturing within or intended to be held for a period of less than twelve months from the balance sheet date are classified as 'Short term investments' while those maturing beyond or intended to be held for a period of twelve months or above from the balance sheet date are classified as 'Long term investments'.



Debt Securities

The net realized gains/losses on debt securities are the difference between the net sale consideration and the amortized cost, which is computed on weighted average basis.

Debt securities, which include government securities are considered as 'held-to-maturity' and are measured at historical cost. Accretion of discount and amortization of premium relating to debt securities is recognized over the holding or maturity period on a straight line basis.

Mutual Funds

All mutual fund investments are valued at realisable Net Asset Value and any unrealised gains or losses is accounted at each balance sheet date in "Fair Value Change Account" and carried forward to the Balance Sheet.

Profit / (loss) on actual sale of units of a particular mutual fund shall include the accumulated fair value change thereof and is recycled to the profit and loss account.

Investments though not separately classified in the accounts, are identified on aggregate basis with policy holders and share holders funds on same line as investment income.

Investment income is allocated to the Miscellaneous Revenue accounts and the Profit and Loss Account based on the ratio of average of "Policy Holders' Funds" and "Shareholders' Funds" respectively (average of funds at the beginning and at the end of the year).

The Policy Holders Funds for this purpose shall include the following:

- A) Outstanding Claims including Incurred but not Reported and Incurred but not enough reported
- B) Unearned Premium Reserve
- C) Premium Deficiency Reserve
- D) Catastrophe Reserve
- E) Other Liabilities net off Other Assets

Other Liabilities in point 'E' comprises of:

- i) Premium Received in Advance ii) Unallocated Premium iii) Balance due to Other Insurance Companies iv) Due to other members of a pool such as third party pool v) Terrorism Pool vi) Sundry Creditors due to Policy Holders

Other Assets in point 'E' comprises of:

- i) Outstanding Premium ii) Due from other entities carrying on Insurance Business including reinsurers iii) Balance with pool such as third party pool iv) Balance with Terrorism Pool

The Share Holders Funds for this purpose shall include the following:

- A) Share Capital
- B) Reserves & Surplus (except Revaluation Reserve and Fair Value change account)
- C) Net of Accumulated Losses & Miscellaneous Expenditure to the extent not written off as the balance sheet date

The above segregation is as per the Schedule II of Regulation 8 of Investment Regulation 2016 and the same has been came into effect vide circular No IRDA/E&A/CIR/CPM/056/03/2016 dated 04.04.2016.



Fair value of investments is computed for quoted investments on the basis of the last available market price/yield-to-maturity valuation.

Investment properties are recorded at historical cost.

10. Fixed Assets and Intangibles

Fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and any incidental expenses relating to acquisition and installation.

Depreciation is provided on a straight line basis based on the useful life prescribed in the Schedule II to the Companies Act, 2013 except in the case of networking equipments included in Information Technology Equipments, where the useful life is estimated to be 5 years based on the internal technical evaluations.

Intangibles assets representing computer software are stated at cost less amortization. Computer software including improvements is amortized over a period of five years, being the management's estimate of the useful life of such intangibles.

Depreciation/Amortization on assets including Intangible assets purchased/disposed off during the year is provided on pro-rata basis with reference to the date of purchase/disposal.

All assets including intangibles individually costing less than Rs. 5000/- are fully depreciated/amortized in the year in which it is acquired.

Capital Work-in-progress represents development of Computer Software which is not ready for its intended use.

Impairment of Assets

The company assess 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 recognized in the Profit & Loss Account. The recoverable amount is higher of the net selling price of the assets and their value in use.

11. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period available to equity shareholders by the weighted average number of equity shares outstanding during the period.

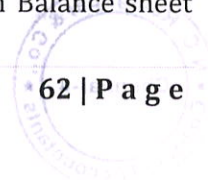
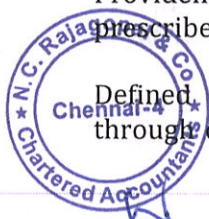
12. Operating expenses

Operating expenses relating to insurance business are allocated to the miscellaneous revenue account, since the company is transacting only in Health Segment.

13. Retirement Benefits

Provident fund contributions and ESI contributions are made to the respective authorities at the prescribed rates and charged to Miscellaneous Revenue account and Profit & Loss account.

Defined Benefit Plan – Retirement gratuity liability is funded with Insurance Company through contributions to an approved gratuity trust. Liability therefore at each Balance sheet



date is arrived at by external actuarial valuation by the fund manager using the projected unit credit method. Differential liability therefore is recognized in the accounts each year.

The Actuarial gains/losses are recognized in the Revenue accounts.

14. Foreign Currency transactions

Transactions in foreign currency are recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the year-end.

Exchange differences arising on foreign currency transactions are recognised as income or expense in the year in which they arise.

15. Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income-tax Act, 1961. Deferred income-tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is a virtual certainty that such deferred tax assets can be realised against future taxable profits. Other deferred tax assets of earlier years are reassessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which, such deferred tax assets can be realised.

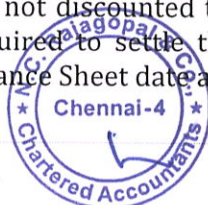
Deferred tax asset is reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably certain to be realized.

16. MAT Credit Entitlement

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on "Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961", the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

17. Contingencies

In accordance with Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets issued by ICAI, to the extent applicable to the company, provisions are created in respect of obligations as a result of past events and it is probable that an outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These will be reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.



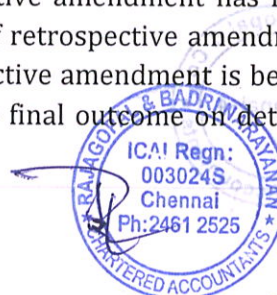
SCHEDULE 17

NOTES TO FINANCIAL STATEMENTS

1. Star Health And Allied Insurance Company Limited ('the Company') was incorporated under the Companies Act, 1956 on 17th June 2005. The Company received its Certificate of Registration from the Insurance Regulatory and Development Authority of India to transact General Insurance Business from 16th March 2006.
2. The Company has no contingent liabilities in respect of the following as at 31st March, 2018 as well as in the previous financial year:
 - Partly paid investments - NIL
 - Underwriting commitments relating to investment activities - NIL
 - Claims, other than those under policies, not acknowledged as debts - NIL
 - Guarantees given by or issued on behalf of the Company - NIL
 - Statutory demands/liabilities in dispute, not provided for :
 - During the financial year 2009-10, the company has received a Show Cause notice from Income Tax Authorities for non deduction of Tax at Source under section 194J of the Income Tax Act- 1961, in respect of cashless claims for payments made to the hospitals. In the absence of any demand from the Income tax authorities the amount is not quantifiable. A Stay Order has been obtained by the company from the Honorable High Court of Madras restraining further proceedings in this matter. The company has also obtained a legal opinion in its favor on this matter.
 - The Company has received Income Tax Assessment Orders for various Assessment Years with demands aggregating to Rs.626,758 thousands (PY: Rs.626,758 thousands) as per the details given below, on account of applying the provisions of Sec 115 JB of Income Tax Act, 1961 and other disallowances under the Income Tax Act- 1961. The Company has filed individual writ petitions, for each of the Assessment years, before the Honorable High Court of Madras which has granted interim stay consequent to the amendments in the provision of section 115JB of the Income Tax Act 1961, confirming the applicability of provisions of the said section, with effect from AY 2014-15 onwards, In the opinion of the company, the said demands are not sustainable and hence no provision is considered necessary in the books.

Assessment Year	Amount(Rs.'000)
2009-10	245,820
2010-11	133,724
2011-12	247,214
Total	626,758

- The Company is of the view that retrospective payment of Bonus is not appropriate and accordingly for bonus computation such retrospective amendment has not been taken in consideration. The additional liability on account of retrospective amendment is Rs.14,831 thousands (PY: Rs.14,831 thousands). The retrospective amendment is being challenged by various parties in the High Court and based on the final outcome on determination of the court cases would be accounted for on that date.



- During the Financial year under review, the Company received an order dated March 26th, 2018 from the principal Commissioner of GST & Central Excise imposing a demand of Rs.55,632 thousands towards Service tax and penalty payable for the alleged non payment of Service tax on the Reinsurance premium of RSBY premium received by the company during the period 2013-14. The company is in the process of filing an appeal against the said order with the appropriate appellate forums. **Based on the legal opinion obtained**, in the opinion of the company, the said demands are not sustainable in the Law and hence no provision is considered necessary in the books.
- Reinsurance obligations to the extent not provided for in the accounts - NIL

3. Commitment made for Investment and Fixed Asset.

Particulars	Amount (Rs ' 000)	
	31st March 2018	31st March 2017
Commitments made and outstanding for loans and investments	NIL	NIL
Estimated Amount of contracts remaining to be executed on capital account and not provided for (net of advances)	160,756	22,225

4. The assets of the Company are free from encumbrances.

5. Investments:

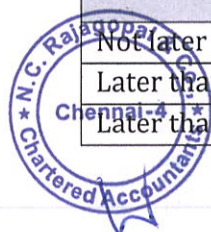
(a)

Particulars	Amount (Rs ' 000)	
	31st March 2018	31st March 2017
Contracts for sale where payments are overdue	NIL	NIL
Contracts for purchases due for delivery on the balance sheet date. (since received)	NIL	NIL
Non-Performing Investment	NIL	NIL

(b) Profit on sale of investments of Rs. 116,925 thousands (PY: Rs.64,685 thousands), allocated to Revenue and Profit and Loss Account in accordance with the Accounting Policy of the Company.

6. Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments for the non-cancellable period of the operating leases are recognized as an expense over the lease term. Lease payments debited to the profit and loss account during the year amounts to Rs. 347,428 thousands (PY: 281,231 thousands). The disclosure in respect of operating leases are as follows :

Minimum Lease Payments	Amount (Rs ' 000)	
	31st March 2018	31st March 2017
Not later than one year	78,974	52,936
Later than 1 year but not later than 5 years	43,924	74,187
Later than 5 years	-	-



The previous year figures have also been changed accordingly for the purpose of comparison.

7. Fixed Assets schedule contains freehold land in Sriperumbudur Taluk, admeasuring 1.4 acres with a book value of Rs.75,600 thousands, one of the public sector undertaking is staking a claim of right of way on an extent of 0.39 acres (having book value Rs.21,060 thousands) based on a statutory right. Subsequent to the year-end, the Company has entered into a Memorandum of Understanding with the vendors for exchange of this land for two alternate properties, the cost of which ensures no impairment/loss in the holding cost to the Company. Hence no provision is considered necessary for impairment.

8. Disclosure as per AS – 15 “Employee Benefits”

Gratuity

Particulars	Amount (Rs'000)	
Assumptions	31-03-2018	31-03-2017
Discount Rate	7.73%	8.00%
Salary Escalation	2.00%	3.00%
Attrition rate	1.00%	3.00%
Expected Return on Plan Assets	7.73%	8.00%
Mortality Rate Table	Indian Assured Lives Mortality(2006-08)	LIC (1994-1996)
Table showing changes in present value of obligations- LIC Fund		
Present value of obligations as at beginning of year	124,500	85,092
Interest cost	9,446	6,807
Current Service Cost	29,302	15,562
Benefits Paid	(12,849)	(7,060)
Actuarial (gain) / loss on obligation	22,851	24,099
Present value of obligations as at end of year	173,250	124,500
Table showing changes in the fair value of plan assets- LIC Fund		
Fair value of plan assets at beginning of year	107,130	71,536
Expected return on plan assets	9,669	8,288
Contributions	48,754	34,367
Benefits paid	(12,849)	(7,060)
Actuarial gain / (loss) on plan assets	(125)	-
Fair value of plan assets at the end of year	152,579	107,130
Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	107,130	71,536
Actual return on plan assets	9,544	8,288
Contributions	48,754	34,367
Benefits paid	(12,849)	(7,060)
Fair value of plan assets at the end of year	152,579	107,130
Funded Status	(20,672)	(17,370)
Excess of actual over estimated return on plan assets		-

Actuarial (Gain)/Loss recognized		
Actuarial (gain) /loss on obligation	22,851	24,099
Actuarial (gain) / loss on plan assets	-	-
Actuarial (gain) / loss recognized in the year	22,851	24,099
The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	173,250	124,500
Fair value of plan assets as at the end of the year	152,579	107,130
Funded status	(20,672)	(17,370)
Net (Liability) Recognized in the Balance Sheet	(20,672)	(17,370)
Expenses Recognized in statement of Profit & loss		
Current Service cost	29,302	15,562
Interest Cost	9,446	6,807
Expected return on plan assets	(9,669)	(8,288)
Net Actuarial (gain) / loss recognized in the year	22,976	24,099
Expenses to be recognized in the profit & loss	52,055	38,181

Amounts for the current and previous four periods are as follows:

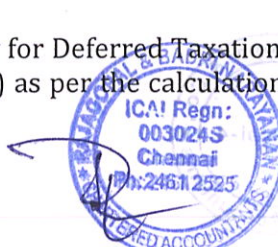
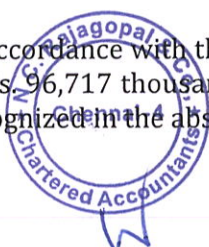
Name of shareholders	2017-18	2016-17	2015-16	2014-15	2013-14
Defined Benefit Obligations	173,251	124,500	85,092	58,813	53,482
Plan Assets	152,579	107,130	71,536	59,662	35,588
Surplus/(Deficit)	(20,672)	(17,370)	(13,556)	849	(17,894)

9. Claims Outstanding:

Pending for	FY 2017 - 18		FY 2016 - 17	
	No. of Claims	Amount (Rs.'000)	No. of Claims	Amount (Rs.'000)
Less than or equal to 6 months	30,217	1,431,617	29,109	1,359,418
More than 6 months Less than or equal to 1 year	1,269	48,831	479	23,348
More than 1 year Less than or equal to 2 year	102	31,873	85	9,605
More than 2 years	30	23,396	47	28,361
Total	31,618	1,535,718	29,720	1,421,002

The claims were outstanding predominantly due to non-submission of essential documents by the insured. As at the year end, there are Nil Claims (PY - Nil claims) outstanding for a period exceeding six months from the date when settlement has been agreed.

10. In accordance with the Company's Accounting policy for Deferred Taxation, the net deferred tax asset of Rs. 96,717 thousands (PY: Rs. 210,002 thousands) as per the calculation given below has not been recognized in the absence of virtual certainty.



The details of Net Deferred Tax Asset / Liability are as under:

(Rs.'000)

Timing Difference on Account of	As At 31st March 2018		As At 31st March 2017	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Carried Forward Loss	-	-	-	-
• On Depreciation Loss	153,243	-	163,141	-
• On Business Loss	-	-	85,969	-
• URR Differences	-	-	-	-
Depreciation differences	-	85,483	-	69,345
Provision for Bonus	21,803	-	24,226	-
Provision for Gratuity	7,154	-	6,012	-
Total	182,200	85,483	279,347	69,345
Net Deferred Tax Asset / (Liability)	96,717		210,002	
Deferred Tax Expense / (Income) recognized in Profit & Loss A/c	-		-	

11. The sector wise gross written premium is as follows:

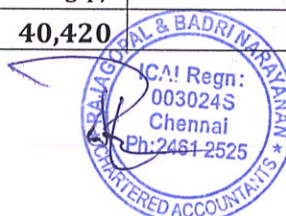
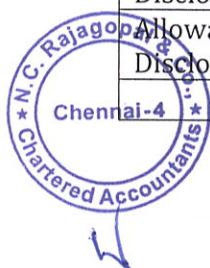
Sector	For the year ended 31 st March 2018				For the year ended 31 st March 2017			
	No. of policies	No. of Lives	GWP Rs. '000	%	No. of policies	No. of Lives	GWP Rs. '000	%
Rural	617,304	1,643,519	5,747,096.16	13.80	469,466	1,285,755	3,652,281.97	12.34
Social	518,259	1,446,189	5,698,155.33	13.69	496,133	1,550,820	4,604,783.61	15.56
Others	2,458,594	7,566,504	30,165,895.94	72.51	2,037,851	6,330,170	21,343,462.96	72.10
Total	3,594,157	10,656,212	41,611,147.43	100	3,003,450	9,166,745	29,600,528.54	100

12. Premium Income recognized based on the varying risk pattern is Nil (PY – Nil).

13. Managerial Remuneration (as per applicable statutes) paid to the Managing Director is included in the Employee benefits and details are as follows:

(Rs '000)

	31 st March 2018	31 st March 2017
Salary - Disclosed in P&L	25,552	25,552
Salary - Disclosed in Sch:4	14,321	14,321
Sweat Equity Allotment - Disclosed in P&L	-	37,315
Allowances and Perquisites - Disclosed in Sch:4	547	679
Total	40,420	77,867



14. Related Party Disclosure:

A. List of Related Parties

Key Managerial Personnel (KMP) and relatives of KMP (With whom transactions have taken place)	Mr. V. Jagannathan (Chairman cum Managing Director - CMD) Mrs. Sunanda Jagannathan
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B. Transactions with Related Parties

(Rs '000)

Transactions during the year	KMP, NED & ID		Relative of Key Managerial Personnel (KMP)		Total	
	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017	31 st March 2018	31 st March 2017
Remuneration paid to KMP	40,420	63,892	-	-	40,420	63,892
Share Capital Allotted*	-	13,975	-	3,191	-	17,166
Balance Outstanding at the end of the year	-	-	-	-	-	-
Share Capital	126,305	126,305	24,477	24,477	150,782	150,782

*Includes value of Sweat Equity Shares of Rs.13,975 thousands issued in the previous year.

There are no amounts written off/written back during the year, relating to the above transactions.

15. During the year 2017-18, the Company has issued Unsecured Non Convertible Debentures (NCD) for Rs.250 Crore. The issuance was made in two tranches of Rs. 200 Crore and Rs.50 Crore with an interest of 10.25% p.a and 10.20% p.a respectively and has charged interest of Rs 137,499 thousands in the profit and loss account. The interest is payable on 30th of May every year and the same is redeemable during financial year 2023-24.

16. Extent of Risk retained and Re-insured

Particulars	31 st March 2018	31 st March 2017
Risk Retained (%)	76.81%	77.13%
Risk Re-insured (%)	23.19%	22.87%

17. Employer provident fund contributions

Breakup of Employees' remuneration & welfare benefits under Schedule 4 – Operating Expenses related to Insurance business is as follows:

Particulars	31 st March 2018	31 st March 2017
Salary, wages, Bonus and Other allowances	6,073,922	4,347,770
Employer contribution to provident funds	217,939	171,408
Total	6,291,861	4,519,178



18. Disclosure as per AS – 20 “ Earnings Per Share “

		(Rs '000)	
S.No.	Particulars	31 st March 2018	31 st March 2017
1	Net Profit / (Loss) Attributable to Shareholders	1,701,548	1,179,432
2	Weighted Average No. of Equity Shares Issued for Basic EPS (in numbers)	455,576,106	425,991,214
3	Weighted Average No. of Equity Shares Issued for Diluted EPS (in numbers)	455,576,106	425,991,214
4	Basic Earnings Per Share (in Rs.)	3.73	2.77
5	Diluted Earnings Per Share (in Rs.)	3.73	2.77
6	Nominal Value Per Share (in Rs.)	10.00	10.00

19. Segment Reporting :

The Company carries on non-life insurance business in India. The Company has provided primary segmental information, in Annexure 1, as required by Accounting Standard 17 – ‘Segment Reporting’ issued by ICAI, read with Accounting Regulations.

20. Summary of Financial Statements and Accounting Ratios:

A summary of financial statements and Accounting Ratios as per the formats prescribed by the IRDAI in its circular dated 29th April, 2003 is provided in Annexure 2 and Annexure 3.

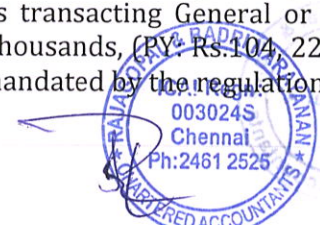
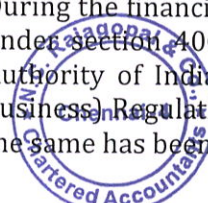
21. Amortization of premium / (Accretion of discount) on investments details are as follows:

		(Rs '000)	
Particulars	31 st March 2018	31 st March 2017	
Revenue Account			
Fire	NIL	NIL	
Marine	NIL	NIL	
Miscellaneous	36,674	18,803	
Profit & Loss Account			
Share Holders	24,450	11,525	
Total	61,124	30,328	

Amortization of premium pertaining to revenue a/c and the profit & loss a/c have been adjusted against Interest, Dividend & Rent credited to the respective accounts.

22. During the year Company has transferred from Operating Expenses (Ref: Schedule 4 of the Financial Statements under “Others - In House Claims Processing Cost”) to Claims cost an amount of Rs. 1,228,510 thousands (PY: Rs. 847,886 thousands) being 3% of the gross premium (excluding co-insurance inward) pertaining to Health & PA segment towards In House Claims processing expenditure based on the Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016.

23. During the financial year under review, the company has exceeded the sub segment limits prescribed under section 40C of The Insurance Act 1938, read with Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016, by an amount of Rs.43, 448 thousands, (PY: Rs.104, 221 thousands) and the same has been allocated to profit and loss account as mandated by the regulations.



24. Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders

(For the Year ended 31st March 2018)

(Rs '000)

Particulars	Total Amount	AGE-WISE ANALYSIS						
		1-6 months	7-12 months	13-18 months	19- 24 months	25 - 30 months	31 - 36 months	Beyond 36 Months
Claims settled but not paid to the policyholders	-	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
Excess Premium / Refunds (Due to the Insured)	3,512	3,512	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured	-	-	-	-	-	-	-	-

(For the Year ended 31st March 2017)

(Rs '000)

Particulars	Total Amount	AGE-WISE ANALYSIS						
		1-6 months	7-12 months	13-18 months	19- 24 months	25 - 30 months	31 - 36 months	Beyond 36 Months
Claims settled but not paid to the policyholders	-	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
Excess Premium / Refunds (Due to the Insured)	12,952	12,952	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/ insured	-	-	-	-	-	-	-	-

25. Penal actions by various Statutory Authorities:

S.No.	Authority	Non-Compliance/ Violation	Amount in Rs.'000		
			Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority of India			NIL	
2	Service Tax Authorities			NIL	
3	Income Tax Authorities			NIL	



6	Registrar of Companies / NCLT / CLB / Department of Corporate Affairs or any Authority under Companies Act, 1956		NIL
7	Penalty awarded by any Court / Tribunal for any matter including claim settlement but excluding compensation		NIL
8	Securities and Exchange Board of India		NIL
9	Competition Commission of India		NIL
10	Any other Central / State / Local Government / Statutory Authority		NIL

Note: PY Figures for the above items are also "Nil".

26. Security deposit includes Rs. 8,229 thousands (PY 9,379 thousands) being amount deposited by the company with the courts against disputed claims. Pending disposal of the case, in the opinion of the company the said amount is considered good and recoverable.

27. Prepayments includes Rs.67,798 thousands (PY:NIL) adjustable from the marketing employees based on the performance analysis as per the Terms of their employment.

28. An amount of Rs. 358,438 thousands (PY Rs. 360,800 thousands) being outstanding premiums recoverable towards RSBY Scheme is considered good and recoverable.

29. Certain Balances included under Advances and Other Assets are subject to year end confirmation. However, in the opinion of the management, all the balances are good and recoverable.

30. Details of Outsourcing Expenses

		Rs. '000	
Nature of Outsourcing Expenses	31st March 2018	31st March 2017	
Manpower Expenses	148,887	146,240	
Online & Tele Marketing Expenses	225,119	311,287	
Claims Investigation & Related Expenses	14,673	16,100	
Other Outsourcing Expenses	871	3,682	
Total	389,550	477,309	

31. Profit related remuneration paid to following directors

Designation	Name of the Director	Amount in Rs.'000s
Non-Executive Director	Mr.V.P.Nagarajan	1,000
Non-Executive Director	Ms.Justice (Retd) K B K Vasuki	400
Independent Director	Mr. D R Kaarthikeyan	1,000
Independent Director	Dr. M Y Khan	1,000
Independent Director	Mr. D C Gupta	1,000



32. Previous Year figures have been reclassified / regrouped, wherever necessary, to confirm to the current year's classification

Particulars	31 st March 2018	31 st March 2017		Reason
	Grouping	Grouping	Amount (Rs. '000)	
Statutory Dues Payable	Schedule 13: Statutory Dues Payable	Schedule 13 : Sundry Creditors	207,230	Re-grouped for the purpose of comparison
Outsourcing Expenses	Schedule 4: Operating Expenses – Outsourcing Expenses	Schedule 4: Operating Expenses – Employee Remuneration	250,565	Re-grouped for the purpose of comparison
Reinsurance ceded	Schedule 2D: Claims Incurred (Net) Miscellaneous Business	Schedule 2D: Claims Incurred (Net) Miscellaneous Business	301,881	Re-grouped for the purpose of comparison
Claims outstanding at the end of the year	Schedule 2D: Claims Incurred (Net) Miscellaneous Business	Schedule 2D: Claims Incurred (Net) Miscellaneous Business	301,881	Re-grouped for the purpose of comparison

As per our Report of even date attached

For And On Behalf of Board of Directors

For N.C.Rajagopal & Co.,

Chartered Accountants

Firm Reg No: 003398S

V.Chandrasekaran

Partner

M.No: 24844

For Rajagopal & Badri Narayanan

Chartered Accountants

Firm Reg No: 003024S

P.S.Prabhakar

Partner

M.No: 20909

V.Jagannathan

Chairman Cum Managing Director

V.P.Nagarajan

Director

S.Ramaswamy

Chief Financial Officer

C.M.Kannan Unni

Company Secretary

Place : Chennai 600034

Date : 09-May-2018

20. Segment reporting

Annexure 1

The Company's business is organised on a National basis and caters to the non-life insurance business. Accordingly, the Company has provided primary segmental information as per Accounting Standard 17 - 'Segment Reporting' issued by ICAI read with Accounting Regulations.

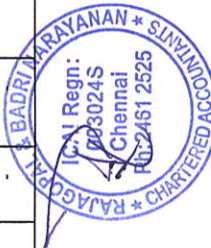
Segment Revenues are either directly attributed to or, in the case of bundled products, allocated to individual segments. There are no inter segment revenues.

Operating Expenses are attributed to the business segments in line with Accounting Policy 12 in Schedule 16.

Investments, Other Assets and Liabilities are identified with the respective segments in the ratio of Share Holders and Policy Holders Funds as defined in Accounting Policy 9 in Schedule 16.

Since the business operations of the Company are entirely in India, the same is considered as one geographical segment.

(For The Year Ended 31st March 2018)													(Rs.)
Particulars	Fire	Marine Cargo	Marine Hull	Aviation	Motor	Workmen Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Income Credited / Exp Debited to P & L Account	Total
Gross Direct Premium	-	-	-	-	-	-	-	-	11,64,569	4,04,46,576	-	-	4,16,11,145
Premium Inward	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Written Premium	-	-	-	-	-	-	-	-	8,68,672	3,10,91,706	-	-	3,19,60,378
Premium Earned (net)	-	-	-	-	-	-	-	-	7,85,503	2,66,10,496.10	-	-	2,73,96,000
Profit on Sale / Redemption of Investments	-	-	-	-	-	-	-	-	1,963	68,192	-	46,770	1,16,926
Others - Sweat Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest (Net of Amortisation)	-	-	-	-	-	-	-	-	22,878	7,94,562	-	5,44,960	13,62,399
Total Segmental Revenue	-	-	-	-	-	-	-	-	8,10,345	2,74,73,250	-	5,91,730	2,88,75,324
Claims Incurred (Net)	-	-	-	-	-	-	-	-	3,84,383	1,65,35,774	-	-	1,69,20,157
Commission Received/(Paid), Net	-	-	-	-	-	-	-	-	41,227	13,24,540	-	-	13,65,767
Operating Expenses Related To Insurance Business	-	-	-	-	-	-	-	-	2,34,111	83,79,343	-	2,63,911	88,77,364
Total Segmental Expenses	-	-	-	-	-	-	-	-	6,59,720	2,62,39,658	-	2,63,911	2,71,63,289
Segmental (Loss)/Profit	-	-	-	-	-	-	-	-	1,50,624	12,33,592	-	3,27,819	17,12,035
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision For Income Tax, FBT, Deferred Tax Asset And Wealth Tax, MAT	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Reversal of MAT Credit Entitlement of Previous Years	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: MAT Credit Entitlement	-	-	-	-	-	-	-	-	-	-	-	3,66,463	3,66,463
Net Profit For The Year	-	-	-	-	-	-	-	-	1,50,624	12,33,592	-	10,487	10,487
Segment Assets	-	-	-	-	-	-	-	-	5,62,063	1,95,20,955	-	(3,66,463)	(3,66,463)
Segment Liabilities	-	-	-	-	-	-	-	-	6,78,021	1,93,57,147	-	3,17,332	17,01,548
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	86,58,862	2,87,41,880
Amortization Of Premium And Discount	-	-	-	-	-	-	-	-	-	-	-	13,40,613	2,13,75,782
Depreciation	-	-	-	-	-	-	-	-	1,026	35,648	-	24,449	61,124
Non - Cash Expenditure Other Than Depreciation And Amortization	-	-	-	-	-	-	-	-	6,460	2,24,360	-	-	2,30,819
	-	-	-	-	-	-	-	-	-	-	-	-	-



(For The Year Ended 31st March 2017)

(Rs.)

Particulars	Fire	Marine Cargo	Marine Hull	Aviation	Motor	Workmen Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Others	Income Credited / Exp Debited to P & L Account	Total
Gross Direct Premium	-	-	-	-	-	-	-	-	9,30,940	2,86,69,588	-	-	2,96,00,529
Premium Inward	-	-	-	-	-	-	-	-	-	1,399	-	-	1,399
Net Written Premium	-	-	-	-	-	-	-	-	7,02,335	2,21,29,286	-	-	2,28,31,621
Premium Earned (Net)	-	-	-	-	-	-	-	-	5,39,408	1,85,75,139	-	-	1,91,14,548
Profit On Sale / Redemption of Investments	-	-	-	-	-	-	-	-	1,261	38,844	-	24,581	64,686
Others - Sweat Equity Shares	-	-	-	-	-	-	-	-	-	-	-	(37,315)	(37,315)
Interest (Net Of Amortisation)	-	-	-	-	-	-	-	-	19,363	5,65,510	-	3,57,858	9,41,731
Total Segmental Revenue	-	-	-	-	-	-	-	-	5,59,032	1,91,79,494	-	3,45,124	2,00,83,650
Claims Incurred (Net)	-	-	-	-	-	-	-	-	1,92,394	1,13,74,691	-	-	1,15,67,085
Commission Received/(Paid), Net	-	-	-	-	-	-	-	-	61,903	8,91,038	-	-	9,52,941
Operating Expenses Related To Insurance Business	-	-	-	-	-	-	-	-	1,95,572	61,62,112	-	25,552	63,83,236
Total Segmental Expenses	-	-	-	-	-	-	-	-	4,49,869	1,84,27,841	-	25,552	1,89,03,262
Segmental (Loss)/Profit	-	-	-	-	-	-	-	-	1,09,163	7,51,653	-	3,19,572	11,80,388
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	-	950	950
Provision For Income Tax, FBT, Deferred Tax Asset and Wealth Tax, MAT	-	-	-	-	-	-	-	-	-	-	-	2,58,282	2,58,282
Less: MAT credit Entitlement	-	-	-	-	-	-	-	-	-	-	-	(2,58,282)	(2,58,282)
Net Profit For The Year	-	-	-	-	-	-	-	-	1,09,163	7,51,653	-	3,18,622	11,79,438
Segment Assets	-	-	-	-	-	-	-	-	4,31,439	1,32,86,756	-	84,07,932	2,21,26,138
Segment Liabilities	-	-	-	-	-	-	-	-	4,91,219	1,32,63,655	-	4,76,908	1,42,31,782
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Amortization Of Premium And Discount	-	-	-	-	-	-	-	-	591	18,212	-	11,525	30,328
Depreciation	-	-	-	-	-	-	-	-	6,316	1,94,501	-	-	2,00,817
Non - Cash Expenditure Other Than Depreciation And Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-



Summary of Financial Statements		Rs. in Lakhs												
Sl No	Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-09	2007-08	2006-07	
OPERATING RESULTS														
1	Gross Premiums Written	4,16,111	2,96,005	2,00,734	1,46,919	1,09,108	86,021	1,08,506	1,22,755	96,164	50,986	16,819	2,251	
2	Net Premium Income#	3,19,604	2,28,316	1,53,975	1,25,381	84,353	61,384	80,991	91,168	67,155	35,983	11,953	978	
3	Income from investments (net)@	8,876	6,240	6,334	4,200	2,635	1,405	1,215	1,251	717	584	172	20	
4	Other income -Transfer fee etc	-	-	-	-	1,616	57	-	-	-	-	-	-	
5	Total Income	3,28,480	2,34,556	1,60,308	1,29,581	88,604	62,846	82,206	92,420	67,872	36,567	12,125	998	
6	Commissions (Net)	13,658	9,529	6,106	10,101	3,666	1,375	465	(883)	(1,267)	(1,228)	(814)	(303)	
7	Brokerage	-	-	-	-	-	-	-	-	-	-	-	-	
8	Operating Expenses	86,135	62,535	45,307	45,525	33,192	31,864	20,278	9,077	9,311	6,269	3,477	179	
9	Claims, increase in Unexpired Risk Reserve and Other outgoes	2,14,845	1,52,842	84,043	88,694	62,208	42,558	77,564	83,843	59,286	31,684	9,854	639	
10	Operating Profit/loss	13,842	9,650	24,853	(14,739)	(10,462)	(12,951)	(16,101)	383	543	(158)	(392)	483	
NON OPERATING RESULTS														
11	Total Income shareholders' account	5,917	3,824	1,786	735	1,129	390	655	784	479	686	708	697	
12	Expenses charged to Profit and Loss A/c	2,639	1,680	12,982	-	-	-	-	-	-	-	-	-	
13	Profit/(loss) before tax	17,120	11,794	13,658	(14,004)	(9,332)	(12,562)	(15,445)	1,167	1,022	527	316	(439)	
14	Provision for tax	105	-	-	-	-	-	(691)	428	496	403	188	(180)	
15	Profit/(loss) after tax	17,015	11,794	13,658	(14,004)	(9,332)	(12,562)	(14,754)	739	526	124	128	(259)	
MISCELLANEOUS														
16	Policyholders' Account													
	Total funds	1,31,124	94,410	90,695	75,799	52,789	38,663	32,709	28,323	19,601	8,633	2,410	297	
	Total investments	1,29,883	88,566	62,924	51,673	32,638	24,859	13,453	20,173	16,536	3,919	2,100	264	
	Yield on investments	8.36%	8.68%	8.48%	8.86%	8.86%	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%	
17	Shareholders' Account													
	Total funds	87,451	57,477	25,098	16,572	23,143	10,383	17,344	18,108	16,757	10,699	10,359	10,244	
	Total investments	86,589	54,282	17,748	11,297	13,988	6,608	7,244	12,898	14,087	4,790	8,955	9,076	
	Yield on investments	8.36%	8.68%	8.48%	8.86%	8.86%	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%	
18	Paid up equity capital	45,558	45,558	38,699	36,214	33,386	32,695	27,877	20,299	16,433	10,930	10,860	10,500	
19	Net worth	95,959	78,944	36,010	14,185	18,958	27,329	29,171	26,011	16,175	10,673	10,602	10,115	
20	Total assets	3,34,717	2,21,261	1,37,211	1,09,578	85,778	74,959	66,893	71,765	59,121	24,956	15,378	10,821	
21	Yield on total investments	8.36%	8.68%	8.48%	8.86%	8.86%	7.53%	7.42%	7.00%	6.74%	12.69%	8.79%	7.85%	
22	Basic Earnings per share (Rs.)*	3.73	2.77	3.68	(4.13)	(2.82)	(4.47)	(6.78)	0.40	0.42	0.11	0.12	(0)	
23	Diluted Earnings per share (Rs.)*	3.73	2.77	3.68	(4.13)	(2.82)	(4.47)	(6.78)	0.31	0.25	0.11	0.12	(0)	
24	Book Value per share (Rs.)	21.06	17.33	9.31	3.92	5.68	8.36	10.46	12.81	9.84	9.77	9.90	9.63	
25	Total Dividend	-	-	-	-	-	-	-	-	-	-	-	-	
26	Dividend per share (Rs.)	-	-	-	-	-	-	-	-	-	-	-	-	
#	Net of reinsurance													
@	Net of losses													
*	EPS has been calculated in accordance with AS-20 Basic & Diluted (Face Value Rs.10/- each)													
76	Profit / (Loss) for the year	17,015	11,794	13,658	(14,004)	(9,332)	(12,562)	(14,754)	739	526	124	128	(259)	
	Share capital & Reserves	95,959	78,944	36,010	14,185	18,958	27,329	29,171	26,011	16,175	10,673	10,602	10,115	
	Weighted Average Number of Shares at the end of the year	45,55,76,106	42,59,91,214	37,07,24,596	33,91,29,785	33,12,02,575	28,10,66,674	22,13,63,160	18,60,35,508	12,46,89,370	10,91,83,333	10,71,00,000	10,50,00,000	

Note: The Company continues to determine the Policyholders' Fund and the Shareholders' Fund on the same basis as determined in the earlier years. Refer Point 9 of Schedule 16 relating to Accounting Policy, due to practical difficulty in determining the Policyholders' Fund in accordance with IRDAI Circular INV/CIR(008)2008-09 (annexure II) and hence have allocated the Investment and associated income on the same basis.

Annexure 3

Ratios for Non-life Insurance Companies

Sl No	Performance Ratio	2017-18	2016-17
1	Gross premium growth rate (segment wise) (Gross premium for the current year divided by gross premium for the previous year)	Schedule 1	Schedule 1
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	4.34	3.75
3	Growth rate of shareholders' funds: (Shareholders' funds as at the current balance sheet date divided by the shareholders' funds at the previous balance sheet date)	22%	119%
4	Net retention ratio (segment wise) (Net premium divided by gross premium)	Schedule 2	Schedule 2
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium)	Schedule 3	Schedule 3
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	0.33	0.33
7	Expenses of Management to net written premium ratio (Expenses of Management divided by the net written premium)	0.43	0.43
8	Net Incurred Claims to Net Earned Premium	0.62	0.61
9	Combined ratio: (Net Incurred Claims divided by net earned premium + Expenses of Management divided by Net written premium)	0.93	0.93
10	Technical reserves to net premium ratio (Reserve for unexpired risks plus premium deficiency reserve plus reserve for outstanding claims divided by net premium)	0.66	0.68
11	Underwriting balance ratio (segment wise) (Underwriting profit divided by net premium for the respective class of business)	Schedule 4	Schedule 4
12	Operating profit ratio (Underwriting profit plus investment income divided by net premium)	0.05	0.05
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.32	0.27
14	Net earnings ratio (Profit after tax divided by net premium)	0.05	0.05
15	Return on networth (Profit after tax divided by net worth)	0.18	0.15
16	Reinsurance ratio (Risk reinsured divided by gross premium)	0.23	0.23



Accounting Ratios - Schedule 1

Gross premium growth rate

Segment	Growth (%)	
	2017-18	2016-17
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	25%	78%
Health Insurance	41%	47%
Others	-	-
Total	41%	47%

Accounting Ratios - Schedule 2

Net retention ratio

Segment	% to GP	
	2017-18	2016-17
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	75%	75%
Health Insurance	77%	77%
Others	-	-
Total	77%	77%

Accounting Ratios - Schedule 3

Net commission ratio

Segment	% to NP	
	2017-18	2016-17
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	5%	9%
Health Insurance	4%	4%
Others	-	-
Total	4%	4%

Accounting Ratios - Schedule 4

Underwriting balance ratio

Segment	% to NP	
	2017-18	2016-17
Fire	-	-
Marine	-	-
Motor	-	-
Workmen's Compensation/ Employers Liability	-	-
Public/Product Liability	-	-
Engineering	-	-
Personal Accident	15%	12%
Health Insurance	1%	1%
Others	-	-
Total	2%	1%



MANAGEMENT REPORT

In accordance with part IV Schedule B of the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted:

1. The Company received the Certificate of Registration under the provisions of sub-section (2A) of section 3 of the Insurance Act, 1938 from the Insurance Regulatory and Development Authority of India, to transact the business of general insurance, from 16th March 2006 and continues to be valid. The fee for renewal of the Certificate of Registration has been paid for the year 2017-18.
2. All dues payable to the Statutory Authorities have been duly paid.
3. The shareholding pattern and the transfer of shares during the period ended 31st March 2018 are in accordance with the statutory or regulatory requirements.
4. No funds of the policyholders have been invested directly or indirectly outside India.
5. The Company has maintained the required solvency margins laid down by Insurance Regulatory and Development Authority of India.
6. The values of all the assets have been reviewed on the date of the Balance Sheet and that in our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the headings - "Loans", "Investments", "Interest", "Dividends and Rents accruing but not due", "Outstanding premiums", "Interest, Dividends and Rents outstanding", "Amounts due from other persons or Bodies carrying on insurance business", "Advances", "Cash" and the several items specified under "Other Accounts" except Debt Securities which are shown at amortized cost.
7. Company is exposed to a variety of risks, such as quality of risks underwritten, fluctuations in the value of assets and higher expenses in the initial years of operation etc. The Company monitors these risks closely and takes effective remedial steps to address these risks. The Company, through an appropriate reinsurance programme has kept its risk exposure at a level commensurate with its capacity.

8. The Company does not have operations outside India and therefore does not have any country/currency fluctuation risks.
9. Ageing of claims indicating the trends in average claim settlement during the preceding five years are as follows:

FINANCIAL YEAR	NO. OF DAYS TO SETTLE CLAIMS (DATE OF INTIMATION VS DATE OF SETTLEMENT)	CLAIM SETTLED WITHIN 30 DAYS	CLAIM SETTLED WITHIN 31 TO 90 DAYS	CLAIM SETTLED WITHIN 91 TO 180 DAYS	CLAIM SETTLED WITHIN 181 TO 365 DAYS	CLAIM SETTLED AFTER ONE YEAR
2017-2018	30	545,611	6,583	983	161	19
2016-2017	30	373,355	7,204	453	63	8
2015-2016	30	316,048	2,980	179	50	18
2014-2015	15	254,420	4,801	252	68	26
2013-2014	15	230,180	17,843	975	144	645

10. Ageing of claims indicating the trends in average outstanding claim settlement during the preceding five years are as follows:

FINANCIAL YEAR	NO. OF CLAIMS OUTSTANDING	CLAIM OUTSTANDING WITHIN 30 DAYS	CLAIM OUTSTANDING WITHIN 31 TO 90 DAYS	CLAIM OUTSTANDING WITHIN 91 TO 180 DAYS	CLAIM OUTSTANDING WITHIN 181 TO 365 DAYS	CLAIM OUTSTANDING AFTER ONE YEAR
2017-18	31,618	23,851	4,796	1,570	1,269	132
2016-17	29,720	23,861	4,385	865	477	132
2015-16	24,944	18,724	4,754	904	377	185
2014-15	33,859	22,294	9,195	1,599	485	286
2013-14	32,354	21,526	7,612	1,952	880	384

11. Investments in Government Securities and other Debt Securities have been considered as “Held to Maturity (HTM)” and have been measured at historical cost subject to amortization.

The market value of investments in Debt Securities including Government Securities have been ascertained by reference to the quotations published on the last working day of the financial year by FIMMDA. The market value of Debt Securities including Government Securities which were not quoted on the last working day of the Financial year have been ascertained on the basis of prevailing Yield to Maturity provided by FIMMDA. The aggregate market value of investments as per Schedule 8 & 8A annexed to the Balance Sheet stood at Rs. 21,400,450 thousands as at 31st March 2018 as against the book value of Rs 21,647,155 thousands . The investment income, net of amortization including profit on sale of investments was Rs. 1,479,325 thousands for the year ended 31st March 2018. The weighted average yield on all the Fixed Income bearing Investments (Including Profit on sale) was 8.36%.

Market Value of Investment in Property is not revalued but taken at book cost.

12. The Company has adopted a prudent investment policy with emphasis on optimizing return with minimum risk. Significant weighing of the assets has been made towards low risk investments such as Government Securities, Treasury bills and other good quality Debt instruments.

All the investments have been duly serviced and there are no non-performing assets as on the Balance Sheet date.

13. Director’s Responsibility Statements:

- I. In the preparation of financial statements, the applicable Accounting Standards, principles and policies have been followed along with proper explanations relating to material departures, if any.
- II. The management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2018 and of the Operating Profit of the Company for the financial year ended 31st March 2018 and of the Net Profit of the Company for the financial year ended 31st March 2018.
- III. The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Management has prepared the financial statements on a going concern basis.

V. The Management has put in place an internal audit system commensurate with the size and nature of the business and it is operating efficiently.

14. There are no payments other than those arising in the normal course of the Company's Insurance business, made to individuals, firms, companies and organizations in whom / which the directors of the company are interested.

For And On Behalf Of Management



V. Jagannathan

Chairman cum Managing Director



S. Ramaswamy
CFO



C.M. Kannan Unni
Company Secretary



V.P. Nagarajan
Director

Place : Chennai

Date : 09-May-2018

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED		
Registration No. and Date of Registration with the IRDAI: 129/16.03.2006		
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018		
PARTICULARS	31st March, 2018 (Rs.'000)	31st March, 2017 (Rs.'000)
Cash flows from operating activities		
Premium received from policyholders, including advance receipts	4,16,73,970	2,98,00,748
Other receipts	-	-
Receipts/(Payments) to the re-insurers, net of commissions and claims	(20,14,657)	(16,03,831)
Payments to co-insurers, net of claims recovery	-	-
Payments of claims	(2,14,71,689)	(1,48,71,593)
Payments of commission and brokerage	(50,33,403)	(32,26,801)
Payments of other operating expenses	(81,83,095)	(63,92,912)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(3,71,329)	-
Income taxes refund/(paid)	(4,93,216)	(96,439)
Service tax paid	14,67,054	(2,67,782)
Other payments	-	(1,28,401)
Cash flows before extraordinary items	55,73,635	32,12,989
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	55,73,635	32,12,989
Cash flows from investing activities		
Purchase of fixed assets	(3,62,616)	(3,85,160)
Proceeds from sale of fixed assets	11	517
Purchases of investments	(2,87,90,717)	(80,66,002)
Loans disbursed	-	-
Sales of investments	2,12,05,438	26,34,233
Repayments received	-	-
Rents/Interests/Dividends received	13,19,481	8,47,280
Investments in money market instruments and in liquid mutual funds (Net)	-	-
Expenses related to investments	(1,271)	(601)
Net cash flow from investing activities	(66,29,674)	(49,69,733)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	30,99,906
Proceeds from borrowing	25,00,000	-
Repayments of borrowing	(13,750)	-
Interest/dividends paid	-	-
Net cash flow from financing activities	24,86,250	30,99,906
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	-	-
Net increase/ (decrease) in cash and cash equivalents:	14,30,211	13,43,162
Cash and Cash equivalents at the beginning of the year	22,86,156	9,42,994
Cash and cash equivalents at the end of the year *	37,16,367	22,86,156
Note * Fixed Deposit of Rs.1,303,600 thousands (Previous year- Rs.1,024,900 thousands) shown under schedule 11 of financial statements considered under investing activities.		

As per our report of even date attached

For N.C.Rajagopal & Co.

Chartered Accountants

Firm Reg No. 003398S

Chennai-4

V.Chandrasekaran

Partner

M.No.24844

V.Jagannathan

Chairman Cum Managing Director

For Rajagopal & Badrinarayanan

Chartered Accountants

Firm Reg No. 003024S

Chennai

P.S. Babhakar

Partner

M.No.20909

V.P.Nagarajan

Director

S.Ramaswamy

Chief Financial Officer

C.M.Kannan Unni

Company Secretary

Place: Chennai - 34

Date: 09-May-2018