



Royal Sundaram
General Insurance



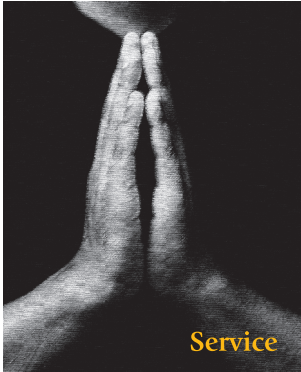
2020 - 2021

21ST ANNUAL REPORT



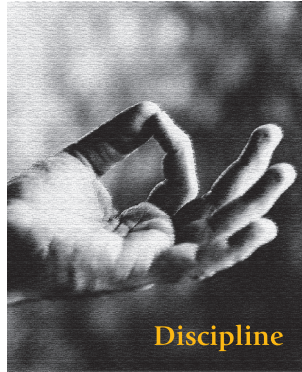
Growth | Quality | Profitability

Royal Sundaram General Insurance Co. Limited



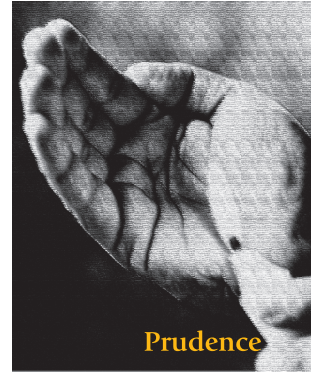
Service

To be of service even when time is against you



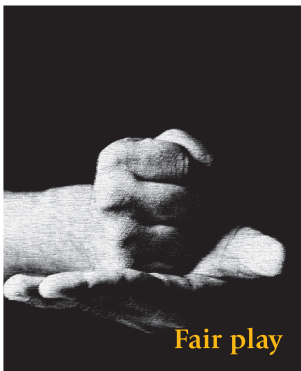
Discipline

To know that discipline is your ally in all situations



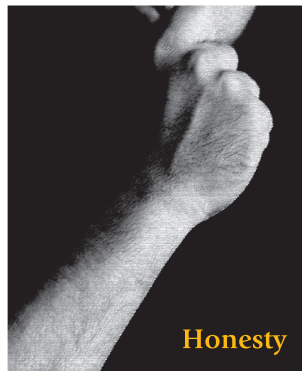
Prudence

To be the voice of prudence in the midst of chaos



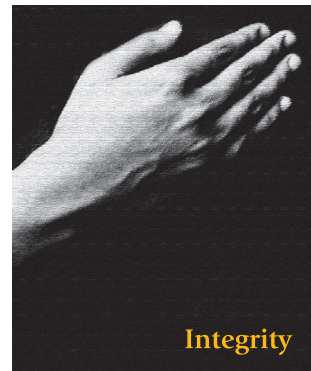
Fair play

To stand for fair play when the odds are stacked against you



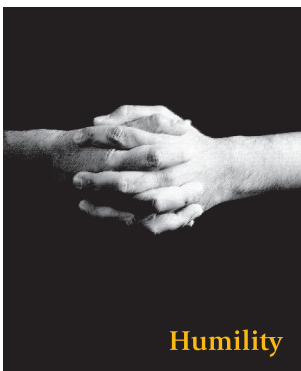
Honesty

To believe that honesty is the only policy



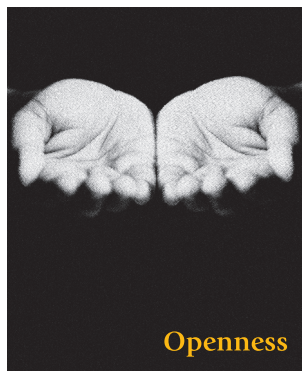
Integrity

To put integrity above all else



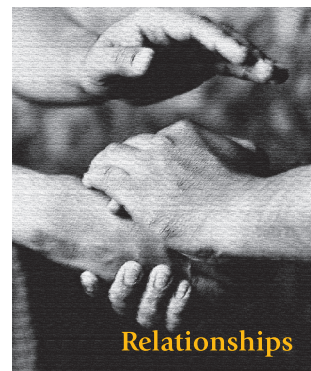
Humility

To realise that humility is the greatest virtue



Openness

To be open to scrutiny, anywhere, anytime



Relationships

To know that we are not merely the holders of people's money; but more importantly the custodians of their trust

THE

SUNDARAM

WAY

Board of Directors	S Viji	Chairman
	T T Srinivasaraghavan	Director
	S Prasad	Director
	M S Sundara Rajan	Director
	Harsha Viji	Director
	Radha Unni	Director
	B D Banerjee	Director
	Gary Lee Crist	Director
	Filip A L Coremans	Director
M S Sreedhar	Managing Director	
Audit Committee	S Prasad	Chairman
	T T Srinivasaraghavan	Member
	Harsha Viji	Member
	M S Sundara Rajan	Member
	Radha Unni	Member
	B D Banerjee	Member
Gary Lee Crist	Member	
Company Secretary & Compliance Officer	S R Balachandher	
Chief Financial Officer	Vaibhav Kabra	
Joint Statutory Auditors	M/s. N C Rajagopal & Co., Chartered Accountants 22, V.Krishnaswamy Avenue, Luz Church Road Mylapore, Chennai 600 004	
	M/s. Brahmaya & Co., Chartered Accountants 48, Masilamani Road, Balaji Nagar Royapettah, Chennai 600 014	
Information Security Assurance Services	M/s. C V Ramaswamy and Co., Chartered Accountants No.1, Vidwan Sundaram Street Nungambakkam, Chennai – 600034	
Concurrent Auditors (Investments)	M/s. R G N Price & Co., Chartered Accountants Simpsons Buildings 861, Anna Salai, Chennai - 600 002	
Secretarial Auditors	M/s. M Damodaran & Associates LLP New No.6, Old No.12, Appavoo Gramni 1st Street Mandaveli, Chennai 600 028	
Registered Office	21, Patullos Road, Chennai 600 002	
Corporate Identification Number (CIN)	U67200TN2000PLC045611	
IRDAI Registration Number	102	
Corporate Office	Vishranthi Melaram Towers, 2/319, Rajiv Gandhi Salai Karapakkam (OMR) Chennai 600 097 Tel: 044-7117 7117; 1860 425 0000 Email: customer.services@royalsundaram.in Website: www.royalsundaram.in	
Regional Office	Chennai, Gurgaon, Kolkata & Mumbai	

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BOARD'S REPORT TO MEMBERS

The directors of your company have pleasure in presenting their twenty first (21st) Annual Report along with the Audited Financial Statements for the financial year ended March 31, 2021. This report includes the management discussion and analysis.

Snapshot of the financial results

The highlights of the financial results of your company for 2020-21 are given hereunder:

(₹ in cr.)

Particulars	2020-21	2019-20
Gross Direct Premium	2,822	3,667
Net Written Premium	2,139	2,355
Net Earned Premium	2,115	2,280
Net Incurred Claims	1,701	1,939
Net Commission Outgo/(Income)	141	152
Expenses of Management	496	462
Underwriting Profit/(Loss)	(222)	(273)
Investment Income – Policyholders	387	337
General Insurance Results Profit/(Loss)	165	64
Investment Income – Shareholders	91	82
Other Income/(Outgo)	(45)	(105)
Profit Before Tax	211	41
Provision for taxation	(53)	(17)
Profit/(Loss) After Tax	158	24

Economy and Industry overview

The financial year 2020-21 was impacted by a once-in-a-century event - the Covid-19 pandemic which has had a huge adverse effect on the economy and consequently, on the non-life insurance industry as well.

The Gross Written Premium (GWP) of the general insurance industry during the year, including the stand-alone health insurers and specialised insurers, grew from ₹1,88,917 cr, to ₹1,98,724 cr, registering a growth of 5% - against the expectation of a double digit growth of approximately ~15% in a normal year. The industry has missed out on the much cherished milestone of ₹2,00,000 crores gross written premium during the year primarily due to the effect of the pandemic which led to a slowdown in economic activity and a consequent impact on business, trade and employment.

As the global economy emerges from the pandemic, several factors are setting the stage for broad-based growth across the sector: The insurance industry faces a truly unique moment in its long history. The fundamental disruption caused by the pandemic offers an opportunity for the industry to reinvent itself and to align with the market expectations on products and delivery of service. Both individual and commercial customers see greater need for insurance solutions. Stricter regulatory oversight and new reporting requirements should pave the way for healthy competition and improved performance from the various market players. Also the growing interest shown by the younger generation in health, personal mobility and other indemnity products, is an encouraging sign for faster recovery. The demonstrated ability of insurers to move quickly and boldly in upgrading digital capabilities bodes well for the future.

India's economy faced its worst contraction in 2020-21 due to the shock waves created by the pandemic. With large government stimulus and the ongoing vaccination drive, we expect economic activity will continue its recovery and bounce back strongly in the current fiscal year with an uptick in domestic demand. It is projected that India's gross domestic product (GDP) will grow strongly in 2021-22 due to continued economic recovery boosted by increased public investment, successful vaccination drive and a surge in domestic demand.

The Government of India and the IRDAI have been taking a number of initiatives to boost the insurance sector by enhancing the FDI limit from 49% to 74% and exploring ways and means to promote digitalisation.

Coupled with Covid enforced work from home practices, companies have been exploring ways and means to promote digitalisation of the insurance sector which is expected to bring more number of people under the insurance umbrella and provide opportunities to the customers to enjoy seamless services in terms of policy issuance and claims servicing.

It is quite evident that the future of the insurance industry, despite set-backs caused by Covid-19, looks promising with the various changes and developments so far, and those that are on the anvil.

Analysis of the financial results

Your company achieved a Gross Direct Premium (GDP) of ₹2,822 cr, during 2020-21 (₹3,667 cr, in 2019-20) reflecting a drop of 23% as compared to the previous year. There was a significant contribution to GDP from crop insurance business during 2019-20 which the company largely exited in 2020-21. Excluding crop insurance business, the GDP dropped by 5% in the current year. The market share of your company was at 1.42 % at the end of March 2021. We sold over 20.1 lakh policies and settled more than 5.29 lakh claims during this year.

Commercial Insurance

During 2020-21, your company's commercial insurance business earned a GWP of ₹544 cr. (₹512 cr. in 2019-20), recording a growth of 6%. The slowdown in economic activity impacted the commercial lines of business significantly.

Effective April 2021, IRDAI has introduced new products for Sum Insured up to ₹50 cr., which will be a standard offering by the market players. This is expected to result in higher penetration of fire Insurance amongst risks falling in this bracket, mainly SME segment.

Your company continues to focus on prudence in underwriting and risk management. These strong fundamentals have helped it to grow the business profitably. We expect that commercial insurance business will continue to grow on the back of revival in economic activity and infrastructural developments in the economy. Rate correction in property lines of business has been a major factor supporting the growth. This momentum is set to continue through next year, underpinned by strong demand amidst rising risk awareness and increased incidents of loss.

In the commercial motor segment, your company underwrote premium of ₹671 cr. as against ₹646 cr. registering a modest growth of 4%.

Crop Insurance

Due to revision in guidelines for crop insurance introduced by the Ministry of Agriculture, Government of India, there were challenges in arranging reinsurance, reflecting the revised guidelines. It was therefore decided to take a pause in Crop Insurance for 2020-21.

The situation is further aggravated by non-realisation of premium subsidy from the Government of Jharkhand where we had insured approximately three fourths of the state's farming land.

Personal Insurance

Your company achieved a personal insurance GWP of ₹1661 cr., for 2020-21 (₹2552cr, in 2019-20) reflecting a decline of 35%.

Motor insurance continues to be a major source of business for your company. The auto industry was already facing severe slowdown during the second half of 2019-20 and the pandemic accentuated the situation. The sale of private vehicles fell by approximately 4% during FY 2020-21.

As a result of the second wave, there have been supply chain disruptions, stalled production and low demand. It is expected that the sales will pick up marginally in the ensuing quarters - Q2 to Q4 of 2021-22 after the lockdown restrictions are eased by the government.

Health insurance is one of the fastest growing lines of business and is poised to become the largest single product segment in the general insurance industry. The IRDAI also announced several measures in the health insurance segment. Insurers are now allowed to make minor modifications regarding premium changes, sum insured ranges, distribution channels, etc. which will help us to approach the market faster. Arogya Sanjeevani Policy, an indemnity health insurance product with uniform coverages and standardized terms & conditions across the industry, is being offered by all insurers from April 1, 2020.

During the Covid-19 outbreak, the IRDAI undertook various measures aimed at protecting the interests of the policyholders. For example, insurers were advised to expeditiously handle health insurance claims, in particular those pertaining to the current pandemic. With increased awareness and demand for health insurance coverage for different customer segments, your company is in the process of developing more products to cater to the growing needs of the market.

Rural and Social Sector obligations

Your company continued to achieve and surpass its obligations in both the rural and social sectors. During the year, it achieved a premium of ₹351.4 cr., under rural sector as against the regulatory requirement of ₹197.5 cr. Further, in the social sector, it covered 3,01,421 lives as against the regulatory requirement of 1,51,015 lives.

Network

During the year, your company could open only a few new branch offices across the country due to the pandemic situation. Your company has a pan-India presence with 159 branches. There is a balanced distribution of branches across all regions with south contributing 42%, west 26% and east and north representing the remaining 32%.

Investments

The investment portfolio increased to ₹6484.34 cr. during 2020-21 (₹5745.05 cr., in 2019-20) with an accretion of ₹739.30 cr. The net investment income stood at ₹470.89 cr. (₹413.65 cr. in 2019-20) representing an increase of 14%.

The portfolio yield based on net investment income was at 7.5% (2019-20: 7.5%). Your company has complied with the mandatory investment requirements and limits prescribed by the IRDAI and the investment policy of the company, in respect of its investments as at March 31, 2021. The investments in Gilts and AAA rated/AAA equivalent instruments constituted 84.1% of the total investment portfolio.

The company had to classify one of debt security investments as a non-performing asset in the previous financial year. Accordingly, the company has provided for further diminution in the value of investments to the extent of ₹17.45 cr. besides writing off an additional ₹10 cr., representing default of principal repayment towards this investment. Thus, out of the total original exposure of ₹175.32 cr, we have provided for/written off a sum of ₹115.32 cr. during 2019- 20 and 2020-21. The balance outstanding in the Books is 60 cr., as on March 31, 2021.

The defaulting investee company has been referred to the National Company Law Tribunal Court (NCLT), Mumbai, under an administrator appointed by the Reserve Bank of India for resolution. The committee of creditors have during the year 2020-21 approved the resolution plan for takeover of this investee company by another entity, with the process of resolution expected to be completed soon.

Information Technology

The insurance industry continues to attach significant importance to investing in information technology to automate various processes connected with policy issuance and claims servicing. It is estimated that digitization process, besides providing ease and speed of transactions to the customers, will also help to considerably reduce the total administrative cost for general insurance companies.

We continue to operate on our “Fit to Purpose” philosophy thereby optimizing the investments in the areas of technology. Our intermediaries and employees continue to be our focus area and we have supported them through various technological solutions to carry out their activities in a work from home (WFH) mode.

During the year, the company has been working continuously on cloud adoption, implementation of newer technology including robotic process automation (RPA), solution for reimbursement of health claims and a lead management system for customer contact centre. The solution for health claims has helped us to move to a complete digital process integrating with our TPAs for all our reimbursement claims.

As per the IRDAI directive to all insurance companies, a crisis management team has been constituted to review all the above initiatives rolled out by the company on a periodical basis.

We are adopting the latest technologies to add value to our customers and partners for business procurement and continuity. We leverage the latest technologies in cloud for the transformation to deliver our services on a highly scalable platform.

Our HR Platform is hosted on the cloud. During the year, we moved our Disaster Recovery (DR) site and direct to customer production workloads to the cloud to ensure resilience resulting in higher accessibility and enhanced performance.

Cyber Security

The company assigns critical importance to information and cyber security risks. Insurance business is highly information driven where information is recognized as a critical business asset. Due to emerging information and cyber security threats in the Insurance Industry, it is imperative that business information is protected adequately through appropriate controls and proactive measures.

To manage the existing and emerging information and cyber security risks, following are in place:

- (i) Board approved Information and Cyber Security Policy and Risk Mitigation Management Plan;
- (ii) Awareness program for employees such as awareness mailers, simulation exercises, classroom trainings, etc., and
- (iii) Vulnerability Assessment and Penetration Testing (VAPT) exercise on a periodic basis.

The company has had an independent assessment done for information and cyber security processes to benchmark its practices. It has also run its one-day production workload from the DR site. As per the results of the independent assessment exercise the company's overall cyber and information security has been assessed as implemented.

Risk Management Framework

Your company recognizes that risk is an integral element of insurance business and realizes the criticality of institutionalized risk management practices to meet its objectives. The company has therefore established an effective and robust enterprise wide Risk Management Framework (RMF), which addresses all relevant risks including strategic risk, operational risk, credit risk, market risk, insurance risk and information & cyber security risk. Our risk management and internal control systems are designed to ensure that these risks are managed effectively and efficiently, aligned with our overarching objective of creating long-term value for all our stakeholders.

Your company monitors the key risks on a regular basis and this ensures that the various risks, which in the opinion of the Management and the Risk Management Committee of the Board need constant monitoring, are identified, measured in terms of their severity and necessary steps, as required, are taken to mitigate the same.

Your company's reinsurance program defines the retention limit in respect of the various classes of business. In addition, your company has a well-defined underwriting policy that clearly documents the product-wise approval limits and the underwriting authorities.

Your company has established a business continuity management framework for mitigating business disruption risks. On the Investment side, your company has an elaborate Asset Liability Management (ALM) policy that ensures adequate liquidity to your company and an investment policy with impetus on generating superior risk-adjusted returns along with protection of capital.

Your company has established a dedicated function for prevention, detection, correction of internal and external frauds, and support claims team with loss minimisation efforts.

The Actuarial Department conducts stress testing of the portfolios on a periodic basis based on projections made in respect of the Premium written, claims, investment returns and expenses, to identify and quantify the overall impact of different stress scenarios on your company's financial position.

The Chief Risk officer is responsible for the identification, reporting and monitoring of these risks and report to the Risk Management Committee on a quarterly basis. The Risk Management Committee and the Board regularly reviews the various risks and the management actions taken to address these risks.

Covid-19 related actions

Your company has taken various measures to mitigate the impact of the pandemic by enhancing its focus on renewal business, exploring ways to augment the growth in the Accident and Health portfolio, explore segments where we are not present, careful review and increase in appetite, new product propositions and bringing efficiencies and optimization in managing expenses. the company will evaluate the business environment continuously to recalibrate its business plans on an on-going basis.

Registration

Your company has remitted to the Insurance Regulatory and Development Authority of India the annual fees for the year 2021-22 as required by the IRDAI (Registration of Indian Insurance Companies) Regulations 2000.

Section 3A of the Insurance Act 1938 has been amended by the Insurance Laws (Amendment) Act, 2015 effective from December 26, 2014, under which the process of annual renewal of certificate of registration, has been dispensed with. Accordingly, the Certificate of Registration renewed in 2014 shall continue to be in force from April 1, 2015 onwards subject to the provisions of the Insurance Act, 1938.

Human Resources

For your company, employees remain critical to its success. They have been the driving force behind all our actions. As on March 31, 2021, your company had an employee strength of 2323. We continue to attach a lot of importance to employee engagement, employee's wellbeing, overall learning and professional development and satisfaction. These initiatives are aimed at improving productivity, which is periodically measured and monitored.

Further, safety, well-being and security of our people has always been of paramount importance to us. Due to the current pandemic, employees had to embrace new and different ways of working such as 'work from home' and have been subject to stresses, fears and anxieties never experienced before. Your company therefore rolled out numerous 'virtual' engagement and training programmes, mental health related initiatives and free advisory calls with accredited doctors. Technology played a vital role during this crisis, especially in terms of workforce connectivity.

Despite the pandemic affecting the organisation and its work structure the appraisal process was conducted keeping in mind the motivation and wellbeing of each and every employee.

Capital and Solvency Position

Your company's authorised capital is ₹500 cr. and the paid-up capital is ₹449 cr. The company's solvency ratio as at March 31, 2021, was 1.87 times, which is well above the regulatory requirement of 1.50 times.

Debentures

As at March 31, 2021, the company's outstanding non-convertible debentures (NCDs) stood at ₹100 crore consisting of 1,000 unsecured, subordinated, unlisted, redeemable NCDs of the face value of ₹10,00,000/- each. During 2020-21, no new debentures were issued by the company. The company continues to service its debenture holders by payment of interest on the due dates.

In November 2020, your company obtained a credit rating of "AA+ (stable)" from ICRA for the total sub-debt programme of ₹176 cr., which is determined based on the current share capital and share premium amounts.

Dividend

To augment the resources for future growth, your directors do not recommend any dividend on equity shares for the year 2020-21.

Public Deposits

As in the past, your company has not accepted any deposits from the public under the relevant provisions of the Companies Act, 2013.

Transfer of unclaimed dividend to Investor Education and Protection Fund

Since your company has so far not declared any dividend, there are no unpaid/unclaimed dividend lying with your company and hence the provisions of Section 125 of the Companies Act, 2013 do not apply.

Loans, Guarantees and Investments

The company has not given any loan or guarantee to any person or body corporate. The investments of the company are in compliance with the norms prescribed by IRDAI, the guidelines and circulars issued by IRDAI from time to time and the investment policy of the company. The particulars of investment assets are provided in the management discussion and analysis report section.

Material changes and commitments affecting the financial position

There were no material changes and commitments affecting the financial position of your company which have occurred between the end of the financial year of your company to the date of this report.

Transfer to reserves

Your company does not propose to carry any amount to its reserves during the year under review.

Significant and material orders passed by the Regulators/Courts

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of your company and its future operations.

Corporate Governance

Your company has complied with the Guidelines on corporate governance for insurance companies issued by the IRDAI. A detailed report on our compliance for the year ended March 31, 2021 is attached as part of this Report.

Board of Directors

The details regarding the number of Board meetings held during the financial year and composition of the Audit Committee are furnished in the corporate governance report.

Retirement by rotation

At the ensuing Annual General Meeting, Mr. S Viji and Mr. T T Srinivasaraghavan, Directors, retire by rotation and are eligible for re-appointment. Necessary resolutions are being placed at the ensuing AGM for the approval of the members.

Independent Directors

Your company currently has four (4) independent directors, viz., Mr. M S Sundara Rajan, Mr. S Prasad, Mrs. Radha Unni and Mr. B D Banerjee, who are not liable to retire by rotation.

The Board is of the opinion that the independent directors of the company possess requisite qualifications, experience and expertise in the areas of insurance, banking, finance, accountancy, law and human resources management. They hold highest standards of integrity. Further the independent directors fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder and are independent of the management.

The company has taken appropriate steps towards the inclusion of the names of all independent directors in the databank of independent directors maintained by the Indian Institute of Corporate Affairs, Manesar ('IICA'). All the independent directors have also completed the "orientation programme for independent directors" conducted by National Insurance Academy, Pune.

Declaration from Directors

The company has received declarations from all its directors confirming that they are not disqualified from being appointed as directors under the provisions of Section 164 of the Act. Further, all our directors have confirmed that they comply with the 'fit and proper' criteria prescribed under the corporate governance guidelines issued by IRDAI vide circular dated May 18, 2016.

All our independent directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149(6) and 149 (7) of the Companies Act, 2013.

Key Managerial Personnel (KMP)

In terms of the Companies Act, 2013, Mr. M S Sreedhar, Managing Director & Chief Executive Officer, Mr. Vaibhav Kabra, Chief Financial Officer and Mr. S R Balachandher, Company Secretary of your company are the Key Managerial Personnel as on March 31, 2021.

Appointed Actuary

Mr. Supriyo Chaki is the Appointed Actuary of your company.

Board Evaluation

As per the Companies Act, 2013, every listed company and such other class of companies as may be required shall carry out the evaluation of every director's performance, Board, Chairperson and the Committees. Your company, too carried out this evaluation which has been explained as part of the Corporate Governance Report.

Corporate Social Responsibility (CSR) Committee and Policy

Since inception, your company has always responded in a responsible manner to the growing needs of the society. Several enriching and enlivening activities that contribute to the community in the areas of health, education, environment and road safety have been taken up, for participation as part of our CSR Policy. The CSR Committee comprises of the following members:

Mr. T T Srinivasaraghavan, Chairman

Mr. S Viji, Member

Ms. Radha Unni, Member

Mr. Gary Lee Crist, Member

Mr. M S Sreedhar, Member

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the year 2021, your company has spent above two percent of its average net profits during the three immediately preceding financial years

Your company has implemented many CSR initiatives during the year under review. The Annual Report on your company's CSR activities is furnished in the "Annexure A", attached to this report. During the year, steps were taken to put in place necessary mechanism to identify worthy causes and to support them to the extent possible.

Details of meetings of the Board/Committees held during the year

During the year the Board met five (5) times. The mandatory committees as per the Corporate Governance guidelines issued by IRDAI viz., Audit Committee, Investment Committee, Risk Management Committee and Policyholders Protection Committee met at least four (4) times during the year.

Details of the Meetings are provided hereunder:

Board (6.5.2020, 7.8.2020, 4.11.2020, 28.1.2021 and 25.03.2021)	5
Audit Committee (5.5.2020, 7.8.2020, 4.11.2020, 28.1.2021 and 25.03.2021)	5
Investment Committee (5.5.2020, 23.7.2020, 3.11.2020, 27.1.2021 and 25.03.2021)	5
Risk Management Committee (5.5.2020, 23.7.2020, 3.11.2020, 27.1.2021)	4
Policyholders' Protection Committee (6.5.2020, 7.8.2020, 4.11.2020, 28.1.2021)	4
Corporate Social Responsibility Committee (28.1.2021)	1
Nomination & Remuneration Committee (6.5.2020, 7.8.2020, 4.11.2020 and 25.03.2021)	4

Auditors

Internal Auditors

Your company has an in-house internal audit team. They carry out an effective internal audit control and risk management measures, highlight areas that require attention and report their main findings and recommendations to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings and management actions thereon, as well as the adequacy and effectiveness of the internal systems and controls.

Statutory Auditors

M/s N C Rajagopal & Co., Chartered Accountants, Chennai (Registration Number 003398S) and M/s Brahmayya & Co., Chartered Accountants, Chennai (Registration Number 000511S) are the joint Statutory Auditors of your company.

M/s. N C Rajagopal & Co., were re-appointed for another term of 5 years at the Annual General Meeting held on August 27, 2020, subject to the ratification by shareholders at every Annual General Meeting. M/s. Brahmayya & Co., were appointed till the conclusion of 21st Annual General Meeting, subject to the ratification by shareholders at every Annual General Meeting. M/s. Brahmayya & Co., Chartered Accountants, will be completing their first term of 5 years at the ensuing Annual General Meeting.

As per the provisions of the Companies Act, 2013, as well as per IRDAI's Guidelines on appointment of joint Statutory Auditors for insurance companies, M/s Brahmayya & Co., Chartered Accountants, Chennai (Registration Number 000511S), having completed their term of 5 years, can be considered again for re-appointment as the Statutory Auditors of the company for another term of 5 years. Being eligible, the Auditors have offered themselves for re-appointment. Based on the decision of the Audit Committee and the Board in May 2021, it was decided to re-appoint M/s Brahmayya & Co., Chartered Accountants, Chennai (Registration Number 000511S), as the Statutory Auditors for another term of 5 years, i.e. till the completion of the 26th Annual General Meeting, subject to ratification at every General Meeting.

Necessary resolutions for re-appointment and ratification of the appointment of the Statutory Auditors will be placed before the members at the ensuing Annual General Meeting.

Concurrent Auditors for investment

M/s R G N Price & Co., Chartered Accountants, Chennai, appointed as concurrent auditors carried out the concurrent audit of the investment transactions, investment management systems, processes and transactions of your company for the year 2020-21.

Information Security Assurance Services Auditors

Your company's operations are highly automated, taking advantage of the advancements in information technology. M/s. C V Ramaswamy and Co., Chartered Accountant, Chennai, provides the required information security assurance services to the company. Their recommendations have led to the introduction of several additional safeguards in operational and IT security related areas.

Secretarial Auditors' Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your company had appointed M/s. Damodaran & Associates LLP, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of your company. The Report confirms that your company has complied with all the applicable provisions of various laws as mentioned in the Audit Report.

The Report of the Secretarial Auditors is annexed herewith as "Annexure B".

Secretarial Standards

During FY 2021, the company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General Meetings. The same has also been confirmed by the Secretarial Auditor of the company. The company has also devised necessary systems to ensure compliance with the provisions of all applicable secretarial standards and that such systems are adequate and operating effectively.

Related Party Transactions

All transactions with Related Parties were in the ordinary course of business and on an arm's length pricing basis. Form AOC 2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, is attached as part of this report vide "Annexure C".

During the year under review, the company did not enter into any transaction or arrangement with related parties, which were material or not at arm's length. There were no materially significant transactions with the KMPs or their relatives that have a potential conflict with the interest of the company at large. As per Accounting Standard (AS) 18 on 'Related Party Disclosures', the details of related party transactions entered into by the company are included in the Notes to Accounts. The Audit Committee and the Board monitors and approves the said transactions on a periodical basis.

Establishment of vigil mechanism

As part of its vigil mechanism, your company has formulated a Whistle Blower Policy that provides employees and other stakeholders a platform to communicate instances of frauds/misconducts that they have come across. In terms of the policy, a Committee has been constituted to look in to complaints of any suspected or confirmed incident of fraud/misconduct reported. The Committee reports on a regular basis to the Audit Committee and the Board regarding the same. During the year, your company received 5 whistle blower complaints and 3 of them were disposed of after due process. Investigation for the remaining 2 cases, are in progress.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your company values the dignity and respect of each individual working for the organisation. It has put in place an anti-sexual harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Necessary Committee has been set up to consider and redress complaints as and when received from the employees covered under this policy.

As required, the company is in compliance with the provisions relating to the constitution of an Internal Complaints' Committee and no new complaints were received by your company, during the year 2020-21.

Explanation or comments on qualifications, reservations/adverse remarks/disclaimers made by the Auditors and the practicing Company Secretary in their Reports

There were no qualifications, reservations or adverse remarks made by either the Auditors or the Practicing Company Secretary in their respective reports.

Management Report

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

Particulars of employees

Particulars of employees pursuant to provisions of Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 under the provisions of the Companies Act, 2013, the particulars of employees are set out in the annexure to the directors' report. The Board's Report is being sent to all the Shareholders of your company excluding the said information. The annexure is available for inspection to the Members during business hours on working days up to the date of ensuing Annual General Meeting. Any shareholder interested in obtaining a copy of the same, may write to the Company Secretary of the company.

Information relating to particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo

Your company does not have any activities relating to conservation of energy or technology absorption as stated under Section 134(3)(M) of the Companies Act, 2013.

Your company had foreign exchange earnings equivalent to ₹0.04 cr. and the outgo amounted to ₹75.87 cr. for the year ended March 31, 2021.

Company's policy relating to directors' appointment, payment of remuneration and discharge of their duties

Your company's policy on directors' appointment, remuneration and other matters are provided in Section 178(3) of the Act is annexed vide "Annexure D".

The Nomination and Remuneration Committee screens the profile of the directors prior to their Appointment and recommends the proposal for the consideration of the Board of directors.

All the Non-Executive Independent directors of your company are paid sitting fees for attending the meeting of the Board and Committees.

The Managing Director is the only Executive Director on the Board. His terms of remuneration are approved by the Board based on the recommendations of the Nomination and Remuneration Committee and are subject to approvals by the shareholders of the company and the Insurance Regulatory and Development Authority of India (IRDAI).

Extract of the Annual Return

Pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the details forming part of the extract of the Annual Return in Form No. MGT - 9, attached herewith as "Annexure E".

Subsidiaries, Joint Ventures and Associate companies

Your company does not have any subsidiary or joint venture companies. Sundaram Finance Limited by its holding 50% of the total paid up capital in your company, will be considered as an "Associate" company under Section 2(6) of the Companies Act, 2013, for the year ended March 31, 2021.

Shares

a. Buy Back of Securities

Your company has not bought back any of its securities during the year under review.

b. Sweat Equity

Your company has not issued any sweat equity shares during the year under review.

c. Bonus shares

No Bonus shares were issued during the year under review.

d. Employees Stock Option Plan

Your company currently has no stock option scheme for its employees.

Corporate Identity Number (CIN)

The Corporate Identity Number (CIN), allotted by Ministry of Corporate Affairs, Government of India is U67200TN2000PLC045611.

Means of Communication

Your company's website www.royalsundaram.in serves as a key awareness platform for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on business segment and financial performance of the company. Your company periodically publishes its financial performance in print media and hosts the same on its website under Public Disclosures. In addition, the web portal helps the Customers to purchase/renew their retail insurance policies online through the website.

In accordance with IRDAI circular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010, half-yearly financial results of the company were published in print media. The quarterly, half-yearly and annual financial information are available on the website of your company, in addition to the annual reports.

Registrar and Transfer Agents

Your company has appointed M/s. Cameo Corporate Services Limited as the Registrar and Transfer Agent (RTA) for shares and debentures. All the paid-up equity shares of your company are held in dematerialised form.

Any investor services related queries/requests/complaints are handled by the following RTA:

Cameo Corporate Services Limited,

"Subramanian Building"

No. 1, Club House Road

Chennai 600 002 - India.

Ph : 91-44 - 2846 0390,

E-mail: cameo@cameoindia.com

Directors' Responsibility Statement

In accordance with the requirements of 134(5) of the Companies Act, 2013 and in accordance with the Insurance Act, 1938, with respect to Directors' Responsibility statement, it is hereby confirmed:

- a) that in the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards, principles and policies have been followed, along with a proper explanation relating to material departures if any;

- b) that the directors had selected such 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 and of the operating profit and the net profit of the company for the year ended March 31, 2021;
- c) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938)/Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) that the directors have prepared the annual accounts on a going concern basis.
- e) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) that an internal audit system, commensurate with the size and nature of the business, exists and is operating effectively.

Acknowledgement

We sincerely thank all the policyholders for their continued patronage and faith reposed in our capabilities.

We also thank our Bankers, Distribution Partners, Reinsurers, Agents and Brokers for all their support and co-operation extended to us all these years and in helping us to consolidate our business growth.

Your directors thank the shareholders who have been a constant source of support and strength to the Company.

We acknowledge with thanks the continued support and guidance of all the members and officials of the Insurance Regulatory and Development Authority of India (IRDAI) and the General Insurance Council.

We extend our sincere appreciation to the management and employees of your company for their continued commitment, teamwork and contribution, in steering the company in the right direction and delivering good results in a challenging business environment.

For and on behalf of the Board

S Viji
Chairman
(DIN: 00139043)

Place: Chennai

Date : May 7, 2021

REPORT ON CORPORATE GOVERNANCE

Your company strongly believes that for an effective and transparent operations, it needs to put in place a robust Corporate Governance practice. We are committed to follow the highest standards of governance imbining the core values of its Promoters in terms of service, discipline, prudence, fair play, honesty, integrity, humility and transparency in all dealings. All these are combined with our commitment to conduct the business operations with highest standards and ethics. These values have stood your company in good stead so far and has enabled us to earn and retain the trust and goodwill of its investors, business partners, employees and the communities, where we operate. Your company continues to focus on the above core values to run its business based on the principles of good Corporate Governance.

Corporate Governance provides the framework for attaining the objectives and practically encompasses every sphere of management, from listing down the action plans, laying strong systems and internal controls and evaluating the performance in a transparent and ethical manner. Corporate Governance is all about how a company is managed and involves balancing the interests and expectations of the various stakeholders viz., its Shareholders, Management, Customers, Suppliers, Regulatory Authorities and the entire community. In a nutshell, good Corporate Governance is a commitment to ensure that the business is conducted in a fair, transparent and ethical manner within the boundaries of appropriate laws.

The Corporate Governance Guidelines dated May 18, 2016 for the Insurance Companies were issued by the Insurance Regulatory and Development Authority of India (IRDAI) and it clearly outlines the framework of corporate governance policies and practices to be followed in the company. Your company has complied with the prescribed Corporate Governance guidelines for the Financial Year 2020-21 and a Report is furnished hereunder:

I. Governance Structure

The company's Governance structure broadly comprises of the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives strategic guidance and direction to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth. The company's day to day affairs are managed by the Managing Director and his team under the overall supervision of the Board.

Board of Directors

The Board has been constituted in an appropriate manner comprising of Executive/Non-Executive and Independent Directors to ensure proper governance and management. All the Members of the Board are eminent persons with considerable expertise and varied experience in the fields of Insurance, Finance, Transport, Automobile, Engineering and Banking. The company stands to immensely benefit by the range of experience and skills that the Directors bring to the Board.

As on March 31, 2021, your Board consists of ten (10) Directors, of which nine (9) are Non-Executive Directors. The Managing Director is the only Executive Director. The Chairman of the Board Mr. S Viji, is a Non-Executive Director with more than five decades of experience in the Banking, Finance, Insurance & Automotive Component Manufacturing Industries.

Mr. S Prasad, Mr. M S Sundara Rajan, Mrs. Radha Unni and Mr. B D Banerjee are the four (4) Independent Directors and the composition of the Board is in conformity with the IRDAI guidelines on Corporate Governance. As required under Section 149(3) of the Companies Act, 2013, Mrs. Radha Unni, complies with the requirements of a Woman Director on our Board.

The company has put in a process to familiarise the Independent Directors about their roles, rights and responsibilities in the Insurance industry. Further at every Board and Committee Meetings, the developments and changes on the Regulatory/ Statutory fronts are provided to the Directors to ensure that they are periodically updated about the industry as well as market. All the Board Members including the Independent Directors interact with the Management team periodically on various matters and provide suitable guidance.

All Directors have executed the Deed of Covenant and necessary annual declarations as required by the Corporate Governance guidelines issued by IRDAI are obtained.

Composition of the Board of Directors as at March 31, 2021

Name of the Director/(DIN)	Category	Qualification	Specialisation
Mr. S Viji (DIN: 00139043)	Chairman Non- Executive	B.Com, ACA, M.B.A	Banking, Finance, Insurance & Automotive Component Manufacturing Industry
Mr. T T Srinivasaraghavan (DIN: 00018247)	Non- Executive	B.Com, M.B.A	Banking and Financial Services
Mr. S Prasad (DIN: 00063667)	Non- Executive Independent	F.C.A	Finance and Audit
Mr. Harsha Viji (DIN: 00602484)	Non- Executive	B.Com, ACA, M.B.A	Finance and Strategy, JV negotiations and new business development
Mr. Gary Lee Crist (DIN: 00942109)	Non-Executive	B.A. MIM	General Insurance
Mr. Filip A L Coremans (DIN: 03178684)	Non-Executive	MBA, Actuarial	General Insurance
Mr. M S Sundara Rajan (DIN: 00169775)	Non- Executive Independent	ACS, MA, CAIIB	Banking, Finance, Insurance and Capital Market
Mrs. Radha Unni (DIN: 03242769)	Non- Executive Independent Woman Director	M.A., B.Ed., CAIIB	Banking
Mr. B D Banerjee (DIN:00064354)	Non- Executive Independent	MA, AIII	Insurance, Risk Management and Ombudsman
Mr. M S Sreedhar (DIN: 07153983)	Managing Director	B.Com.,ACS, FIII	General Insurance

Committee of Directors

In order to have focused attention on various facets of business, better accountability and as per regulatory requirements, the Board has constituted the following committees viz;

- (a) Audit Committee
- (b) Investment Committee
- (c) Risk Management Committee
- (d) Policyholders Protection Committee
- (e) Nomination and Remuneration Committee
- (f) Corporate Social Responsibility Committee.

Each of these Committees has been mandated to operate within a given framework and terms of reference as defined by the Board from time to time. The various recommendations of the Committees are submitted to the Board for its consideration and approval as required. The Minutes of the Meetings of all the Committees are also placed before the Board for its information and noting the key deliberations. In addition, Members of the Senior Management team are invited to Board/Committee meetings as and when necessary to provide their views on business and also on the developments in the market place.

II. Board Meetings

The Board of Directors are actively involved in formulating the broad business and operational policies and deciding on the strategic issues concerning the company. The Board periodically reviews the performance of the company from all key aspects.

During the year under review, five (5) meetings of the Board of Directors were held on 6.5.2020, 7.8.2020, 4.11.2020, 28.1.2021 and 25.3.2021.

The details of attendance at Board Meetings held during the year and details of other Directorships, Committee Chairmanships/memberships held by the Directors are as follows:

Name of Director	Board Meetings attended	Directorships in other Public Companies		Committees in which Chairman/Member of other Companies [#]	
		Chairman	Director	Chairman	Member
S Viji	5/5	1	3	1	1
T T Srinivasaraghavan	5/5	3	3	-	3
Harsha Viji	5/5	-	5	1	4
Gary Lee Crist	5/5	-	1	-	-
Filip Coremans	5/5	-	1	-	-
S Prasad	5/5	-	5	6	2
M S Sundara Rajan	5/5	1	4	1	3
Radha Unni	5/5	-	7	1	4
B D Banerjee	5/5	-	-	-	-
M S Sreedhar	5/5	-	-	-	-

(# Foreign companies, private companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above said purpose.)

Mr. Supriyo Chaki, Appointed Actuary is a permanent invitee to the Board Meetings and other Committee Meetings as required.

III. Committee Meetings

a. Audit Committee

Audit Committee has been constituted as per the requirements of Companies Act, 2013 and IRDAI Guidelines.

Terms of Reference:

The functions of the Audit Committee include overseeing the company's financial reporting process including details of contracts outsourced, disclosure of its quarterly/half-yearly/yearly financial information to ensure that the financial statements as well as the solvency margin position statements are correct and reflect a true and fair view of the affairs of the company. Periodical review of internal audit and internal controls are also carried out by the Committee.

The Committee also reviews and recommends the appointment/re-appointment of auditor(s), fixation of their remuneration. The Committee also reviews the financial and risk management policies including frauds and approves transactions with related parties as per the requirements of the Companies Act, 2013.

Composition:

During the year under review, the Composition of the Audit Committee was in line with the requirements of the Companies Act, 2013 and the Corporate Governance guidelines issued by IRDAI. The Audit Committee is chaired by Mr. S Prasad, an Independent Director.

The Statutory Auditors and their representatives, Managing Director, Head - Internal Audit, and other senior officers of the company are invitees to the Audit Committee, based on the subjects discussed.

During the year the Committee met five (5) times. The composition of the Committee along with the attendance of the members at the Committee Meetings held during the year are given below:

Name of the Members		No. of meetings attended	Meeting dates
S Prasad, Independent Director	Chairman	5 / 5	5.5.2020, 7.8.2020, 4.11.2020, 28.1.2021 and 25.3.2021 (5 meetings)
T T Srinivasaraghavan	Member	5 / 5	
Harsha Viji	Member	5 / 5	
Gary Lee Crist	Member	5 / 5	
M S Sundara Rajan, Independent Director	Member	5 / 5	
Radha Unni, Independent Director	Member	5 / 5	
B D Banerjee, Independent Director	Member	5 / 5	

b. Investment Committee

The company's Investment Committee has been constituted in accordance with the IRDAI (Investment) Regulations, 2000.

Terms of Reference:

The functions of the Committee include overseeing the implementation of the investment policy as approved by the Board from time to time. Whenever required, necessary modifications are made to the Investment policy to bring them in line with the regulatory requirements. The Committee also periodically reviews the investment operations and performance of the company and updates the Board.

Composition:

The Investment Committee is chaired by Mr. T T Srinivasaraghavan. Further the Committee comprises of nine members including the Chief Financial Officer (CFO), Chief Investment Officer (CIO), Appointed Actuary and Chief Risk Officer (CRO). During the year under review, the committee was reconstituted, due to the change in the Chief Financial Officer and the Chief Risk Officer.

The Committee met five (5) times during the year. The Composition of the Investment Committee and attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of meetings attended	Meeting date
T T Srinivasaraghavan	Chairman	5 / 5	5.5.2020, 23.7.2020, 3.11.2020, 27.1.2021 and 25.3.2021 (5 meetings)
Harsha Viji	Member	5 / 5	
Filip Coremans	Member	5 / 5	
M S Sundara Rajan	Member	5 / 5	
M S Sreedhar	Managing Director	5 / 5	
Supriyo Chaki	Appointed Actuary	5 / 5	
T C Rangarajan*	Chief Financial Officer	1 / 1	
Vaibhav Kabra**	Chief Financial Officer	4 / 4	
Ramu Govindan	Chief Investment Officer	5 / 5	
C V Srinivasan^	Chief Risk Officer	4 / 4	
Jignesh Sangoi^^	Chief Risk Officer	1 / 1	

*Resigned as CFO eff. 11th June 2020. ** Appointed as CFO eff. 11th June 2020

^Resigned as CRO eff. 22nd February 2021. ^^Appointed as CRO eff. 22nd February 2021

c. Risk Management Committee

The Risk Management Committee has been constituted in accordance with the Corporate Governance Guidelines issued by IRDAI for Insurance Companies.

Terms of Reference:

The Committee reviews the quarterly risk profile statement detailing all types of risks faced by the company including the mitigating actions. The functions of the Committee include assisting the Board in effective operation of the risk management programme by performing analysis and quality reviews. Ensure that the material risks facing the company are identified and that appropriate arrangements are in place to manage and mitigate these effectively.

The Committee ensures that the Risk Management functions have an appropriate and achievable mandate to replicate the company's risk management structure to the Regions and to ensure compliance with the agreed policies and standards. A detailed Report on Committee's views/decisions are submitted to the Board, with such recommendations as the Committee may deem appropriate.

Composition:

The Committee is chaired by Mr. M S Sundara Rajan. Along with the other members of the Committee, the Chief Risk Officer, the Appointed Actuary and the Chief Compliance Officer take part in the Committee Meetings. The Composition of the Risk Management Committee and attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of meetings attended	Meeting dates
M S Sundara Rajan	Chairman	4 / 4	5.5.2020, 23.7.2020, 3.11.2020, 27.1.2021 (4 meetings)
T T Srinivasaraghavan	Member	4 / 4	
Harsha Viji	Member	4 / 4	
Filip Coremans	Member	4 / 4	
M S Sreedhar	Member	4 / 4	

The Chief Risk Officer attends all the Risk Management Committee Meetings. During the year, the company had appointed Mr. Jignesh Sangoi as the Chief Risk Officer in the place of Mr. C V Srinivasan, effective from February 22, 2021.

d. Policyholders' Protection Committee

The Policyholders' Protection Committee has been constituted in accordance with the Corporate Governance Guidelines issued by IRDAI for Insurance Companies.

Terms of Reference:

The broad functions of the Committee include laying down proper procedures and mechanism to monitor and resolve complaints and grievances of policyholders. The Committee also reviews the status of complaints and awards relating to Ombudsman and Consumer Forum at periodical intervals. The Committee further reviews initiatives taken by the company to improve the quality of Customer service.

Composition:

The Committee is chaired by Mr. S Viji. The Committee met four times during the year. The Composition of the Committee and attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of meetings attended	Meeting dates
S Viji	Chairman	4 / 4	6.5.2020, 7.8.2020, 4.11.2020, 28.1.2021 (4 meetings)
Harsha Viji	Member	4 / 4	
Gary Lee Crist	Member	4 / 4	
Radha Unni	Member	4 / 4	
BD Banerjee	Member	4 / 4	
M S Sreedhar	Member	4 / 4	

The Grievance Redressal Officer, Mr. T M Shyam Sunder participates as an Invitee to the Committee Meetings. As required under the Corporate Governance guidelines, one person representing the policyholders, attends all the Meetings of the Committee and assists in the formulation of policies required and in assessing compliance thereof.

e. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee has been constituted in accordance with the Section 135 of the Companies Act, 2013.

Terms of Reference:

The terms of reference of the Corporate Social Responsibility (CSR) Committee is to formulate and recommend to the Board the CSR Policy indicating the activities to be undertaken by the company and the amount of the expenditure to be incurred on such activities for the financial year. The Committee also monitors projects and CSR initiatives undertaken by the company. It also provides a report to the Board on the CSR activities periodically.

Composition:

Mr. T T Srinivasaraghavan, is the chairman of the Committee. The Composition of the Committee and attendance of the members at the Committee Meetings held during the year are as follows:

Name of the Members		No. of meetings attended	Meeting dates
T T Srinivasaraghavan	Chairman	1 / 1	28.1.2021 (1 Meeting)
S Viji	Member	1 / 1	
Gary Lee Crist	Member	1 / 1	
Radha Unni	Member	1 / 1	
M S Sreedhar	Member	1 / 1	

f. Nomination and Remuneration Committee

The Companies Act, 2013 and the Insurance Regulatory and Development Authority of India vide its Corporate Governance Guidelines mandates the constitution of Nomination and Remuneration Committee by certain class of companies and prescribes broadly the functions of the Committee. Accordingly, the company had constituted the Nomination and Remuneration Committee.

Terms of Reference:

The Committee reviews the remuneration policy including any performance related pay schemes of employees and the ongoing appropriateness of the same in line with the changing market trends and other business requirements. The Committee reviews the performance and evaluation of Directors and the appointment/re-appointments and the remuneration payable to the Managing Director and recommends the same for approval of the Board. The Committee assists in the identification of persons for appointment as Directors and as Key Managerial Personnel by carrying out a due diligence process to ensure that the applicant meets the fit and proper criteria. The Committee also broadly reviews the increment and performance pay payable to the other employees including the Key Managerial Personnel in the company in addition to approving any policy changes.

The Nomination and Remuneration Committee ensures that:

- a) the level and composition of the remuneration paid is reasonable and sufficient to attract, retain and motivate talent to effectively run the day-to-day management of the company,
- b) relationship of "pay for performance" is clear and meets appropriate performance benchmarks; and
- c) the remuneration of Managing Director, Key Managerial Personnel and senior Management involves a balance between fixed and performance based incentive pay, reflecting the short and long-term performance objectives appropriate to the working of the company and its goals.
- d) the remuneration process considers the current and future risk factors in terms of setting the targets and evaluation criteria as well. Performance criteria, aligned with the annual operating plan, are set covering quantitative measures as well as relevant qualitative and risk factors based on priorities set by the Board each year.

Composition:

The Nomination and Remuneration Committee comprises of six members. Mr. M S Sundara Rajan, Independent Director is the Chairman of the Committee. The Committee met four times during the year. The composition of the Committee and the attendance of the members are given below:

Name of the Members		No. of meetings attended	Meeting dates
M S Sundara Rajan, Independent Director	Chairman	4 / 4	6.5.2020, 7.8.2020, 4.11.2020 and 25.3.2021 (4 meetings)
T T Srinivasaraghavan	Member	4 / 4	
Harsha Viji	Member	4 / 4	
Gary Lee Crist	Member	4 / 4	
S Prasad, Independent Director	Member	4 / 4	
Radha Unni, Independent Director	Member	4 / 4	

IV. Independent Directors' Meeting

During the year under review, the Independent Directors met separately on March 18, 2021 to discuss and evaluate:

- the performance of the non-independent Directors and the Board as a whole
- Chairperson/Chairman of the company, considering the views of the Executive and Non-Executive Directors, and
- the quality, quantity and the timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors participated in the Meeting. The details of their discussions were later presented to the Board.

Company Secretary:

Mr. S R Balachandher, Company Secretary acts as Secretary for the Board and all the above Committees. He has, during the year, attended all the meetings.

V. Annual General Meetings

The following table shows when and where the last three Annual General Meetings were held:

Financial Year	Date of Meeting	Time	Venue
2019-20	27.08.2020	03.00 p.m	Through Virtual Mode
2018-19	19.07.2019	09.15 a.m	21, Patullos Road, Chennai 600 002
2017-18	19.07.2018	11.00 a.m	

Broadly the subjects considered at the Annual General Meeting include the adoption of the Annual Accounts and appointment/re-appointment of Directors and Statutory Auditors.

VI. Extraordinary General Meeting (EGM)

During the year, the company has conducted one Extraordinary General Meeting. The detail of which is as follows:

Sl No.	Date of the Meeting	Purpose of the Meeting
1	27.08.2020	Re-appointment of Mrs. Radha Unni as an Independent Director of the company for another term of five years.

VII. Evaluation Mechanism

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the valuation of the working of its Audit, Nomination and Remuneration and the various Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, assessing the quality, quantity and timeliness of flow of information between the company management, safeguarding the interest of the company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

VIII. Remuneration of Directors

The Managing Director is the only Whole-time Executive Director on the board and his appointment is based on the recommendations of the Nomination and Remuneration Committee and are subject to approvals by the Shareholders and IRDAI.

All the Independent Directors are paid sitting fees for attending the meeting of the Board and Committees attended by them. The details of remuneration paid to the Directors during the Financial Year ended March 31, 2021 are provided in the extract of Annual Return (Form MGT 9) which is annexed to the Directors Report.

IX. Internal Control

The company has adopted the following Framework in accordance with the requirements laid down under Corporate Governance guidelines:

Internal Financial Controls

There is a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies, (b) safeguarding of assets, (c) prevention and detection of frauds/errors, (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

Internal Audit Framework

The company has established an internal audit framework. The internal audit covers auditing of processes as well as transactions. The company has designed its internal control framework to provide reasonable assurance to ensure compliance with internal policies and procedures, regulatory matters and to safeguard reliability of the financial reporting and its disclosures. An annual audit plan is drawn up at the beginning of the year on the basis of risk profiling of the businesses/departments of the company which is approved by the Audit Committee.

Internal Audit Department's key audit findings, recommendations and compliance status of the previous key audit findings are reported to the Audit Committee. The Audit Committee actively monitors the implementation of its recommendations. The Chairman of the Audit Committee briefs the Board on deliberations taken place at the Audit Committee Meeting in relation to the key audit findings.

Risk Management structure

The company is subject to the impact of changes in the business environment from time to time which necessitates continuous evaluation and management of significant risks faced by it. The company has established appropriate risk assessment and minimisation procedures.

A complete framework has been provided in the Directors' Report pertaining to Risk Management.

X. Compliance Officer

Mr. S R Balachandher, Company Secretary is the Chief Compliance Officer as per the requirements of IRDAI.

The company is in compliance with the Corporate Governance Guidelines issued by IRDAI vide its circular dated May 18, 2016 and a certificate to this effect as provided to the Authority on an annual basis, is provided below.

For and on behalf of the Board

S Viji
Chairman

Place: Chennai

Date : May 7, 2021

Certification of compliance of the Corporate Governance Guidelines for 2020-21

I, S R Balachandher, Company Secretary and Chief Compliance Officer of Royal Sundaram General Insurance Co. Limited, hereby certify that the company has complied with the Corporate Governance Guidelines as stated above, for insurance companies for 2020-21, as amended from time to time, and nothing has been concealed or suppressed.

Place: Chennai

Date : May 7, 2021

S R Balachandher

Company Secretary & Chief Compliance Officer

Annexure A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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

Your company is committed towards improving the quality of the lives and safety of the people under its Corporate Social Responsibility (CSR) initiative. It aims to achieve this by working together with Organisations, NGO's and other agencies involved in social activities and who strive to improve the quality of life in the fields of road safety, improving awareness in education, environmental protection, health & safety and community living. Your company stands committed to the causes of education, environment, rural health, road safety and development. The company also encourages and supports its employees to take part and contribute their time, skills and resources towards the social causes they feel passionate about. The company's objective is to pro-actively support meaningful socio-economic development. The company has been focusing on improving the road safety and has been actively engaging with organizations that are working with this primary objective.

In line with its objectives, the areas that have been shortlisted for the CSR roadmap are health care, road safety, education, skill development and sustainable livelihoods, support employee volunteering in CSR activities and other areas such as disaster relief. The CSR policy is available on the company's website at www.royalsundaram.in.

2. The Composition of the CSR Committee

Mr. T T Srinivasaraghavan, (Non-executive Director) is the Chairman of the Committee. The other members of the Committee are (a) Mr. S Viji, (b) Mr. Gary Lee Crist, (c) Mrs. Radha Unni and (d) Mr. M S Sreedhar (Managing Director).

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 is ₹116 cr.

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

The prescribed CSR expenditure requirement for FY 2020-21 is ₹2.33 cr.

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year was ₹2.33 cr.

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is provided in the following table

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Directly or through implementing agency *
1	PM Cares Fund	Health	India	₹25 Lakh	₹25 Lakh	₹25 Lakh	Contribution towards Corona relief measures to PM Cares Fund

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Directly or through implementing agency *
2	Chief Minister's Public Relief Fund, TN	Disaster Management	Tamilnadu	₹25 Lakh	₹25 Lakh	₹25 Lakh	Contribution towards Corona relief measures and related activity
3	Health care activity contribution	Health	Chennai	₹50 Lakh	₹50 Lakh	₹50 Lakh	Contribution to Sundaram Medical Foundation
4	Contribution towards Education	Education	Chennai	₹50 Lakh	₹50 Lakh	₹50 Lakh	Contribution to Laxmi Charities
5	Contribution towards Education	Education	Chennai	₹40 Lakh	₹40 Lakh	₹40 Lakh	Contribution to Velammal Education Trust
6	Contribution towards Education	Education	Chennai	₹16 Lakh	₹16 Lakh	₹16 Lakh	Contribution to Ramakrishna Mission Students Home
7	Contribution for Road Safety Training in Emergency Response Management	Road Safety	Chennai	₹10 Lakh	₹10 Lakh	₹10 Lakh	Contribution to ALERT
8	Contribution towards Education	Education	Chennai	₹15 Lakh	₹15 Lakh	₹15 Lakh	Contribution to Single Teachers School
9	Health care activity contribution	Health	Chennai	₹2 Lakh	₹2 Lakh	₹2 Lakh	Contribution to Tanker Foundation
	Total			₹233 Lakh	₹233 Lakh	₹233 Lakh	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report

Not applicable

7. Responsibility statement of the CSR Committee

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the company.

Place: Chennai
Date : May 7, 2021

M S Sreedhar
Managing Director
(DIN: 07153983)

T T Srinivasaraghavan
Chairman-CSR Committee
(DIN: 00018247)

Annexure B

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

To,
The Members,
ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED
No. 21, Patullos Road,
Chennai - 600 002.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED (CIN: U67200TN2000PLC045611) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, and as applicable to company (being an unlisted entity) in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, if any, received during the above said Financial Year.
- (iii) The Insurance Act, 1938, together with Amendments as notified, and Insurance Regulatory and Development Authority of India Act, 1999 and the Rules framed there under including the various guidelines, directions and Regulations issued from time to time, as may applicable to the company.

I have also examined compliance with the applicable clauses of the following Secretarial Standards;

Secretarial Standards (SS-1) – Board Meeting and Secretarial Standards (SS-2) – General Meeting issued by The Institute of Company Secretaries of India.

During the period under review the company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the compliance of Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India and there were no observations to be reported by me.

I further report that;

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors and there was no change in the composition of the Board of Directors during the period under review.

(ii) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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. Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors/Committee Members and there were no dissenting Directors/Members views recorded in the minutes.

I 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.

I further report that during the audit period the company had no specific events/actions having major bearings on the company's affairs.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

ICSI UDIN No.: F005837C000257077

Place: Chennai

Date : May 7, 2021

Disclaimer Certificate

To,
The Members,
ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED
21, Patullos Road, Chennai - 600002.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I 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 management. My 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.
7. I have conducted online verification & examination of records, as facilitated by the company, due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Report.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN

Managing Partner

Membership No.: 5837

COP. No.: 5081

ICSI UDIN No.: F005837C000257077

Place: Chennai

Date : May 7, 2021

Annexure C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

NIL – All transactions entered into by the company during the year with related parties were on arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

NIL – The transactions entered into by the company during the year the related parties on an arm's length basis were not material in nature.

Place: Chennai

Date : May 7, 2021

S Viji

Chairman

(DIN: 00139043)

Annexure D

REMUNERATION POLICY

Objective

The objective of this policy is to put in place a framework for the remuneration payable to the employees of the Company including the key management personnel (KMPs) Company, Executive and Non-Executive Directors, including Independent Directors.

Philosophy

The underlying principle of any pay for performance philosophy is “Procedural Justice” and “Distributive Justice”.

Royal Sundaram's philosophy is to provide pay & benefit programs that support our objective of becoming a leading insurance company in India that attracts high performing people. This philosophy supports the principle that employees are our source of strength and that pay and benefits program should reward employee contribution to customer satisfaction, quality, efficiency, growth and teamwork.

Royal Sundaram has a Compensation Programme which provides employees with pay and benefits that, in total, are Competitive with other leading Companies.

Direct pay is the most visible compensation employees receive for the work they perform at Royal Sundaram. The Company's variable pay program is a “pay-for-performance” system. It is designed to recognize differences in job levels and to reward job performance.

How Is Competitive Pay Determined?

Each year a Salary & Benefit Survey is done to view the Compensation Levels and pay practices of other relevant companies. This data helps in designing and administering compensation programs that are competitive with other leading companies for similar positions.

Royal Sundaram participates in Salary Surveys commissioned by other companies through a reputed consulting firm each year. Royal Sundaram further gathers information independently through the year.

The Salary Administration Programme

To help ensure fairness and consistency, Royal Sundaram's salary administration program is intended to reflect the value of the job and recognize employee's job performance. It provides:

- Incentives for employees to achieve salary increases through job performance – job performance directly influences salary.
- The ability to employ people with high level qualifications needed to meet the Company's objectives.

How Value Is Measured

The employee's reward for contributions to the Company's continued success is based on two measures of value:

- The value of employee's job
- The value of employee's individual performance

The review is based on characteristics like job complexity and how much independent judgement, skills and education are needed to perform the job.

The competitive data is used to develop a salary range for each salary grade. The ranges are comparable to those for similar jobs at the companies participating in the compensation surveys reviewed.

Salary can progress in the salary grade range through merit increases, which are linked to performance.

Salary Ranges

Royal Sundaram periodically reviews salary grade ranges and may adjust them to ensure that the 2nd and 3rd quartile of comparable companies fits into our salary range. This ensures that our employees with good performance levels can get salaries equivalent to the target quartile of comparable companies. The review is done effective April each year.

Salary Grades

The salary grades have been spread within a four-level structure. The job levels are four but salary grades are 14 to factor in the progression needs of the employees. All employees within a level will have comparable profiles.

The four job levels are as follows

- a. Officer: The positions in this level perform "analyst" roles, where the major task is analysis of information/data and implementation of policies and procedures.
- b. Manager: These positions perform "specialist" role where the major task is designing systems and monitoring performance of systems. They may also be expected to guide and supervise teams.
- c. General Manager: These positions perform "Expert" role. These positions require considerable depth of knowledge and knowhow in their domain of expertise. They may be expected to lead larger teams.
- d. Vice President: These positions head a function or profit Centre or region and are expected to be involved in Business Strategy and Strategic Planning. They are expected to lead their functions.

The Salary grades have been spread within the four levels as shown below

- a. Officer – SG01-SG04
- b. Manager – SG05-SG07
- c. General Manager – SG08-SG11
- d. Vice President – SG12-SG14

Remuneration policy for NEDs

The key elements of remuneration for the Non-Executive Directors (NED's) will be sitting fees payable for attending the meetings of the Board and Committees. The quantum shall be determined by the Board taking into consideration the provisions of the Companies Act, 2013 and IRDAI remuneration guidelines issued from time to time and subject to approval of the Shareholders, where required. The NEDs may also be entitled to receive commission as and when the same is approved by the Board based on the performance of the Company. In addition, the Directors are entitled to seek reimbursement of the expenses incurred by them for participating in the Board and other Meetings, in accordance with the provisions of the Companies Act, 2013.

The amount of sitting fees and commission, if any, payable to the NEDs shall be approved by the Board from time to time.

Remuneration to MD/CEO/WTD

IRDAI has vide its circular dated August 5, 2016 has issued fresh guidelines on remuneration of Non-Executive Directors and Executive Directors like Managing Director/Chief Executive Officer/Whole-Time Directors. The Managing Director (MD)/Chief Executive Officer (CEO)/Whole Time Directors (WTD's) are appointed for a fixed tenure as approved by the Board, Shareholders and the Insurance Regulatory and Development Authority of India (IRDAI). Re-appointment for further tenure is also subject to necessary approvals as may be required.

The Remuneration or variation in remuneration payable to the MD/CEO/WTD shall be governed by the Insurance Act, 1938 (under Section 34A of the Act) and the Rules made thereunder or any other guidelines that are issued by IRDAI from time to time. The remuneration is subject to approvals by the Nomination and Remuneration Committee (NRC), Board, Shareholders and IRDAI.

The remuneration to MD/CEO/WTD shall mainly comprise of fixed pay and variable pay. Remuneration may include basic salary, house rent allowance, other allowances, perquisites, variable pay in the form of performance bonus, stock options, other benefits and allowances as may be approved by the NRC/Board from time to time.

Severance pay will be in accordance with the provisions of the Companies Act, 2013 and shall be constituted by accrued benefits such as gratuity, provident fund, superannuation etc.

The remuneration structure for MD/CEO/WTD is subject to revision from time to time, depending on individual contribution, the company's performance and provisions of Companies Act, 2013 and rules framed there-under and the IRDAI guidelines/directions in this regard.

The annual increments to the MD/CEO/WTD shall be aligned to the overall performance of Company and market dynamics and as approved by the NRC/Board/Shareholders/IRDAI.

Variable Pay Composition

Total remuneration or total salary is defined to include in addition to the fixed pay, the variable pay and other perquisites payable to MD/CEO/WTD for a Financial Year. While designing the remuneration arrangements, it is ensured that there is a balance between fixed and variable pay. At higher levels of responsibility, the proportion of variable pay to fixed pay may be higher.

In terms of IRDAI's Remuneration guidelines issued on August 5, 2016, the Company may define what is 'substantial' in its remuneration policy. Where the variable pay constitutes a substantial portion of the total pay, then an appropriate portion of such variable pay to be deferred over a period of not less than 3 years.

'Substantial' portion of Total Pay for the purpose of this policy means where the variable pay or performance bonus constitutes 50% or more of the total remuneration (including such variable pay or performance bonus) as approved by the NRC/Board. In such an event, 40% of the total variable pay will be deferred and paid over the subsequent 3 years or where the term or tenure of the MD is less than 3 years consequent to his superannuation, then at such terms as may be approved by IRDAI.

Annual Increments

The annual increment including fixed and variable pay would be considered at the end of the relevant financial years based on the performance parameters set by the NRC, which will include the following

- Topline and bottom-line targets of the Company achieved.
- Deliverables on key strategies and operational efficiencies.
- Overall financial position of the company; adherence to solvency margin ratios and expenses of management limits being adhered to.
- Satisfactory claim settlement and repudiation performance.
- Putting in place an effective grievance redressal mechanism and monitoring the same periodically.
- Overall compliance with applicable laws, Regulations and Guidelines issued by IRDAI and other Statutory as applicable to Insurance Companies.

Claw-back

Where variable pay is deferred, the unpaid portion may be subject to claw back provisions in case the performance of the Company is not in line with the parameters defined by the NRC/Board. However, the decision of NRC/Board shall be after due consideration of the actual/realized performance of the Company considering any unforeseen or special circumstances.

ESOP

ESOPs granted of the Insurance Company or that of the Promoter/Group/Associate Companies, if any, shall be in line with the guidelines issued by the Authority, from time to time. ESOP as per the guidelines, is kept outside the computation of the total remuneration. The details of ESOP granted should also be disclosed in terms of the disclosure requirements stipulated for the financial statements of the Company.

Disclosures

Necessary disclosures as are required under the Companies Act, 2013 and the Rules made thereunder and the IRDAI Remuneration guidelines, shall be made in the Annual Report of the Company.

Review

This policy is subject to review at such time intervals as may be deemed necessary by the Management to incorporate any statutory changes or otherwise.

Annexure E

FORM MGT 9

EXTRACT OF ANNUAL RETURN

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

FINANCIAL YEAR ENDED ON 31.03.2021

I.REGISTRATION & OTHER DETAILS:

i	Corporate Identification Number	U67200TN2000PLC045611
ii	Registration Date	22/08/2000
iii	Name of the Company	Royal Sundaram General Insurance Co. Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian non-government Company
v	Address of the Registered Office & contact details	No.21, Patullos Road, Chennai 600 002. Contact Details: Mr. S R Balachandher Company Secretary and Chief Compliance Officer Corporate office : Vishranthi Melaram Towers No.2/319, Rajiv Gandhi Salai (OMR) Karapakkam, Chennai 600 097. Phone: 044 7117 7205 Email: sr.balachandher@royalsundaram.in
vi	Whether Listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	Cameo Corporate Services Limited, "Subramanian Building" #1, Club House Road Chennai 600 002 - India. Ph: 91-44 - 2846 0390 E-mail : cameo@cameoindia.com

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

Name & description of main products/services	NIC Code of the product/service	% to total turnover of the company
General Insurance	6512	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
Sundaram Finance Limited No.21, Patullos Road, Chennai 600 002.	L65191TN1954PLC002429	Associate	50	2(6)

IV. SHAREHOLDING PATTERN (Equity Share capital Breakup as % to total Equity):
(i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,34,700	-	1,34,700	0.03	1,34,700	-	1,34,700	0.03	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	26,92,65,300	-	26,92,65,300	59.97	26,92,65,300	-	26,92,65,300	59.97	
d) Bank/FI	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	
SUB TOTAL (A) (1)	26,94,00,000	-	26,94,00,000	60.00	26,94,00,000	-	26,94,00,000	60.00	-
(2) Foreign									
a) NRI-Individuals	-	-	-	-	-	-	-	-	
b) Other individuals	-	-	-	-	-	-	-	-	
c) Bodies Corporate	17,96,00,000	-	17,96,00,000	40.00	17,96,00,000	-	17,96,00,000	40.00	-
d) Banks/FI	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	
SUB TOTAL (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter A= (A)(1)+(A)(2)	44,90,00,000	-	44,90,00,000	100.00	44,90,00,000	-	44,90,00,000	100.00	-

IV. SHAREHOLDING PATTERN (Equity Share capital Breakup as % to total Equity):

(i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
(a) Bodies corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	-	-	-	-	-
c) Any Other (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	44,90,00,000	-	44,90,00,000	100.00	44,90,00,000	-	44,90,00,000	100.00	-

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Sundaram Finance Limited	22,45,00,000	50.00	-	22,45,00,000	50.00	-	-
2	India Motor Parts & Accessories Limited	3,27,75,522	7.30	-	3,27,75,522	7.30	-	-
3	Sundharams Private Limited	1,19,89,778	2.67	-	1,19,89,778	2.67	-	-
4	S. Ram	44,900	0.01	-	44,900	0.01	-	-
5	S Viji	44,900	0.01	-	44,900	0.01	-	-
6	R.Ramanujam	44,900	0.01	-	44,900	0.01	-	-
7	Ageas Insurance International N.V.	17,96,00,000	40.00	-	17,96,00,000	40.00	-	-
	Total	44,90,00,000	100.00	-	44,90,00,000	100.00	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
No Change					

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Director, Promoters and Holders of GDR's and ADR's)

Sl No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-	-	-	-	-	-

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	S Viji, Director				
	At the beginning of the year	44,900	0.01	44,900	0.01
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
	At the end of the year	44,900	0.01	44,900	0.01

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	10,000	-	10,000
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	282	-	282
Total (i+ii+iii)	-	10,282	-	10,282
Change in Indebtedness during the financial year-(including interest accrued)				
i. Addition	-	1,074	-	1,074
ii. Reduction	-	1,077	-	1,077
Net Change (i-ii)	-	(3)	-	(3)
Indebtedness at the end of the financial year				
i. Principal Amount	-	10,000	-	10,000
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	279	-	279
Total (i+ii+iii)	-	10,279	-	10,279

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) Remuneration to Managing Director, Whole-time Directors and/or Manager (₹ in Lakhs)

Sl No.	Particulars of Remuneration	Name of MD/WTD/Manager
		Mr. M S Sreedhar (Managing Director)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of 17(3) Income- tax Act, 1961	363.47 0.39 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Other payouts	13.84
Total		377.70

B) Remuneration to other Directors (₹ in Lakhs)

Sl No.	Particulars of Remuneration	Fee for attending Board/ Committee Meetings	Commission	Others	Total Amount
Independent Directors					
1	Mr. S Prasad	3.60	NIL	NIL	3.60
2	Mr. M S Sundara Rajan	5.85	NIL	NIL	5.85
3	Ms. Radha Unni	4.70	NIL	NIL	4.70
4	Mr. B D Banerjee	3.60	NIL	NIL	3.60
Total					17.75

C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

SI No.	Particulars of Remuneration	Key Managerial Personnel				
		Chief Financial Officer		Company Secretary	Other KMPs*	TOTAL
		TC Rangarajan (From 1.4.2020 to 10.6.2020)	Vaibhav Kabra (From 11.6.2020 onwards)			
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. (b) Value of perquisites u/s 17(2) Income-tax Act, 1961. (c) Profits in lieu of 17(3) Income- tax Act, 1961	10.61	78.11	60.40	1017.04	1166.16
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
Total		10.61	78.11	60.40	1017.04	1166.16

*Other KMPs as defined under Corporate Governance guidelines issued by IRDAI.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any,
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Place: Chennai
Date : May 7, 2021

S Viji
Chairman
(DIN: 00139043)

N. C. Rajagopal & Co.
Chartered Accountants
22, Krishnaswamy Avenue
(Luz Church Road), Mylapore
Chennai – 600004.

Brahmayya & Co.
Chartered Accountants
48 Masilamani Road
Balaji Nagar, Royapettah
Chennai - 600014.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Account of the Company for the year ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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, the Profit and Loss Account and Receipts and Payments Account are, therefore, drawn up in conformity with the Regulations.
3. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2021;
 - 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, of the profit for the year ended on that date;
 - d) in the case of Receipts and Payments Statement, of the receipts and payments for the year ended on that date.
 - e) The Accounting policies selected by the insurer are appropriate and are in compliance with the applicable Accounting Standards and with the Accounting Principles, as prescribed in the regulations or any order or direction issued by the Authority in this behalf.

Basis for Opinion

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independent requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No.33 of Schedule 17 of the Financial Statements, which describes the uncertainties and the impact of Covid-19, wherein based on the prudence principles applied, the company did not find any adverse impact on its Financial Statements as on date with the available information and will continue to closely monitor developments based on the circumstances that may emerge. The assessment of the Management is dependent on the circumstances as they evolve considering the uncertainties prevailing in the economic situation.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl No.	Key Audit Matter	Our audit procedures related to Key Audit Matter
1.	<p>Contingent Liabilities</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Hence, we consider this as a Key Audit Matter.</p> <p>Total tax contingent liabilities as at March 31, 2021 is ₹8,66,188 thousand.</p> <p>Refer Note No. 2(a) of Schedule 17 of the standalone financial statements.</p>	<ul style="list-style-type: none"> • Obtained from the management of the company a list of litigation cases and the changes therein as compared to previous year; also undertaken a detailed understanding of the disputes as well as reviewed the conclusions arrived by the management along with assumptions required under AS 29. • We reviewed the details of pending tax demands as at March 31, 2021. • We involved our internal experts to consider legal precedence and other ruling in evaluating the Company's position on these uncertain tax positions. • We also reviewed Company's correspondences with tax authorities, legal counsels, grounds of appeal filed with various appellate authorities and industry position on various tax disputes. • Reviewed the minutes of board meetings, including the sub-committees. • Based on the legal opinion and other audit evidences obtained, while noting the inherent uncertainty with such legal, regulatory and tax litigations we have verified the tax provisions and disclosures made in respect of contingent liabilities as at March 31, 2021.

Sl No.	Key Audit Matter	Our audit procedures related to Key Audit Matter
2.	<p>Valuation of investment</p> <p>We have considered Investment and its valuation as a Key Audit Matter since the carrying value of investments as at March 31, 2021, was ₹6,48,43,421 thousand which is approximately 86.05% of the assets of the company. The management's assessment of the value of investment as on the reporting date involves management judgement which can materially impact the impairment loss, if any and the carrying value of investment.</p> <p>Please refer Note No.7 to Schedule 16, Accounting policy for investments and Schedule 8 and 8A on Investments. Also refer to Note No. 5 to Schedule 17 on write off/provision for diminution of in value of investments.</p>	<p>With regard to investments and its valuation, we have:</p> <ul style="list-style-type: none"> Reviewed the accounting policies used by the Company for accounting and disclosing Investments together with the process followed for valuation of investments for compliance with the accounting framework/IRDAI regulation. Assessed the adequacy of internal controls and tested the operating effectiveness of such controls for initial recognition, measurement, subsequent valuation and disclosure of investments as on the reporting date as per applicable regulations. Verified the investment position at the year-end using direct third-party confirmation, bank statements and other substantive procedure and also independently re-performed the valuation check on a sample basis to confirm their appropriateness. Investments identified for impairment/write off by the management are verified on a 100% basis by independently assessing the risk of impairment loss and probability of realization of investment value by considering publicly available information about the investee, directions issued by Regulator and Government. We also checked the compliance with IRDAI prudential norms for the assessment of impairment provision/write off. <p>Based on the outcome of the audit procedures carried out by us as stated above, investments and its valuation as at the year-end is ensured.</p>
3.	<p>Valuation of outstanding claims ("OC") including claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER)</p> <p>We considered this as a key audit matter because the valuation of OC including IBNR and IBNER are significant in magnitude and requires use of judgements and estimates. OC including IBNR/IBNER are estimates for settlement of claims in future which are impacted by number of factors which includes the trends in nature of historical claims, severity of historical claims, frequency of historical claims, any change in the assumptions and IRDAI regulations.</p> <p>Please refer Point No. 19 of Schedule 17 of standalone financial statements.</p>	<p>In relation to this, our audit response included the following:</p> <ul style="list-style-type: none"> We have reviewed and tested the operating effectiveness of key controls relating to the claims handling and reserving process of the claim estimates recorded; Substantive tests were performed on the amounts recorded for a sample of OC, to ensure whether claims are appropriately estimated and recorded; We have reviewed the certificate given by the Appointed Actuary and we had detailed discussions with the Actuary about the assumptions used for their valuations and accordingly relied on the certificate given by the Actuary. <p>We reviewed the adequacy of Company's related disclosures by reference to relevant accounting standards and IRDAI Regulations.</p>

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, including Annexure to Board's Report, report on Corporate Governance and Management Report, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibility of Management and those charged with Governance for the Standalone Financial Statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and Receipts and Payments Account of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, provisions of Sub section (1) of Section 129 of The Act, provisions of Section 11 of the Insurance Act read with the IRDAI Regulations/Guidelines/Circulars/Orders. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements - As required under provisions of Section 143(3) of The Companies Act, 2013 and IRDAI regulations

10. 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 Account dealt with by this Report are in agreement with the books of account;
- d) The financial accounting system of the Company is centralized and therefore accounting returns are not required to be submitted by branches;
- e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 read together with IRDAI Regulations/Circulars/Orders;
- f) The estimate of claims Incurred But Not Reported [IBNR] and claims Incurred But Not Enough Reported [IBNER] has been certified by the Company's Appointed Actuary. The Appointed Actuary has certified to the Company that the assumptions used for such valuation are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority of India [IRDAI] and Actuarial Society of India in concurrence with IRDAI. We have relied on the Appointed Actuary's certificate in this regard;
- 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, 2021, and taken on record by the Board of Directors, none of the Directors is are disqualified as on March 31, 2021, 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, the remuneration paid/payable by the Company to its Managing Director during the year is in accordance with Section 34A of the Insurance Act. As the Company is an insurance company, the provisions contained in Section 197 of the Companies Act, 2013 are not applicable;
- k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in Note no. 2 (a) of Schedule 17 to the standalone financial statements.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long term derivative contracts.
- 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

For Brahmaya & Co.
Chartered Accountants
Registration No. 000511S

P Babu
Partner
Membership No. 203358

Place: Chennai
Date : May 7, 2021

ANNEXURE (A) REFERRED TO IN PARAGRAPH (10)(i) OF OUR REPORT OF EVEN DATE

To the members of Royal Sundaram General Insurance Co. Limited

We have audited the Internal Financial Controls over financial reporting of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

For Brahmayya & Co.
Chartered Accountants
Registration No. 000511S

V Chandrasekaran
Partner
Membership No. 024844
UDIN: 20024844AAAAAV5289

P Babu
Partner
Membership No. 203358
UDIN: 20203358AAAAIQ5991

Place: Chennai
Date : May 7, 2021

N. C. Rajagopal & Co.
 Chartered Accountants
 22, Krishnaswamy Avenue
 (Luz Church Road), Mylapore
 Chennai – 600004.

Brahmayya & Co.
 Chartered Accountants
 48 Masilamani Road
 Balaji Nagar, Royapettah
 Chennai - 600014.

INDEPENDENT AUDITORS' CERTIFICATE

To the Members of Royal Sundaram General Insurance Co. 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 "IRDAI Financial Statements Regulations") read with Regulation 3 and may not be suitable for any other purpose.

1. 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 "IRDAI Act"), the IRDAI 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, validating data, designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

2. 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.

3. 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 ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED (the 'Company') for the year ended March 31, 2021, we certify that:

- We have reviewed the Management Report attached to the financial statements for the financial year ended March 31, 2021 and there is no apparent mistake or material inconsistency therein with the financial statements.
- The Company has complied with the terms and conditions of registration stipulated by IRDAI vide their letter dated October 23, 2000.
- We have verified the cash and bank balances at the corporate office of the Company and the investments of the Company.
- The Company is not a trustee of any trust.
- No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to application and investment of policyholders' funds.
- All expenses of management in respect of Fire, Marine and Miscellaneous Insurance Business have been fully debited to the respective Revenue Accounts.

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

For Brahmayya & Co.
 Chartered Accountants
 Registration No. 000511S

V Chandrasekaran
 Partner
 Membership No. 024844
 UDIN: 20024844AAAAAV5289

P Babu
 Partner
 Membership No. 203358
 UDIN: 20203358AAAAIQ5991

Place: Chennai
 Date : May 7, 2021

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021 (FIRE BUSINESS)

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹ '000)

Particulars	Schedule	March 31, 2021	March 31, 2020
1 Premiums earned (net)	1A	5,50,965	3,80,712
2 Profit/(Loss) on sale/redemption of investments		15,311	9,143
3 Others			
- Coinsurance admin income		6,036	2,421
- Investment income - Terrorism pool		44,853	30,059
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹1,05,075 thousand (Previous Year: ₹93,046 thousand)] (Refer note 17 of Schedule 17)		1,00,366	91,125
Total (A)		7,17,531	5,13,460
1 Claims incurred (net)	2A	3,33,148	1,99,737
2 Commission	3A	(53,086)	24,180
3 Operating expenses related to insurance business	4	1,43,884	1,69,055
4 Premium deficiency		-	-
Total (B)		4,23,946	3,92,972
Operating Profit/(Loss) C = (A-B)		2,93,585	1,20,488
Appropriations			
Transfer to Shareholders' Account		2,93,585	1,20,488
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		2,93,585	1,20,488
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 Business Revenue Account as expenses.

As per our report of even date attached

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

For Brahmayya & Co.
Chartered Accountants
Registration No.000511S

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

V Chandrasekaran
Partner
Membership No.024844

P Babu
Partner
Membership No.203358

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

Place: Chennai
Date : May 7, 2021

Vaibhav Kabra
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021 (MARINE BUSINESS)

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹ '000)

Particulars	Schedule	March 31, 2021	March 31, 2020
1 Premiums earned (net)	1B & 1C	1,96,551	1,99,703
2 Profit/(Loss) on sale/redemption of investments		2,817	1,904
3 Others			
- Coinsurance admin income		224	222
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹19,333 thousand (Previous Year: ₹19,374 thousand)] (Refer note 17 of Schedule 17)		18,467	18,974
Total (A)		2,18,059	2,20,803
1 Claims incurred (net)	2B & 2C	93,790	1,17,758
2 Commission	3B & 3C	25,084	26,934
3 Operating expenses related to insurance business	4	42,318	43,742
4 Premium deficiency		-	-
Total (B)		1,61,192	1,88,434
Operating Profit/(Loss) C = (A-B)		56,867	32,369
Appropriations			
Transfer to Shareholders' Account		56,867	32,369
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		56,867	32,369
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 Business Revenue Account as expenses.

As per our report of even date attached

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

For Brahmayya & Co.
Chartered Accountants
Registration No.000511S

V Chandrasekaran
Partner
Membership No.024844

P Babu
Partner
Membership No.203358

Place : Chennai
Date : May 7, 2021

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

Vaibhav Kabra
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021 (MISCELLANEOUS BUSINESS)

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹ '000)

Particulars	Schedule	March 31, 2021	March 31, 2020
1 Premiums earned (net)	1D	2,04,04,493	2,22,20,741
2 Profit/(Loss) on sale/redemption of investments		4,87,119	2,76,768
3 Others			
- Transfer fee and duplicate fee/Coinsurance admin income		3,068	3,217
- Investment income - Terrorism pool		11,213	7,515
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹33,42,968 thousand (Previous Year: ₹29,98,972 thousand)] (Refer note 17 of Schedule 17)		31,93,163	29,38,444
Total (A)		2,40,99,056	2,54,46,685
1 Claims incurred (net)	2D	1,65,79,474	1,90,71,248
2 Commission	3D	14,33,654	14,65,700
3 Operating expenses related to insurance business	4	47,78,162	44,10,198
4 Premium deficiency		-	-
Total (B)		2,27,91,290	2,49,47,146
Operating Profit/(Loss) C = (A-B)		13,07,766	4,99,539
Appropriations			
Transfer to Shareholders' Account		13,07,766	4,99,539
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		13,07,766	4,99,539
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 Business Revenue Account as expenses.

As per our report of even date attached

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

For Brahmaya & Co.
Chartered Accountants
Registration No.000511S

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

V Chandrasekaran
Partner
Membership No.024844

P Babu
Partner
Membership No.203358

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

Place : Chennai
Date : May 7, 2021

Vaibhav Kabra
Chief Financial Officer

S R Balachandher
Company Secretary

Form B - PL
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

		(₹ '000)	
Particulars	Schedule	March 31, 2021	March 31, 2020
1 OPERATING PROFIT/(LOSS)			
a) Fire Insurance		2,93,585	1,20,488
b) Marine Insurance		56,867	32,369
c) Miscellaneous Insurance		13,07,766	4,99,539
2 INCOME FROM INVESTMENTS			
a) Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹8,26,296 thousand (Previous Year: ₹7,57,864 thousand)] (Refer note 17 of Schedule 17)		7,89,267	7,42,217
b) Profit on sale of investments Less: Loss on sale of investments		2,15,625 (95,222)	89,082 (14,611)
3 OTHER INCOME			
a) Profit/(Loss) on sale of assets		(2)	(1)
b) Other income		556	960
Total (A)		25,68,442	14,70,043
4 PROVISIONS (Other than taxation)			
a) For diminution in the value of investments		-	-
b) For doubtful debts (Refer note 12 of Schedule 17)		20,255	20,255
c) Others-Provision for doubtful investments (Refer note 5 of Schedule 17)		1,74,451	2,25,549
d) Others (Refer note 12 of Schedule 17)		4,139	5,536
5 OTHER EXPENSES			
Expenses other than those related to insurance business			
a) Employees' remuneration and welfare benefits (Refer note 13 of Schedule 17)		22,770	16,665
b) Bad debts written off (Investments) (Refer note 5 of Schedule 17)		1,00,000	6,53,278
c) Expenses of investment		3,458	3,398
d) CSR contribution & donations (Refer note 30 of Schedule 17)		23,300	24,813
e) Penalties (Refer note 15 of Schedule 17)		300	-
f) Interest on Income Tax		387	-
g) Interest on borrowings (Refer note 29 of Schedule 17)		1,07,352	1,07,573
Total (B)		4,56,412	10,57,067
Profit/(Loss) before tax (A - B)		21,12,030	4,12,976
Provision for taxation			
a) Current tax		8,23,426	1,62,000
b) Deferred tax		(2,94,190)	5,508
Profit/(Loss) after tax		15,82,794	2,45,468
Appropriations			
a) Interim dividends paid during the year		-	-
b) Proposed final dividend		-	-
c) Dividend distribution tax		-	-
d) Transfer to any reserves or other accounts		-	-
Balance of Profit/(Loss) brought forward from last year		46,62,751	44,17,283
Balance carried forward to Balance Sheet		62,45,545	46,62,751
Significant accounting policies	16		
Notes to financial statements	17		
Earning per share (Basic and Diluted)		3.53	0.55

As per our report of even date attached

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

V Chandrasekaran
 Partner
 Membership No.024844

 Place : Chennai
 Date : May 7, 2021

For Brahmayya & Co.
 Chartered Accountants
 Registration No.000511S

P Babu
 Partner
 Membership No.203358

For and on behalf of the Board of Directors

S Viji
 Chairman
 (DIN:00139043)

Filip A L Coremans
 Director
 (DIN:03178684)

Vaibhav Kabra
 Chief Financial Officer

M S Sreedhar
 Managing Director
 (DIN:07153983)

S Prasad
 Director
 (DIN:00063667)

S R Balachandher
 Company Secretary

Form B - BS

BALANCE SHEET AS AT MARCH 31, 2021

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

(₹ '000)

Particulars	Schedule	March 31, 2021	March 31, 2020
SOURCES OF FUNDS			
Share capital	5	44,90,000	44,90,000
Reserves and surplus	6	87,95,545	72,12,751
Fair value change account			
- Shareholder funds		1,17,099	(2,09,542)
- Policyholder funds		6,37,380	(8,65,140)
Borrowings	7	10,00,000	10,00,000
Total		1,50,40,024	1,16,28,069
APPLICATION OF FUNDS			
Investments - Shareholders	8	1,00,64,049	1,12,01,731
Investments - Policyholders	8A	5,47,79,372	4,62,48,735
Loans	9	-	-
Fixed assets	10	2,67,997	3,14,251
Deferred tax asset - Net (Refer note 7 of Schedule 17)		5,78,862	2,84,672
Current assets			
- Cash and bank balances	11	7,36,338	5,94,791
- Advances and other assets	12	89,31,684	90,65,481
Sub-Total (A)		96,68,022	96,60,272
Current liabilities	13	4,79,19,101	4,39,17,797
Provisions	14	1,23,99,177	1,21,63,795
Sub-Total (B)		6,03,18,278	5,60,81,592
Net current assets (C)=(A-B)		(5,06,50,256)	(4,64,21,320)
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		-	-
Total		1,50,40,024	1,16,28,069
Significant accounting policies	16		
Notes to financial statements	17		

As per our report of even date attached

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

For Brahmayya & Co.
Chartered Accountants
Registration No.000511S

V Chandrasekaran
Partner
Membership No.024844

P Babu
Partner
Membership No.203358

Place : Chennai
Date : May 7, 2021

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

M S Sreedhar
Managing Director
(DIN:07153983)

Filip A L Coremans
Director
(DIN:03178684)

S Prasad
Director
(DIN:00063667)

Vaibhav Kabra
Chief Financial Officer

S R Balachandher
Company Secretary

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	March 31, 2021	March 31, 2020
SCHEDULE 1A		
PREMIUM EARNED (NET) - FIRE BUSINESS		
Premium from direct business written	27,25,928	22,52,364
Add: Premium on reinsurance accepted	5,36,706	4,14,073
Less: Premium on reinsurance ceded	(27,41,376)	(22,02,128)
Net Premium	5,21,258	4,64,309
Adjustment for change in reserve for unexpired risks	29,707	(83,597)
Total Premium Earned (Net)	5,50,965	3,80,712
SCHEDULE 1B		
PREMIUM EARNED (NET) - MARINE CARGO BUSINESS		
Premium from direct business written	3,52,718	3,82,519
Add: Premium on reinsurance accepted	5,900	7,954
Less: Premium on reinsurance ceded	(1,69,313)	(1,86,676)
Net Premium	1,89,305	2,03,797
Adjustment for change in reserve for unexpired risks	7,246	(4,233)
Total Premium Earned (Net)	1,96,551	1,99,564
SCHEDULE 1C		
PREMIUM EARNED (NET) - MARINE HULL BUSINESS		
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	-	139
Total Premium Earned (Net)	-	139
SCHEDULE 1D		
PREMIUM EARNED (NET) - MISCELLANEOUS BUSINESS		
Premium from direct business written	2,51,44,187	3,40,34,689
Add: Premium on reinsurance accepted	63,894	89,144
Less: Premium on reinsurance ceded	(45,33,093)	(1,12,37,632)
Net Premium	2,06,74,988	2,28,86,201
Adjustment for change in reserve for unexpired risks	(2,70,495)	(6,65,460)
Total Premium Earned (Net)	2,04,04,493	2,22,20,741

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	March 31, 2021	March 31, 2020
SCHEDULE 2A		
CLAIMS INCURRED (NET) - FIRE BUSINESS		
Claims paid		
Direct	7,68,992	14,04,573
Add: Reinsurance accepted	99,689	33,176
Less: Reinsurance ceded	(6,87,094)	(12,21,972)
Net Claims paid	1,81,587	2,15,777
Add: Claims outstanding at the end of the year	4,52,960	3,01,399
Less: Claims outstanding at the beginning of the year	(3,01,399)	(3,17,439)
Total Claims Incurred	3,33,148	1,99,737
SCHEDULE 2B		
CLAIMS INCURRED (NET) - MARINE CARGO BUSINESS		
Claims paid		
Direct	2,21,153	2,33,237
Add: Reinsurance accepted	386	9,653
Less: Reinsurance ceded	(1,13,846)	(1,33,947)
Net Claims paid	1,07,693	1,08,943
Add: Claims outstanding at the end of the year	1,48,522	1,62,425
Less: Claims outstanding at the beginning of the year	(1,62,425)	(1,53,610)
Total Claims Incurred	93,790	1,17,758
SCHEDULE 2C		
CLAIMS INCURRED (NET) - MARINE HULL BUSINESS		
Claims paid		
Direct	-	-
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	-	-
Net Claims paid	-	-
Add: Claims outstanding at the end of the year	206	206
Less: Claims outstanding at the beginning of the year	(206)	(206)
Total Claims Incurred	-	-
SCHEDULE 2D		
CLAIMS INCURRED (NET) - MISCELLANEOUS BUSINESS		
Claims paid		
Direct	1,45,87,076	1,86,66,899
Add: Reinsurance accepted	41,926	1,766
Less: Reinsurance ceded	(42,44,498)	(50,96,814)
Net Claims paid	1,03,84,504	1,35,71,851
Add: Claims outstanding at the end of the year	3,93,74,461	3,31,79,491
Less: Claims outstanding at the beginning of the year	(3,31,79,491)	(2,76,80,094)
Total Claims Incurred	1,65,79,474	1,90,71,248

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	March 31, 2021	March 31, 2020
SCHEDULE 3A		
COMMISSION - FIRE BUSINESS		
Commission paid		
Direct	3,25,541	2,46,893
Total	3,25,541	2,46,893
Add: Commission on reinsurance accepted	56,280	38,468
Less: Commission on reinsurance ceded	(4,34,907)	(2,61,181)
Net Commission	(53,086)	24,180
Break-up of the expenses (Gross) incurred to procure business:		
Agents	35,791	28,941
Brokers	2,86,898	1,99,348
Corporate Agency	2,409	18,419
Referral	-	-
Others	443	185
Total	3,25,541	2,46,893
SCHEDULE 3B		
COMMISSION - MARINE CARGO BUSINESS		
Commission paid		
Direct	53,729	61,677
Total	53,729	61,677
Add: Commission on reinsurance accepted	168	111
Less: Commission on reinsurance ceded	(28,582)	(34,708)
Net Commission	25,315	27,080
Break-up of the expenses (Gross) incurred to procure business:		
Agents	16,399	25,965
Brokers	37,307	35,691
Corporate Agency	23	21
Referral	-	-
Others	-	-
Total	53,729	61,677

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	March 31, 2021	March 31, 2020
SCHEDULE 3C		
COMMISSION - MARINE HULL BUSINESS		
Commission paid		
Direct	-	-
Total	-	-
Add: Commission on reinsurance accepted	-	-
Less: Commission on reinsurance ceded	(231)	(146)
Net Commission	(231)	(146)
Break-up of the expenses (Gross) incurred to procure business:		
Agents	-	-
Brokers	-	-
Corporate Agency	-	-
Referral	-	-
Others	-	-
Total	-	-
SCHEDULE 3D		
COMMISSION - MISCELLANEOUS BUSINESS		
Commission paid		
Direct	25,03,622	28,45,835
Total	25,03,622	28,45,835
Add: Commission on reinsurance accepted	4,865	6,666
Less: Commission on reinsurance ceded	(10,74,833)	(13,86,801)
Net Commission	14,33,654	14,65,700
Break-up of the expenses (Gross) incurred to procure business:		
Agents	3,63,098	4,58,650
Brokers	13,38,922	15,85,071
Corporate Agency	3,50,830	4,03,218
Referral	-	-
Others	4,50,772	3,98,896
Total	25,03,622	28,45,835

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

	Miscellaneous Revenue Account												Grand Total									
	Fire Revenue Account						Marine Revenue Account						Miscellaneous Revenue Account		Grand Total							
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020						
Premium Earned (Net)	27,25,928	22,52,864	3,52,718	3,82,519	1,97,86,139	2,08,16,046	60,339	70,821	6,20,077	7,88,527	5,18,531	5,71,123	34,36,786	39,80,521	5,69,113	7,60,787	92,658	1,30,144	2,51,441,897	3,40,34,689	2,82,22,833	3,66,69,572
Add: Premium on reinsurance accepted	5,36,706	4,14,073	5,900	7,954	-	-	-	4,53,935	47,292	17,736	21,984	-	-	-	-	-	163	19,868	63,894	891,444	6,06,500	5,11,171
Less: Premium on reinsurance ceded	(27,41,376)	(22,02,128)	(1,69,313)	(1,86,676)	(30,95,138)	(34,54,883)	(8,155)	(38,380)	(5,66,616)	(7,05,979)	(95,209)	(83,053)	(6,89,331)	(7,78,553)	6,544	(60,71,200)	(53,153)	(97,447)	(45,33,093)	(11,237,632)	(7,443,782)	(13,36,26,496)
Net Premium	5,21,258	4,64,809	1,89,305	2,03,797	1,66,91,001	1,73,61,163	61,545	32,441	99,456	1,29,840	4,41,058	5,10,072	27,47,455	32,01,968	5,75,659	15,36,607	39,668	52,565	2,06,74,988	2,28,86,201	2,13,85,351	2,35,54,307
Adjustment for change in reserve for unexpired risks	29,207	(83,597)	7,246	(4,094)	(4,81,333)	(4,47,077)	(1,433)	(26)	1,748	517	22,013	(19,503)	(2,08,100)	(2,08,100)	3,072	2,286	2,463	3,333	(2,70,495)	(6,65,460)	(2,33,542)	(7,53,151)
Total Premium Earned (Net)	5,50,065	3,80,712	1,96,551	1,99,564	1,62,09,668	1,69,14,086	64,655	32,415	1,01,204	1,30,357	4,63,071	4,90,569	29,27,087	29,93,868	5,78,731	15,38,893	42,331	55,898	2,04,04,493	2,22,20,741	2,11,52,009	2,28,01,156
Claims Incurred (Net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims paid	7,68,932	14,04,373	2,21,153	2,33,237	95,72,727	1,31,30,233	5,470	8,934	1,93,307	3,04,302	1,88,517	2,10,207	24,06,092	23,83,109	21,83,249	23,34,467	34,509	89,613	1,45,87,076	1,86,66,899	1,55,77,221	2,03,04,709
Add: Reinsurance accepted	99,869	33,176	386	9,653	-	-	-	6,619	1,786	29,529	-	-	-	-	-	-	5,778	-	41,926	1,766	14,200	44,955
Less: Reinsurance ceded	(667,094)	(12,21,972)	(1,13,846)	(1,33,947)	(20,21,456)	(23,51,173)	(274)	(333)	(1,73,242)	(2,68,551)	(54,468)	(49,911)	(4,80,655)	(4,80,655)	(15,13,704)	(17,14,961)	(26,283)	(71,526)	(42,44,498)	(90,96,614)	(50,45,083)	(64,52,733)
Net Claims paid	1,81,587	2,15,777	1,07,693	1,08,943	75,51,271	1,08,90,060	5,196	8,487	21,684	37,517	1,33,578	1,61,000	19,26,444	19,02,444	6,69,545	8,19,506	14,004	18,087	1,03,84,504	1,35,71,851	1,06,73,784	1,38,96,571
Add: Claims remaining unpaid at the end of the year	4,52,660	3,00,399	1,48,322	1,62,425	3,77,49,435	3,10,54,532	40,914	9,818	9,2256	64,227	2,46,450	2,31,950	7,39,538	5,72,082	4,49,269	11,61,232	45,258	43,730	3,93,74,446	3,31,79,449	3,99,76,149	3,36,43,521
Less: Claims remaining unpaid at the beginning of the year	(3,01,399)	(3,17,439)	(1,62,425)	(1,53,600)	(8,10,54,532)	(2,60,54,213)	(4,200)	(3,154)	(64,227)	(79,324)	(2,31,950)	(2,19,764)	(5,72,082)	(4,53,493)	(11,61,232)	(8,07,283)	(43,730)	(21,341)	(33,17,491)	(27,68,094)	(3,36,43,521)	(2,81,51,349)
Total Claims Incurred	3,33,148	1,99,757	93,790	1,17,758	1,42,46,174	1,55,99,379	4,190	19,253	4,973	22,420	1,98,078	1,93,235	21,03,637	20,21,033	(42,448)	11,73,535	15,532	40,476	1,65,79,474	1,90,71,248	1,70,06,412	1,93,88,743
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission paid - Direct	3,25,541	2,46,893	53,729	61,677	19,28,064	22,17,288	8,228	9,646	77,677	71,649	68,184	68,081	4,02,972	4,59,207	-	-	13,620	12,390	2,50,622	28,45,835	28,82,892	31,54,405
Total	3,25,541	2,46,893	53,729	61,677	19,28,064	22,17,288	8,228	9,646	77,677	71,649	68,184	68,081	4,02,972	4,59,207	-	-	13,620	12,390	2,50,622	28,45,835	28,82,892	31,54,405
Add: Commission on reinsurance accepted	5,62,800	38,468	168	111	-	-	-	-	4,443	4,220	414	519	-	-	-	-	8	1,927	4,865	6,666	61,313	45,245
Less: Commission on reinsurance ceded	(4,34,907)	(2,61,181)	(28,582)	(34,708)	(6,60,421)	(6,80,861)	(998)	(5,68)	(1,61,144)	(1,63,408)	(21,005)	(16,968)	(2,10,032)	(2,54,333)	(2,882)	(2,36,590)	(11,154)	(23,076)	(10,74,833)	(13,86,601)	(15,38,353)	(16,82,836)
Net commission	(53,086)	24,880	25,515	27,080	13,67,643	15,36,427	7,230	9,078	(79,024)	(87,539)	47,593	51,632	2,04,874	(2,382)	(2,382)	(2,36,590)	2,474	(8,759)	14,33,654	14,65,700	14,05,652	15,16,844
Operating Expenses	1,43,884	1,69,855	42,318	43,742	39,78,974	32,61,029	9,718	12,297	23,128	31,018	1,26,807	1,29,734	6,15,882	8,19,830	12,653	1,41,241	6,719	9,403	47,78,162	44,10,198	49,64,864	46,22,995

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	March 31, 2021	March 31, 2020
SCHEDULE 4		
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS		
1 Employees' remuneration and welfare benefits	18,47,612	18,31,778
2 Travel, conveyance and vehicle running expenses	26,868	90,581
3 Training expenses	3,090	16,603
4 Rents, rates and taxes	1,77,978	1,73,200
5 Repairs and maintenance	57,637	61,546
6 Printing and stationery	33,879	64,658
7 Communication	72,589	1,05,871
8 Legal and professional charges	15,151	20,020
9 Auditors' fees and expenses		
(a) as auditors	3,000	3,000
(b) as adviser or in any other capacity, in respect of:		
(i) Taxation matters	300	300
(ii) Insurance matters	-	-
(iii) Management services	-	-
(c) in any other capacity - certification	1,335	1,182
(d) out of pocket expenses	192	195
10 Advertisement and publicity	5,27,646	3,45,450
11 Bank charges	64,343	54,069
12 Others:		
(a) Data processing and outsourcing expenses	5,27,380	4,32,546
(b) Marketing and related expenses	10,32,791	8,94,999
(c) Software and hardware maintenance charges	3,56,590	3,27,147
(d) Policy stamp expenses	2,604	2,649
(e) Directors' sitting fees	1,775	1,800
(f) Miscellaneous expenses	72,091	67,901
13 Depreciation	1,33,818	1,20,418
14 Goods and services tax on premium (Net)	5,695	7,082
Total	49,64,364	46,22,995
Allocation of expenses		
Revenue account - Fire business	1,43,884	1,69,055
Revenue account - Marine business	42,318	43,742
Revenue account - Miscellaneous business	47,78,162	44,10,198
Total	49,64,364	46,22,995

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ '000)	
	March 31, 2021	March 31, 2020
SCHEDULE 5		
SHARE CAPITAL		
1 Authorised Capital 500,000,000 (March 31, 2020- 500,000,000) equity shares of ₹10/- each	50,00,000	50,00,000
2 Issued Capital 44,90,00,000 (March 31, 2020- 44,90,00,000) equity shares of ₹10/- each, fully paid up	44,90,000	44,90,000
3 Subscribed Capital 44,90,00,000 (March 31, 2020- 44,90,00,000) equity shares of ₹10/- each, fully paid up	44,90,000	44,90,000
4 Called-up Capital 44,90,00,000 (March 31, 2020- 44,90,00,000) equity shares of ₹10/- each, fully paid up	44,90,000	44,90,000
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid-up)	-	-
Less: Par value of equity shares bought back	-	-
Less: Preliminary expenses (to the extent not written off)	-	-
Total	44,90,000	44,90,000

SCHEDULE 5A

SHARE CAPITAL
PATTERN OF SHAREHOLDING
 [As certified by the Management]

Particulars	March 31, 2021		March 31, 2020	
	Number of Shares	% of holding	Number of Shares	% of holding
Shareholder				
Promoters				
Indian	26,94,00,000	60%	26,94,00,000	60%
Foreign	17,96,00,000	40%	17,96,00,000	40%
	44,90,00,000	100%	44,90,00,000	100%
Others	-	-	-	-
Total	44,90,00,000	100%	44,90,00,000	100%

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
SCHEDULE 6		
RESERVES AND SURPLUS		
1 Capital reserve	-	-
2 Capital redemption reserve	-	-
3 Share premium	25,50,000	25,50,000
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	62,45,545	46,62,751
Total	87,95,545	72,12,751
SCHEDULE 7		
BORROWINGS		
1 Debentures/Bonds (Refer note 29 of Schedule 17)	10,00,000	10,00,000
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
Total	10,00,000	10,00,000

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ '000)	
	March 31, 2021	March 31, 2020
SCHEDULE 8		
INVESTMENTS - SHAREHOLDERS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including treasury bills	42,79,274	40,03,154
2 Other approved securities	-	-
3 Other approved investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	17,64,907	26,27,352
(e) Other securities	-	-
(f) Subsidiaries	-	-
(g) Investment in properties - Real estate	-	-
(h) Fixed deposits with banks	-	-
4 Investments in infrastructure and social sector	18,41,779	20,60,647
5 Other investments - Alternative investment funds/Corporate debentures	3,03,859	4,59,713
Less: Provision for doubtful investments	(43,458)	(40,030)
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including treasury bills	-	-
2 Other approved securities	-	-
3 Other approved investments		
(a) Shares		
(aa) Equity	6,37,750	4,38,358
(bb) Preference	-	-
(b) Mutual funds	1,78,698	2,72,209
(c) Derivative instruments	-	-
(d) Debentures/Bonds	7,49,781	7,92,692
(e) Other securities - TREP	58,335	1,94,954
(f) Subsidiaries	-	-
(g) Investment in properties - Real estate	-	-
(h) Fixed deposits with banks	-	-
4 Investments in infrastructure and social sector	1,86,052	3,40,738
5 Other investments - Corporate debentures/Equity	1,25,697	55,892
Less: Provision for doubtful investments	(18,625)	(3,948)
Total	1,00,64,049	1,12,01,731
(Refer note 28 of Schedule 17)		
Aggregate market value of quoted investments other than equity shares, mutual funds and AIF	90,39,412	1,00,38,602
Aggregate book value of quoted investments other than equity shares, mutual funds and AIF	89,38,196	1,00,69,159
Historical cost of equity shares valued on fair value basis	5,87,099	6,87,731
Historical cost of alternative investment funds and mutual funds valued on fair value basis	3,63,318	5,03,407
Aggregate book value of unquoted investments	58,336	1,94,954

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ '000)	
	March 31, 2021	March 31, 2020
SCHEDULE 8A		
INVESTMENTS - POLICYHOLDERS		
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including treasury bills	2,32,92,414	1,65,27,874
2 Other approved securities	-	-
3 Other approved investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	96,06,518	1,08,47,581
(e) Other securities	-	-
(f) Subsidiaries	-	-
(g) Investment in properties - Real estate	-	-
(h) Fixed deposits with banks	-	-
4 Investments in infrastructure and social sector	1,00,24,936	85,07,821
5 Other investments - Alternative investment funds/Corporate debentures	16,53,930	18,98,021
Less: Provision for doubtful investments	(2,36,542)	(1,65,271)
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including treasury bills	-	-
2 Other approved securities	-	-
3 Other approved investments		
(a) Shares		
(aa) Equity	34,71,313	18,09,855
(bb) Preference	-	-
(b) Mutual funds	9,72,669	11,23,871
(c) Derivative instruments	-	-
(d) Debentures/Bonds	40,81,111	32,72,797
(e) Other securities - TREP	3,17,525	8,04,911
(f) Subsidiaries	-	-
(g) Investment in properties - Real estate	-	-
(h) Fixed deposits with banks	-	-
4 Investments in infrastructure and social sector	10,12,693	14,06,812
5 Other investments - Corporate debentures/Equity	6,84,180	2,30,763
Less: Provision for doubtful investments	(1,01,375)	(16,300)
Total	5,47,79,372	4,62,48,735
(Refer note 28 of Schedule 17)		
Aggregate market value of quoted investments other than equity shares, mutual funds and AIF	4,92,02,203	4,14,46,507
Aggregate book value of quoted investments other than equity shares, mutual funds and AIF	4,86,51,278	4,15,72,666
Historical cost of equity shares valued on fair value basis	31,95,623	28,39,445
Historical cost of alternative investment funds and mutual funds valued on fair value basis	19,77,567	20,78,424
Aggregate book value of unquoted investments	3,17,525	8,04,911

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
SCHEDULE 9		
LOANS		
1. Security-wise classification		
Secured		
(a) On mortgage of Property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government Securities	-	-
(c) Others	-	-
Unsecured	-	-
Total	-	-
2. Borrower-wise classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	-	-
3. Performance-wise classification		
(a) Loans Classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performance loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
Total	-	-
4. Maturity-wise classification		
(a) Short-Term	-	-
(b) Long-Term	-	-
Total	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 10

FIXED ASSETS

(₹ '000)

Particulars	Cost/Gross Block				Depreciation			Net Block		
	Opening as at April 1, 2020	Additions	Deductions	Closing as at March 31, 2021	Upto Mar 31, 2020	For the period	On sales	Upto March 31, 2021	As at March 31, 2021	As at March 31, 2020
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles- Information technology software	5,74,159	26,162	1,71,890	4,28,431	4,51,826	58,023	1,72,006	3,37,843	90,588	1,22,333
Furniture and fittings	37,450	736	10,279	27,907	26,546	2,192	10,344	18,394	9,513	10,904
Improvements to leased premises	2,92,284	3,051	27,109	2,68,226	2,30,251	25,295	27,108	2,28,438	39,788	62,033
Information technology equipment- Server	3,33,238	31,367	2,38,900	1,25,705	2,74,883	19,230	2,38,900	55,213	70,492	58,355
Information technology equipment- Others	2,74,409	14,100	1,76,324	1,12,185	2,36,569	21,186	1,76,337	81,418	30,767	37,840
Vehicles	11,714	-	-	11,714	8,104	1,065	-	9,169	2,545	3,610
Office equipment	1,55,824	3,565	90,437	68,952	1,36,798	6,826	90,120	53,504	15,448	19,026
Total	16,79,078	78,981	7,14,939	10,43,120	13,64,977	1,33,817	7,14,815	7,83,979	2,59,141	3,14,101
Work in progress	150	10,655	1,949	8,856	-	-	-	-	8,856	150
Grand Total	16,79,228	89,636	7,16,888	10,51,976	13,64,977	1,33,817	7,14,815	7,83,979	2,67,997	3,14,251
As at March 31, 2020	15,53,634	1,53,790	28,196	16,79,228	12,44,734	1,20,418	175	13,64,977	3,14,251	

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
SCHEDULE 11		
CASH AND BANK BALANCES		
1 Cash (including cheques, drafts and stamps)	53,144	10,561
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others	-	-
(b) Current Accounts	6,83,194	5,84,230
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
Total	7,36,338	5,94,791

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
SCHEDULE 12		
ADVANCES AND OTHER ASSETS		
ADVANCES		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	71,965	64,058
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source (net of provision for tax) [Net of provision for tax amounting to ₹32,34,675 thousand (Previous Year: ₹24,10,862 thousand)]	22,23,702	22,61,346
6 MAT credit entitlement	-	-
7 Others		
- Deposits for premises	91,288	90,447
- Goods & service tax unutilised credit/Advance payments	9,17,505	5,51,623
- Other advances	30,810	29,002
Total (A)	33,35,270	29,96,476
OTHER ASSETS		
1 Income accrued on investments	16,72,887	15,98,685
2 Outstanding premiums	25,36,894	32,55,210
3 Agents' balances	-	-
4 Foreign agencies balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	2,12,425	1,64,782
6 Due from Subsidiaries/Holding company	-	-
7 Deposit with Reserve Bank of India [Pursuant to section 7 of the Insurance Act, 1938]	-	-
8 Others		
- Balance with terrorism pool	10,95,714	9,84,741
- Unclaimed amount of policyholders - Assets	65,746	56,308
- Investment Income accruing on unclaimed amount of policyholders	11,842	9,279
- Investment related receivables	906	-
Total (B)	55,96,414	60,69,005
Total (A+B)	89,31,684	90,65,481

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
SCHEDULE 13		
CURRENT LIABILITIES		
1 Agents' balances	2,69,401	3,09,575
2 Balances due to other insurance companies (including reinsurers)	37,93,414	58,48,371
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	14,42,415	18,74,708
5 Unallocated premium	83,695	3,45,784
6 Sundry creditors	19,71,925	16,90,672
7 Unclaimed amount of policyholders	65,991	57,153
8 Investment Income accruing on unclaimed amount	11,842	9,279
9 Due to Subsidiaries/Holding company	-	-
10 Claims outstanding	3,99,76,149	3,36,43,521
11 Due to Officers/Directors	-	-
12 Others		
- Goods & service tax payable	77,109	71,960
- Claims approved under settlement	2,27,160	66,774
Total	4,79,19,101	4,39,17,797
SCHEDULE 14		
PROVISIONS		
1 Reserve for Unexpired Risk	1,23,84,146	1,21,50,603
2 For taxation (less advance tax paid and taxes deducted at source)	-	-
3 For proposed dividends	-	-
4 For dividend distribution tax	-	-
5 Others		
- Employee Benefits- Gratuity	-	736
- Leave compensated absence	15,031	12,456
Total	1,23,99,177	1,21,63,795
SCHEDULE 15		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
1 Discount allowed in issue of shares/Debentures	-	-
2 Others	-	-
Total	-	-

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES

1. Background

Royal Sundaram General Insurance Co. Limited ('the Company') was incorporated on August 22, 2000 as a company under the Companies Act, 1956. The Company is registered with Insurance Regulatory and Development Authority of India ('IRDAI') and is in the business of underwriting general insurance policies relating to Fire, Marine and Miscellaneous segments (including Motor, Engineering, Health, etc.) and holds a valid certificate of registration.

2. Basis of preparation of financial statements

- a) 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, Orders/Circulars/Notifications issued by IRDAI from time to time, the Accounting Standards issued by the Institute of Chartered Accountants of India under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the other requirements of the said Act, to the extent applicable
- b) The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates, and any changes arising there from are accounted for prospectively.
- c) The Company follows the mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

3. Revenue recognition for insurance business

- a) Premium (net of goods and service tax) is recognized as income over the contract period or period of risk, as appropriate and for installment cases, 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 received in advance represents premium received prior to commencement of the risk.
- b) Premium deficiency is recognized whenever expected claims cost, related expenses and maintenance cost exceed related reserve for unexpired risk in Fire, Marine and Miscellaneous Revenue accounts.
- c) The reserve for unexpired risks represents the proportion of premium written relating to periods of insurance subsequent to the Balance Sheet date, calculated principally on a daily pro-rata basis as stipulated in the IRDAI circular no. IRDA/F&A/CIR/CPM/056/03/2016. However, in respect of Marine Cargo and Marine Hull business a fixed percentage of 50 and 100 respectively on net written premium of the year, is considered.

4. Claims

- a) Claims paid include claims settlement costs, comprising survey, legal and other directly attributable expenses.
- b) Estimated liability for outstanding claims in respect of direct business is provided on the basis of claims reported till the end of the year.
- c) Estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER') is based on available statistical data and is as certified by the Appointed Actuary.

SIGNIFICANT ACCOUNTING POLICIES

- d) Premium deficiency, if any, is calculated based on actuarial valuation duly certified by the Appointed Actuary.
- e) Salvage is accounted for, on realisable basis.

5. Reinsurance

- a) Reinsurance premium ceded is accounted for in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Unearned premium on reinsurance ceded is carried forward to the year of risk and set off against related unearned premium.
- b) Premium on excess of loss reinsurance cover is accounted as per the reinsurance arrangements.
- c) Claims recoverable from reinsurers are accounted for in the same year as claims.
- d) Commission on reinsurance ceded is recognized as income during the year in which the reinsurance premium is ceded. Profit commission is accounted as income when due.

6. Indian Market Terrorism Risk Insurance Pool

- a) The Company has subscribed to a pool created by Indian non-life insurers for insurance of terrorism risk ('the Pool') from April 1, 2002, managed by General Insurance Corporation of India ('the Pool Manager'). In terms of the Pool agreement, the Company reinsures the entire terrorism risk underwritten by it with the Pool and the Pool Manager is required to protect the portfolio for common account and retrocede it back to all Pool members including the Pool Manager, in proportion to their accepted share.
- b) Accordingly, based on statements received from the Pool Manager up to the finalisation of financial statements, the Company combines its proportionate retrocession share of the Pool's income and expenses with similar items in its financial statements, on a line-by-line basis.
- c) A reserve for unexpired risks is recorded at 100 per cent of the net premium retroceded to the Company from the Pool during the year.

7. Investments

- a) Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority of India (Investment) Regulations, 2016.
- b) 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 are classified as 'Long term investments'.
- c) Investments are recorded at cost including acquisition charges (such as brokerage, transfer stamps etc), if any, and exclude interest paid on purchase.
- d) Investments are not separately earmarked, but notionally allocated between the Policyholders' funds and Shareholders' funds at the end of the year as prescribed by IRDAI.
- e) Debt securities & Preference shares:
 - i. Debt securities, which include government securities are considered as 'held-to-maturity' and are measured at historical cost. The premium/discount, if any, on purchase of debt securities is amortised over the period to maturity based on their intrinsic yield.
 - ii. The net realised gains or losses on debt securities are the differences between the net sale consideration and the amortized cost, which is computed on a weighted average basis.
 - iii. The difference between the acquisition price and the maturity value of money market instruments are recognized as income in the Revenue accounts or the Profit and Loss account, as the case may be, over the remaining term of these instruments on a yield to maturity basis.

SIGNIFICANT ACCOUNTING POLICIES

- iv. At each Balance Sheet date, the Company assesses, whether any impairment by way of diminution, other than temporary in value of its investments has occurred, and recognizes the resultant impairment as an expenses in the Profit and Loss account respectively.
- f) Equity securities that are traded in active markets:
 - i. Measured at each Balance Sheet date at the fair value, being the last quoted closing prices available on the National Stock Exchange.
 - ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair value change account – Shareholders' funds" and "Fair value change account - Policyholders' funds" as the case may be and carried to the Balance Sheet.
 - iii. Profit/Loss on actual sale of a particular security shall include the accumulated fair value change thereof and is recycled to the Revenue accounts and Profit and Loss account.
 - iv. At each Balance Sheet date, the Company assesses impairment if any in the value, by examining if the investee company has been making losses continuously for the last three years and also its net worth is eroded, and recognizes the resultant impairment as an expense in the Profit and Loss account.
- g) Mutual funds – Liquid Funds/Gilts/Debt Funds:
 - i. Measured at each Balance Sheet date at the fair value, being the realisable Net Asset Value.
 - ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair value change account – Shareholders' funds" and "Fair value change account - Policyholders' funds" as the case may be and carried to the Balance Sheet.
 - iii. 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 Revenue accounts and Profit and Loss account.
 - iv. At each Balance Sheet date, the Company assesses impairment if any in the value, by examining if the realisable net asset value of each mutual fund is lower than the weighted average cost thereof, and recognizes such impairment as an expense in the Profit and Loss account.
- h) Alternative Investment Funds:
 - i. Investments in Alternative Investment Funds (AIFs) are valued at latest available Net Asset Value.
 - ii. Unrealised gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognized in the Balance Sheet under "Fair value change account – Shareholders' funds" and "Fair value change account - Policyholders' funds" as the case may be.

8. Investment income

- a) Investment income other than that from pool accounts (including profit/loss on sale of investments) is allocated to the respective Revenue accounts and the Profit and Loss account based on the ratio of average "Policyholders' funds" and "Shareholders' funds" respectively (average of funds at the beginning and end of the year).
- b) 'Policyholders' funds' are the aggregate of outstanding claims, estimates for IBNR (including IBNER), reserve for unexpired risk, premium deficiency, catastrophe reserve and other liabilities net off other assets excluding the technical funds relating to pool accounts. "Shareholders' Funds" are the aggregate of funds available to the Company's shareholders, i.e., Share Capital plus Reserve & Surplus.
- c) Investment income arising from pool accounts is allocated directly to respective Revenue accounts.
- d) Dividend is accounted for as income as and when the right to receive is established.

SIGNIFICANT ACCOUNTING POLICIES

9. Fixed assets and depreciation

a) Depreciation on tangible assets is provided on straight line method over the useful lives of assets estimated by the management. The management estimates the useful lives of assets as under.

b) Useful Life and Depreciation:

Asset	Method of Depreciation	Useful Life (in years)	Rate
Furniture and Fittings	Straight Line Method	10	10%
Improvements to leased premises	Straight Line Method	Equally over the maximum period of the lease initially agreed upon and in case of improvement to existing leased premises, over the balance lease period.*	
Information Technology Software	Straight Line Method	3	33.33%
Information Technology Equipment- Servers	Straight Line Method	6	16.67%
Information Technology Equipment- Other Hardware	Straight Line Method	3	33.33%
Vehicles	Straight Line Method	4	25% on 90% of the cost*
Office Equipment	Straight Line Method	5	20%

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which the Company expects to use these assets. Hence the useful lives of these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

c) Capital work in progress:

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

10. Impairment of Assets other than investments

The carrying amounts of assets are reviewed at each Balance Sheet date to ascertain impairment based on internal/ external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the net selling price of the assets and their value in use.

11. Operating expenses

- a) Operating expenses in the nature of acquisition costs, are expensed as incurred.
- b) Operating expenses relating to insurance business are allocated/apportioned to respective business segments as follows:
 - i. Expenses directly identifiable to the business segments are allocated on an actual basis.
 - ii. Other expenses, which are not directly identifiable, are apportioned on the basis of the Net Written Premium - Direct in each business segment during the year.

12. Operating Leases

Leases 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.

13. Employee Benefits

- a) Defined Contribution Plans - Superannuation, employee state insurance and provident fund contributions are charged to as expenses on accrual.

SIGNIFICANT ACCOUNTING POLICIES

- b) Defined Benefit Plans - Retirement gratuity liability is funded with an 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 is recognized in the accounts each year.
- c) Costs of the Company's accumulating compensated absence plans are valued and accounted for based on actuarial assumptions at each Balance Sheet date.
- d) Actuarial gains/losses are recognized in the Revenue account.

14. Income-tax

- a) 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 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.
- b) 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 recognized on carried forward 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 recognized 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.

15. Goods and Service Tax

Goods and Service Tax ("GST") collected (net of refunds) is considered as a liability against which GST paid for eligible input services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority. Unutilised GST credits, if any, are carried forward under "Other Assets" and disclosed in Schedule 12 for adjustment in subsequent periods. At the end of every reporting period, the company assesses whether the unutilised GST credits are eligible for carrying forward as per the related legal provisions. Any ineligible GST credit is expensed on such determination. GST liability to be remitted to the appropriate authority is disclosed under "Others - GST Liability" in Schedule 13.

16. Transactions in foreign exchange

- a) 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.
- b) Exchange differences arising on foreign currency transactions are recognized as income or expense in the year in which they arise.

17. Provision for Contingencies

In accordance with Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', 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.

18. Earnings per share

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

SCHEDULE 17

NOTES TO FINANCIAL STATEMENTS

1. The assets of the Company are free from encumbrances.
2. a) Contingent liabilities:

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Partly paid investments	-	565*
Underwriting commitments relating to investment activities	Nil	Nil
Claims, other than those under policies, not acknowledged as debts	Nil	Nil
Guarantees given by or issued on behalf of the Company	Nil	Nil
Statutory demands/liabilities in dispute, not provided for:		
- Disputed Income Tax Liability	8,58,589**	7,13,323**
- Disputed Service tax Liability***	7,599	8,507
Reinsurance obligations, to the extent not provided for in the accounts	Nil	Nil
Others	6,853****	6,853****

* Uncalled portion of Partly Paid Shares invested in by the Company on Rights Basis.

** The contested Income Tax demands have been ascertained on the basis of the relief allowed by the Commissioner of Income Tax (Appeals) and the principles adopted vide orders of CIT(Appeals) on similar disputed issues in the earlier assessment years.

Based on the Directorate General of Central Excise Intelligence (DGCEI) Order, in respect of certain payments, the Income Tax Department made certain additions for earlier years. This has resulted in the additional tax demand of ₹44,56,590 thousands (previous year: ₹44,49,532 thousands), which has not been considered as a contingent liability on the basis of expert legal advice that the demands are not sustainable and the likelihood of outflow of resources on this account is remote.

The Company has paid ₹19,96,700 thousands based on the directions of Income tax appellate tribunal (ITAT) and the Income tax department for the purpose of obtaining a stay for various demands.

*** Based on the Show Cause Notice issued by Directorate General of Central Excise Intelligence (DGCEI), the Commissioner – Service Tax LTU, Chennai has confirmed the disallowance of certain input credits availed by the Company for earlier years and demanded service tax inclusive of penalty and interest. The Company has not considered the demand of ₹16,96,964 (tax and penalty) thousands as a contingent liability on the basis of expert legal advice and similar decisions of jurisdictional court in favour of the assesses that the demands are not sustainable and the likelihood of outflow of resources is remote.

**** 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 into consideration. The additional liability on account of retrospective amendment is ₹6853 thousands. The retrospective amendment is being challenged by various parties in the High court and based on the final outcome on determination of court cases would be accounted for on that date.

b) Commitments made for Investments and Fixed Assets

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Commitments made and outstanding for Loans and Investments	1,93,245	4,92,867
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	42,508	28,671

NOTES TO FINANCIAL STATEMENTS

- c) Service tax advance payments under “Advances & Other Assets” (Sch.12) includes ₹24,200 thousands (previous year ₹24,200 thousands) of cenvat credit reversed & held under protest with service tax authorities. Pending finality on this matter, the said amount is considered good & recoverable based on the legal opinion obtained by the Company.

3. The disclosures in respect of operating leases are as follows: (₹ '000)

Particulars	March 31, 2021	March 31, 2020
Lease payments debited to the Profit and Loss Account	1,60,210	1,57,623
Future minimum lease payments		
- Not later than one year	1,54,477	1,46,134
- Later than 1 year but not later than 5 years	3,93,289	2,51,060
- Later than 5 years	30,873	52,948

4. Ageing of Gross Outstanding Claims (₹ '000)

Particulars	March 31, 2021		March 31, 2020	
	Nos.	Amount	Nos.	Amount
Claims outstanding for a period exceeding six months	23,236	1,35,08,753	20,618	1,19,10,188
Other Claims (less than 6 months)	14,185	38,67,943	18,765	39,41,316
Grand Total	37,421	1,73,76,696	39,383	1,58,51,504

The claims were outstanding predominantly due to non-submission of essential documents by the insured and in respect of motor third party claims, these are due to legal process not concluded. As at the year end March 31, 2021, there are Nil claims (Previous Year – Nil) outstanding for a period exceeding six months from the date when settlement has been agreed.

5. Investments

a) (₹ '000)

Particulars	March 31, 2021	March 31, 2020
Contracts for sales where payments are overdue	Nil	Nil
Contracts for purchases due for delivery on the Balance Sheet date	Nil	Nil

b) (₹ '000)

Particulars	March 31, 2021	March 31, 2020
Non-Performing Investment	10,00,000	11,04,376

The Non-performing investment represents Non-Convertible Debentures (NCDs) amounting to ₹10,00,000 thousands (previous year: ₹11,04,376 thousands - amortized book value at the end of the financial year) of Dewan Housing Finance Limited (DHFL) comprising of debentures with different coupon rates and maturity dates. These investments were made on various dates at the time when the credit rating of the instruments was rated as “AAA” which were gradually downgraded to “D”. The Company has written off ₹1,00,000 thousands (previous year ₹6,53,278 thousands) on account of default of principal repayment. Further as a matter of prudence, the Company has also made a provision of ₹1,74,451 thousands (previous year: ₹2,25,549 thousands) and the cumulative provision as at the end of the year stood at ₹4,00,000 thousands (previous year: ₹2,25,549 thousands). The Company has not recognized interest income on these investments.

During the previous year, an Administrator was appointed by Reserve Bank of India (RBI) to take charge of the affairs of DHFL and to finalize a resolution plan. The RBI has also filed an application before NCLT for initiation of corporate insolvency resolution plan against DHFL. In line with the resolution plan, the Committee of Creditors (COC), under the authorization of RBI, implemented a bidding process which went in favour of Piramal Capital and Housing Finance Limited in the current financial year. Based on the current developments, in the opinion of the management, the carrying cost of investments held by the company in DHFL as at the yearend amounting to ₹6,00,000 thousands is considered good and recoverable.

NOTES TO FINANCIAL STATEMENTS

6. A) Employee Benefits - Gratuity

Disclosures as required under Accounting Standard 15 "Employee Benefits - Gratuity".

a) The amounts recognized in the Balance Sheet: (₹ '000)

Particulars	March 31, 2021	March 31, 2020
Present value of obligations as at the end of the year	2,09,419	1,78,379
Fair value of plan assets as at the end of the year	2,19,911	1,77,642
Unrecognized Past Service Cost	-	-
Funded status Asset/(Liability)	10,492	(736)
Net Asset/(Liability) recognised in the Balance Sheet	10,492	(736)

b) Expenses recognized in Revenue Accounts: (₹ '000)

Particulars	March 31, 2021	March 31, 2020
Current Service cost	25,306	23,085
Past Service cost	-	-
Interest Cost	12,290	12,517
Expected return on plan assets	(12,978)	(11,430)
Net Actuarial loss/(gain) recognized in the year	5,799	(1,999)
Expenses to be recognized in Revenue Accounts	30,417	22,174

c) Reconciliation of Benefit Obligation & Plan Assets for the period: (₹ '000)

Particulars	March 31, 2021	March 31, 2020
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	1,78,379	1,57,751
Interest cost	12,290	12,517
Current Service Cost	25,306	23,085
Past Service Cost	-	-
Liabilities assumed on acquisition/(Settled on divestiture)	572	(1,474)
Benefits Paid	(11,839)	(9,588)
Actuarial (gain)/loss on obligation	4,711	(3,911)
Present value of obligations as at the end of the year	2,09,420	1,78,379

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Changes in the fair value of plan assets – LIC Fund		
Fair value of plan assets at the beginning of the year	1,77,643	1,54,079
Expected return on plan assets	12,978	11,430
Contributions	41,645	25,109
Liabilities assumed on acquisition/(Settled on divestiture)	572	(1,474)
Benefits paid	(11,839)	(9,589)
Actuarial gain/(loss) on plan assets	(1,088)	(1,913)
Fair value of plan assets at the end of the year	2,19,911	1,77,643

NOTES TO FINANCIAL STATEMENTS

d) Asset Information:

Category of Assets (% Allocation)	Year Ended			
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	%	%	(₹ '000)	(₹ '000)
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	100%	100%	2,19,911	1,77,643
Others	-	-	-	-
Grand Total	100%	100%	2,19,911	1,77,643

e) Experience Adjustments:

(₹ '000)

Particulars	Year Ended				
	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2021
Defined benefit Obligation	1,09,494	1,26,760	1,57,751	1,78,379	2,09,419
Plan Assets	83,373	1,09,784	1,54,079	1,77,643	2,19,911
Surplus/(Deficit)	(26,121)	(16,976)	(3,672)	(736)	10,492
Exp. Adj. on Plan Liabilities	6,926	(6,311)	9,973	1,263	3,676
Exp. Adj. on Plan Assets	1,590	(419)	1,067	(1,913)	(1,088)

f) Assumptions:

Particulars	March 31, 2021	March 31, 2020
i) Discount rate	6.40%	6.50%
ii) Salary Escalation	7.00%	7.00%
iii) Expected return on plan assets	7.50%	7.50%
iv) Mortality has been considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult table		
v) Rates of leaving service has been assumed as under		

Age (Years)	Rates (p.a.)
21-30	21%
31-40	16%
41-50	9%
51-59	5%

NOTES TO FINANCIAL STATEMENTS

B) Employee Benefits – Compensated absence

The present value of obligations towards compensated absences as at March 31, 2021 as per Actuarial Certificate is ₹15,031 thousands (Previous Year: ₹12,456 thousands) and is provided for in the books of Accounts. The basis of provision for compensated absences is as follows:

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Changes in present value of obligations		
Present value of obligations as at the beginning of the year	12,456	10,699
Interest cost	-	-
Current Service Cost	2,575	1,757
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	-	-
Present value of obligations as at the end of the year	15,031	12,456

Assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.40%	6.50%
Salary escalation	7.00%	7.00%
Earned leave	As per Company rules	
Retirement age	60 Years	60 Years
Mortality rate table	IALM (2012-2014)	IALM (2012-2014)

7. Deferred Tax

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Deferred Tax Assets		
Reserve for unexpired risk	4,16,959	1,82,647
Depreciation	27,097	23,022
Accumulating compensated absence	3,783	3,135
Provision for investments	1,00,680	56,771
Provision for doubtful debts	30,343	19,097
Net Deferred Tax Asset	5,78,862	2,84,672

NOTES TO FINANCIAL STATEMENTS

8. Participation in Indian Terrorism Risk Insurance Pool

The Company has accounted for the retro cession for 4 Quarters upto December 2020 during the year.

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Due from the Pool Manager, beginning of the year	9,84,741	8,83,364
Premium on reinsurance accepted	71,606	82,516
Investment income	56,066	37,574
Premium on reinsurance ceded	(6,054)	(7,253)
Claims paid on reinsurance accepted	(624)	(181)
Commission/Brokerage paid on reinsurance accepted	(9,306)	(10,453)
Operating expenses related to insurance business	(717)	(826)
Profit commission on XL	Nil	Nil
Due from the Pool Manager, end of the year	10,95,714	9,84,741
Claims outstanding, end of the year	(119)	(412)
Reserve for unexpired risk, end of the year	(65,552)	(75,263)
Reserve for unexpired risk, beginning of the year	75,263	65,183

9. Solatium Fund:

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Contribution to the Solatium Fund @ 0.1% of the Gross Written Premium of Motor Third Party Business	9,825	9,156

10. The Sector-wise Gross Written Premium Direct:

(₹ '000)

Particulars	March 31, 2021		March 31, 2020	
	Amount	%	Amount	%
Rural Sector (including Social Sector)*	35,14,380	12.45	1,02,15,190	18.44
Other Sectors	2,47,08,451	87.55	2,64,54,383	81.56
Total Gross Direct Premium	2,82,22,831	100.00	3,66,69,573	100.00

Particulars	March 31, 2021	March 31, 2020
Social Sector		
No. of Lives Covered	3,01,421	2,15,122
No. of Policies Issued	39,336	76,742

* The business written under rural/social sector is higher than the stipulated target set out in the IRDAI Regulations.

11. a) Premium Recognition on Varying Risk Pattern

Premium income recognised based on varying risk pattern is Nil (Previous Year: Nil)

b) Risk retention/reinsurance:

Particulars	March 31, 2021	March 31, 2020
Risk retained (%)	74	63
Risk reinsured (%)	26	37

NOTES TO FINANCIAL STATEMENTS

12. During the financial year, the Company has provided a sum of ₹24,394 thousands (Previous year: ₹25,791 thousands) for doubtful recoveries on premium receivable from Government & other receivables.

13. Remuneration to Managing Director (as approved by IRDAI):

(₹ '000)

Particulars	2020-21	2019-20
Salary	7,140	5,969
Allowances and perquisites	12,102	10,209
Variable pay	18,528 [#]	15,488 [*]
Total	37,770	31,665
Less:-Transferred to Revenue Account	15,000	15,000
Balance Transferred to P&L Account	22,770	16,665

* Actual amount paid was ₹11,616 thousands.

[#] Subject to IRDAI approval.

14. Related Party Transactions

Nature of relationship:

i. Joint Promoters/Investors

a) Sundaram Finance Limited b) Ageas Insurance International N.V.

ii. Key Management personnel (KMP)

Mr. M S Sreedhar	Managing Director
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Transactions with related parties and balances:

(₹ '000)

Sl No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions	2020-21	2019-20
1	Sundaram Finance Limited	Joint Promoter/Investor	Income		
			Insurance premium - As beneficiary	17,921	15,702
			Insurance premium - As others	13,184	17,467
			Interest on investment	49,196	36,623
			Expenses		
			Rent	6,442	6,760
			Payment for services	56,050	52,108
			Agency commission	1,70,583	1,84,037
			Insurance claims - As beneficiary	2,131	4,663
			Insurance claims - As others	5,610	9,810
			Interest on debentures	-	53,529
			Investment redemption	50,000	2,00,000
			Assets		
			Other receivables	34,705	26,670
			Investment held	13,30,158	8,29,097
			Rental deposit	3,625	3,625
			Liabilities		
Other payable	23,882	17,114			
Insurance deposit	1,473	1,473			

NOTES TO FINANCIAL STATEMENTS

(₹ '000)

Sl No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions	2020-21	2019-20
2	Ageas Insurance International N.V.	Joint Promoter/ Investor	Income		
			Claims on re-insurance	3,33,856	1,07,231
			Commission on re-insurance ceded	1,12,844	36,887
			Expenses		
			Re-insurance premium	8,65,498	10,82,107
			Liabilities		
			Other payable	93,094	6,20,035
3	M S Sreedhar	Key Managerial Personnel	Income		
			Insurance premium	32	38
			Expenses		
			Remuneration	37,770	31,665
			Liabilities		
			Other payable – Variable pay	18,528 [#]	15,488 [*]

* Actual amount paid was ₹11,616 thousands

Subject to IRDAI approval

NOTES TO FINANCIAL STATEMENTS

15. Penal Actions by various statutory authorities:

(For the year ended March 31, 2021)

(₹ '000)

Sl No.	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority of India	Nil	300*	300*	Nil
2	Service Tax Authorities	Nil	Nil	Nil	Nil
3	Income Tax Authorities	Nil	Nil	Nil	Nil
4	Any other Tax Authorities	Nil	Nil	Nil	Nil
5	Enforcement Directorate/Adjudicating Authority/Tribunal or any Authority under FEMA	Nil	Nil	Nil	Nil
6	Registrar of Companies/NCLT/CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013	Nil	Nil	Nil	Nil
7	Penalty awarded by any Court/Tribunal for any matter including claim settlement but excluding compensation	Nil	Nil	Nil	Nil
8	Securities and Exchange Board of India	Nil	Nil	Nil	Nil
9	Competition Commission of India	Nil	Nil	Nil	Nil
10	Any other Central/State/Local Government/Statutory Authority	Nil	Nil	Nil	Nil

*Penalty awarded and paid in the month of April, 2021.

(For the year ended March 31, 2020)

(₹ '000)

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

16. 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.

NOTES TO FINANCIAL STATEMENTS

17. Interest earned on investments is shown net of amortisation of premium/(discount) on securities. The details of such amortisation are as below:

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Revenue Account – Policyholders’ Funds		
Fire	4,709	1,921
Marine	866	400
Miscellaneous	1,49,805	60,528
Profit and Loss Account – Shareholders’ Funds	37,028	15,647
Total	1,92,408	78,496

18. 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 master circular dated October 5, 2012 and subsequent clarifications thereon dated July 3, 2013, are provided in Annexure 2 and Annexure 3.

19. The liability of IBNR & IBNER for the year ending March 31, 2021 has been estimated by the Appointed Actuary, in compliance with the guidelines issued by the IRDAI.

20. Disclosure on expenses:

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Data processing and outsourcing expenses	5,27,380	4,32,546
Marketing and related expenses	10,32,791	8,94,999
Advertising and brand building	5,20,234	3,37,459
Data centre service charges	43,388	41,308
Professional fees staff deputation	1,60,796	1,92,098
Others	8,396	7,916
Total	22,92,985	19,06,326

21. Statement showing the age-wise analysis of the Unclaimed Amount of the Policyholders:

(For the year ended March 31, 2021) (₹ '000)

Particulars	Total Amount	AGE-WISE ANALYSIS					
		4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims settled but not paid to the policyholders	-	-	-	-	-	-	-
Excess Premium & Refunds (Due to the insured)	4,065	1,083	456	423	731	546	826
Cheques issued but not encashed by the policyholder/Insured	68,814	14,263	-	2,726	4,351	5,324	42,150

The above given figures include the policyholders’ dues for the ageing 4-6 months and hence would differ from the amount given under the head “Unclaimed Amount of Policyholders” in Schedule 13.

NOTES TO FINANCIAL STATEMENTS

(For the year ended March 31, 2020)

(₹ '000)

Particulars	Total Amount	AGE-WISE ANALYSIS					
		4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims settled but not paid to the policyholders	-	-	-	-	-	-	-
Excess Premium & Refunds (Due to the insured)	3,654	1,523	731	574	411	48	367
Cheques issued but not encashed by the policyholder/Insured	84,968	33,154	4,406	5,260	8,379	5,441	28,328

The above given figures include the policyholders' dues for the ageing 4-6 months and hence would differ from the amount given under the head "Unclaimed Amount of Policyholders" in Schedule 13.

Statement Showing movement of Unclaimed Amount of Policyholders due:

(₹ '000)

Particulars	March 31, 2021	March 31, 2020
Opening Balance	66,432	56,465
Add: Amount Transferred to Unclaimed amount	9,675	6,908
Add: Cheques issued out of the unclaimed amount but not encashed by the policy holders (To be included only when the cheques are Stale)	-	-
Add: Investment Income	2,581	3,628
Less: Paid during the year	855	569
Closing Balance of Unclaimed Amount	77,833	66,432

22. In accordance with the regulatory guidelines, there is no premium deficiency to be recognized at segmental level (i.e Fire, Marine and Miscellaneous).

23. Earning Per Share (EPS):

(Amount in ₹)

Particulars		March 31, 2021
Profit/(Loss) after tax	- A	1,58,27,94,000
No. of Shares		44,90,00,000
Weighted average number of Shares	- B	44,90,00,000
EPS – Basic & Diluted	- (A / B)	3.53

(Amount in ₹)

Particulars		March 31, 2020
Profit/(Loss) after tax	- A	24,54,68,300
No. of Shares		44,90,00,000
Weighted average number of Shares	- B	44,90,00,000
EPS – Basic & Diluted	- (A / B)	0.55

24. During the year foreign exchange gain/(loss) included in the Revenue account of the Company is of ₹(2,080) thousands (Previous year ₹(5,669) thousands).

NOTES TO FINANCIAL STATEMENTS

25. Expenses not directly identifiable to business segments, apportioned to Revenue Accounts: (₹ '000)

Product Segment	March 31, 2021*		March 31, 2020*	
	Investment Expenses	Other Expenses	Investment Expenses	Other Expenses
Fire	440	65,919	417	57,328
Marine Cargo	81	27,348	87	29,501
Marine Hull	-	-	-	-
Miscellaneous	13,989	28,34,478	12,628	30,47,803
Total	14,510	29,27,745	13,132	31,34,632
*Basis of Allocation	Tech Mean Fund	NWP - Direct	Tech Mean Fund	NWP - Direct

26. Pursuant to Corporate Governance guidelines issued by IRDAI dated May 18, 2016, the additional works (other than statutory audit) given to the auditors are detailed below:

Name of the audit firm	Services rendered	March 31, 2021	March 31, 2020
M/s. N.C. Rajagopal & Co.	Other certification fees	535	747
M/s. Brahmayya & Co.	Other certification fees	1,100	735

27. The provision for Free look period is ₹3,500 thousands (Previous year ₹4,508 thousands), as certified by the Appointed Actuary.

28. During the year the Company has notionally allocated investments to policyholder based on the value of the policyholder funds at end of the year. Till previous year the Company was notionally allocating investments to policyholders based on the ratio of average 'Policyholder Funds' and "Shareholders' Funds" respectively (average of funds at the beginning and end of the year).

29. The company has raised ₹5,00,000 thousands on September 30, 2016 at a coupon rate of 11.00% and ₹5,00,000 thousands on March 27, 2017 at coupon rate of 10.50% through unsecured sub-ordinate redeemable non-convertible debentures for the tenor of 10 years with interest payment on an annual basis. Previous due date for payment of Interest on non-convertible debentures: Paid on March 27, 2021. Next due date for payment of Interest on non-convertible debentures: September 29, 2021.

30. During the year 2020-21, as per provisions of section 135 of Companies Act 2013, the Company was required to spend ₹23,289 thousands (previous year: ₹24,800 thousands) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The Company has spent ₹23,300 thousands (previous year: ₹24,813 thousands) towards Corporate Social Responsibility activities during the year.

31. Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:

Particulars	March 31, 2021	March 31, 2020
Principal amount due to suppliers under MSMED Act	43,567	6,409
Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-

NOTES TO FINANCIAL STATEMENTS

Particulars	March 31, 2021	March 31, 2020
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

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

(₹ '000)

Sl No.	Schedule	Particulars	Previous year figures reported in current year	Reported in previous year	Difference	Reason
1	13	Sundry creditors	16,90,672	16,75,184	15,488	Reclassified/Regrouped for appropriate presentation
2	13	Due to Officers/ Directors	-	15,488	(15,488)	
3	Form-B RA-Fire	Other Investment income - Terrorism pool	30,059	-	30,059	Investment income received from terrorism pool is disclosed separately. So, re-classified to other income
4	Form-B RA-Fire	Interest, Dividend and Rent [Net of amortisation]	91,125	1,21,184	(30,059)	
5	Form-B RA-Misc	Other Investment income - Terrorism pool	7,515	-	7,515	
6	Form-B RA-Misc	Interest, Dividend and Rent [Net of amortisation]	29,38,444	29,45,959	(7,515)	

33. The Covid-19 has been declared a pandemic by the World Health Organization during the fag end of the last financial year, which is still continuing till date. The pandemic has led to a significant impact on the Indian Financial markets with overall decline in the economic activities across the world. This situation brought about few uncertainties in the economic operations of the Company and the impact of the same is not completely ascertainable. The Company has used the principles of prudence in applying judgements, estimates and assumptions to assess and provide for the impact of the pandemic on the Financial Statements. However, the Company will continue to closely monitor developments/changes to the estimates – basis the future macro-economic impact.

As per our report of even date attached

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

For Brahmaya & Co.
 Chartered Accountants
 Registration No.000511S

V Chandrasekaran
 Partner
 Membership No.024844

P Babu
 Partner
 Membership No.203358

Place : Chennai
 Date : May 7, 2021

For and on behalf of the Board of Directors

S Viji
 Chairman
 (DIN:00139043)

Filip A L Coremans
 Director
 (DIN:03178684)

Vaibhav Kabra
 Chief Financial Officer

M S Sreedhar
 Managing Director
 (DIN:07153983)

S Prasad
 Director
 (DIN:00063667)

S R Balachandher
 Company Secretary

ANNEXURE TO THE FINANCIAL STATEMENTS

ANNEXURE 1

SEGMENT REPORTING

- 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 the Accounting Regulations.
- Segment revenues are either directly attributed to or, in the case of bundled products, allocated to the individual segments. There are no inter segment revenues.
- Operating expenses are attributed to the business segments in line with accounting policy 11 in Schedule 16.
- Investments and other Assets and liabilities are identified with the respective segments in the ratio of Shareholders and Policyholder Funds as defined in Policy 7 of 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 March 31, 2021

Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmens Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Crop	Others	Investment of Shareholders funds	Total
Gross Direct Premium	27,25,928	3,52,718	-	99,61,479	98,24,660	1,97,86,139	60,542	60,339	6,20,077	5,18,531	34,36,786	5,69,115	92,658	-	2,82,22,833
Premium inward	5,36,706	5,900	-	-	-	-	-	-	45,995	17,736	-	-	163	-	6,06,500
Net Written Premium	5,21,258	1,89,305	-	74,12,210	92,78,791	1,66,91,001	54,484	26,207	99,456	4,41,058	27,47,455	5,75,659	39,668	-	2,13,85,551
Premium earned (net)	5,50,965	1,96,551	-	77,96,899	84,12,769	1,62,09,668	53,051	28,450	1,01,204	4,63,071	29,27,987	5,78,731	42,331	-	2,11,52,009
Profit/(Loss) on sale/redemption of investments	15,311	2,815	2	62,266	3,78,676	4,40,942	691	290	1,941	4,979	25,186	12,379	711	1,20,403	6,25,651
Others	6,035	224	-	2,469	-	2,469	2	1	342	16	221	-	17	-	9,327
Investment income-Terrorism pool	44,853	-	-	-	-	-	-	-	11,213	-	-	-	-	-	56,066
Interest (net of amortisation)	1,00,366	18,454	13	4,08,167	24,82,292	28,90,459	4,530	1,899	12,725	32,641	1,65,100	81,145	4,662	7,89,267	41,01,263
Total segmental revenue	7,17,530	2,18,044	15	82,69,801	1,12,73,737	1,95,43,538	58,274	30,639	1,27,426	5,00,708	31,18,494	6,72,255	47,721	9,09,671	2,59,44,316
Claims incurred (net)	(3,33,148)	(93,790)	-	(57,84,541)	(84,61,633)	(1,42,46,174)	(4,190)	(4,568)	(49,713)	(1,98,078)	(21,03,637)	42,418	(15,532)	-	(1,70,06,412)
Commission received/(paid), net	53,086	(25,315)	231	(11,66,431)	(1,01,212)	(12,67,643)	(7,230)	2,820	79,024	(47,593)	(1,92,940)	2,382	(2,474)	-	(14,05,652)
Operating expenses related to insurance business	(1,43,884)	(42,318)	-	(18,38,382)	(21,40,592)	(39,78,974)	(9,718)	(4,279)	(23,128)	(1,26,807)	(6,15,882)	(12,655)	(6,719)	-	(49,64,364)
Total segmental expenses	(4,23,946)	(1,61,423)	231	(87,89,354)	(1,07,03,437)	(1,94,92,791)	(21,138)	(6,027)	6,183	(3,72,478)	(29,12,459)	32,145	(24,725)	-	(2,33,76,428)
Segmental (loss)/profit	2,93,584	56,621	246	(5,19,553)	5,70,300	50,747	37,136	24,612	1,33,609	1,28,230	2,06,035	7,04,400	22,996	9,09,671	25,67,888
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	554	554
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,56,412)	(4,56,412)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,29,236)	(5,29,236)
Net profit/(Loss) for the year	2,93,584	56,621	246	(5,19,553)	5,70,300	50,747	37,136	24,612	1,33,609	1,28,230	2,06,035	7,04,400	22,996	(75,423)	15,82,794
Segment Assets	29,03,835	3,52,867	235	74,10,710	4,49,58,192	5,23,68,902	83,899	34,382	4,66,371	6,11,919	30,30,638	38,77,298	81,286	1,09,67,807	7,47,79,439
Segment Liabilities	23,05,280	3,42,413	206	79,21,550	4,48,24,082	5,27,45,633	81,977	39,629	3,30,839	6,03,423	31,57,329	6,06,757	1,04,793	-	6,03,18,278
Capital Expenditure	9,985	1,118	-	31,049	30,623	61,672	189	188	2,037	1,672	10,687	1,774	315	-	89,636
Amortisation of premium & discount	4,709	866	1	19,149	1,16,455	1,35,604	213	89	597	1,531	7,746	3,807	219	37,028	1,92,408
Depreciation	14,907	1,669	-	46,353	45,717	92,070	282	281	3,041	2,495	15,954	2,648	470	-	1,33,817
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2020-21 - NIL

ANNEXURE TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2020

Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmen Compensation / Employers Liability	Public / Product Liability	Engineering	Personal Accident	Health Insurance	Crop	Others	Investment of Shareholders funds	Total
Gross Direct Premium	22,52,364	3,82,519	-	1,16,60,484	91,55,562	2,08,16,046	69,700	70,821	7,88,527	5,71,123	39,80,521	76,07,807	1,30,144	-	3,66,69,572
Premium inward	4,14,073	7,954	-	-	-	-	-	-	47,292	21,984	-	-	19,868	-	5,11,171
Net Written Premium	4,64,309	2,03,797	-	86,98,412	86,62,751	1,73,61,163	61,545	32,441	1,29,840	5,10,072	32,01,968	15,36,607	52,565	-	2,35,54,307
Premium earned (net)	3,80,712	1,99,564	139	88,24,952	80,89,134	1,69,14,086	64,655	32,415	1,30,357	4,90,569	29,93,868	15,38,893	55,898	-	2,28,01,156
Profit/(Loss) on sale/redemption of investments	9,143	1,901	2	42,932	2,02,281	2,45,213	439	213	1,238	3,257	15,753	10,225	430	74,470	3,62,285
Others	2,421	222	-	2,738	-	2,738	3	1	109	14	333	-	18	-	5,860
Investment income-Terrorism pool	30,059	-	-	-	-	-	-	-	7,515	-	-	-	-	-	37,574
Interest (net of amortisation)	91,125	18,951	23	4,27,890	21,96,056	26,23,947	4,371	2,119	12,337	32,462	1,57,006	1,01,913	4,290	7,42,217	37,90,760
Total segmental revenue	5,13,460	2,20,639	164	92,98,513	1,04,87,471	1,97,85,984	69,467	34,748	1,51,556	5,26,303	31,66,960	16,51,032	60,637	8,16,687	2,69,97,636
Claims incurred (net)	(1,99,737)	(1,17,758)	-	(71,81,893)	(84,17,486)	(1,55,99,379)	(19,253)	(1,917)	(22,420)	(1,93,235)	(20,21,033)	(11,73,535)	(40,476)	-	(1,93,88,743)
Commission received/(paid), net	(24,180)	(27,080)	146	(15,14,108)	(22,319)	(15,36,427)	(9,078)	3,483	87,539	(51,632)	(2,04,874)	2,36,530	8,759	-	(15,16,814)
Operating expenses related to insurance business	(1,69,055)	(43,742)	-	(19,10,773)	(13,50,256)	(32,61,029)	(12,297)	(5,656)	(31,018)	(1,29,734)	(8,19,820)	(1,41,241)	(9,403)	-	(46,22,995)
Total segmental expenses	(3,92,972)	(1,88,580)	146	(1,06,06,774)	(97,90,061)	(2,03,96,835)	(40,628)	(4,090)	34,101	(3,74,601)	(30,45,727)	(10,78,246)	(41,120)	-	(2,55,28,552)
Segmental (loss)/profit	1,20,488	32,059	310	(13,08,261)	6,97,410	(6,10,851)	28,839	30,658	1,85,657	1,51,702	1,21,233	5,72,786	19,517	8,16,687	14,69,084
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	959	959
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,57,067)	(10,57,067)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,67,508)	(1,67,508)
Net profit (Loss) for the year	1,20,488	32,059	310	(13,08,261)	6,97,410	(6,10,851)	28,839	30,658	1,85,657	1,51,702	1,21,233	5,72,786	19,517	(4,06,929)	2,45,468
Segment Assets	25,00,919	3,26,071	382	71,71,147	3,65,67,135	4,37,38,283	74,050	35,304	4,20,531	5,40,855	26,81,668	47,52,933	71,949	1,22,82,045	6,74,24,990
Segment Liabilities	20,17,193	3,72,603	206	87,62,055	3,71,04,384	4,58,66,439	84,125	43,291	3,51,738	6,27,008	33,09,526	32,73,975	1,35,488	-	5,60,81,592
Capital Expenditure	10,768	1,619	-	48,338	37,954	86,292	289	294	3,409	2,459	16,358	31,538	765	-	1,53,790
Amortisation of premium & discount	(1,921)	(400)	(0)	(9,021)	(44,877)	(53,897)	(92)	(45)	(260)	(684)	(3,310)	(2,149)	(90)	(15,647)	(78,496)
Depreciation	8,431	1,267	-	37,849	29,718	67,567	226	230	2,669	1,925	12,808	24,694	599	-	1,20,418
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2019-20 - NIL

ANNEXURE TO THE FINANCIAL STATEMENTS

ANNEXURE 2

		(₹' Lakhs)				
Sl. No	Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
OPERATING RESULTS						
1	Gross premiums written-Direct	2,82,228	3,66,696	3,17,257	2,62,344	2,18,878
2	Net earned premium #	2,13,856	2,35,543	2,21,100	2,03,209	1,90,455
3	Income from investments (Net)@	38,733	33,739	30,193	26,773	25,043
4	Other income	93	59	39	47	28
5	Total income	2,52,682	2,69,341	2,51,332	2,30,029	2,15,526
6	Commissions (Net)	14,057	15,168	8,455	5,214	5,991
7	Operating expenses	49,644	46,230	43,060	52,772	55,846
8	Net incurred claims	1,70,064	1,93,887	1,85,485	1,56,037	1,34,468
9	Change in unexpired risk reserve	2,335	7,532	2,481	9,165	18,356
10	Operating Profit/(Loss)	16,582	6,524	11,851	6,841	866
NON OPERATING RESULT						
11	Total income shareholders' account	4,538	(2,394)	6,350	5,761	5,413
12	Profit/(Loss) before tax	21,120	4,130	18,201	12,602	6,279
13	Provision for tax	(5,292)	(1,675)	(6,081)	(4,272)	(1,974)
14	Profit/(Loss) after tax	15,828	2,455	12,120	8,330	4,305
MISCELLANEOUS						
15	Policyholders' Account:					
	Total funds	5,47,794	5,00,854	4,21,318	3,39,632	2,77,705
	Total investments	5,47,794	4,62,487	4,00,910	3,41,951	2,66,531
	Yield on investments	7.5%	7.5%	7.8%	8.5%	10.1%
16	Shareholders' Account:					
	Total funds	1,34,026	1,14,932	1,14,328	1,02,437	64,840
	Total investments	1,00,640	1,12,017	1,06,640	87,269	69,928
	Yield on investments	7.5%	7.5%	7.8%	8.5%	10.1%
17	Paid up equity capital	44,900	44,900	44,900	44,900	33,100
18	Net worth	1,34,026	1,14,932	1,14,328	1,02,437	64,840
19	Total assets	7,53,583	6,77,097	5,78,023	4,77,135	3,72,570
20	Yield on total investments	7.5%	7.5%	7.8%	8.5%	10.1%
21	Earnings per share (₹)*	3.53	0.55	2.70	2.10	1.32
22	Book value per share (₹)	29.85	25.60	25.46	22.81	19.59
23	Total dividend	-	-	-	-	-
24	Dividend per share (₹)	-	-	-	-	-
#	Net of reinsurance					
@	Net of losses & includes investment income from terrorism pool					
*	EPS has been calculated in accordance with AS-20 Basic & Diluted (Face Value ₹10/- each)					
	Profit/(Loss) for the year	15,828	2,455	12,120	8,330	4,305
	Weighted average number of shares at the end of the year	44,90,00,000	44,90,00,000	44,90,00,000	39,68,90,411	32,71,42,466

Note: (1) The Company determine the Policyholders' Fund and the Shareholders' Fund on the basis stipulated by IRDAI Circular no. IRDA/F&A/CIR/CPM/010/01/2017 (Refer Point 7 of Schedule 16 relating to Accounting Policy)

ANNEXURE TO THE FINANCIAL STATEMENTS
RATIOS FOR NON-LIFE INSURANCE COMPANIES
ANNEXURE 3

Sl. No	Performance Ratio	March 31, 2021	March 31, 2020
1	Gross premium growth rate (segment wise) (Gross premium for the current year divided by gross premium for the previous year) Refer Accounting Ratios Schedule 1	(23.0%)	15.6%
2	Gross premium to shareholders' fund ratio (Gross premium for the current year divided by the paid up capital plus free reserves)	2.11	3.19
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)	16.6%	0.5%
4	Net retention ratio (segment wise) (Net premium divided by gross premium) Refer Accounting Ratios Schedule 1	74.2%	63.4%
5	Net commission ratio (segment wise) (Commission net of reinsurance for a class of business divided by net premium) Refer Accounting Ratios Schedule 1	6.6%	6.4%
6	Expenses of Management to gross direct premium ratio (Expenses of Management divided by the total gross direct premium)	27.8%	21.2%
7	Expenses of Management to Net Written Premium ratio (Expenses of Management divided by the net written premium)	36.7%	33.0%
8	Net Incurred Claims to Net Earned Premium	80.4%	85.0%
9	Combined ratio (Net Incurred Claims divided by Net Earned Premium plus Expenses of Management divided by Net Written Premium)	110.2%	111.1%
10	Technical reserves to net premium ratio (Reserve for Unexpired Risks plus Premium Deficiency Reserve plus reserve for Outstanding Claims divided by Net Written Premium)	2.45	1.94
11	Underwriting balance ratio (segment wise) (Underwriting profit divided by net premium for the respective class of business) Refer Accounting Ratios Schedule 1	(0.11)	(0.12)
12	Operating profit ratio (Underwriting Profit plus Investment Income divided by Net Earned Premium)	7.8%	2.9%
13	Liquid assets to liabilities ratio (Liquid assets of the insurer divided by the policy holders' liabilities)	0.25	0.25
14	Net earnings ratio (Profit after tax divided by Net Written Premium)	7.4%	1.0%
15	Return on networth (Profit after tax divided by net worth)	11.8%	2.1%
16	Available Solvency Margin(ASM) to Required Solvency Margin (RSM) Ratio	1.87	1.69
17	Gross NPA ratio	1.5%	1.9%
18	Net NPA ratio	0.9%	1.5%

ANNEXURE TO THE FINANCIAL STATEMENTS

ACCOUNTING RATIOS - SCHEDULE 1

GROSS PREMIUM GROWTH RATE

Segment	Growth (%)	
	2020-21	2019-20
Fire	21%	50%
Marine	-8%	2%
Motor	-5%	0%
Workmen's Compensation/ Employers Liability	-13%	-12%
Public/Product Liability	-15%	-17%
Engineering	-21%	29%
Personal Accident	-9%	-2%
Health Insurance	-14%	11%
Crop Insurance	-93%	90%
Others	-29%	-16%
Total	-23%	16%

ACCOUNTING RATIOS - SCHEDULE 2

NET RETENTION RATIO

Segment	% to GWP	
	2020-21	2019-20
Fire	16%	17%
Marine	53%	52%
Motor	84%	83%
Workmen's Compensation/ Employers Liability	90%	88%
Public/Product Liability	43%	46%
Engineering	15%	16%
Personal Accident	82%	86%
Health Insurance	80%	80%
Crop Insurance	101%	20%
Others	43%	35%
Total	74%	63%

ACCOUNTING RATIOS - SCHEDULE 3

NET COMMISSION RATIO

Segment	% to NWP	
	2020-21	2019-20
Fire	-10%	5%
Marine	13%	13%
Motor	8%	9%
Workmen's Compensation/ Employers Liability	13%	15%
Public/Product Liability	-11%	-11%
Engineering	-79%	-67%
Personal Accident	11%	10%
Health Insurance	7%	6%
Crop Insurance	0%	-15%
Others	6%	-17%
Total	7%	6%

ACCOUNTING RATIOS - SCHEDULE 4

UNDERWRITING BALANCE RATIO

Segment	to NEP	
	2020-21	2019-20
Fire	0.23	-0.03
Marine	0.18	0.06
Motor	-0.20	-0.21
Workmen's Compensation/ Employers Liability	0.60	0.37
Public/Product Liability	0.79	0.87
Engineering	1.06	1.26
Personal Accident	0.20	0.24
Health Insurance	0.01	-0.02
Crop Insurance	1.06	0.30
Others	0.42	0.26
Total	-0.11	-0.12

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 report is submitted by the Management:

1. We confirm that the Certificate of Registration granted by the Insurance Regulatory and Development Authority of India, to transact general insurance business, continues to be valid. The fee for renewal of the Certificate of Registration has been paid for the financial year 2020-21.
2. We certify that all dues payable to the Statutory Authorities have been duly paid.
3. We confirm that the shareholding pattern during the year ended March 31, 2021 has been in accordance with the Statutory/Regulatory requirements.
4. We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. The Company has maintained the required solvency margins.
6. The values of all the assets have been reviewed on the date of the Balance Sheet and 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 'Investments', 'Interest, Dividends and Rents accruing but not due', 'Amounts due from other persons or Bodies carrying on insurance business', 'Cash' and the several items specified under 'Other Accounts', except debt securities which are shown at amortized cost and non-performing investments which are shown at amortized cost less provision.
7. The Company is exposed to a variety of risks such as quality of risks underwritten, fluctuations in the value of assets, operational risks and higher expenses.

The Company through an appropriate reinsurance programme has kept its risk exposure at a level commensurate with its capacity.

During the year under report, the Company's Management expense are within the allowable limit in all segments prescribed in IRDAI (Expense of Management of Insurer transacting General and Health Insurance Business) Regulation, 2016.

The Company monitors these risks closely and effective remedial action is taken wherever required.

8. The Company does not have operations in other countries and hence related country/currency fluctuation risk is not applicable.

9. The trend in average claim settlement time for various Segments for the past 5 years are given hereunder:

Ageing as on March 31, 2021

(₹ '000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	1,785	90,658	472	2,18,004	208	1,76,764	217	3,82,701	-	29	2,682	8,68,157
Marine Cargo	4,931	53,513	1,708	65,209	253	59,950	57	42,863	1	4	6,950	2,21,539
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	1,90,751	37,24,474	28,224	33,84,300	1,627	5,62,475	1,876	13,41,948	473	5,59,530	2,22,951	95,72,726
Workmen compensation	7	191	17	1,615	10	1,579	6	2,085	-	-	40	5,470
Liability	12	2,789	1	262	-	154	-	-	-	-	13	3,205
Engineering	1,699	27,171	430	38,799	335	34,059	37	94,382	2	5,416	2,503	1,99,828
Personal Accident	1,108	77,156	45	79,063	-	39,954	-	21,657	-	217	1,153	2,18,046
Health	37,200	10,34,983	3,211	12,89,167	-	58,241	-	16,575	-	663	40,411	23,99,630
Crop	2,50,470	21,83,249	-	-	-	-	-	-	-	-	2,50,470	21,83,249
Others	1,563	13,714	544	13,296	113	11,302	25	8,341	-	96	2,245	46,749
Total	4,89,526	72,07,899	34,652	50,89,714	2,546	9,44,479	2,218	19,10,552	476	5,65,955	5,29,418	1,57,18,599

Ageing as on March 31, 2020

(₹ '000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	633	71,861	209	2,89,300	128	5,14,668	86	5,61,906	-	-84	1,056	14,37,652
Marine Cargo	3,381	36,173	2,356	1,18,724	189	59,257	46	14,494	4	14,242	5,976	2,42,890
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,78,201	52,06,060	31,892	40,16,572	2,529	9,56,035	2,961	21,54,834	764	7,96,733	3,16,347	1,31,30,233
Workmen compensation	5	854	21	5,541	9	2,345	2	195	-	-	37	8,934
Liability	10	1,200	14	4,484	1	291	1	59	-	-	26	6,033
Engineering	189	6,619	218	58,738	78	26,745	28	1,80,794	-	33,088	513	3,05,984
Personal Accident	1,550	63,269	52	1,02,312	-	26,191	-	17,861	-	574	1,602	2,10,207
Health	50,640	11,05,048	4,744	11,91,285	-	77,220	-	4,198	-	584	55,384	23,78,334
Crop	1,87,237	25,34,467	-	-	-	-	-	-	-	-	1,87,237	25,34,467
Others	678	15,250	249	56,906	51	4,147	10	17,934	1	150	989	94,388
Total	5,22,524	90,40,800	39,755	58,43,864	2,985	16,66,900	3,134	29,52,274	769	8,45,286	5,69,167	2,03,49,123

Ageing as on March 31, 2019

(₹ '000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	651	29,832	211	1,76,906	126	1,33,416	95	1,61,209	-	477	1,083	5,01,840
Marine Cargo	2,678	36,553	1,725	1,10,683	197	45,169	73	19,013	2	265	4,675	2,11,684
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,79,052	47,28,533	32,863	36,75,361	2,881	9,48,897	3,526	20,13,513	1,171	7,69,379	3,19,493	1,21,35,683
Workmen compensation	9	-	17	2,940	18	5,831	8	1,047	-	-	52	9,818
Liability	12	1,701	9	1,827	1	88	-	120	-	3	22	3,738
Engineering	152	2,460	246	1,79,810	67	21,782	36	45,097	-	128	501	2,49,277
Personal Accident	1,681	2,00,334	61	72,581	-	-	-	-	-	-	1,742	2,72,914
Health	42,135	11,56,211	1,835	6,20,478	-	-	-	-	-	-	43,970	17,76,689
Crop	33,674	1,68,539	-	-	-	-	-	-	-	-	33,674	1,68,539
Others	489	8,380	227	8,207	29	3,029	7	2,554	-	44	752	22,213
Total	3,60,533	63,32,541	37,194	48,48,793	3,319	11,58,211	3,745	22,42,552	1,173	7,70,296	4,05,964	1,53,52,394

Ageing as on March 31, 2018

(₹ '000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	594	37,992	413	2,49,099	191	1,56,274	125	1,92,733	-	-	1,323	6,36,098
Marine Cargo	1,735	24,829	1,571	99,123	262	40,458	147	19,304	5	6,110	3,720	1,89,825
Marine Hull	-	-	1	524	-	-	-	-	-	-	1	524
Motor	2,50,165	37,59,841	33,570	34,06,826	3,393	9,01,574	5,018	18,44,697	1,208	5,65,245	2,93,354	1,04,78,183
Workmen compensation	12	272	24	5,169	11	3,626	5	2,876	-	-	52	11,943
Liability	11	2,532	13	1,624	-	22	1	21,506	-	-	25	25,683
Engineering	139	12,289	147	41,720	91	37,758	41	53,412	3	2,481	421	1,47,660
Personal Accident	1,386	69,810	22	1,14,322	-	-	-	-	-	-	1,408	1,84,133
Health	39,547	8,57,908	709	7,08,516	-	-	-	-	-	-	40,256	15,66,425
Crop	35	118	-	-	-	-	-	-	-	-	35	118
Others	259	9,084	182	9,335	35	15,592	9	4,222	-	-	485	38,233
Total	2,93,883	47,74,677	36,652	46,36,258	3,983	11,55,304	5,346	21,38,749	1,216	5,73,837	3,41,080	1,32,78,825

Ageing as on March 31, 2017

(₹ '000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 year and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	2,537	61,646	409	1,77,770	200	1,70,380	92	1,48,316	2	7,699	3,240	5,65,811
Marine Cargo	1,774	23,648	1,906	95,633	107	61,555	32	24,976	2	1,696	3,821	2,07,508
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,34,255	37,06,564	46,975	30,34,710	2,755	7,58,195	3,645	19,87,697	660	4,40,313	2,88,290	99,27,479
Workmen compensation	2	10	14	534	9	2,279	3	1,765	2	604	30	5,193
Liability	5	855	14	3,178	5	639	3	793	-	-	27	5,464
Engineering	5	21,666	59	53,331	64	37,534	39	51,395	-	-	167	1,63,927
Personal Accident	1,653	95,554	49	56,142	-	-	-	-	-	-	1,702	1,51,697
Health	47,450	7,47,856	1,922	6,08,696	-	-	-	-	-	-	49,372	13,56,552
Others	344	13,966	27	5,827	5	1,731	4	1,051	-	-	380	22,575
Total	2,88,025	46,71,765	51,375	40,35,822	3,145	10,32,312	3,818	22,15,992	666	4,50,313	3,47,029	1,24,06,205

10. We certify that:

- The Investments in Government Securities and other debt securities have been considered as 'held to maturity' and have been measured at historical cost subject to amortization.
- The market values of debt securities including Government Securities have been ascertained by reference to the quotations published for the last working day of the financial year by Clearing Corporation of India Ltd., Corporate bond reporting platform(CBRICS) of NSE Clearing Limited/CRISIL Limited security level valuation.
- The market values of quoted equity investments have been ascertained by reference to the last quoted closing prices available on the Balance Sheet date on the National Stock Exchange of India Limited.
- The market value of Mutual Fund Investments has been ascertained based on the net asset value declared by the asset management companies as on Balance Sheet date. Unrealized gains or losses arising due to change in the fair value of Mutual Funds are recognized in the Balance Sheet under "Fair value change account".
- Investments in Alternative Investment Funds (AIFs) are valued at latest available net asset values. Unrealized gains or losses arising due to change in the fair value of Alternative Investment Funds (AIFs) are recognized in the Balance Sheet under "Fair value change account".

11. The Company has adopted a prudent investment policy with emphasis on optimizing return with minimum risk. Significant weighting of the assets has been made towards low risk/liquid investments such as Government securities, Treasury bills and other good quality debt instruments. Fair value of investments is computed for quoted investments, based on the last available market price/CRISIL security level valuation.

The average yield on investments after considering the profit/loss on sale and amortization of costs of investments is 7.47%. All investments in our portfolio as at March 31, 2021 are performing investments other than the investments made in Dewan Housing Finance Limited (DHFL) Debentures. The Company has taken necessary steps for recovering the money along with other Debenture/Bond Holders having exposure to DHFL.

12. The Management of Royal Sundaram General Insurance Co. Limited certifies that:

- In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed. To the best of our knowledge there were no material departures from such standards during the year under report.

- b) The Management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the net profit of the Company for the year ended March 31, 2021.
- c) The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, (4 of 1938) as amended by the Insurance Law (amendment) Act 2015/Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Management has prepared the financial statements on a going concern basis.
- e) The Management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

13. Particulars of payment made to individuals, firms, companies and organizations in whom/which the directors of the company are interested is as under:

(₹ '000)

Sl No.	Entity in which Director is interested	Name of the Director	Interested as	Amount	Nature of Payments
1	Sundaram Finance Limited	S Viji	Director	6,442	Rent
		T T Srinivasaraghavan	Director	53,345	Information Technology and Others
		S Prasad	Director	1,70,583	Agency Commission
		Harsha Viji	Director	7,741	Insurance Claims
2	Sundaram Home Finance Limited	Harsha Viji	Director	2,705	Other services
		T T Srinivasaraghavan	Director		
		Radha Unni	Director	4	Insurance Claims
3	Sundaram Asset Management Company Limited	Harsha Viji	Director		
		T T Srinivasaraghavan	Director	5	Insurance Claims
4	Sundaram Finance Holdings Limited	Harsha Viji	Director	50,045	Interest on Debentures
		T T Srinivasaraghavan	Director	4	Insurance Claims
		S Prasad	Director	66,737	Payment for Services Received
5	TV Sundram Iyengar & Sons Private Limited	Harsha Viji	Director		
		S Viji	Director	53,109	Insurance Claims

Transactions with related parties in terms of Accounting Standard 18 are included in note 14 of Schedule 17.

S Viji
 Chairman
 (DIN:00139043)

Filip A L Coremans
 Director
 (DIN:03178684)

Vaibhav kabra
 Chief Financial Officer

M S Sreedhar
 Managing Director
 (DIN:07153983)

S Prasad
 Director
 (DIN:00063667)

S R Balachandher
 Company Secretary

Place : Chennai
 Date : May 7, 2021

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Registration No. and Date of Registration with the IRDAI : 102/23.10.2000

Particulars	(₹ '000)	
	March 31, 2021	March 31, 2020
Cash flows from operating activities		
Receipts from policyholders, including advance receipts & GST	3,35,30,054	4,12,15,456
Other receipts	9,884	6,821
Payments to the re-insurers, net of commissions and claims	(28,89,300)	(24,63,629)
Payments to co-insurers, net of claims recovery	(67,038)	(80,345)
Payments of claims	(1,55,66,556)	(2,03,26,704)
Payments of commission and brokerage	(29,70,528)	(32,18,758)
Payments of other operating expenses	(45,90,774)	(43,84,039)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(21,601)	(9,453)
Income taxes paid (Net)	(7,53,773)	(7,19,700)
GST paid	(51,00,932)	(55,62,445)
Other payments	(3,153)	(8,440)
Cash flows before extraordinary items	-	-
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	15,76,283	44,48,765
Cash flows from investing activities		
Purchase of fixed assets	(1,12,544)	(86,818)
Proceeds from sale of fixed assets	121	47
Purchases of investments	(2,95,94,332)	(3,09,18,281)
Loans disbursed	-	-
Sales of investments	2,32,63,859	2,37,02,649
Repayments received	-	-
Rents/Interests/Dividends received	42,08,904	38,68,214
Investments in money market instruments and in liquid mutual funds (Net)	9,25,472	(10,32,836)
Expenses related to investments	(17,967)	(16,529)
Net cash flow from investing activities	(13,26,487)	(44,83,554)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/Dividends paid	(1,07,613)	(1,04,970)
Net cash flow from financing activities	(1,07,613)	(1,04,970)
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	(636)	(391)
Net increase in cash and cash equivalents	1,41,547	(1,40,151)
Cash and Cash equivalents at the beginning of the year	5,94,791	7,34,942
Cash and cash equivalents at the end of the year	7,36,338	5,94,791

As per our report of even date attached

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

For Brahmaya & Co.
Chartered Accountants
Registration No.000511S

V Chandrasekaran
Partner
Membership No.024844

P Babu
Partner
Membership No.203358

Place : Chennai
Date : May 7, 2021

For and on behalf of the Board of Directors

S Viji
Chairman
(DIN:00139043)

Filip A L Coremans
Director
(DIN:03178684)

Vaibhav Kabra
Chief Financial Officer

M S Sreedhar
Managing Director
(DIN:07153983)

S Prasad
Director
(DIN:00063667)

S R Balachandher
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956, as amended)

1. Registration Details:

Registration No.	1	8	-	4	5	6	1	1
State Code							1	8
Balance Sheet Date	3	1	-	0	3	-	2	1

2. Capital raised during the year: (Amount in ₹000)

Public Issue							N	I	L
Rights Issue							N	I	L
Bonus Issue							N	I	L
Private Placement							N	I	L

3. Position of mobilisation and deployment of funds: (Amount in ₹000)

Total Liabilities	1	5	0	4	0	0	2	4	
Total Assets	1	5	0	4	0	0	2	4	
Source of Funds:									
Paid-up Capital		4	4	9	0	0	0	0	
Reserves and Surplus		8	7	9	5	5	4	5	
Fair Value Change Account			7	5	4	4	7	9	
Secured Loans							N	I	L
Unsecured Loans		1	0	0	0	0	0	0	
Application of Funds:									
Net Fixed Assets			2	6	7	9	9	7	
Investments	6	4	8	4	3	4	2	1	
Net Deferred Tax Assets			5	7	8	8	6	2	
Net Current Assets	(5)	0	6	5	0	2	5	(6)	
Miscellaneous Expenditure							N	I	L
Accumulated Losses							N	I	L

4. Performance of the Company: (Amount in ₹000)

Turnover	2	5	9	4	4	8	7	1	
(Net Earned Premium, income from Investments and other incomes)									
Total Expenditure	2	3	8	3	2	8	4	0	
Profit before Tax		2	1	1	2	0	3	0	
Profit after Tax		1	5	8	2	7	9	4	
Earnings per share (₹)					3	.	5	3	
Dividend Rate (%)							N	I	L

5. Generic names of 3 principal products, services of the Company (as per monetary terms):

Item Code No.	N	.	A	.												
Product Description	G	E	N	E	R	A	L	I	N	S	U	R	A	N	C	E

S Viji
 Chairman
 (DIN:00139043)

Filip A L Coremans
 Director
 (DIN:03178684)

Vaibhav Kabra
 Chief Financial Officer

M S Sreedhar
 Managing Director
 (DIN:07153983)

S Prasad
 Director
 (DIN:00063667)

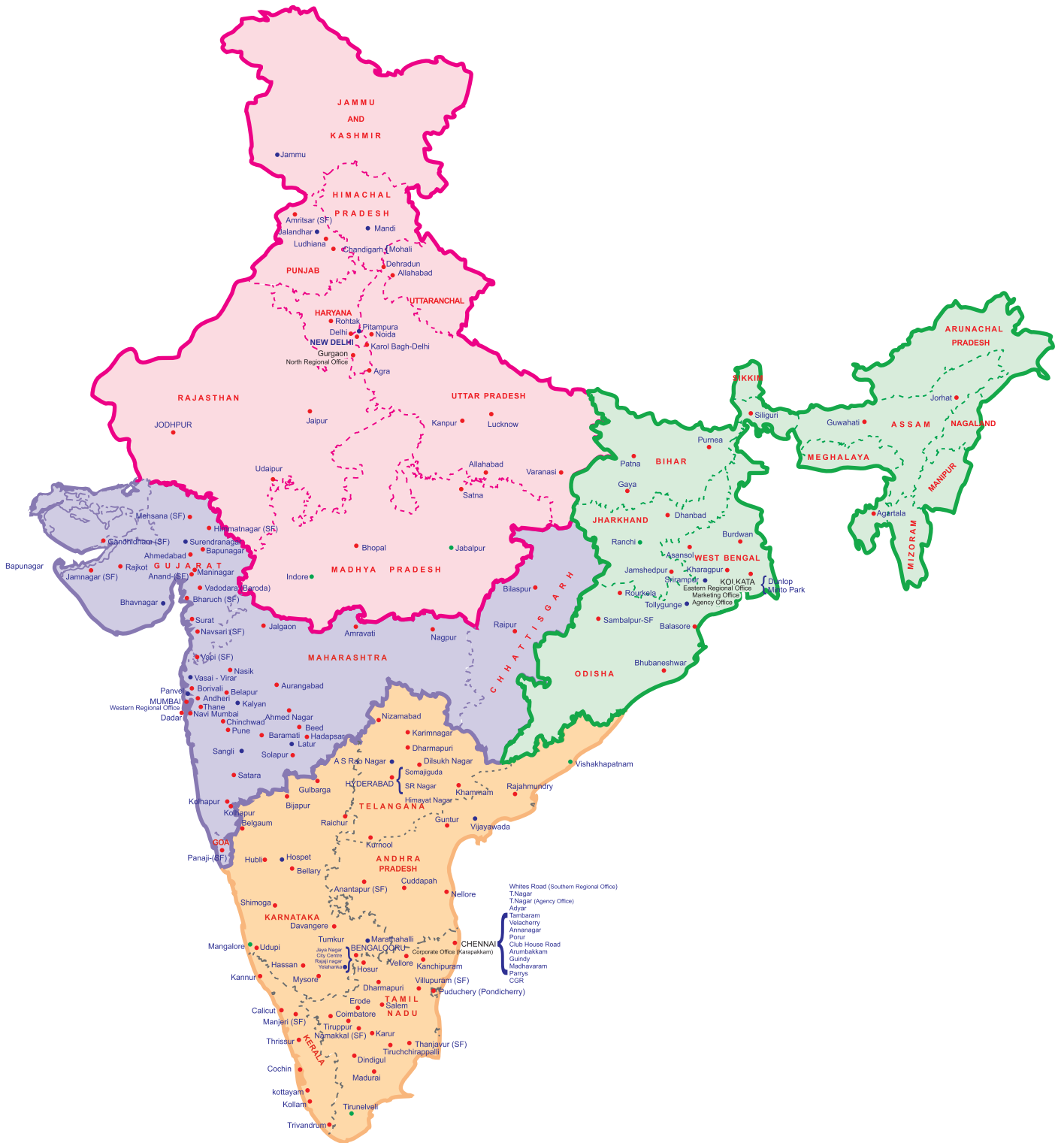
S R Balachandher
 Company Secretary

Place : Chennai
 Date : May 7, 2021

Notes

Notes

Royal Sundaram Branch Network - 159 Branches





Royal Sundaram

General Insurance

Royal Sundaram General Insurance Co. Limited

Corporate Office: Vishranthi Melaram Towers, No. 2 / 319, Rajiv Gandhi Salai (OMR), Karapakkam, Chennai - 600097.

Registered Office: 21, Patullos Road, Chennai - 600 002.

We Insure:

Health



Motor



Home



Accident



Travel



Marine



Establishment



Industry



Rural



Crop



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