

ANNUAL REPORT 2022-23

TWENTY YEARS OF SERVING INDIA



20 GLORIOUS YEARS OF SERVING INDIA

HDFC enters General Insurance sector (enters a JV with Chubb Corporation to form '**HDFC Chubb General Insurance**')

HDFC enters a JV with ERGO International to form **HDFC ERGO General Insurance Co. Ltd**

Chubb exits the JV

Market share crosses **1% mark**

HDFC Bank becomes distribution partner

Pays claims in excess of **₹ 500 crore**

2002

2004

Premium crosses **₹ 100 crore**

2007

2008

Pays claims in excess of **₹ 100 crore**

2009

2010

Premium crosses **₹ 1,000 crore mark**

More than **10 lakh customers added**

2011

2013

More than **50 lakh customers added**

Profit after Tax reaches **₹ 154 crore mark**



Company starts paying **dividend**

Pays claims in excess of **₹ 1,000 crore**

2014

2016

Acquires **L&T General Insurance**
(1st acquisition in Indian General Insurance industry)

Becomes **4th largest private insurer**

Expands presence to **108 branches pan India**

HDFC ERGO completes merger with **L&T General Insurance**

Premium crosses **₹ 5,000 crore mark**

2017

2018

Services more than **5 lakh claims**

More than **1 crore customers added**

Services more than **10 lakh claims**

Market share crosses **5% mark**

2019

2020

Merger of HDFC ERGO Health Insurance with **HDFC ERGO**

Market share crosses **6% mark**

Geographical presence expands to **203 branches**

Services more than **20 lakh claims**

Pays claims in excess of **₹ 5,000 crore**

Completes merger of **HDFC ERGO Health Insurance**

Premium crosses **₹ 10,000 crore mark**

2021

2022

HDFC ERGO **celebrates 20 glorious years of serving India**

“

In light of various regulatory reforms by IRDAI coupled with a proposal for a one-stop, Bima Sugam platform, insurance penetration is likely to accelerate in the years to come with the Indian insurance customer maturing, demanding and getting value-added services. ”

- Ritesh Kumar

CUSTOMER TESTIMONIALS

“

I have no words to explain the excellent experience. We are a big family and each one is very happy and would like to continue with our insurance.

*Health Insurance Customer (Optima Restore)
Policy No. 2805203541845500*

“

Quick and fast process, good online support, and customer care staff, easy and hassle-free. I received my reimbursement money in just five days. I suggest all should join!

*Health Insurance Customer (Optima Restore)
Policy No. 2805203592314100*

“

HDFC ERGO has rendered very good service in terms of settling claims / reimbursement promptly. I am happy to be your customer and thank you for the services provided.

*Health Insurance Customer (Health Wallet)
Policy No. 2803203844091500*

“

This is my first time using HDFC ERGO and I would like to recommend it to everyone. The customer service is excellent as well as your response to every request is quick and smooth.

*Travel Insurance Customer (Retail Travel Insurance Policy)
Policy No. 2919101210249000*

“

We are very satisfied. You all are doing an excellent job. Next time, when we apply again, we will choose your policy only.

*Travel Insurance Customer (Retail Travel Insurance Policy)
Policy No. 2919101213670500*

“

It is good to be the best! Keep up the good service.

*Travel Insurance Customer (Retail Travel Insurance Policy)
Policy No. 2919101212163700*

“

Within a day of applying for this policy, I received immediate support, and everything was covered.

*Motor Insurance Customer (Private Car Package Policy Bundled)
Policy No. 2311204464210000*

“

Hats off to your services. I never thought changing ownership in insurance could be so easy and fast. I transferred my four-wheeler under your insurance cover so smoothly.

*Motor Insurance Customer (Two-Wheeler Comprehensive Policy)
Policy No. 2312100593983400*

“

Each person that I interacted with, while resolving my problem, was very friendly and pleasant. Also, I noticed that the staff was tracking each milestone. I appreciated that HDFC ERGO is concerned about follow-ups at each step.

*Motor Insurance Customer (Two-Wheeler Comprehensive Policy)
Policy No. 2312202290836204*

TABLE OF CONTENTS

07

Chairman's
Message

08

MD & CEO's
Message

09

Board of Directors
& Key Management
Personnel

14

Company
Highlights

15

Distribution
Network

16

We are Future
Ready Today

20

Directors'
Report

76

Independent
Auditors' Report

86

Balance
Sheet

87

Profit and Loss
Account

88

Receipts and
Payments Account

89

Revenue
Account

90

Schedules

154

Management
Report

161

Our Products

163

Glossary

165

Awards

CHAIRMAN'S MESSAGE

After two years of enduring the pandemic, FY23 witnessed a long-awaited return to normalcy. While this should have led to a growth revival globally, central banks in advanced economies raised interest rates to address high inflationary pressures, thereby impacting growth. The continuing Russia-Ukraine conflict further impacted global growth.

During the year, the Reserve Bank of India (RBI) reigned in inflation through a series of calibrated measures. The RBI increased the repo rate by 250 basis points to 6.50%. Further, to contain inflationary expectations, there was a focus on withdrawing excess liquidity in a gradual and non-disruptive manner.

In FY23, India's GDP grew by 7.2% which was slightly better than the earlier projected growth of 7%. This was mainly due to the stronger than expected growth in the fourth quarter of FY23. During the year, India's economic performance was driven by agriculture, services, stable corporate performance and inherent demand, which was supported by a sound regulatory and financial system.

During the year, the Indian economy became the 5th largest economy in the world and continues to be the fastest growing major economy. According to the RBI, the Indian economy is projected to grow by 6.5% in FY24. External factors, such as slowing global growth, trajectory of oil prices and geopolitical uncertainty continue to pose downside risks to economic growth.

The broad-based growth of the economy resulted in all General Insurance (GI) industry segments – motor, health, commercial and crop – registering double-digit growth in FY23. The GI industry grew by ~ 16% to ~ ₹ 257,000 crore in FY23, which was the highest growth rate in the last 5 years. Accident & Health insurance continued to be the fastest growing segment, reflecting the low levels of health insurance penetration.

“

General Insurance industry achieved the highest growth rate in the last five years in Financial Year 2022-23, supported by robust economic growth.”



Keki M. Mistry, Chairman

Your Company continued to grow faster than the industry in FY23, achieving a 23% growth in Gross Written Premium to ₹ 16,873 crore and a 31% growth in Profit After Tax to ₹ 652.7 crore. Your Company is now the fourth largest General Insurer in India, with a 6.5% market share and the second largest in the private sector with a 10.5% share of the private sector.

FY23 witnessed significant regulatory impetus to drive the insurance penetration to the next level. The IRDAI announced the vision of “Insurance for All by 2047”, i.e., by the 100th year of Indian independence. The core pillars on which efforts are being directed are increasing awareness, accessibility and affordability. Working closely with the industry stakeholders, IRDAI has already announced various reforms, while a few more are under discussion. The reforms are aimed at driving ease of doing business, ensuring value delivery and transparency to the policyholders and a larger transition from “rule-based” to “principle-based” supervision.

The various regulatory changes are expected to encourage further innovation and support strong industry growth in the coming years, especially in the under-penetrated geographies and segments. Further, transition to Ind AS and Risk Based Capital regime will further help comparability with other industries and increase market attractiveness for investors. Lastly, increasing adoption of digitization will enable seamless reach of the industry to the last mile. These developments will benefit the customers in the form of improved products and services.

I thank all the stakeholders for their support to the Company and look forward to their continued support in the coming years.

MD & CEO'S MESSAGE

In FY23, the Indian economy achieved a robust growth of 7.2% after two years of muted growth, benefitting from a stable financial system. At the same time, global growth was impacted by high interest rates and the Russia-Ukraine war. The Indian economy is expected to grow by 6.5% in FY24, however, adverse macroeconomic or geopolitical developments may slow down domestic economic growth.

The pandemic once again brought to the fore the criticality and importance of insurance. The General Insurance industry helped minimise the financial strain and individual hardships due to COVID-19 hospitalisation, by paying ~ ₹ 25,000 crore of pandemic related claims.

The General Insurance industry registered a growth of 16.4% in FY23, growing to Gross Direct Premium of ~ ₹ 257,000 crore. Accident & Health insurance segment led the industry growth with 21% premium growth. Motor insurance segment grew by 15% on the back of 20% growth in vehicle sales. Commercial lines registered a growth of 14%, while crop insurance witnessed a 9% growth. Private sector insurers (including standalone health insurers) further improved market share and now have a 62% market share in the industry.

IRDAI introduced various regulatory reforms in FY23, with the prominent ones being introduction of mandatory Know Your Customer (KYC) requirement, easing entry of new insurers, improving access to capital, increasing flexibility to insurers in product development and managing expenses, distribution reforms, encouraging innovation, etc. It also suggested a guide-path for transition to Ind AS and Risk Based Capital regimes. The Insurance Act Amendments, which are currently awaiting Parliamentary approval, propose structural changes and expand the ambit of insurance to include value added services. These changes, along with the proposed measures to create the Bima Sugam platform, the State Insurance Plan and the Bima Vistaar - Bima Vahak initiatives would increase insurance penetration and accelerate the maturity of Indian insurance market in the coming years.

Your Company took another step in the journey towards consistently delivering high quality customer service this year,

“

The Company is now the fourth largest General Insurance Company in India and second largest in the private sector.”



Ritesh Kumar, MD & CEO

as we initiated migration of our core technology systems to cloud. We are also further leveraging digital and artificial intelligence to improve our claims processes, and upgrading the experience of our customers and intermediaries.

We are an Equal Opportunity employer, and I am happy to share that this year we took further steps in our Diversity and Inclusion journey. Our gender diversity ratio improved from 19% to 23%. In addition, our 'Nari Shakti' program – an endeavor to employ women colleagues in positions that have long been dominated by men – was well received, and we now have as many as 17 women motor insurance surveyors.

We also formalised an Environmental, Social and Governance (ESG) Framework as a part of our journey to further embrace sustainability in various aspects of our business, and plan to build on it in the coming years.

FY23 being a non-COVID year, supported by our portfolio steering measures, resulted in an improvement in our loss ratio – from 84.0% in FY22 to 79.9%. As a result, our profit after tax grew by 31%, from ₹ 500 crore to ₹ 652.7 crore.

Your Company registered a strong growth of 23.1% in Gross Written Premium in FY23, from ₹ 13,707 crore to ₹ 16,873 crore. With a 6.5% market share, we ended as the **fourth largest General Insurance Company in the country, and the second largest in the private sector**. This is an important milestone for us, and **I would like to thank all our customers, advisors, intermediaries, partners, employees and all our stakeholders for their contribution made and look forward to their continued patronage.**

BOARD OF DIRECTORS



Keki M. Mistry

Keki M. Mistry (DIN: 00008886) is the Non- Executive Chairman of the Company. He is a fellow member of The Institute of Chartered Accountants of India. He joined Housing Development Finance Corporation Limited (HDFC) in 1981 and was appointed as the Executive Director in 1993, as the Deputy Managing Director in 1999 and as the Managing Director in 2000. He was re-designated as the Vice Chairman & Managing Director of HDFC in October 2007 and as the Vice Chairman & Chief Executive Officer w.e.f January 1, 2010. He is currently a member of the Primary Markets Advisory Committee set up by the Securities and Exchange Board of India (SEBI). He is the Chairman of the

sub-group constituted by SEBI to 'Review the Reverse Book Building Process and Review the Compulsory Delisting Framework Adopted by Stock Exchanges'. He was also the Chairman of the sub-group constituted by SEBI to 'Review the SEBI Buyback Regulations'. He was a member on the Committee of Corporate Governance set up by the SEBI in 2017. He was the Chairman of the CII National Council of Corporate Governance for five years (2016-17 to 2017-18 and 2019-20 to 2021-22). He was also a member of the CII Economic Affairs Council for 2021-22.



Renu Sud Karnad

Renu Sud Karnad (DIN: 00008064) is a Non- Executive Director of the Company. She is the Managing Director of Housing Development Finance Corporation Limited (HDFC). She holds a Master's degree in Economics from the University of Delhi and a Bachelor's degree in law from the University of Mumbai. She is a Parvin Fellow – Woodrow Wilson School of Public and International Affairs, Princeton University, USA. She joined HDFC in 1978 and was appointed as the Executive Director in 2000, re-designated as the Joint Managing Director of HDFC in October 2007. She has been the Managing Director of

HDFC w.e.f. January 1, 2010. She is currently the President of the International Union for Housing Finance (IUHF), an association of global housing finance firms.



Dr. Oliver Martin Willmes

Dr. Oliver Martin Willmes (DIN: 08876420) is a Non-Executive Director of the Company. He has studied Business Administration at the University of Cologne. Dr. Willmes has done MBA from Eastern Illinois University, USA. Dr. Willmes is currently the Chairman of the Board of Management and Chief Operating Officer at ERGO International AG.



Dr. Clemens Matthias Muth

Dr. Clemens Matthias Muth (DIN: 07824451) is a Non-Executive Director of the Company. He has studied Economics at the Universities of Mainz and Munich. He has done Doctorate in Economics from Munich University. He is currently Member of the Board of Management of ERGO Group AG, responsible as Chief Underwriting Officer for all lines of Insurance and is also the Chairman of the Board of Management of DKV Deutsche Krankenversicherung AG.



Bernhard Steinruecke

Bernhard Steinruecke (DIN: 01122939) was the Director General of Indo-German Chamber of Commerce from 2003 till 2021. He studied Law and Economics in Vienna, Bonn, Geneva and Heidelberg and has a Law Degree from the University of Heidelberg in 1980 (Honours Degree) and passed his Bar exam at the High Court of Hamburg in 1983. He was the former Co-CEO of Deutsche Bank India and Co-Owner and Speaker of the Board of ABC Privatkunden-Bank, Berlin. He was appointed as an

Independent Director of the Company for a period of five years w.e.f. September 9, 2016 and was re-appointed as an Independent Director for another term of five consecutive years w.e.f. September 9, 2021.



Mehernosh B. Kapadia

Mehernosh B. Kapadia (DIN: 00046612) holds a Master's degree in Commerce (Honours) and is a member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India. Most of his corporate career of 35 years has been with GlaxoSmithKline Pharmaceuticals Limited (GSK) where he has worked for over 27 years. He retired as the Senior Executive Director and Chief Financial Officer of GSK w.e.f. December 1, 2014. Over the years, he has been responsible for an extensive range of finance and company secretarial matters. He has also held

management responsibility for other functions during his tenure with GSK, including Investor Relations, Legal and Compliance, Corporate Affairs, Corporate Communications, Administration and Information Technology, and held the position of Company Secretary for many years. He was appointed as an Independent Director of the Company for a period of five years w.e.f. September 9, 2016 and was re-appointed as an Independent Director for another term of five consecutive years w.e.f. September 9, 2021.



Arvind Mahajan

Arvind Mahajan (DIN: 07553144) is an Independent Director of the Company. He is a graduate (B.Com. Hons) from Shriram College of Commerce, Delhi University and has a Post Graduate Diploma in Management from IIM, Ahmedabad.

He has more than 35 years experience in management consulting and industry. His management consulting experience includes more than 22 years as partner with AF Ferguson & Co, Price Waterhouse Coopers, IBM Global Business Services and most

recently with KPMG. His industry experience was with Procter and Gamble in financial management and management reporting.

In his career at KPMG India, he has led business consulting services and later the Energy, Infrastructure, Government and Healthcare practices of the firm. He also had the privilege of being a member of KPMG's Global Business Consulting and Global Infrastructure Sector Leadership teams. His specialisation is in advising CEOs & Boards in area of business strategy and helping "make strategy happen" through growth and transformation initiatives. He also has strong background in corporate finance, enterprise risk management and people and change. He has advised clients in a diversified portfolio sectors including consumer, financial services, technology, media, telecom, energy, infrastructure & government.

He was appointed as an Independent Director of the Company for a second term of period of five years w.e.f. November 14, 2016 and was re-appointed as an Independent Director for another term of five consecutive years w.e.f. November 14, 2021.



Ameet P. Hariani

Ameet P. Hariani (DIN:00087866) has over 35 years of experience advising clients on corporate and commercial law, mergers and acquisitions, real estate and real estate finance transactions. He has represented large organisations in international real estate transactions, arbitrations and prominent litigations. He was a partner at Ambubhai and Diwanji and Andersen Legal India, and the founder and managing partner of Hariani & Co.. He has now transitioned to practising as a senior legal counsel doing strategic legal advisory work. He also acts as an arbitrator, mediator and as an independent, non-executive director on the boards of several well reputed companies. He holds Law degree from Government Law College, Mumbai and Masters in Law degree from the University of Mumbai. He is a Solicitor enrolled with the Bombay Incorporated Law Society and the Law Society of England and Wales. He is also a member of the Bar Council of Maharashtra and the Bombay Bar Association. He was appointed as an Independent Director of the Company for a period of five years w.e.f. July 16, 2018 and has been recommended for re-appointment for a subsequent five year period.



Sanjib Chaudhuri

Sanjib Chaudhuri (DIN: 09565962) has over forty years of experience in the Indian non-life insurance and reinsurance market. As a Cost & Management Accountant and trained in Systems Analysis from the UK, Sanjib started off in heavy engineering companies viz., Guest Keen & Williams Ltd. and Garden Reach Shipbuilders & Engineers Ltd. and then as an Associate of the Insurance Institute of India switched to insurance in 1979. He served National Insurance Co. for 19 years in diverse set of roles including the challenge of introducing computerised data processing across the industry. He left National as Assistant General Manager in 1997 and joined Munich Reinsurance Company, Munich, Germany as the Chief Representative for India. Besides setting up a permanent office of Munich Re in India in the restricted PSU regime, he was also responsible for reinsurance business development in India, Sri Lanka, Bangladesh and Nepal. He set up Munich Re's India Representative Office in 1999 as one of the first foreign reinsurers' permanent presence in the Indian market and his superannuation in 2014 coincided with the opening of the Munich Re India Branch. Sanjib served the General Insurance Council of India as a member of the Executive Committee during 2015-18. He was nominated by IRDAI as the Policyholders' Representative and has also served in various committees of IRDAI including Health Insurance Forum and Committee to Recommend Amendments to the Regulations regarding Foreign Reinsurers' Branches.



Vinay Sanghi

Vinay Sanghi (DIN: 00309085) has more than three decades of experience in the auto industry and is a leading figure in the Indian auto industry. He has a demonstrated track record of excellence in the industry and has been responsible for conceptualising and executing numerous successful business ventures.

Vinay is the Founder, Chairman and Managing Director of CarTrade Tech and has been the driving force of CarTrade Tech since its inception in 2009 and he recently taking the company public.

In his current role, Vinay has been instrumental in CarTrade Tech establishing market leadership and effecting consolidation in the space by acquiring CarWale, BikeWale, Adroit Auto, and Shriram Automall.

Before starting CarTrade Tech, Vinay was the CEO of Mahindra First Choice Wheels Ltd. As CEO he was influential in taking the company from a start-up to becoming one of India's leading used-car companies.

Vinay is also a partner in the Sah and Sanghi group of companies.



Dr. Rajgopal Thirumalai

Rajgopal Thirumalai (DIN:02253615) is a qualified health care professional with more than three decades of experience in preventive medicine, public health, occupational health and health & hospital administration and in dealing with health insurance products, brokers and providers. He has around thirty years of experience with Unilever Group, the last position being Vice President, Global Medical and Occupational Health of Unilever Plc responsible for providing strategic inputs and leadership in comprehensive health care, including pandemic management, global health insurance, medical and occupational health services (physical and mental well-being), for over 155,000 employees worldwide.

Dr. Rajgopal represented Unilever as a member of the Leadership Board of the Workplace Wellness Alliance of the World Economic Forum. It was under his leadership that Unilever won the Global Healthy Workplace Award in 2016. He was also the Independent Director at Apollo Hospitals Enterprise Limited and Apollo Super Speciality Hospitals Ltd from August 2017 to March 2021. He also served as the COO for Breach Candy Hospital, Mumbai from April 2021 to March 2022. Dr. Rajgopal was awarded the Dr. B C Roy National Award (Medical field), which was bestowed by the President of India in 2016.



Samir H. Shah

Samir H. Shah (DIN: 08114828) is a fellow member of The Institute of Chartered Accountants of India (FCA), and an associate member of The Institute of Company Secretaries of India (ACS) and The Institute of Cost Accountants of India (ACMA). He joined the Company in 2006 and has about 32 years of work experience, of which over 16 years is in the General Insurance sector. He was appointed as the Executive Director & CFO of the Company for a period of five years w.e.f. June 1, 2018 and was re-appointed for another term of five years w.e.f. June 1, 2023 and is currently responsible for Finance, Accounts, Tax, Secretarial, Legal & Compliance, Risk Management, Internal Audit functions of the Company.



Anuj Tyagi

Anuj Tyagi (DIN: 07505313) is a Chemistry (H) graduate and has a Post Graduate Diploma in Business Management. He has worked in banking and insurance services for over 25 years with leading financial institutions and insurance groups in the country and has been associated with the Company since 2008. He was appointed as Whole-time Director (designated as Executive Director & CBO) of the Company for a period of five years w.e.f. May 1, 2016. On November 13, 2020, Anuj was re-appointed as the Executive Director & CBO for a further period of five years and thereafter re-designated as the Deputy Managing Director w.e.f. April 20, 2021 and then as Joint Managing Director w.e.f. April 27, 2023.



Ritesh Kumar

Ritesh Kumar (DIN: 02213019) is the Managing Director and CEO of the Company since 2008. He has about 31 years of experience in the Financial Services Industry, of which the first 10 years were in Banking and the last 21 years in Insurance. He is a commerce graduate from Shriram College of Commerce, Delhi and holds a MBA degree from Faculty of Management Studies (FMS), Delhi.

KEY MANAGEMENT PERSONNEL



Ankur Bahorey
President –
Bancassurance



Parthanil Ghosh
President - Retail
Business



Sanjay Kaw
Chief Underwriting
Officer



Sriram Naganathan
Chief Technology
Officer



Sudakshina Bhattacharya
Chief Human
Resources Officer



Hiten Kothari
Appointed
Actuary



Chirag Sheth
Chief Risk
Officer



Sanjay Kulshrestha
Chief Investment
Officer



Vyoma Manek
Company Secretary
& Chief Compliance
Officer

COMPANY SECRETARY

Dayananda V. Shetty
Membership No.: FCS 4638
(upto January 31, 2023)

AUDITORS

G. M. Kapadia & Co.
Chartered Accountants

B S R & Co. LLP.
Chartered Accountants

COMPANY SECRETARY & CHIEF COMPLIANCE OFFICER

Vyoma Manek
Membership No.: ACS 20384
(Company Secretary w.e.f.
February 1, 2023)

BANKERS

HDFC Bank Ltd.

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Universal Insurance Building,
Ground Floor, Sir P.M. Road, Fort,
Mumbai - 400 001
Tel. No: +91 22 40807008/0
Fax No: +91 22 66311776

Axis Trustee Services Limited
The Ruby, 2nd Floor,
SW, 29 Senapati Bapat Marg, Dadar
(West),
Mumbai - 400028
Tel. No: +91 22 62260056/7
Fax No: +91 22 43253000

HDFC ERGO General Insurance Company Limited

Registered & Corporate Office: HDFC House, 1st Floor, 165-166, Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai - 400 020.
Website: www.hdfcergo.com | E-mail: care@hdfcergo.com | Tel. No. : +91 22 6638 3600
CIN: U66030MH2007PLC177117 | IRDAI Reg. No. 146.

Customer Service Address: D-301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg, Bhandup (West), Mumbai 400 078.
Customer Service No.: 022-6234 6234/0120-6234 6234 | care@hdfcergo.com | www.hdfcergo.com

COMPANY HIGHLIGHTS

2nd largest General Insurance player in the private sector and **4th** largest overall

23% growth in Gross Direct Premium income over FY'22

6.5% market share with a 3-year compound annual growth rate (CAGR) of **20%** vis-à-vis industry growth rate of **10%**



CRISIL/AAA, ICRA/AAA, CARE/AAA and Acuité/AAA Credit Rating

Stable outlook for **Non-Convertible Debentures** (Subordinated Debt) programme

~85,000 multi-line agents **~99,000** health-only agents



totalling to ~1.8 lakh agents including Point of Sales Personnel (POSPs)

215 branches and

423 digital offices across

490 districts of the country



9,900 + empanelled hospitals and diagnostic centres across **570 districts** of the country



85% of assets in Sovereign and AAA or equivalent rated assets



12 crore+ Indians' insurance needs covered since inception



12.2 million policies issued



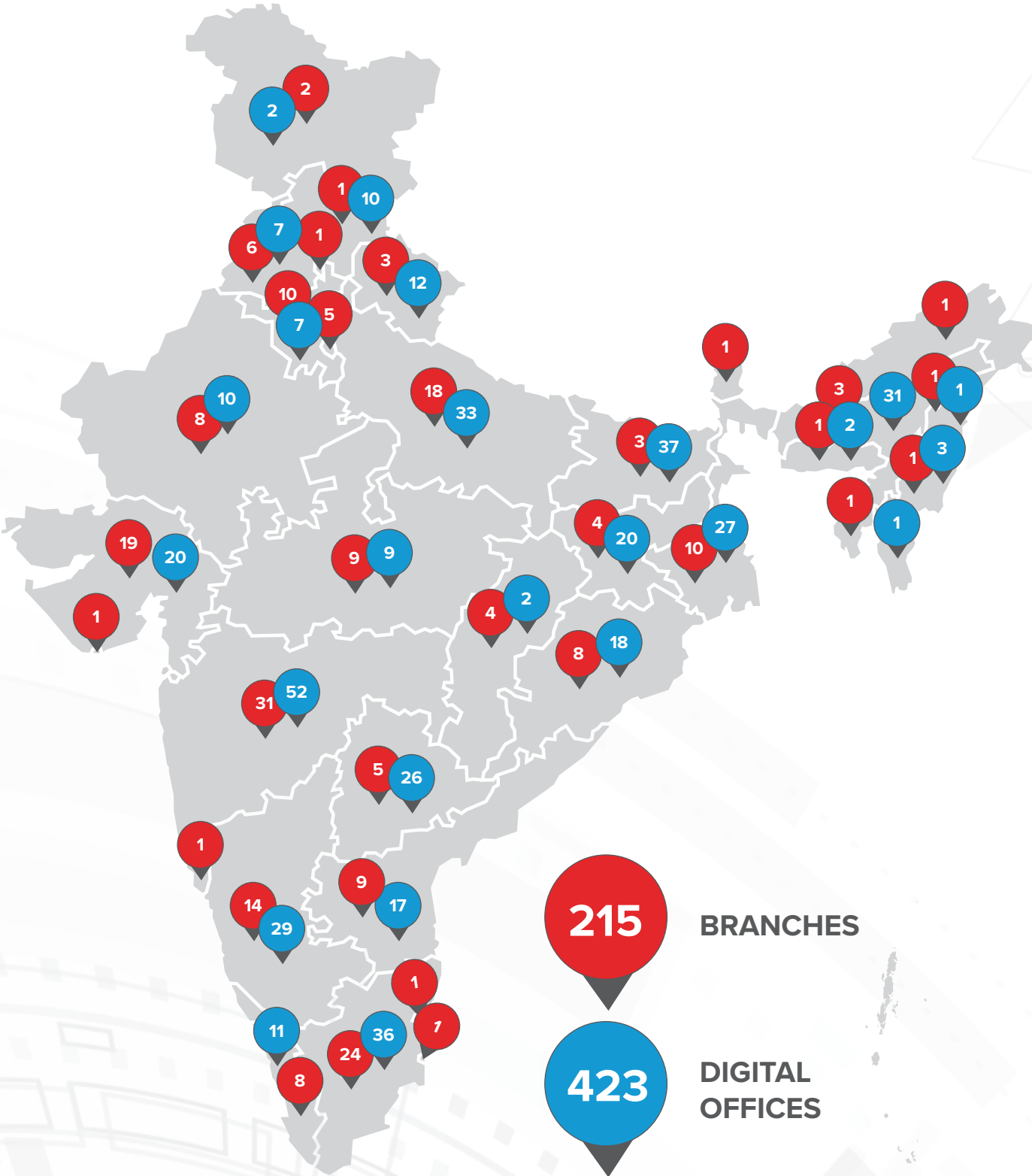
5.8 million claims serviced



ISO certified processes for: Claims Services, Operations, Customer Services, Business Continuity Management System and Information Security Management System

Solvency ratio of **1.81 times** vis-a-vis IRDAI required solvency ratio of **1.50 times**

DISTRIBUTION NETWORK



WE ARE FUTURE READY

Digital innovation has changed the landscape of the insurance industry and at HDFC ERGO we are pioneers of the digital journey. 'A digital-first company with a human heart', the company has several tech innovation firsts to its credit. Holding our future-ready strategy together are two very important tenets - 'Putting the Customer First' and 'Investing in Our People'.

PUTTING THE CUSTOMER FIRST

97%

claim settlement ratio
in Health and Motor
Insurance

Average time taken to settle a claim –

**1 day* for Motor Insurance
and 38 min** for Health
Insurance**

**18 customer
queries serviced in
a minute*****

**88% of motor claims were settled within a day, post receipt of all required documents*

***Average time taken for cashless pre-authorization approval*

****Across all customer touchpoints*

How we do it?

1.

Implemented WhatsApp-based buying journeys (including AI powered features that allow customers to renew their lapsed policies and enjoy a hassle-free vehicle inspection experience, without having to download any app)

2.

Provided servicing capabilities for customers, agents and farmers in 11 languages



3.

Launched PIHU, a WhatsApp chatbot for farmers

4.

Covered 85% of customers' policy servicing needs in the digital ecosystem

INVESTING IN OUR PEOPLE

Recognised in the
**Top 25 India's Best
 Workplaces™ in BFSI**
 for 2023 by Great Place To Work

Recognised among
**Best Organisations for
 Women**
 by The Economic Times

How we do it?



Committed to diversity-focused hiring – 30% of our FY'23 new joiners are women



Implemented an AI-based, mobile-first HR system offering employees an end-to-end mobile-driven experience, automation and collaboration tools



Rolled out a hybrid learning and development system with structured learning journeys, over 3.5 lakh content pieces, social learning and dynamic dashboards and skill-based learning

BEING FUTURE READY



AI-based models facilitate reduction of TAT on certain type of motor claims from couple of hours to around five minutes. Online KYC for new business.



Partnered with Paytm to launch a first of its kind insurance cover against cyber fraud



~ 93% of retail policies issued digitally



Fuelling the movement of 'Making India a Healthy Place to Work for All'

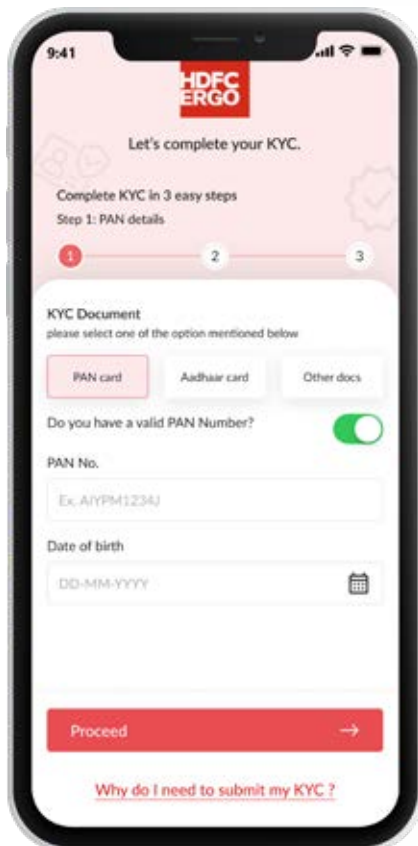


Launched 'All Things EV', the country's first one-stop-solution portal for electric vehicles (EVs)

How we do it?

1.

Developed Pehchaan, an in-house digital solution for due diligence and KYC



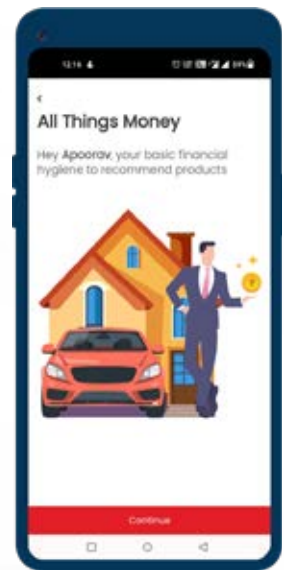
2.

Implemented an AI motor claims system – Intelligent Damage Estimation and Assessment Solution (IDEAS)- that has led to faster detection of external damage and faster claim processing



3.

Created Kompass, a digital advisory tool to identify customer insurance protection gaps and recommend suitable need-based projects



4.

Partnered with IIT Bombay (IITB) to set up innovation labs and incubators with IIT graduates and professors to support high-impact projects, jointly owned by HDFC ERGO and IITB





6.

Hosted the Wellness Confluence in conjunction with 'Great Place to Work India' to roll out a charter for the country's wellbeing



5.

Launched largest edition of the HDFC ERGO Insurance Quiz, expanding the quiz geographically to more than 1,500+ schools and 2,600 students in over 110+ cities countrywide



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Sixteenth Annual Report of your Company together with the audited financial statements for the financial year ended on March 31, 2023.

Financial Results

(₹ in crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Gross Written Premium	16,873.1	13,707.1
Net Written Premium	8,880.8	7,106.9
Net Earned Premium	8,035.0	6,878.6
Other Income/Liabilities written back	5.4	2.2
Net Incurred Claims	6,423.0	5,781.1
Net Commission (Income)/ Expenses	(238.5)	(277.1)
Expenses of Management	2,406.1	2,009.0
Investment Income – Policyholders	1,129.0	1,040.0
General Insurance Result	578.9	407.7
Investment Income – Shareholders	272.1	243.7
Profit before Tax - Before providing for diminution in value of investments & write-off of Bad and Doubtful Investments	851.0	651.4
Provision towards diminution in value of investments & write-off of Bad and Doubtful Investments	(17.5)	(16.3)
Profit before Tax - After providing for diminution in value of investments & write-off of Bad and Doubtful Investments	868.4	667.8
Provision for Tax	215.8	167.6
Profit after Tax	652.7	500.1
Interim Dividend	249.5	231.7
Transfer to Debenture Redemption Reserve	-	-
Profit carried to Balance Sheet	403.2	268.5
Credit balance in P & L account at the year end	1,450.1	1,046.9

Performance

The Gross Written Premium (GWP) of the Company increased to ₹ 16,873.1 crore (PY: ₹ 13,707.1 crore). The Net Earned Premium increased to ₹ 8,035.0 crore (PY: ₹ 6,878.6 crore). The Company achieved a Profit before Tax of ₹ 868.4 crore (PY: ₹ 667.8 crore). The Profit after Tax for the year is ₹ 652.7 crore (PY: ₹ 500.1 crore).

Dividend

The Board of Directors had approved the payment of an interim dividend of ₹ 3.5 per equity share of ₹ 10 each for the financial year 2022-23 in March 2023 (as against ₹ 3.25 per equity share paid during the previous year). The said dividend was encashed by all shareholders.

The Board of Directors has not recommended final dividend for FY23.

Increase in Paid-up Share Capital

During the year, there was no allotment of equity shares pursuant to exercise of stock options under the Employees Stock Option Plan-2009 (ESOP-2009).

The Paid-up equity share capital and Share Premium Account of the Company stood at ₹ 712.78 crore and ₹ 1,416.6 crore as on March 31, 2023. Housing Development Finance Corporation Limited, Indian Promoter, holds 49.988% of the paid-up share capital of the Company, ERGO International AG, Foreign Promoter holds 48.992% and balance 1.020% by other employees.

Proposed Merger of HDFC Limited with HDFC Bank Limited

The Board of Directors of HDFC Limited (HDFC) has approved, on April 4, 2022, a composite scheme of amalgamation (Scheme) for the amalgamation of

- HDFC Investments Limited and HDFC Holdings Limited, wholly-owned subsidiaries of HDFC, with and into HDFC and
- HDFC with and into HDFC Bank Limited (HDFC Bank), and their respective shareholders and creditors, under Sections 230 to 232 of the Act, the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder.

The aforesaid Scheme is subject to the receipt of requisite approvals from the statutory and regulatory authorities.

Non-Convertible Debentures

On September 19, 2022, in terms of IRDAI (Other Forms of Capital) Regulations, 2015 ('OFC Regulations'), the Company exercised the call option on 800 Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable, Non-Convertible Debentures ('NCDs') of the face value of ₹ 10,00,000 each, aggregating to ₹ 80 crore bearing interest of 8.40% per annum, issued on September 18, 2017. All the NCD holders holding the said NCDs as on the Record Date were paid the redemption amount along with the interest accrued thereon.

During the year, the Company issued and allotted the following Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable, Non-Convertible Debentures on a private placement basis, in accordance with OFC Regulations and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with the Operational Circular issued by SEBI dated August 10, 2021.

Date of Allotment	No. of NCDs	Face Value (₹ per NCD)	Coupon Rate
September 19, 2022	800	10,00,000	7.72% p.a.
February 20, 2023	30,000	1,00,000	8.15% p.a.

The aforementioned NCDs are redeemable at the end of 10 years from the date of allotment, for cash at par, with a call option at the end of 5 years from the date of allotment and annually thereafter. The said NCDs are rated by CRISIL and ICRA and were assigned the highest ratings of CRISIL AAA/Stable and ICRA AAA/ Stable respectively.

As at March 31, 2023, the Company's outstanding Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable NCDs stood at ₹ 829.00 crore consisting of:

Date of Allotment	No. of NCDs	Face Value (₹ per NCD)	Total value of NCDs (₹ in crore)	Coupon Rate	Date of Redemption	Credit Rating
September 18, 2018	740	10,00,000	74	10.25% p.a.	September 17, 2028	CRISIL AAA/Stable, CARE AAA/Stable, Acuité AAA/Stable and ICRA AAA/Stable
November 9, 2021	3,750	10,00,000	375	7.10% p.a.	November 9, 2031	CRISIL AAA/Stable and ICRA AAA/Stable
September 19, 2022	800	10,00,000	80	7.72% p.a.	September 19, 2032	CRISIL AAA/Stable and ICRA AAA/Stable
February 20, 2023	30,000	1,00,000	300	8.15% p.a.	February 20, 2033	CRISIL AAA/Stable and ICRA AAA/Stable
Total			829			

All the above NCDs are listed on the Whole Sale Debt Market Segment of BSE Limited.

The Company has been regular in servicing its interest obligation towards the aforementioned NCDs.

Debenture Redemption Reserve

As required under Section 71(4) of the Act read with Rule 18(7)(b)(iv)(B) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Company is required to create a Debenture Redemption Reserve (DRR) out of the profits available for payment of dividend. As at March 31, 2023, the balance in DRR stands at ₹ 35.6 crore.

Annual Return

The Annual Return in prescribed Form MGT- 7 for FY23 can be accessed on the website of the Company (www.hdfcergo.com).

Number of meetings of the Board

During the year, the Board met six (6) times on April 25, 2022, July 21, 2022, October 20, 2022, January 6, 2023, January 25, 2023 and March 2, 2023.

The details of attendance of the Directors at the Board and Committee meetings are provided in the Report of the Directors on Corporate Governance.

Policy on Director's Appointment and Remuneration

The Company has in place a Board approved Policy on Appointment of Directors, Key Managerial Personnel (KMP) and Senior Management (Appointment Policy) and Remuneration Policy for the Directors, Key Managerial Personnel (KMPs) and Senior Management and other Employees (Remuneration Policy).

The objective of the Appointment Policy is to inter-alia provide a framework and set standards for the appointment of Directors and KMPs who should have the capacity and ability to lead the Company towards achieving its stated goals and strategic objectives, taking into account the interest of all stakeholders including shareholders, policyholders, channel partners and employees while ensuring appropriate balance of skills, experience, knowledge and expertise among its Directors.

The objective of the Remuneration Policy is inter-alia to ensure that

- i. the level and composition of remuneration is in line with other companies in the industry, sufficient to attract and retain right talent at all levels and keep them motivated enough to meet the organisational objectives;
- ii. a reasonable balance is maintained in the composition of remuneration (fixed and variable component);

- iii. performance measurement parameters are in place to assess the overall performance of Directors, KMPs, Members of Senior Management and other employees; and
- iv. the remuneration of Whole-time Directors including Managing Director & CEO is ascertained in accordance with the guidance of the NRC & the Board, keeping in perspective the various risks including their time horizon and that such remuneration reflects the performance of the Company measured against performance objectives including risk outcomes.

The said policies are hosted on the website of the Company (www.hdfcergo.com).

Comments on Auditor's Report

Neither the Secretarial Auditor nor the Joint Statutory Auditors have made any qualification, reservation or adverse remark or disclaimer in their reports. The reports of the Secretarial Auditor and the Joint Statutory Auditors are appended to this Report.

Further, during the year under review, the Joint Statutory Auditors have not reported any incidents of fraud to the Audit and Compliance Committee of Directors.

Particulars of Loans, Guarantees or Investments under Section 186

The Company has not given any loan or guarantee to any person or body corporate.

The investments of the Company are done in accordance with the IRDAI (Investment) Regulations 2016, as amended from time to time, the Corporate Governance Guidelines dated May 18, 2016 issued by IRDAI ('CG 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.

Related Party Transactions

Transactions/ arrangements by the Company are in its ordinary course of business with related parties and primarily includes sale of various insurance policies, selling of insurance policies by related parties appointed as Corporate Agents, receipt of premium and payment of claim thereof, banking arrangements, purchase/ sale of securities directly or indirectly through a related party, payment of premium / receipt of commission on reinsurance ceded, etc.

The Audit and Compliance Committee of Directors has granted omnibus approval to enter into Related Party Transactions which are recurring in nature and in the ordinary course of business.

The Related Party Transactions that were entered into during the year were in the ordinary course of business and on an arm's length basis. The details of transactions with related parties were placed before the Audit and Compliance Committee of Directors at its quarterly meetings.

The Policy on related party transactions of the Company is hosted on the Company's website.

During the year, there were no material, financial or commercial transactions by the Senior Management having personal interest that had potential conflict with the interest of the Company at large.

Pursuant to provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has taken requisite approval of Members for entering into material related party transactions with HDFC Bank and Munich Re during FY23.

As required under Regulation 53(f) read with Para A of Schedule V of LODR Regulations and Accounting Standard AS-18 on Related Party Disclosures, the details of related party transactions entered into by the Company during the year are included in the Notes to Accounts.

Material Changes and Commitments affecting the Financial Position

There were no Material Changes or Commitments, affecting the Financial Position of the Company between March 31, 2023 and the date of this report.

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Since the Company does not carry out any manufacturing activity, the provisions with respect to disclosure of particulars regarding conservation of energy and technology absorption are not applicable to the Company.

During the year, the Company incurred an expenditure of ₹ 226.13 crore in foreign exchange (PY: ₹ 291.98 crore) mainly on account of reinsurance premium and claims payment. Premium received and claims received on reinsurance ceded in foreign exchange during the year was ₹ 244.37 crore (PY: ₹ 211.89 crore).

Risk Management Framework

The Company recognises that risk is an integral element of insurance business and realises the criticality of institutionalised 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 risks, investment risks, insurance risks and information & cyber security risks. The material aspects Environmental, Social and Governance (ESG) are mapped into and integrated with the RMF.

The Risk Management Committee of Directors (RMC) has laid down the Risk Management Philosophy and Policy of the Company. The RMC oversees the functioning of the RMF which has been designed in line with the aforesaid Philosophy and Policy. The Chief Risk Officer (CRO) is responsible for the consistent implementation of the RMF. The CRO reports to the RMC. The CRO inter-alia presents the key and top risks to the RMC at its quarterly meetings.

The RMC is further assisted by a Sub-Committee comprising the CEO, Executive Directors, CRO and Heads of various business units which ensures the implementation of the Company's Risk Management Philosophy, Strategies, Policies and Procedures.

Under RMF, the Company has entrusted designated Risk Owners to periodically identify, assess, manage and mitigate the risks pertaining to their respective areas of responsibility.

The material risks identified by the Company and the mitigation measures are as under:

1. Underwriting and Reserving Risks

Underwriting Risk is the risk of change in value due to a deviation of the actual claims payment from the expected amount of claims payment. Underwriting Risk encompasses risk of concentration and insufficient diversification.

Reserving Risk is the risk of eventual cost of claims diverging from the booked reserves due to under-reserving which can make certain classes of business look profitable than they really are. Conversely, over-reserving tends to lock in unnecessary capital and could result in portfolio steering in the wrong direction.

The following controls and mitigation measures have been established to effectively mitigate aforesaid risks:

- The Underwriting Guidelines are used as a basis for

underwriting of risks and basis for pricing charged to the proposer;

- Prudent margins are built in reserves and a regular monitoring of its adequacy is done;
- Adequate protection is ensured through a well-designed Reinsurance Program with financially sound reinsurers;
- Catastrophe (CAT) protection has also been ensured to mitigate the risks of large losses arising from probable catastrophic events;
- Detailed Reserving Guidelines are documented for all classes of business which define the procedures to be adhered to; and
- The default reserve values are reviewed on a periodic basis to identify any significant changes in loss development patterns/IBNR utilisation trends and formulas are adjusted if deemed necessary and agreed by all stakeholders.

2. Credit and Market Risk

Adverse change in financial situation due to fluctuation in the market price of investment assets, its liquidity and credit quality are some of the material risks faced by the General Insurers.

The Company's Investment Function is overseen by the Investment Committee, duly assisted by the Chief Investment Officer (CIO). The investments of the Company are made as per the Board approved Investment Policy, Investment Strategy Document and the Standard Operating Guidelines and are compliant with the provisions of IRDAI (Investment) Regulations, 2016 and circulars issued thereunder.

The Investment Policy and the Standard Operating Guidelines have been designed to be more conservative than regulatory provisions relating to investment in debt and equity instruments.

Market risk is managed by maintaining exposure in equity within the limits set out in the Investment Policy and guidelines thereunder. Exposure to debt is managed by maintaining a modified duration of the debt portfolio within the limits set by the Investment Policy.

Liquidity risk is managed by maintaining investments in money market instruments upto the desired level as required.

Credit risk or risk of default of counter parties is managed by investing a substantial portion of the investible corpus

in securities with prescribed Credit Rating (Sovereign and AAA rated securities).

The aforementioned risks are reviewed and monitored on a regular basis by the Management, Investment Committee and the Risk Management Committee.

Credit risk also arises on the reinsurance protection taken by the Company. The Company ensures that it enters into reinsurance agreements with reinsurers who comply with the prescribed minimum Financial Strength Rating (FSR). This minimises its credit risk exposures in reinsurance protection arrangements.

3. Operational Risks

The Company faces varied operational risks in the various processes it operates in the course of its day-to-day business such as Underwriting, Policy Administration, Claims, Finance, Investment, Marketing, Customer Experience, etc. Operational risks majorly arise from breakdowns in internal processes, people and systems.

Operational risks are mitigated by developing comprehensive policies and processes and by implementing both automated and manual controls across various activities performed by various departments.

Business Continuity risks are managed by implementing a robust Business Continuity Policy and Processes to ensure safety of human resources and continuity of key services and offering from bouquet of products at minimum acceptable level of business. The Company has an alternate Disaster Recovery (DR) site and the identified critical business processes are tested periodically at the DR site to assess its operational preparedness in case of any eventuality. The Company has been certified under ISO 22301:2019 standard for its Business Continuity practices.

Information and Cyber Security

The Company assigns critical importance to information and cyber security risks. Insurance business is highly information driven where information is recognised 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 controls are in place:

- Board approved Information and Cyber Security Policy;

- Board approved Information and Cyber Security Crisis Management Plan;
- ISO 27001:2013 Certified Information Security Management System;
- Awareness programme for employees such as awareness mailers, simulation and tabletop exercises, etc; and
- Vulnerability Assessment and Penetration Testing exercise on a periodic basis.

Further, the Company constantly endeavours towards improvement of the Information & Cyber Security posture given the dynamic and complex cyber security threat landscape.

Corporate Social Responsibility (CSR)

The Company's CSR Policy is hosted on its website - www.hdfcergo.com. The Policy inter-alia specifies the broad areas of CSR activities that could be undertaken by the Company, the approach and process for undertaking CSR projects and the monitoring mechanism.

During the year, the Company has completely spent the mandated amount of ₹ 12.66 crore on various CSR activities.

Under the **Gaon Mera Program**, the re-construction of two Government schools in Jikhangaon, Mathura, Uttar Pradesh and Pole, Hooghly, West Bengal were fully completed, during the year.

Additionally, reconstruction was undertaken for two Government schools in Kutba and Kutbi, Muzaffarnagar, Uttar Pradesh, during the year.

Further, solar panels were set up in seven Government schools and 12 smart classes were setup in six Government schools.

The school reconstruction and refurbishment projects undertaken are expected to positively impact the growth in student enrolment, girl education, interest in sports and extra-curricular activities. Nearly 4,000 students and teachers have benefitted through this.

Besides the above, the Company has supported 15 underprivileged students with full scholarship for undergraduate / graduate programme. The Company has contributed to create infrastructure at Ashoka University and support school buses to Trust School.

In total, the Company's education initiative is benefitting over 4,700 lives.

The Company under its **Health Program Niramaya** has supported over 2,100 underprivileged children and adults towards surgeries in the areas of congenital heart defects, cochlear implant, bone marrow transplant, facial and skull deformities, cataract. Also, supported 65 patients affected by thalassemia and cancer.

Besides the above, the Company has set up Sewage Treatment Plant at ADHAR Centre to benefit 354 specially abled adults.

The Company has also completed reconstruction of two Government Hospitals in Maharashtra and Karnataka which will benefit 1.22 lakh villagers.

The Company's Health Care Initiative is benefitting over 1.25 lakh lives.

The Company has undertaken **Women Empowerment Initiatives (Roshini)** and has contributed to the cause of education of girl children by supporting learning centres impacting 1,285 girls; sustainable livelihood to support 1,000 women in West Bengal. The Company has also supported 467 girls by providing them with job oriented vocational skills.

In total, Company's Women Welfare Initiatives Roshini is benefitting over 2,700 lives.

The Company has also selected two accident prone road intersections in Maharashtra and Karnataka for redesign, impacting over 4.19 lakh commuters every day.

In total, Company's CSR Initiatives is benefitting over 5.5 lakh lives.

Board Evaluation

The evaluation of the Board and the Board Committees was carried out on the basis of various parameters like optimum mix, quality and experience of Board members, regularity and frequency of meetings, cohesion in the Board/Committee meetings, constitution and terms of reference of various Board Committees, contribution in shaping the Company's strategy, protecting legitimate interest of various stakeholders, implement best corporate governance practices, follow up on implementation of decisions taken at Board/Committee meetings, Board Committee's promptness and efficacy to report issues requiring Board's attention, quality, quantity and timeliness of flow of information, etc.

The evaluation of Non-Executive Directors (including Independent Directors) was carried out based on

parameters like attendance, active participation, exercise of independent judgement, bringing in objectivity in decision making process, knowledge and competency, commitment, high levels of integrity, leadership, bringing one's own experience to bear on the items for discussion, awareness and observance of governance, value addition to the business and strategic aspects of the Company.

In addition to the above, Whole-time Directors were also evaluated on other parameters such as involvement in the job with dedication, competence, quest for improvement in performance, ability to function as an effective team-member, sufficient understanding and knowledge of the Company and the sector in which the Company operates, understanding and fulfillment of functions assigned by the Board and the law, taking initiative with respect to various areas.

The Independent Directors at its separate meeting evaluated the performance of the Non-Independent Directors, Whole-time Directors, Chairman, Board as a whole and the Board Committees and the views were shared with the Chairman of the Board.

The evaluation was shared with the Chairman of the Board. The overall performance evaluation exercise was completed to the satisfaction of the Board.

Particulars of Employees and other Related Disclosures

The total employee strength of the Company as on March 31, 2023 stood at 10,912.

During the year, 18 employees, including Whole-time Directors, employed throughout the year were in receipt of remuneration of ₹ 1.02 crore or more per annum or ₹ 8.50 lakh or more per month. In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of such employees are set out in the annex to the Directors' Report. In terms of the provisions of the Act read with the said Rule, the Directors' Report is being sent to the shareholders excluding the annex. Any shareholder interested in obtaining a copy of the said annex may write to the Company Secretary.

Further, the disclosures on managerial remuneration as required under Rule 5(1) of the said Rules are provided in Annexure 1 appended to the Directors' Report.

Disclosures on remuneration of Managing Director and Key Management Persons as mandated under IRDAI Guidelines on Remuneration of Non-Executive Director and Managing Director/ Chief Executive Officer/ Whole-Time Director of Insurers dated August 5, 2016

(i) Qualitative Disclosures:

(a) Information relating to the design and structure of remuneration processes and Key Features and Objectives of the Remuneration Policy:

The Nomination & Remuneration Committee (NRC) reviews the principles and practices of the Company with respect to salary increase, promotions, performance management and bonus to all employees of the Company. The Remuneration Policy provides that the level and composition of remuneration is in line with other companies in the industry, sufficient to attract and retain the right talent at all levels and keep them motivated enough to meet the organisational objectives and a reasonable balance is maintained in the composition of remuneration (fixed and variable component). The performance measurement parameters are in place to assess the overall performance of Directors, KMPs, Members of Senior Management and other Employees. The NRC, whilst recommending remuneration of the Managing Director and CEO and other Whole-time Directors to the Board, considers the above factors, which are subject to the approval of IRDAI.

(b) Description of the ways in which current and future risks are taken into account in the remuneration processes:

The remuneration fixing process of Whole-time Directors including that of the Managing Director and CEO, includes evaluation of performance against performance objectives defined by NRC which includes performance criteria covering the enterprise wide Risk Management Framework.

(c) Description of the ways in which the Company seeks to link performance during a performance measurement period with levels of remuneration:

The level of remuneration of Whole-time Directors including Managing Director and CEO for any financial year is inter-alia linked to the following performance objectives set by NRC:

- Top line and bottom line targets of the Company including portfolio steering;
- Overall financial position of the Company including

adherence to IRDAI stipulations on Minimum Solvency Margin and Expenses of Management Limits;

- c. Key strategic and operational deliverables for the year and progress on the mid-term deliverables;
- d. Satisfactory claim settlement and repudiation performance;
- e. Effectiveness of the Grievance Redressal Mechanism; and
- f. Overall compliance to applicable laws including CG Guidelines and other statutory bodies.

The remuneration payable to the Whole-time Directors including Managing Director and CEO is subject to approval from the shareholders of the Company and IRDAI.

(ii) Quantitative Disclosures

The following table sets forth the details of quantitative disclosure of remuneration of Whole-time Directors including the Managing Director and CEO:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Number of MD/ CEO/ WTDs having received a variable remuneration award during the financial year	3	3
Number and total amount of sign-on awards made during the financial year	NIL	NIL
Details of guaranteed bonus, if any, paid as joining / sign on bonus	NIL	NIL
Breakdown of amount of remuneration awards in the financial year (Amount in ₹)		
Fixed	9,75,80,019	8,67,32,313
Variable	3,45,58,025	4,33,62,283
Deferred	NIL	NIL
Non-deferred	NIL	NIL
Total amount of deferred remuneration paid out in the financial year	NIL	NIL
Total amount of outstanding deferred remuneration		
Cash (₹ in million)	NIL	NIL
Shares (nos.)	NIL	NIL
Shares-linked instruments*	NIL	3,74,000
Other forms	NIL	NIL

* Aggregate ESOPs granted to Whole-time Directors at the prevailing fair market value, detailed elsewhere in this report.

In addition to the above, the Whole-time Directors are entitled to and provided perquisite in the nature of Company owned car with fuel reimbursement, provident fund, gratuity, club membership, housing loan subsidy and benefit of medical, life and personal accident insurance, as approved by the NRC in accordance with the Remuneration Policy.

Secretarial Audit

In accordance with the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Messrs. Bhandari & Associates, Practicing Company Secretaries for conducting Secretarial Audit for FY 2022-23.

The Secretarial Audit Report is appended to this Report and does not contain any qualifications.

Employees Stock Option Plan (ESOP)

During the year, the Company granted stock options in respect of 16,45,160 equity shares of ₹ 10 each at an exercise price of ₹ 536 per option under ESOP (Options) to eligible employees.

The Options granted vest in tranches - 25% on completion of two years from grant date, 25% at the end of three years from the grant date and the balance 50% on completion of four years from the grant date and are exercisable within a period of five years from the date of respective vesting. During the year, Options vested aggregated to 9,41,607.

During the year, 6,15,033 Options lapsed and the Options in force as on March 31, 2023 were 57,78,323.

There has been no variation in the terms of the Options granted.

The diluted Earnings Per Share is ₹ 9.13 against a basic EPS of ₹ 9.16.

No Options granted to KMPs and employees including Whole-time Directors amounting to 5% or more of the Options granted during the year.

No employee is granted Options in excess of 1% of the issued share capital of the Company at the time of grant.

Public Deposits

The Company did not accept any deposits from the public during the year.

Auditors

At the fifteenth Annual General Meeting (AGM) held on July 21, 2022, Members had re-appointed Messrs. G. M. Kapadia & Co., Chartered Accountants (Registration No. of the firm with the ICAI: FRN 104767W) and appointed Messrs. B S R & Co. LLP, Chartered Accountants (Registration No. of the firm with the ICAI: 101248W/W-100022), as the Joint Statutory Auditors of the Company to audit the accounts of the Company upto FY 2026-27 and hold office as such upto the conclusion of the twentieth AGM of the Company.

Subsidiary Company

The Company has no subsidiaries.

Directors and Key Managerial Personnel

Re-appointment of Directors liable to retire by rotation

In accordance with the provisions of the Act and the Articles of Association of the Company, Keki M. Mistry (DIN: 00008886) and Renu Sud Karnad (DIN: 00008064), Directors, would retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment and the same is included in the Notice of the sixteenth AGM circulated to the Members.

Re-appointment of Samir H. Shah as Executive Director and CFO

Samir H. Shah (DIN: 08114828) was appointed on June 1, 2018 for a period of five years as a Whole-time Director designated as the Executive Director and CFO upto May 31, 2023.

The Nomination and Remuneration Committee of Directors (NRC) and Audit and Compliance Committee (ACC) recommended the re-appointment of Samir H. Shah, as Executive Director and CFO of the Company for a further period of five years from June 1, 2023 to May 31, 2028 or date of superannuation, whichever is earlier, liable to retire by rotation. Thereafter, the Board of Directors at its meeting held on April 27, 2023 approved the reappointment of Samir H. Shah, as Executive Director and CFO for term of five years subject to the requisite approvals.

Re-appointment of Independent Director(s)

The present term of Ameet Hariani (DIN: 00087866) as Independent Director expires on July 15, 2023.

The Board, pursuant to the provisions of the Act and based on the recommendation of the NRC, recommends the re-appointment of Ameet Hariani for the second term of five years w.e.f. July 16, 2023. As required under the provisions of Section 149(10) of the Act, read with LODR Regulations, the re-appointment of Ameet Hariani as Independent Director shall be subject to requisite approvals.

The Board is of the view that Ameet Hariani possesses relevant qualification and experience to be re-appointed as Independent Director of the Company and fulfils the conditions specified in the Act and the rules made thereunder and is independent of the Management.

Change in Company Secretary

Dayananda V. Shetty retired from the services of the Company and as its Company Secretary with effect from February 1, 2023 on attaining the age of superannuation. Consequently, Vyoma Manek was appointed as Company Secretary (designated as Company Secretary & Chief Compliance Officer) of the Company w.e.f. February 1, 2023.

Directors & Officers Liability Insurance

The Company has in place Directors & Officers Liability Insurance (D&O) for all its Directors (including Independent Directors) and members of the Senior Management Team for such quantum and risks as determined by the Board in line with Regulation 25(10) of the SEBI LODR Regulations.

Declaration by Directors

The Company has received declarations from all Independent Directors confirming that they meet the criteria of independence as provided under sub-section 6 of Section 149 of the Act read with Regulation 16(1)(b) of LODR Regulations as amended.

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

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

The Company has received declarations from all Directors confirming that they are not disqualified from being appointed as Directors under the provisions of Section 164 of the Act. Further, all the Directors have confirmed that they comply with the 'fit and proper' criteria prescribed under the CG Guidelines.

Significant and Material Orders passed by the Regulators or Courts or Tribunals

There are no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

Internal control over Financial Reporting

The internal 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 applicable accounting principles and includes those policies and procedures that:

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company;
- (ii) 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
- (iii) Provide reasonable assurance regarding prevention and timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations and the same are periodically monitored and reviewed by the Management for its adequacy and appropriateness. Standard Operating Procedures are in place largely for all areas of operations and the same are reviewed periodically. The Management has assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2023. As a result of the evaluation, the Management has concluded that the Company's internal control over financial reporting was effective as of March 31, 2023 with no significant deficiency.

Audit and Compliance Committee

The Audit and Compliance Committee comprises six members – four Independent Directors and two Non-Executive Directors. The Chairman of the Committee is an Independent Director and a qualified Chartered Accountant. The composition of the Committee is in conformity with the provisions of Section 177 of the Act and the CG Guidelines.

All the Committee members possess adequate qualifications to fulfill their duties as stipulated under the Act and the CG Guidelines and LODR.

The other details about the Committee are provided in the Report of the Directors on Corporate Governance.

Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA) had notified the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS), consequent to which IRDAI vide circular dated March 1, 2016, directed insurance companies to prepare Ind AS financial statements from April 1, 2018 and onwards.

With the International Accounting Standards Board (IASB) issuing IFRS 17: Insurance Contracts (replacing IFRS 4: Insurance Contracts), IRDAI vide circular dated June 28, 2017, deferred the implementation of Ind AS to periods effective from FY 2020-21.

Considering the challenges in implementation, the IASB, on November 14, 2018 proposed the deferral of IFRS 17 to be implemented from January 1, 2022.

IRDAI vide circular No. IRDAI/F&A/CIR/ACTS/023/01/2020 dated January 21, 2020 informed the insurance companies that IRDAI would be in a position to notify the regulations on preparation of Ind AS compliant financial statements only after final amendments to IFRS 17 are carried out by IASB and corresponding Indian equivalent standard is notified by MCA and stated that it has decided to implement all applicable Ind AS simultaneously from an effective date that would be decided after the finalisation of IFRS 17 by IASB.

Further, vide notification dated March 17, 2020, IASB decided that the effective date of IFRS 17, will be deferred to annual reporting periods beginning on or after January 1, 2023. The Institute of Chartered Accountants of India (ICAI) has issued an exposure draft of amendments to Ind AS 117 corresponding to aforesaid amendments in IFRS 17 issued by IASB.

As advised by IRDAI vide their Circular No. 100/2/Ind AS-Mission Mode/2022-23/1 dated July 14, 2022, the Company has set up a Steering Committee under the aegis of the Executive Director & CFO. The Committee comprises members from cross-functional areas such as Finance & Accounts, Actuarial, Information Technology and Project Management Group. The Company has appointed a knowledge partner to understand the nuances and carry out the diagnostic analysis for few select Portfolio Segments. The said activity is currently underway. Further, the Audit Committee and Board is updated on a quarterly basis of the progress made on the diagnostic exercise.

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

The Company has framed a Policy on Prohibition of Sexual Harassment at the workplace (POSH Policy) based on the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) with an objective to promote a safe and secure work environment for all employees and to provide protection against sexual harassment of employees and prevention thereof and redressal of complaints.

In accordance with the provisions relating to the constitution of Internal Complaints Committee under the POSH Act, the Company has constituted an Internal Complaints Committee (ICC). Presently, ICC comprises six (6) members, of which four (4) are women including a member from a non-governmental organisation, who is an expert on the subject matter. One of the women members is the presiding officer of ICC.

The role of ICC is to monitor complaints and redressal of grievances under the POSH Policy. An online POSH module was enabled for all employees (including study material followed by compulsory test). Also, during the year, mandatory online modules on POSH were conducted to create awareness about the Policy amongst the employees.

During the year under review, no cases were reported.

Secretarial Standards

The Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Registrar & Share Transfer Agent

The Company's Registrar and Transfer Agent (RTA) is KFin Technologies Ltd. (formerly known as Kfin Technologies

Private Limited). The address of the RTA is as follows: KFin Technologies Ltd.

Karvy Selenium Tower B, Plot No. 31-32,
Nanakramguda, Gachibowli,
Serilingampally, Hyderabad – 500 032, Telangana

Email id: einward.ris@kfintech.com

Tel No. : +91-40-67162222

Website: www.kfintech.com

Directors' Responsibility Statement

In accordance with the provisions of Section 134 (5) of the Act and based on the confirmation provided by the Management, your Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures;
- (b) Accounting policies selected were applied consistently. Reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit of the Company for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act and Rules made thereunder, Insurance Act, 1938, as amended, Insurance Rules, 1939 and IRDAI Regulations, Orders, Circulars and Guidelines for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) The annual accounts of the Company have been prepared on a going concern basis;
- (e) Internal financial controls have been laid down to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (f) Proper systems are in place to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

The Board wishes to express its sincere gratitude to the Insurance Regulatory and Development Authority of India, General Insurance Council, Securities and Exchange Board of India, Competition Commission of India, Reserve Bank of India, Ministry of Corporate Affairs and other Ministries of the Government of India, Depositories and the Stock Exchanges for their continued co-operation and support.

The Board appreciates and acknowledges the role of all stakeholders such as the Policyholders, Channel Partners, Health Service Providers, Surveyors, Intermediaries and reinsurers for their continued support, trust and co-operation.

The Board thanks and appreciates the Promoters – Housing Development Finance Corporation Limited and ERGO International AG for providing their guidance and support.

The Board also places on record its appreciation for the hard work, loyalty and commitment, of employees at all levels, enabling the Company's continued growth.

Mumbai
April 27, 2023

On behalf of the Board of Directors

KEKI M. MISTRY
Chairman
(DIN: 00008886)

ANNEXURE 1 TO DIRECTORS' REPORT

Disclosures on Managerial Remuneration

Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided below:

Ratio of remuneration of each director to the median remuneration of the employees of the Company for FY 2022-23:

Name	Designation	Ratio of remuneration of each Director to the median remuneration of the employees
Keki M. Mistry	Chairman (Non-Executive)	10:1
Renu Sud Karnad	Non-Executive Director	7:1
Dr. Oliver Willmes	Non-Executive Director	-
Dr. Clemens Matthias Muth	Non-Executive Director	-
Bernhard Steinruecke	Independent Director	11:1
Mehernosh B. Kapadia	Independent Director	12:1
Arvind Mahajan	Independent Director	12:1
Ameet P. Hariani	Independent Director	13:1
Sanjib Chaudhuri	Independent Director	5:1
Dr. Rajgopal Thirumalai	Independent Director	5:1
Vinay Sanghi	Independent Director	5:1
Samir H. Shah	Executive Director and CFO	83:1
Anuj Tyagi	Deputy Managing Director	106:1
Ritesh Kumar	Managing Director and CEO	276:1

Percentage increase in remuneration of each Director and Key Managerial Personnel in FY 2022-23:

Name	Designation	Increase in Remuneration
Ritesh Kumar	Managing Director and CEO	12%
Anuj Tyagi	Deputy Managing Director	12%
Samir H. Shah	Executive Director and CFO	9%

Dayananda V. Shetty	Company Secretary	10%
Vyoma Manek	Company Secretary & Chief Compliance Officer	8%

The Company did not pay any commission to Non-Executive Directors. It is proposed to pay commission of ₹ 10 lakh each to the Independent Directors for FY 2022-23, which is the same as paid for FY 2021-22. Further details are provided in Form MGT-7, available on the website of the Company (www.hdfcergo.com).

Percentage increase in the median remuneration of employees in FY 2022-23: 7.85%

Number of permanent employees on the rolls of the Company as on March 31, 2023: 10,192

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the remuneration of all employees in FY 2022-23 was 7.85%. The average increase in the remuneration of managerial personnel (i.e. Whole-time Directors) stood at 11% and of non-managerial personnel was 7.85%.

The average increase in remuneration of both the managerial and non-managerial personnel was determined based on the overall performance of the Company. Further, the criteria for remuneration of non-managerial personnel is based on an internal evaluation of key result areas, while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the NRC and approved by the Board of Directors and Guidelines on Remuneration of Non-Executive Directors, Managing Director/Chief Executive Officer/Whole-time Directors of Insurers issued by IRDAI.

The Company confirms that there were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

The remuneration of Key Managerial Personnel is based on the overall performance of the Company.

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

Good Governance is an integral element of the Company's operations. Corporate Governance is the art of directing and controlling the organisation by balancing the needs and interests of various stakeholders of the Company. Corporate Governance is the application of the best management practices, and a commitment to conduct business in a fair, transparent and ethical manner in compliance with the applicable laws. Corporate Governance creates a system of rules, practices and procedures that determines how a Company operates and how it aligns the interest of all its stakeholders. Corporate Governance is required to create a corporate culture of transparency, accountability and disclosure. It enhances organisational performance, enterprise valuation, risk management and instils accountability.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance has been influenced by its Promoters, Housing Development Finance Corporation Limited (HDFC) and ERGO International AG (ERGO). The Company endeavours to adhere to the well-established and proven practices of HDFC and ERGO in maintaining corporate culture and the spirit of managing the business. Corporate Governance is intrinsic to the Management of the Company affairs. Good Governance aids effective management and control of the business. Your Company believes that sound Corporate Governance plays a crucial role in enhancing and retaining the trust of the stakeholders. It enables the Company to maintain high level of business ethics and optimise the value for all its stakeholders.

The Company believes that Corporate Governance is a continuous journey towards sustainable value creation for all the stakeholders and is driven by its values of Sensitivity, Excellence, Ethics and Dynamism (SEED). The Company's vision is to be the most trusted partner for every stakeholder and the Company is committed to provide fair, transparent and equitable treatment to all stakeholders.

The Company endeavours to abide by its value system guided by the principles of accountability, transparency

and timely disclosure of matters of interest to the stakeholders and ensuring compliance with the applicable laws and conducting business in an ethical manner.

The Company is not only committed to following the good corporate governance practices embodied in various regulatory provisions, but also constantly strives to adopt and adhere to the emerging best practices and benchmarking itself against such practices.

The Board of Directors have taken cognizance of various statutory and regulatory requirements in the overall governance framework and remains committed to imbibe the spirit of governance in all spheres of the Company's business and has complied with various provisions of the Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') and the Guidelines on Corporate Governance for the Insurance Sector ('Guidelines') issued by the Insurance Regulatory and Development Authority of India ('IRDAI').

BOARD OF DIRECTORS

The Board of Directors of the Company are responsible for ensuring fairness, transparency and accountability of the Company's business operations and they provide appropriate directions, with regard to leadership, vision, strategies, policies, monitoring, supervision, accountability to shareholders and to achieve greater levels of performance on a sustained basis as well as adherence to the best practices of Corporate Governance. The Board plays a pivotal role in creation of stakeholder value and ensures that the Company adopts sound and ethical business practices and that the resources of the Company are optimally used. The Board periodically reviews and approves the strategy and oversees the decisions of the Management.

The Company has a multi-tier management structure, comprising the Board of Directors and its Committees at the apex, followed by management committees and the officials of the Company. Through this, it is ensured that strategic supervision is provided by the Board; control and implementation of the Company's strategy are achieved effectively, operational management remains focused on

implementation; information regarding the Company's operations and financial performance is made available promptly; delegation of decision making with accountability is achieved; financial and operating control and integrity are maintained at an optimal level; and risks are suitably evaluated and dealt with.

COMPOSITION

The Board has a mix of executive, non-executive and independent directors. The Board comprises competent and qualified directors to drive the strategies in a manner that would sustain the growth of the Company and protect the interest of various stakeholders in general and policyholders in particular.

As at March 31, 2023, the Board comprised 14 members, of which three are Whole-time Directors and 11 are Non-Executive Directors. The three Whole-time Directors include the Managing Director & CEO, Deputy Managing Director and Executive Director & CFO. Of the 11 Non-Executive Directors, two Directors represent HDFC, which includes one Woman Director, two Directors represent ERGO and seven Independent Directors.

The roles of the Chairman and the Managing Director and the CEO are distinct and separate.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies as on March 31, 2023 are as set out in the table below:

Sr. No.	Directors	Category	No. of Directorships as of March 31, 2023#	Of which Number of Committees ##	
				Member	Chairperson
1.	Keki M. Mistry	Non-Executive Director, Chairman	5	8	2
2.	Renu Sud Karnad	Non-Executive Director	6	6	3
3.	Dr. Oliver Martin Willmes	Non-Executive Director	-	1	-
4.	Dr. Clemens Matthias Muth	Non-Executive Director	-	1	-
5.	Bernhard Steinruecke	Independent Director	1	1	-
6.	Mehernosh B. Kapadia	Independent Director	4	8	5
7.	Arvind Mahajan	Independent Director	2	3	-
8.	Ameet P. Hariani	Independent Director	7	6	3
9.	Sanjib Chaudhuri	Independent Director	-	-	-
10.	Vinay Sanghi	Independent Director	2	2	-
11.	Dr. Rajgopal Thirumalai	Independent Director	-	-	-
12.	Samir H. Shah	Executive Director & CFO	-	-	-
13.	Anuj Tyagi	Deputy Managing Director	-	-	-
14.	Ritesh Kumar	Managing Director & CEO	-	1	-

Directorships held in public companies including its subsidiaries registered under the provisions of the Companies Act, 1956/2013 (excluding the Company) have been considered

For the purpose of considering the Committee Memberships and Chairpersonship, the Audit Committee and Stakeholders Relationship Committee of public limited companies (including the Company) have been considered

The number of directorships held by all Directors, as well as their membership/chairmanship in committees is within the limits prescribed under the Act and LODR Regulations.

BOARD EXPERTISE AND ATTRIBUTES

The Board of Directors have a wide range of skills, expertise and experience in the areas which enhances

the overall Board's effectiveness. The Directors have expertise in insurance, banking, finance, healthcare, accountancy, economics, law and human resources.

The details of the Directors of the Company, as at March 31, 2023, with their qualifications, field of specialisation/core skills/expertise are as set out in the table below:

Name of the Director	Qualification	Field of specialisation/core skills/ expertise					
		Governance	Corporate Strategy and Planning	Insurance & Risk Management	Business Management and Marketing	Accountancy and Finance	Health Care
Keki M. Mistry	Fellow of The Institute of Chartered Accountants of India	✓	✓	✓	✓	✓	
Renu Sud Karnad	Law Graduate from The University of Mumbai and Master's degree in Economics from Delhi University and Parvin Fellow – Woodrow Wilson School of International Affairs, Princeton University, USA	✓	✓	✓	✓		
Dr. Oliver Martin Willmes	Business Administration at The University of Cologne and MBA from The Eastern Illinois University, USA	✓	✓	✓	✓	✓	
Dr. Clemens Matthias Muth	Economics at The University of Mainz and Munich, Doctorate in Economics from The Munich University	✓	✓	✓	✓	✓	
Bernhard Steinruecke	Law and Economics in Vienna, Bonn, Geneva and Heidelberg and Law Degree from The University of Heidelberg & passed the Bar exam at the High Court of Hamburg		✓	✓	✓		
Mehernosh B. Kapadia	Master's degree in Commerce (Honours) and Member of The Institute of Chartered Accountants of India and The Institute of Company Secretaries of India	✓	✓	✓	✓	✓	
Arvind Mahajan	Graduate (B.Com. Hons) from Shriram College of Commerce, Delhi University and Post Graduate Diploma in Management from IIM, Ahmedabad.		✓		✓	✓	
Ameet P. Hariani	Law degree from Government Law College, Mumbai and Masters in Law degree from the University of Mumbai	✓	✓				
Sanjib Chaudhuri	B.SC, CMA, All			✓	✓		
Vinay Sanghi	B.Com		✓		✓		
Dr. Rajgopal Thirumalai	Post Graduate in Preventive Medicine (MD), Public Health (DPH), Occupational Health (DIH) and Health & Hospital Administration (DNB).	✓	✓	✓	✓		✓
Samir H. Shah	Fellow Member of The Institute of Chartered Accountants of India and an Associate Member of The Institute of Company Secretaries of India and The Institute of Cost Accountants of India	✓	✓	✓		✓	
Anuj Tyagi	Chemistry (H) graduate and Post Graduate Diploma in Business Management	✓	✓	✓	✓		
Ritesh Kumar	Commerce Graduate from Shriram College of Commerce, Delhi and MBA degree from Faculty of Management Studies, Delhi	✓	✓	✓	✓	✓	

All Independent Directors of the Company, have furnished declarations to the Company under Section 149(7) of the Act, confirming that they meet the criteria prescribed for Independent Directors under Section 149(6) of the Act, Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) of LODR Regulations and that their names have been included in the data bank of Independent Directors as prescribed under the Act.

The Board of Directors are of the opinion that Independent Directors possess the requisite qualification, experience and expertise and they uphold the highest standards of integrity.

RESPONSIBILITIES

The Board of Directors consider the interest of the Company's shareholders in optimising long-term value by providing the Management with guidance and strategic direction. The Board's mandate is, to oversee the Company's strategic direction, review financial, operational and investment performance, review risks pertaining to the business to approve the annual business plan/budget, to ensure regulatory compliance and safeguard the interests of all stakeholders. The Board plays a pivotal role in ensuring good governance and creating value for all stakeholders. The Directors acknowledge their duties as prescribed under the Act, the rules framed thereunder and the Guidelines.

ROLE OF INDEPENDENT DIRECTORS

The Independent Directors bring an independent judgment to the Board's deliberation and objectivity in the Board's decision-making process. The Independent Directors participate constructively and actively in the Committees of the Board. They represent and safeguard the interest of the stakeholders.

FAMILIARISATION PROGRAMME

The Company familiarises new and all its existing Directors. The Directors are briefed through presentations on the economy and industry overview, business overview, key regulatory developments, governance, strategy, investment, human resources and operating performance which are made to the Directors from time to time. The familiarisation programme enables the Non-Executive Directors to make better-informed decisions in the interest of the Company and its stakeholders.

A familiarisation programme is arranged to familiarise the newly inducted Directors with their roles, rights and responsibilities in the Company, as well as with the nature of

the industry and the business model of the Company.

Non-Executive Directors including Independent Directors have also undergone the Orientation Programme of Insurance Companies organised by the National Insurance Academy ('NIA') to familiarise them with the compliances, overview of general insurance, complexities in general insurance, digital opportunities, regulatory aspects of general insurance, actuarial aspects of general insurance, board leadership, the role of independent directors, insights from financial statements and global best practices.

An overview of the familiarisation programme during the year has been hosted on the Company's website.

DIRECTOR'S TERM & TENURE

In accordance with the provisions of Section 152(6) of the Act, not less than two-thirds of the total number of directors shall be persons whose period of office is liable to determination by retirement by rotation. One-third of such directors are liable to retire every year and if eligible, offer themselves for re-appointment.

In accordance with the provisions of Section 149(10) and 152(5) of the Act, the Independent Directors are not liable to retire by rotation and are appointed for a fixed term of five years.

BOARD MEETINGS AND PROCEDURES

All Directors participate in discussing the strategies, business performance, financials, investment performance and key risks pertaining to the business of the Company. The Board follows a set of appropriate standard procedures in the conduct of Board meetings which are summarised below:

The meetings of the Board of Directors are generally held at the Company's registered office in Mumbai. The schedule of meetings to be held in a calendar year is planned well in advance and communicated to the Directors. The notice of each Board and Committee meeting is given in writing through email to each Director, Appointed Actuary, Key Management Personnel, members of Senior Management and Statutory and Internal Auditors, as and when required. The Company also facilitates participation of Directors in the meeting through Video-Conferencing (VC), if for any reason they are unable to participate in the meeting in person or the meeting could not be held in physical form. The Board and its Committees meet at least once a quarter to inter alia review the financial, operational, investment performance and key risks impacting the business of the Company.

The Company Secretary in consultation with the Executive Board prepares a detailed agenda for the meetings. All departments communicate with the secretarial team regarding matters requiring approval of the Board to enable inclusion of the same in the agenda for the meetings. With the objective of transparent flow of information from the Management, detailed agenda notes are sent to all Directors in advance and are also uploaded on a digital application. The Members of the Board also recommend inclusion of any matter in the agenda for discussion. In case of matters requiring urgent consideration by the Board and arising post the dispatch of agenda, the same is taken up for discussion by the Board as part of any other business with the permission of the Chairman and the consent of the majority of Directors present at the meeting.

The Members of the Board have access to all information of the Company. The Appointed Actuary is a permanent invitee at the Meetings of the Board, Audit and Compliance Committee, Policyholder Protection and Grievance Redressal Committee and Risk Management Committee. Members of the Senior Management team are invited to attend the Board and Committee meetings so as to provide additional inputs on the items being discussed, which also gives the Senior Management Team direct access to the Board and Board Members. Urgent matters are also considered and

approved by passing resolution through circulation, which are noted at the subsequent meeting. At the Board Meetings, the Whole-Time Directors and Senior Management deliver presentations covering market developments, updates on industry performance, key regulatory changes, Company's performance covering the financial results, operations, risk management, liquidity, asset liability management, customer grievance redressal mechanisms and any other matters which the Board needs to be apprised of. The Chief Compliance Officer and Company Secretary attend all the Committee Meetings. The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. The draft minutes of each Board and Committee meetings are circulated to the members of the Board / Committee within 15 days from the date of the meeting and the comments, if any on the draft minutes are received within seven days of its circulation. The minutes are finalised within 30 days and thereafter recorded in the Minutes Book.

During FY 2022-23, the Board met six (6) times on April 25, 2022, July 21, 2022, October 20, 2022, January 6, 2023, January 25, 2023 and March 2, 2023. The time gap between any two meetings did not exceed 120 days.

The attendance of the Directors at the said meetings is listed below:

Name of Director	Nature of Directorship	Meeting dated					
		April 25, 2022	July 21, 2022	October 20, 2022	January 6, 2023	January 25, 2023	March 2, 2023
Keki M. Mistry	Non-Executive Chairman	✓	✓	✓	✓	✓	✓
Renu Sud Karnad	Non-Executive Director	✓	✓	✓	✓	✓	✓
Dr. Oliver Martin Willmes	Non-Executive Director	✓	✓	✓	✓	✓	✓
Dr. Clemens Matthias Muth	Non-Executive Director	✓	✓	✓	✓	✓	✓
Bernhard Steinruecke	Independent Director	✓	✓	✓	✓	✓	✓
Mehernosh B. Kapadia	Independent Director	✓	✓	✓	✓	✓	✓
Arvind Mahajan	Independent Director	✓	✓	✓	✓	✓	✓
Ameet P. Hariani	Independent Director	✓	✓	✓	✓	✓	✓
Vinay Sanghi	Independent Director	✓	✓	✓	✓	✓	✓
Dr. Rajgopal Thirumalai	Independent Director	✓	✓	✓	✓	✓	✓
Sanjib Chaudhuri	Independent Director	✓	✓	✓	✓	✓	✓
Samir H. Shah	Executive Director & CFO	✓	✓	✓	✓	✓	✓
Anuj Tyagi	Deputy Managing Director	✓	✓	✓	✓	✓	✓
Ritesh Kumar	Managing Director & CEO	✓	✓	✓	✓	✓	✓

✓ indicates meeting attended & 'x' indicates meeting not attended

The Board also met on April 27, 2023 inter alia for consideration and approval of audited financial statements for the year ended March 31, 2023.

COMMITTEES

To enable better and more focused attention on the affairs of the Company and as required under regulatory provisions, the Board has constituted various Committees. These Committees lay down the groundwork for decision-making and the Minutes of these Committees are placed at the subsequent Board meeting. The terms of reference of the Committees are approved by the Board, which inter-alia includes all the statutory and regulatory stipulations. Details about the meetings of all Committees are detailed in this report.

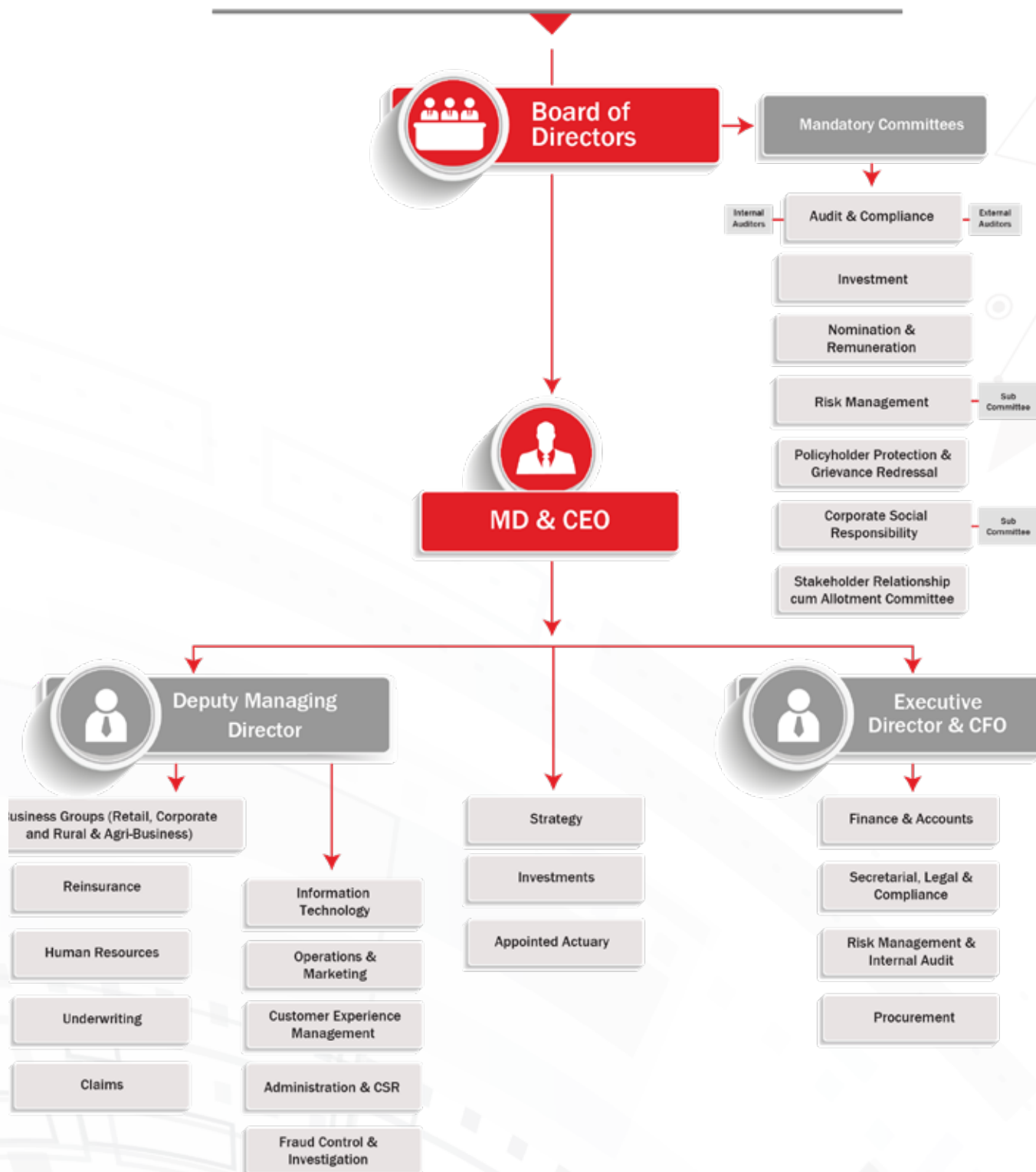
Minutes of the Committee meetings/ report on the activities of the Committee are submitted to the Board at its quarterly meetings. Matters requiring the Board's attention / approval are generally placed in the form of notes / report to the Board from the respective Committee.

The Board has constituted the following Committees with specific terms of reference:

1. Audit and Compliance Committee (ACC)
2. Investment Committee (IC)
3. Risk Management Committee (RMC)
4. Policyholder Protection and Grievance Redressal Committee (PPGRC)
5. Nomination and Remuneration Committee (NRC)
6. Corporate Social Responsibility Committee (CSR)
7. Stakeholders Relationship cum Allotment Committee (SR&AC)

The organisation structure is illustrated below:

HDFC ERGO General Insurance Company Limited



The role and composition of various Committees, including the number of meetings held during the year and the related attendance of the Committee Members at the said meetings are given below:

Audit and Compliance Committee (ACC)

The Audit and Compliance Committee comprises six (6) members – four Independent Directors and one Non-Executive Director each representing HDFC and ERGO. The Chairman of the Committee is an Independent Director and a qualified Chartered Accountant. The composition of the Committee is in conformity with the provisions of Section 177 of the Act, Regulation 18 of the LODR Regulations and the Guidelines.

All the Committee Members possess adequate qualifications to fulfill their duties as stipulated under the Act and the Guidelines.

The Members of the Senior Management and Auditors are invited to participate in the meetings of the Committee as and when necessary. The Committee invites Senior Executives as it considers their presence to be appropriate at its meetings. The Chairman of the Committee briefs the Board of Directors about significant discussions and decisions made during the meeting.

The Committee inter alia oversees the quarterly and annual financial statements before submission to the Board and financial reporting process. The Committee also reviews matters to be included in Directors Responsibility Statement, changes in accounting policies, if any, compliance with listing and other legal requirements, related party transaction and the audit report.

The Committee reviews the internal audit function, compliance function and the work of the Statutory Auditors. It also reviews the reports of the Internal Auditors and Statutory Auditors along with the comments and action taken reports of the Management. The Committee provides appropriate directions to the Management in areas that need to be strengthened. It

approves transactions with related parties, and notes/ratifies the statement of related party transactions which were carried out pursuant to omnibus/specific approval provided by the Committee, oversees age-wise analysis of the unclaimed amount of policyholders, progress on the settlement of unclaimed amount and steps taken by the Company to reduce the unclaimed amount, reviews the process and mechanism in place to comply with the provisions of applicable laws. The Committee recommends to the Board the appointment or re-appointment of the Statutory Auditors, Internal Auditors, Secretarial Auditors, Concurrent Auditors, Auditors for audit of remuneration paid to Motor Insurance Service Providers, Investment Risk Management Auditors and their remuneration. The Committee and Statutory Auditors discuss the nature and scope of the audit prior to the commencement of the audit and areas of concern, if any, arising post audit. The Committee approves the payment to Statutory Auditors for other services rendered by the Statutory Auditors. The Committee oversees the internal financial control and risk management systems of the Company and ensures that adequate procedures and processes have been setup to address all concerns relating to the adequacy of checks and control mechanisms. All the Independent Directors who are Members of the Committee separately meet the Statutory Auditors prior to the approval of the annual audited financial statements.

During the year, the credit rating agencies which rate the Company's debt instruments, met the Committee on December 16, 2022, to inter alia discuss matters relating to related party transactions, liquidity, capital/solvency and risk control measures, internal financial controls and the economic capital requirement of the Company.

During FY 2022-23, the ACC met six (6) times on April 25, 2022, June 17, 2022, July 21, 2022, October 20, 2022, December 13, 2022 and January 25, 2023.

The Committee also met on April 27, 2023 wherein it recommended the audited Financial Statements for the year ended March 31, 2023 to the Board for approval.

The composition of the ACC and attendance of the Committee Members at the meetings held during FY 2022-23 are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated					
			April 25, 2022	June 17, 2022	July 21, 2022	October 20, 2022	December 13, 2022	January 25, 2023
Mehernosh B. Kapadia	Independent Director	Chairman	✓	✓	✓	✓	✓	✓
Bernhard Steinruecke	Independent Director	Member	✓	✓	✓	✓	✓	✓
Arvind Mahajan	Independent Director	Member	✓	✓	✓	✓	✓	✓
Ameet P. Hariani	Independent Director	Member	✓	✓	✓	✓	✓	✓
Keki M. Mistry	Non-Executive Director	Member	✓	✓	✓	✓	✓	✓
Dr. Oliver Martin Willmes	Non-Executive Director	Member	✓	✓	✓	✓	✓	✓

‘✓’ indicates meeting attended & ‘x’ indicates meeting not attended

Investment Committee (IC)

The Investment Committee comprises eight (8) members – one Non-Executive Director each representing HDFC and ERGO, one Independent Director, the Managing Director and CEO, the Executive Director and Chief Financial Officer, the Appointed Actuary, the Chief Investment Officer and the Chief Risk Officer. The composition of the Committee is in conformity with the provisions of the IRDAI (Investment) Regulations, 2016, as amended from time to time.

The Committee reviews the Investment Policy of the Company, its implementation and the operational framework for investment operations, ensuring liquidity for smooth operations, compliance with prudential regulatory norms on investments and risk management / mitigation strategies to ensure adequate return on investment of Policyholder and Shareholder funds. The Committee also

reviews the ALM and the investment strategies adopted from time to time and gives suitable directions as needed. The Committee at its quarterly meetings inter alia reviews the report of the concurrent auditors on the audit of investment transactions and related systems, the investments made by the Company during the quarter, ALM position and the investment strategy for the period ahead and provides advice and suggestions.

All the Committee Members are fully conversant with various responsibilities cast on them by the IRDAI (Investment) Regulations, 2016, as amended from time to time. The Committee regularly apprises the Board on the performance and analysis of the Company's investment portfolio and strategy.

During FY 2022-23, the IC met five (5) times on April 25, 2022, July 6, 2022, July 21, 2022, October 20, 2022 and January 25, 2023. The IC also met on April 27, 2023.

The composition of the IC and attendance of the Committee Members at the meetings held during the year are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated				
			April 25, 2022	July 6, 2022	July 21, 2022	October 20, 2022	January 25, 2023
Keki M. Mistry	Non-Executive Director	Chairman	✓	✓	✓	✓	✓
Dr. Clemens Matthias Muth	Non-Executive Director	Member	✓	✓	✓	✓	✓
Arvind Mahajan	Independent Director	Member	✓	✓	✓	✓	✓
Ritesh Kumar	Managing Director & CEO	Member	✓	✓	✓	✓	✓
Samir H. Shah	Executive Director & CFO	Member	✓	✓	✓	✓	✓
Hiten B. Kothari	Appointed Actuary	Member	✓	✓	✓	✓	✓
Sanjay Kulshrestha	Chief Investment Officer	Member	✓	✓	✓	✓	✓
Sanjay Mishra*	Chief Risk Officer	Member	✓	-	-	-	-
Chirag Sheth*	Chief Risk Officer	Member	-	✓	✓	✓	✓

* inducted as Member of the Committee, in place of Sanjay Mishra w.e.f. June 20, 2022

‘✓’ indicates meeting attended & ‘x’ indicates meeting not attended

Risk Management Committee (RMC)

The Risk Management Committee comprises ten (10) members – five Independent Directors, two Non-Executive Directors representing HDFC, one Non-Executive Director representing ERGO, the Managing Director and CEO and the Executive Director and Chief Financial Officer. The Chairman of the Committee is an Independent Director.

The Chief Risk Officer is a permanent invitee to the meetings of the Committee and has attended all the meetings of the Committee.

The terms of reference of the Committee inter alia include overseeing the Company's risk management policy and practices, reviewing various key risks and frauds associated with the business of the Company, evaluation

of risk exposure and laying down risk tolerance limits and thereby assisting the Board in effective monitoring of the Risk Management Framework (RMF). The RMC advises the Board with regard to risk management in relation to strategic and operational matters. The RMC also reviews the ALM and the solvency position on a regular basis. The Committee would also review appointment, removal and terms of remuneration of the Chief Risk Officer (CRO).

In accordance with the framework, the RMC provides an assurance that risk exposures are adequately controlled and identified gaps are effectively taken care of by implementing appropriate risk minimisation measures.

During FY 2022-23, the RMC met four (4) times on April 25, 2022, July 21, 2022, October 20, 2022 and January 25, 2023. The RMC also met on April 27, 2023.

The composition of the RMC and attendance of the Committee Members at the meetings held during FY 2022-23 are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated			
			April 25, 2022	July 21, 2022	October 20, 2022	January 25, 2023
Bernhard Steinruecke	Independent Director	Chairman	✓	✓	✓	✓
Mehernosh B. Kapadia	Independent Director	Member	✓	✓	✓	✓
Ameet P. Hariani	Independent Director	Member	✓	✓	✓	✓
Sanjib Chaudhuri*	Independent Director	Member	NA	✓	✓	✓
Dr. Rajgopal Thirumalai*	Independent Director	Member	NA	✓	✓	✓
Keki M. Mistry	Non-Executive Director	Member	✓	✓	✓	✓
Renu Sud Karnad	Non-Executive Director	Member	✓	✓	✓	✓
Dr. Oliver Martin Willmes	Non-Executive Director	Member	✓	✓	✓	✓
Samir H. Shah	Executive Director & CFO	Member	✓	✓	✓	✓
Ritesh Kumar	Managing Director & CEO	Member	✓	✓	✓	✓

* inducted as Member of the Committee w.e.f. April 25, 2022.

‘✓’ indicates meeting attended & ‘x’ indicates meeting not attended

The Company has a Sub-Committee of the RMC (SC-RMC) comprising senior executives including the Managing Director and CEO and Executive Directors. The SC-RMC inter alia discusses the Company's RMF and its effectiveness, monitors key areas of existing and emerging risks and assists the RMC in fulfilling its objectives of managing various risks associated with the business of the Company.

Policyholder Protection and Grievance Redressal Committee (PPGRC)

The Policyholder Protection and Grievance Redressal Committee comprises nine (9) members –four Independent Directors, two Non-Executive Directors representing HDFC, one Non-Executive Director representing ERGO, and two Executive Directors. The Chairman of the Committee is an Independent Director.

The Committee reviews the processes followed in redressal of Policyholder grievances and the grievance redressal mechanism of the Company and suggests mechanism for the speedy redressal of complaints/ grievances from Policyholders. The Committee also reviews the steps taken by the Company to reduce unclaimed amount due to the Policyholders.

The Committee also reviews (i) the awards given by Insurance Ombudsman/Consumer Forums and the root cause of customer complaints (ii) the claims report including the status of outstanding claims with ageing and repudiated claims with an analysis of the reasons thereof.

The Policy on Protection of Interests of Policyholders (PPHI Policy) is available on the website (www.hdfcergo.com). The key objective of the Policy is to provide a mechanism to redress the grievance and complaints of the Policyholders in a time-bound manner and to their satisfaction in accordance with the applicable laws. A designated email id viz. grievance@hdfcergo.com is provided to enable Policyholders to submit their grievance/ complaint and its speedy redressal.

The Committee regularly submits its report to the Board inter alia with regard to complaints/ grievances received and resolved, mechanism in place/ process being followed for resolution of the complaints/ grievances and its observations on the efficacy of the existing mechanism. The report also contains the status of outstanding claims with ageing and repudiated claims with an analysis of the reasons thereof.

During FY 2022-23, the PPGRC met four (4) times on April 25, 2022, July 21, 2022, October 20, 2022 and January 25, 2023. The PPGRC also met on April 27, 2023.

The composition of the PPGRC and the attendance of the Committee Members at the meetings held during the year are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated			
			April 25, 2022	July 21, 2022	October 20, 2022	January 25, 2023
Arvind Mahajan	Independent Director	Chairman	✓	✓	✓	✓
Keki M. Mistry	Non-Executive Director	Member	✓	✓	✓	✓
Renu Sud Karnad	Non-Executive Director	Member	✓	✓	✓	✓
Dr. Clemens Matthias Muth	Non-Executive Director	Member	✓	✓	✓	✓
Ameet P. Hariani	Independent Director	Member	✓	✓	✓	✓
Sanjib Chaudhuri*	Independent Director	Member	NA	✓	✓	✓
Vinay Sanghi*	Independent Director	Member	NA	✓	✓	✓
Anuj Tyagi	Deputy Managing Director	Member	✓	✓	✓	✓
Samir H. Shah	Executive Director & CFO	Member	✓	✓	✓	✓

* inducted as Member of the Committee w.e.f. April 25, 2022.

‘✓’ indicates meeting attended & ‘x’ indicates meeting not attended

In terms of the Guidelines stipulated by IRDAI, Ravi Vaidee has been appointed as the customer representative / expert to the PPGRC.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee comprises six (6) members – four Independent Directors, one Non-Executive Director each representing HDFC and ERGO. The Chairman of the Committee is an Independent Director.

The terms of reference of the Committee inter alia include formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the appointment and remuneration of the directors, key managerial personnel, senior management and other employees of the Company as well as a policy on board diversity. The Committee determines the criteria for evaluation of performance of the Board and its Committees and of individual Directors. The Committee's function includes identifying persons who are qualified to become directors of the Company, recommending their

appointment or re-appointment of the existing directors to the Board, ensuring that such persons meet the relevant criteria as prescribed under the applicable laws including qualification, area of expertise and experience, track record and integrity.

The terms of reference of the Committee also includes consideration and determination of the salary and other terms of the compensation package for the Whole-time Directors, recommend to the Board the annual compensation of the Whole-time Directors, subject to approval of IRDAI, recommends to the Board the remuneration payable to the Key Managerial Personnel, Senior Management Personnel and approve overall salary increase across the organisation, administration of the Employee Stock Option Plan (ESOP), recommend grant of stock options to eligible employees, fixing of criteria inter alia for evaluation of the performance of individual Directors, the Board as a whole and the Board Committees.

During the year, the NRC met two (2) times on April 25, 2022 and January 25, 2023. The NRC also met on April 27, 2023.

The composition of the NRC and the attendance of the Committee Members at the meetings held during the year are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated	
			April 25, 2022	January 25, 2023
Mehernosh B. Kapadia	Independent Director	Chairman	✓	✓
Bernhard Steinruecke	Independent Director	Member	✓	✓
Arvind Mahajan	Independent Director	Member	✓	✓
Ameet P. Hariani*	Independent Director	Member	NA	NA
Keki M. Mistry**	Non-Executive Director	Member	✓	✓
Renu Sud Karnad	Non-Executive Director	Member	✓	✓
Dr. Clemens Matthias Muth	Non-Executive Director	Member	✓	✓

* w.e.f. January 25, 2023; **upto January 25, 2023

‘✓’ indicates meeting attended & ‘x’ indicates meeting not attended

Corporate Social Responsibility Committee (CSR)

The CSR Committee comprises seven (7) members – four Independent Directors, one Non-Executive Director each representing HDFC and ERGO and one Executive Director. The Chairman of the Committee is an Independent Director. During FY 2022-23, the Committee met four (4) times on April 25, 2022, July 21, 2022, October 20, 2022 and January 25, 2023. The CSR Committee also met on April 27, 2023.

The composition of the CSR Committee and the attendance of the Committee Members at the meetings held during the year are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated			
			April 25, 2022	July 21, 2022	October 20, 2022	January 25, 2023
Ameet P. Hariani	Independent Director	Chairman	✓	✓	✓	✓
Mehernosh B. Kapadia	Independent Director	Member	✓	✓	✓	✓
Vinay Sanghi*	Independent Director	Member	NA	✓	✓	✓
Dr. Rajgopal Thirumalai*	Independent Director	Member	NA	✓	✓	✓
Renu Sud Karnad	Non-Executive Director	Member	✓	✓	✓	✓
Dr. Oliver Martin Willmes	Non-Executive Director	Member	✓	✓	✓	✓
Anuj Tyagi	Deputy Managing Director	Member	✓	✓	✓	✓

* inducted as Members of the Committee w.e.f. April 25, 2022

‘✓’ indicates meeting attended & ‘x’ indicates meeting not attended

The CSR Policy of the Company inter alia specifies the key focus areas for CSR activities/ projects that could be undertaken by the Company, formulation of the Annual Action Plan, approach and process for undertaking CSR projects and the monitoring mechanism. The CSR Policy is available on the website of the Company (www.hdfcergo.com). The Annual Report on CSR activities, as prescribed under Section 135 of the Act read with Rule 9 of the Companies (Accounts) Rules, 2014 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2019, as amended is appended to the Board's Report.

The Company has a sub-committee of the CSR Committee (SC-CSR) comprising the Senior Management team including Executive Directors.

The SC-CSR evaluates and identifies CSR projects and includes the same in the Annual Action Plan and assists the CSR Committee / Board of Directors in fulfilling the Company's CSR obligations and ensures timely execution and implementation of CSR projects and monitoring thereof.

Stakeholders Relationship cum Allotment Committee of Directors (SR&AC)

In accordance with the Regulation 20 of Chapter IV of LODR Regulations, the Company has constituted a Stakeholders Relationship Committee, to specifically look into various aspects of interest of shareholders, debenture holders and other security holders, comprising minimum three Directors with at least one Independent Director.

Considering the roles and responsibilities of the Stakeholders Relationship Committee similar to the Allotment Committee, the Board of Directors at its meeting held on January 25, 2023 renamed Allotment Committee of Directors as Stakeholders Relationship cum Allotment Committee of Directors (SR&AC) comprising the following members:

Members	Position
Mehernosh B. Kapadia	Independent Director
Keki M. Mistry	Non-Executive Director
Renu Sud Karnad	Non-Executive Director
Dr. Clemens Matthias Muth	Non-Executive Director
Ritesh Kumar	Managing Director and CEO

The terms of reference of the SR&AC inter alia includes resolving grievances of the shareholders and debenture

holders, adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent, reviewing various measures and initiative taken for reducing the quantum of unclaimed dividends, as and when arises and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company and consideration and approval of allotment of shares and other securities.

Meeting of Independent Directors

In terms of Section 149(8) read with Schedule IV and Regulation 25(3) of LODR Regulations, the Independent Directors met on March 29, 2023 to evaluate the performance of the Whole-time Directors, Non-Independent Directors, Chairman, Board Committees and the Board as a whole and to assess the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

REMUNERATION

Non-Executive Directors

The remuneration of Non-Executive Directors (other than Independent Directors) consists of sitting fees and the Independent Directors are paid sitting fees and commission. The commission payable to Independent (Non-executive) directors is within the overall limits as approved by the shareholders.

The Non-Executive Directors are covered under Group Medical Insurance Policy, the premium for such Non-Executive Directors, other than Independent Directors, is borne by the Company.

The Independent Directors and the Non-Executive Directors representing HDFC are paid sitting fees of ₹ 1,00,000 each for attending Board and Committee Meetings. Also, each Independent Director is paid a commission of ₹ 10,00,000 per annum.

Executive Directors

The details of elements of remuneration paid to Managing Director & Chief Executive Officer and other Directors and Key Management Persons are disclosed under 'Managerial Remuneration' section of Schedule 16 - Notes to Accounts forming part of the financial statements.

The remuneration details of Whole-Time Directors as mandated under IRDAI Guidelines on Remuneration of

Non-Executive Directors and Managing Director/ Chief Executive Officer/ Whole-Time Director of Insurers dated August 5, 2016 is disclosed in the Directors report.

Details of the remuneration paid and stock options granted to the Whole-Time Directors and KMPs during FY23 are as under:

(Amount in ₹)

Particulars	Name of MD/ WTD/ Manager				
	Ritesh Kumar (Managing Director and CEO)	Anuj Tyagi (Deputy Managing Director)	Samir H. Shah (Executive Director and CFO)	Dayanand Shetty (Company Secretary)*	Vyoma Manek (Company Secretary & Chief Compliance Officer)*
Salary	5,69,42,368	2,16,28,108	1,72,49,980	68,08,261	48,20,012
Perquisites & bonus	4,03,35,932	1,60,87,937	1,30,81,753	25,97,393	17,56,296
Total	9,72,78,300	3,77,16,045	3,03,31,733	94,05,654	65,76,308

*The remuneration for FY23 for Dayananda V. Shetty who served till January 31, 2023 and Vyoma Manek who served from February 1, 2023.

Further, the consolidated fixed remuneration of all the KMPs, for FY2022-23, defined under the CG Guidelines, except the Whole-time Directors, is as under:

(Amount in ₹)

Particulars	KMPs
Salary, Perquisites & bonus	17,67,50,108
Contribution to Provident Fund	42,19,246
Total	18,09,69,352

RELATED PARTY TRANSACTIONS

The Policy on related party transactions of the Company is available on the Company's website-www.hdfcergo.com.

Except to the extent of insurance policies taken in the ordinary course of business, the sitting fees and commission paid as mentioned hereinabove, the Non-Executive Directors (including Independent Directors) do not have any pecuniary relationships or transactions with the Company.

Details of related party transactions entered into by the Company during the year are covered under Notes forming part of the financial statements.

WHISTLEBLOWER POLICY

The Company promotes ethical behaviour in all its dealings, business or otherwise and has put in place a Whistleblower Policy (Policy) for reporting of any unethical or improper activity. The Policy is available on the website of the Company- www.hdfcergo.com.

In terms of the Policy, any person including employees, customers and vendors may report malpractice, actual or suspected fraud, violations of the Company's Code of Conduct, abuse of power or authority by any official of the Company or any other Act with an intention of unethical personal gain or cause damage to the Company or its employees to the Whistleblower Complaints Committee (WBCC) constituted for the purpose. The Policy provides for maintaining the confidentiality of such reporting and ensures that the Whistleblowers are protected and not subjected to any discriminatory practices.

In terms of the Policy, whistle blowing complaint can be sent directly to the Chairman of the Audit and Compliance Committee of Directors. During the year, no person was denied access to the Committee for expressing concerns or reporting grievances under the Policy.

During the year, four intimations were received at the whistleblower email ID, mainly business-related – increase in premium, wrong claims by the advisor and HR related – violation of Code of Conduct.

CODE OF CONDUCT

The Company's Code of Conduct is applicable to all employees and Directors. All the members of the Board and Senior Management Personnel have confirmed adherence to the provisions of the said Code of Conduct.

SECURITIES DEALING CODE

As required under the provisions of Regulation 13(B)(2) of IRDAI (Investment) Regulations, 2016 and the Securities

and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has framed HDFC ERGO Securities Dealing Code for prevention of Insider Trading in the securities of investee companies and NCDs of the Company.

The Directors, Key Management Persons, Designated Employees, other identified employees and their immediate relatives are required to comply with various provisions of the Code, to the extent applicable. These identified persons are prohibited from trading in the securities of the investee companies whilst in possession of any unpublished price sensitive information of such investee companies and prohibited from trading in NCDs

of the Company without obtaining prior approval of the Compliance Officer.

DETAILS OF CLAIMS

The details of all claims incurred, paid, outstanding at the end of the year have been disclosed under Annexure 4 to Schedule 16-Notes to Accounts and Annexure 1 to the Management Report forming part of the financial statements.

On behalf of the Board of Directors

KEKI M. MISTRY
Chairman
(DIN: 00008886)

Mumbai
April 27, 2023

COMPLIANCE CERTIFICATE

In accordance with the provisions of Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India, I, Vyoma Manek, Company Secretary and Chief Compliance Officer of the Company, hereby certify that the Company has complied with the provisions of Corporate Governance Guidelines for Insurance companies issued by IRDAI, as amended from time to time and to the extent applicable and nothing has been concealed or suppressed.

Mumbai
April 27, 2023

VYOMA MANEK
Company Secretary and Chief
Compliance Officer
ACS:20384

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

THE MACRO-ECONOMIC ENVIRONMENT

As the world is trying to come out of the impact of COVID-19, global growth continues to slow down sharply owing to high inflation, elevated interest rates and reduced investments on account of dampened business sentiments. The surge in inflation has led to a swift and simultaneous tightening of monetary policy across the world. The situation has been aggravated by the geo-political situation in Europe.

According to The World Bank, global growth is expected to decline to 1.7% in 2023 — the lowest rate in almost 30 years, except for the global downturns triggered by the pandemic in 2020 and the financial crisis in 2008.

Risks to this outlook lean to the downside. Global inflation could remain high or increase further due to new supply shocks. Furthermore, The World Bank estimates that the investment growth in 2022-24 for emerging markets and developing economies will be 3.5% per year, half the average annual growth rate during 2000-21. This is expected to have a lasting impact on the output growth of these markets.

On the domestic front, despite the slowdown caused by the pandemic, the Indian economy is poised to bounce back to its pre-pandemic growth trajectory in FY 2022-23. It is expected to grow at 7% in FY 2022-23 as compared to 8.7% in FY 2021-22 as per the First Advance Estimates of National Income for FY 2022-23 released by the National Statistical Office (NSO). This positive growth projection arises from various factors, including the upsurge in production activity spurred by the recovery of private spending and increased capital expenditure. In the first eight months of FY 2022-23, the capital expenditure of the central government rose by 63%.

Thanks to the near-universal vaccine coverage, people are now able to spend money on contact-based services, including dining establishments, lodging, retail outlets and movie theatres. The housing market inventory has also significantly decreased as a result of migrant labourers returning to cities to work on construction sites.

This year, the Union Budget aims to further strengthen India's economy. FY 2023-24 Union Budget focuses on three key themes that include:

- Promoting growth and ensuring inclusive welfare,
- Driving technology-enabled development, energy transition and climate action,
- Establishing a virtuous cycle initiated by private investment and reinforced by public capital investment.

In its February 2023 meeting, the Monetary Policy Committee (MPC) pegged real gross domestic product (GDP) growth for FY 2023-24 at 6.5%. With these growth projections, India would be among the fastest-growing major economies in the world. Overall, the macroeconomic outlook for India is cautiously optimistic, with growth prospects supported by policy measures and public consumption but subject to global economic conditions.

THE GENERAL INSURANCE INDUSTRY

A. Regulatory developments

Despite the strong growth of the Indian General Insurance industry over the last two decades, the insurance penetration continues to be low. With an aim to improve the insurance penetration, the Insurance Regulatory and Development Authority of India (IRDAI) announced the multi-decadal vision of "Insurance for All by 2047", i.e. by the 100th year of Indian independence, every citizen and every enterprise should have appropriate insurance coverage.

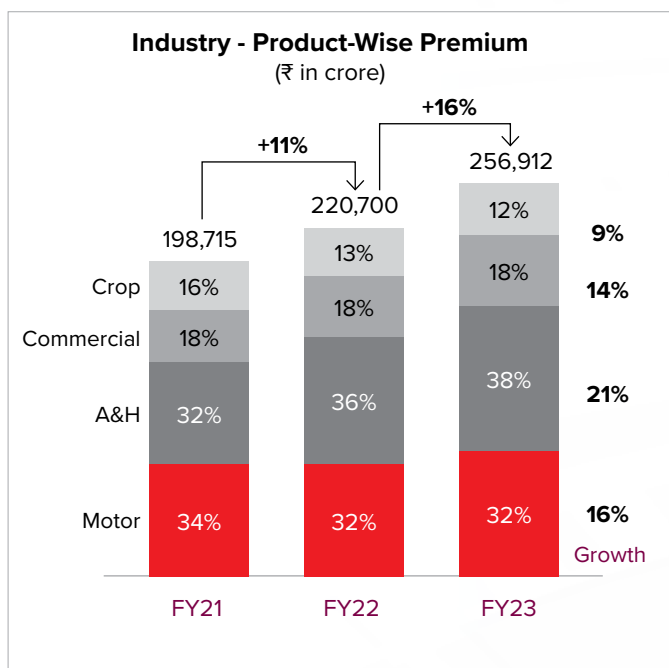
The IRDAI, based on discussions with various industry stakeholders, announced various regulatory reforms to support the industry's journey towards achieving this vision. The prominent changes included a transition to Ind AS regime, making 'Know Your Customer' mandatory, improving 'Ease of Doing Business' for insurers, announcing a single Expense of Management limit, easing the norms for entry of new insurers and introduction of

'State Insurance Plan' to improve insurance awareness across all states of the country.

These reforms are expected to strengthen the insurance industry and augment sustainable growth in the medium to long term.

B. Business performance

The general insurance industry grew by 16% in FY 2022-23, led by Accident and Health (A&H) business. The momentum in A&H business continued in FY 2022-23 leading to 21% growth. The motor segment registered a growth of 16%. Excluding the crop segment, the industry witnessed 18% growth on a year-on-year (Y-o-Y) basis.

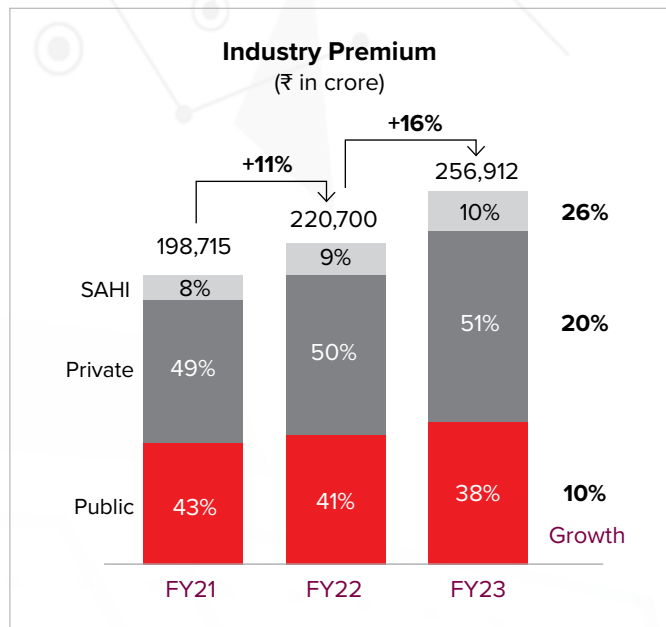


Source: IRDAI & GI Council

During FY 2022-23, private sector insurers grew by 20%, while standalone health insurers grew by 26% and public sector insurers (including the specialised insurers) grew by 10%. Private sector insurers grew faster than public sector insurers across all segments.

In the A&H segment, private and standalone sector insurers grew faster in retail health, personal accident & group health while public sector insurers grew faster in government schemes.

Private sector general insurance companies continue to have ~51% share of the industry due to the muted growth rate of the public sector companies.



Source: IRDAI & GI Council

C. Company performance

1. Competitive strength

1.1. One of the fastest-growing companies

The Company has been one of the fastest-growing general insurance company with a 3-year compound annual growth rate (CAGR) of 20% vis-à-vis an industry growth rate of 10% over the same period. The Company is the second largest private general insurer with an overall market share of 6.5% and a private sector share of 10.5%, ascertained based on gross direct premium.

1.2. Large agency force

The Company has a large agency channel with ~85,000 multi-line agents and ~99,000 health-only agents totalling to ~1.8 lakh agents including the Point of Sales Personnel (POSPs).

1.3. Increased presence in districts

The Company follows a multi-geography, multi-product and multi-channel distribution strategy. As of March 31, 2023, the Company has a strong network of 215 branches and 423 digital offices spread across ~490 districts.

The Company's geographical and channel expansion strategy is focused on increasing insurance penetration in tier-3 cities and beyond. The Digital Office (DO) has helped increase the Company's presence in upcountry locations and now contributes 4.8% of the Company's retail business.

1.4. Retail health insurance focus

In FY 2022-23, the Company was one of the leading retail health insurers in the industry. The Company's retail health premium was ₹ 3,440 crore with a market share of 9.7%. The Company has an extensive network of over 9,900 empanelled hospitals and diagnostic centres spread across 570 districts of India. The Company's flagship products – Optima Secure and Optima Restore – continue to drive the retail health portfolio.

1.5. Large, seamless and integrated digital business

The Company continuously endeavours to digitally connect its customers and distributors. There has been a consistent improvement in digital business contribution to the Company's retail Gross Written Premium (GWP) and currently, it contributes to ~13% of the retail business.

With its strides in digital optimisation and marketing, the Company has launched unique propositions and enabled enhanced customer experiences. Additionally, the Company has been able to scale up its aggregator and affinity business with the help of integration capabilities, seamless customer journeys, wide product offerings and contextual personalised propositions for affinity partners.

1.6. The digital transformation leap

In line with the changing Technology landscape the Company has strategized to invest in areas like Products, Digital Channels, Ecosystems and Partnerships, Core Tech modernization, Analytics and AI and Human Capital enhancement.

The four key pillars of this transformation journey are:

- Customer first
- Unbroken end-to-end journeys
- Talent management
- Being future ready

1.6.1. Customer first

The Company continues to explore new-age technologies like speech recognition, robotics, natural language processing and generation. Multilingual support across digital platforms is in place to service the customers in their preferred language. The Company can service ~85% of the request types digitally. In FY23, the company serviced 66% of policy servicing requests digitally. One-third of these requests were serviced purely through AI platforms.

The Company's AI-based applications like Email bot **eRA**

and Chat bot **Dia** have matured in Natural Language Processing (NLP) to accurately and intelligently engage with customers. The Company has been able to develop a hybrid environment, where man and machine coexist and work seamlessly to provide a truly digital customer experience.

Chat services over WhatsApp are increasingly becoming a preferred channel of servicing across all customer segments and geographies. The Company's WhatsApp chatbot **MyRA** caters to servicing the customers, the **Aqua** chatbot supports our channel partners and the chatbot **Pihu** is dedicated to serving farmers. In FY23, 11.4 lakh+ customer queries were addressed through WhatsApp, marking a 33% increase over the previous year.

The Company has launched its signature program 'ReD Circle' for its premium customers – a program that provides a first of its kind 'Dedicated Virtual Relationship Manager' (VRM). The dedicated VRM is empowered to service the customers through the policy lifecycle and focuses on experience-building and customer delight. The All-Women team at 'ReD Circle' is already creating value in terms of higher satisfaction, personalized one-to-one connection and higher brand affinity.

1.6.2. Unbroken end-to-end journeys

With advanced analytics within underwriting, claims and servicing, the Company's processes are transforming from 'automated' to 'autonomous', thereby improving customer experience, operational efficiencies and information security.

The Company has embarked on a critical application-based cloud migration strategy to optimise usage. A multi-cloud strategy has also been adopted for diversification.

The Company has developed 'Pehchaan' – an in-house digital solution for due diligence and KYC of customers to meet the requirements of the IRDAI AML/CFT Guidelines 2022. Since its inception, over nine lakh KYC requests have been approved and 90% of those were verified instantly.

The key features of 'Pehchaan' include

- Tech stack on KYC and customer due diligence built in-house
- A web and mobile-based platform
- Cloud native built to scale
- Single solution to cater to multiple product journeys, channels and business models

The Company has also undertaken other initiatives, such

as Automated Rule based Underwriting, Data Lake and Nudge Factory to induce orbit-shifting changes in its tech landscape.

1.6.3. Talent management

The Company has implemented a new-age, AI-based, mobile-first HR system. With an integrated digital platform containing all HR services in one place, it offers an end-to-end mobile-driven experience, automation and collaboration tools, powerful analytics and an AI-based chatbot. This new HR system will serve to create a workplace of the future.

To enhance the competencies of its employees the Company has also implemented a hybrid learning and development system. It includes a learning management system (LMS) with structured learning journeys, over 3.5 lakh content and skill-based learning.

1.6.4. Being future ready

The Company has implemented systems to make itself future-ready.

- The Motor AI Claims system IDEAS (Intelligent Damage Estimation and Assessment Solution) provides an end-to-end autonomous journey with a focus on Customer experience. AI-enabled IDEAS has led to faster detection of external damage to automobiles and provides a complete assessment with the estimation of repair/replacement of parts thus resulting in faster claim processing.
- ~97% of the decisions through AI-powered digital pre-inspections are STP. Over one lakh motor claims have been processed through the AI model in FY23 with turnaround time being reduced from a couple of hours to around five minutes.
- The Company has deployed tools using AI-based predictive modelling and analytical engines to flag claims suspected to be fraudulent.
- The Company has created Kompass – a digital advisory tool to identify customer insurance protection gaps and recommend suitable need-based projects, and Vault – an industry-first digital customer engagement and rewards programme under the regulatory sandbox.
- The Company has a strategic partnership with IIT Bombay (IITB) which has consistently been ranked the 1st engineering college in India and 49th globally, among science and technology institutes, as per QS World University Ranking. The partnership will set up innovation labs and incubators with IIT graduates and professors to support high-impact projects, jointly owned by HDFC ERGO and IITB.

1.7. Engaged, happy and skill-ready organisation

To further sharpen the skillset of the workforce, the Company has been continuously engaged in delivering capability-building programmes for its employees. This has inculcated a coaching culture within the organisation, cutting across various geographies and levels.

The Company aims to be the home for Great People Managers and the ground zero for building managerial capabilities. The Company's flagship manager capability development programme – Pivot+ – came into existence with this vision. The company has partnered with Great Manager Institute® to build the Pivot+ programme.

An initiative at creating leaders of the future, WeLead is aimed at high-potential women employees in the Company to achieve holistic development as they aspire to move up their career ladder. The Women Leadership Development Program looks to groom future women leaders by enhancing their confidence, credibility, capability and connections. WINspiration, another women-led talent programme, make the alumni of WeLead mentors to high-performing women colleagues in middle management.

The Company established STEP – Support to Enhance Performance, consisting of well-defined SMART goals, coaching interventions and robust feedback mechanisms. The programme is a key enabler for employees to re-establish themselves into the mainstream through the performance improvement plan.

The Company has also been working towards nurturing an equitable environment. Project Shakti is the Company's gender diversity pillar. As part of Project Shakti, the Company aims to improve its gender diversity over the next few years. The Company currently stands at an encouraging 23%, 4% higher than the previous year.

Project Purple is about the diversity of abilities. With Project Purple, the Company hopes to create a more sensitive, equitable and inclusive workplace that provides opportunities for growth without restrictions.

The Company also holds wellness and health as one of its top priorities. Company sponsored annual health check-ups, financial well-being sessions, yoga and fitness contests are some of the initiatives launched during the year.

1.8. Strong brand presence

The 'HDFC ERGO' brand focuses on generating conversations, connecting with customers and building relationships. One of the most formidable channels

for brand conversations is our strong social media presence. Brand HDFC ERGO has an active and engaged community of close to a million followers across social media platforms.

The Brand has active and engaged communities comprising 7,98,000+ followers on Facebook, 1,53,000+ on LinkedIn, 18,700+ on Instagram and 12,100+ on Twitter. The Brand has an average engagement rate of 12% on Facebook and Twitter, 8% on Instagram and 7.58% on LinkedIn.

The Company has drawn media eyeballs on several occasions and has garnered positive coverage from time to time on its initiatives. It ranks 4th in Share of Voice (SOV) among General Insurance companies in India.

20 years of serving India: The Company celebrated its 20th business anniversary with a campaign that was themed '20 Years of Serving India'. Under this campaign, the Company launched its corporate brand film that highlighted the Company's growth in the past 14 years.

Making India future-ready with HDFC ERGO Insurance Quiz:

The year 2022 saw one of the largest editions of the HDFC ERGO Insurance Quiz yet. The brand expanded the quiz geographically and reached out to more than 1,100 schools and 2,200 students in over 110 cities across the country.

Luxuries can wait, health insurance can't: The Company launched a two-month-long marketing campaign – 'Pehle Health Ki Baat' – to raise awareness about the significance of health insurance throughout India. Outdoor and social media campaigns proved to be crucial in reaching tier-2 and tier-3 locations, while radio and audio streaming platform advertisements helped the brand in targeting millennials and tier-1 locations.

Driving the change: The Company executed a themed campaign on social media, with the hashtag 'When Ma Drives Life Thrives'. It was based on the insight that driving is not just an activity but an expression of freedom that instils confidence and independence in an individual. The campaign engaged millions of users and generated more than 2.5 million views, 2,000 shares and 12,500 likes.

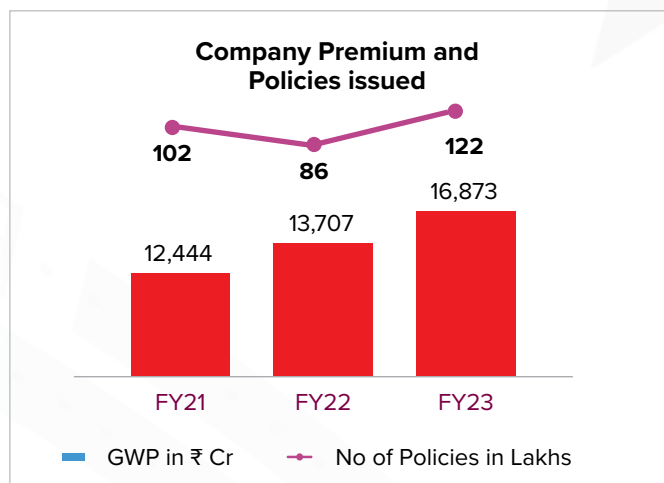
Making India a healthy place to work for all: The Company entered into a strategic partnership with Great Place To Work® India to drive the mission of 'Making India a Healthy Place to Work for All'. The Company truly believes that there is a need and opportunity for leaders in India to come together and strengthen the ecosystem that will fuel this movement. To enable this, the Company and Great Place To Work® India curated an event on March

24, 2023 in Mumbai. This event was envisaged to be a momentous occasion as the Workplace Wellness Index™ was formally launched.

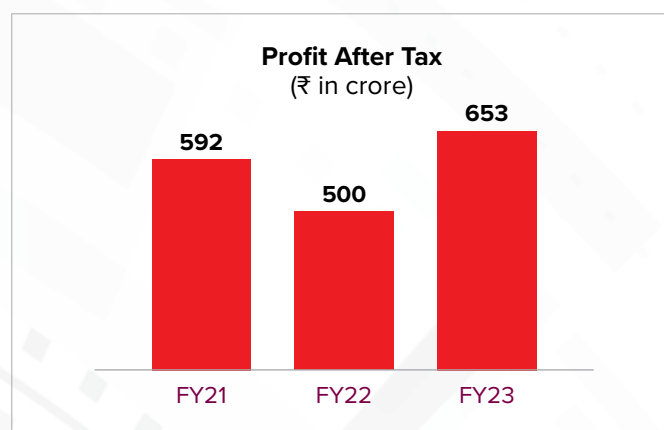
Inspiring stories of India's first batch of women motor claims surveyors: The Company believes in diversity, equity and inclusion (DEI) not just for its employees but for everyone in general. To further its belief, HDFC ERGO launched a campaign to encourage women to pursue their dreams and careers of their choice with passion. The campaign film featured seven in-house women motor claims surveyors, who narrated their inspiring stories of becoming one of the first women motor claims surveyors in the country.

2. Business overview

The Company issued 122 lakh policies (NOP) resulting in a Gross Written Premium (GWP) of ₹ 16,873 crore in FY 2022-23, with a market share of 6.5%, based on GDP. This resulted in a Y-o-Y growth rate of 23% on a GWP base, which translates to a CAGR of 20% over the last three years.



In FY 2022-23, the Company achieved a profit after tax of ₹ 653 crore as compared to the ₹ 500 crore in the previous year, representing a growth of 31%.

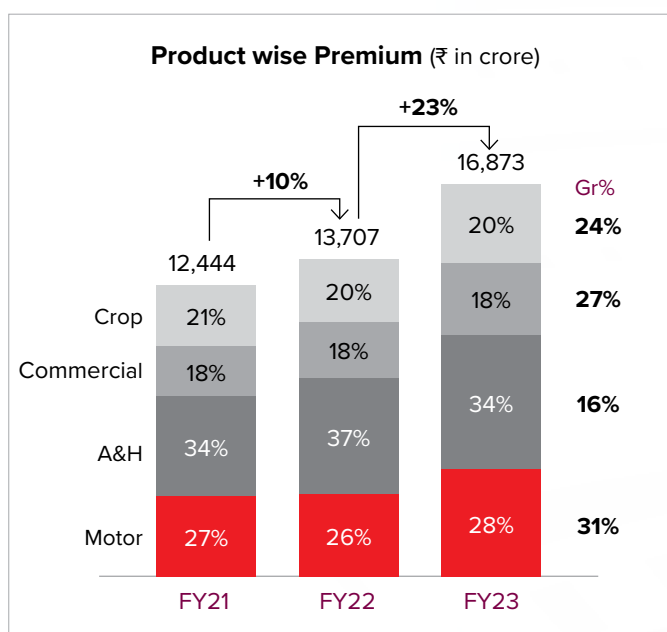


3. Performance highlights

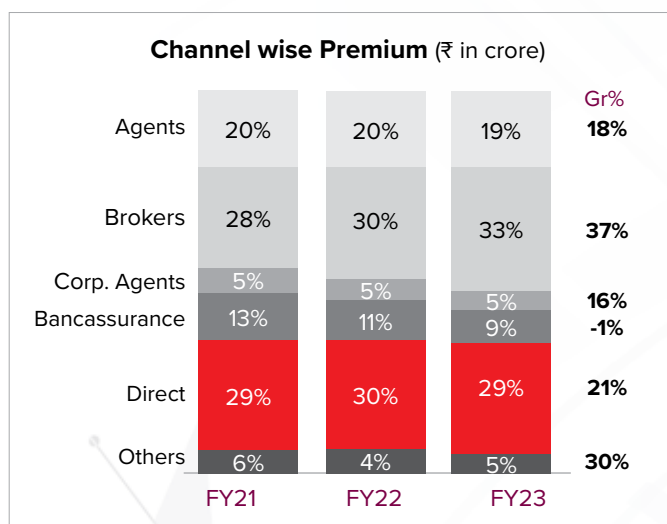
3.1. Premium

The Company's GWP increased to ₹ 16,873 crore in FY 2022-23 (PY: 13,707 crore) at a growth rate of 23% over the previous year. The share of motor business contribution increased to 28% from 26% in the previous year.

The Company continues to focus on agency channel. With ~85,000 general insurance agents and ~99,000 health insurance agents, the Company has one of the largest agent networks in the industry. Likewise, the Company also leverages its 127 bank and corporate agent partners for distributing its products.



In FY 2022-23, the Company's retail business grew across geographies through the agency and online channels. Growth in motor business was driven by an uptick in primary sales.



3.2. Claims settlement

In FY 2022-23, 50.7 lakhs (PY: 38.9 lakh) claims were reported to the Company with a rise of 30%. During FY 2022-23, the net claims incurred amounted to ₹ 6,423 crore (PY: ₹ 5,781 crore), an increase of 11% over last year.

The Company has a fair and robust claims management practice. Following its core values, the Company has been able to provide a prompt response and quick claim settlement to all the policyholders. During FY 2022-23, the Company has paid ~5.3 lakh motor claims. The Company has helped the insured manage their Motor Own Damage claims by providing claims servicing across 689 districts of the country. The faster settlement turn-around-times (TAT) and higher settlement rate resulted in a Net Promoter Score (NPS) of 20 in FY23 for motor OD claims.

The Company maintained its focus on serving its A&H customers. The Company has a network of over 9,960 empanelled hospitals and diagnostic centres across about 577 districts. The Company endeavours to provide customers with the best claims experience in the industry. In line with this philosophy, the Company has embarked on several initiatives to further streamline processes. During FY 2022-23, the Company has paid ~8 lakhs in A&H claims.

3.3. Claims reserving

The outstanding claims liability is measured as the central estimate of the expected future ultimate payments relating to claims incurred at the reporting date. The Company establishes outstanding claims liability basis statistical methods for all retail lines of business (Motor, Health, etc.) and case-by-case estimates for other lines of business in-line with the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) (Amendment) Regulations, 2022. The ultimate claims liability is measured based on the advice of/ valuations performed by the Appointed Actuary. The expected future payments include those in relation to claims reported but not yet paid or not yet paid in full, claims incurred but not enough reported (IBNER), claims incurred but not reported (IBNR) and the anticipated direct and indirect claims handling costs. Thus, the total of outstanding and IBNR/IBNER reserves represents the overall liabilities of the Company. While estimating the future ultimate claims liability, no allowance is made for discounting of reserves or negative provisions for any particular year of occurrence in compliance with IRDAI regulations. The ultimate liability is estimated using established actuarial methods depending on the class

Gross Paid Losses and Loss Adjustment Expenses												(₹ in crore)
As at March 31, 2023	AY 2012 & Prior	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20	AY 21	AY 22	AY 23
End of First year	1,433	548	1,263	1,390	1,808	2,071	2,705	3,882	3,810	3,612	5,298	5,489
One year later	1,703	840	1,801	2,020	2,387	3,717	4,186	5,310	5,561	5,692	7,468	
Two years later	1,798	903	1,928	2,186	2,573	4,136	4,364	5,903	5,857	6,136		
Three years later	1,837	948	2,000	2,264	2,682	4,211	4,469	6,069	6,129			
Four years later	1,875	973	2,043	2,327	2,749	4,271	4,551	6,216				
Five years later	1,897	993	2,082	2,369	2,769	4,321	4,691					
Six years later	1,918	1,005	2,110	2,386	2,799	4,377						
Seven years later	1,935	1,042	2,125	2,413	2,838							
Eight years later	1,952	1,047	2,141	2,445								
Nine years later	1,958	1,055	2,163									
Ten years later	1,964	1,060										
Eleven years later	1,970											

Gross Unpaid Losses and Loss Adjustment Expenses												(₹ in crore)
As at March 31, 2023	AY 2012 & Prior	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20	AY 21	AY 22	AY 23
End of First year	515	516	915	1,246	1,115	2,936	2,855	3,167	4,426	5,487	5,383	6,270
One year later	344	264	522	527	593	835	1,090	1,641	2,100	2,455	2,670	
Two years later	242	146	366	349	425	524	861	1,078	1,731	1,938		
Three years later	157	168	289	314	335	437	762	897	1,272			
Four years later	155	107	272	251	265	385	686	667				
Five years later	142	100	241	193	259	335	433					
Six years later	123	93	217	180	207	292						
Seven years later	114	52	209	154	168							
Eight years later	103	59	195	130								
Nine years later	103	53	176									
Ten years later	95	48										
Eleven years later	90											

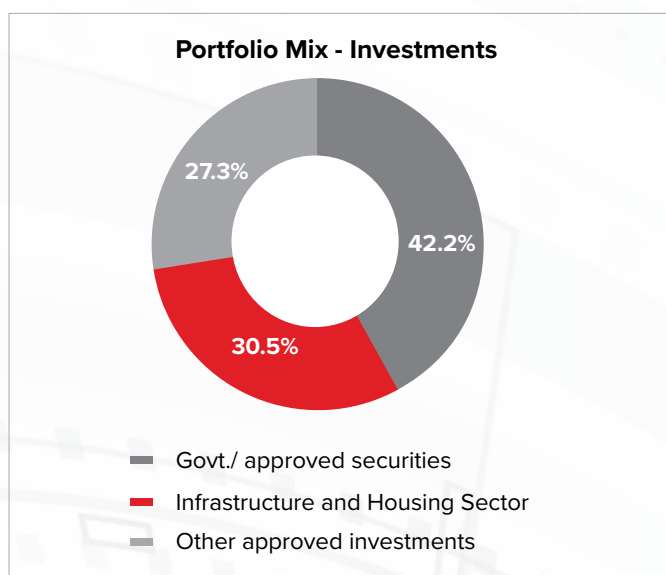
Note:

1. Pool claims and Large losses wherein the Company's net retention are low have been excluded from Table above
2. Table includes claims development pertaining to acquired entity i.e. HDFC ERGO Health Insurance (formerly Apollo Munich Health Insurance Limited) is included from AY 2013-14. The claims development pertaining to HDFC General Insurance Limited (formerly L&T General Insurance Company Limited) has been excluded to avoid any distortion in pattern.
3. For Crop and Weather line of business, Accident Year corresponds to the year in which Premium is received.
4. The impact on the unpaid claims liability of the Company on account of landmark judgements issued by Supreme Court of India and various High Courts e.g. Sarla Verma (April 2009), Pranay Sethi (October 2017) etc. has been allowed for in the claims ultimate.

4. Investments

The investment function complements the core business of the Company. The Company's investments are made in accordance with the Investment Policy as approved by the Board of Directors. The Investment Committee oversees the implementation of the Investment Policy. The Company's investment strategy reflects the coordination between assets and liabilities given the nature of the business of the Company while keeping the regulatory framework in perspective. The Investment Policy mandate includes maintaining a high degree of liquidity and safety of assets, optimising returns and consistency of returns commensurate with the risks undertaken.

As on March 31, 2023, the investment assets of the Company stood at ₹ 22,242 crore (PY: ₹ 18,397 crore). The IRDAI (Investment) Regulations, 2016 require non-life companies to invest 30% of its investment assets in government and approved securities and 15% in the infrastructure sector and housing sector. The Company held ₹ 9,381 crore (42.2%) in government securities, ₹ 6,781 crore (30.5%) in securities of the infrastructure and housing sector and the remaining ₹ 6,080 crore (27.3%) in approved and other investments. The Company held 85% of its assets in sovereign and AAA or equivalent rated assets, reflecting a high degree of safety. Further, the Company held ₹ 2,822 crore in assets maturing within one year. The total investment income generated for the year ended March 31, 2023, was ₹1,401 crore (PY: ₹ 1,284 crore).



5. Reinsurance

The Company's reinsurance programme is designed to ensure protection against exposure to large losses affecting single risks as well as catastrophic (CAT) loss

events affecting multiple risks across portfolios. As per regulatory requirements, the Company has ceded 4% of its business as obligatory cession to the General Insurance Corporation of India (GIC).

The Company has had a successful reinsurance renewal for FY 2022-23. The Company experienced a few large losses mostly in commercial lines of business. Further, the impact of CAT losses was subdued during the year. The impact of these losses on the net account was significantly reduced due to adequate reinsurance protection.

The Company has a strong reinsurance panel comprising the National Reinsurer – GIC, foreign reinsurers who have set up their branches in India and cross border reinsurers with a financial strength rating of A- and above. The participation of foreign reinsurance branches has gradually increased over the years.

6. Risk management

The Company has a robust and integrated enterprise-wide Risk Management Framework (RMF) to identify, assess, manage and mitigate all relevant risks in the Company's operating environment. The RMF works at all levels across the Company and is a proactive institution-wide programme. It has been aligned and integrated with business processes and covers all relevant risks, including strategic risks – duly considering environmental, social and governance (ESG) aspects, operational risks, investment risks, insurance risks, information and cyber security risks. The Company's risk strategy is embedded in its business planning process.

Under the RMF, periodic assessment of risk exposure is conducted based on the impact and the likelihood of the occurrence of a risk.

The Company's risk management is overseen by the Risk Management Committee of Directors. The Board-approved risk management policy and manual provides the framework and guidelines for the management and mitigation of all risks associated with the business of the Company. The risk performance is comprehensively reviewed by the Risk Management Committee at its quarterly meetings.

The Company's investment function is overseen by the Investment Committee constituted by the Board of Directors. The Board-approved investment policy and the standard operating guidelines provide the framework for management and mitigation of the risks associated with investments. The investment portfolio and its performance are comprehensively reviewed by the

Investment Committee and the Board of Directors at its quarterly meetings.

The Company also assigns critical importance to information and cyber security risks. Accordingly, the Company has an Information Security and Business Continuity framework within the RMF that ensures all the information assets are adequately protected by instituting required controls. These controls are assessed periodically to determine their adequacy and effectiveness. The Company is ISO27001:2013 (Information Security Management Standard) and ISO22301:2019 (Business Continuity Management Standard) certified.

Further, the Company constantly endeavours to improve its information and cyber security posture given the dynamic and complex cyber security threat landscape.

The Internal Audit function is an independent function of the Company. Risk-based audits of processes and branches are conducted as per the annual audit plan approved by the Audit and Compliance Committee (ACC) of Directors. The planning and conduct of internal audits are focused on assessing the existence and design of controls and providing reasonable assurance on the operating effectiveness of internal controls. Key observations arising out of the internal audits are presented to the ACC periodically. These changes are expected to strengthen customer experience and facilitate wider access to insurance. All audit findings are tracked and monitored to confirm the implementation of remediation plans.

7. Risk and loss mitigation

The Company has a Board-approved Anti-Fraud Policy, which embeds a Fraud Management Framework to minimise fraud and other irregularities through proactive fraud detection mechanisms.

The Company has an independent risk and loss mitigation department that implements this framework. The department is responsible for taking all possible steps to prevent, detect and mitigate risks emanating from various types of fraud attempted to be perpetrated against the Company.

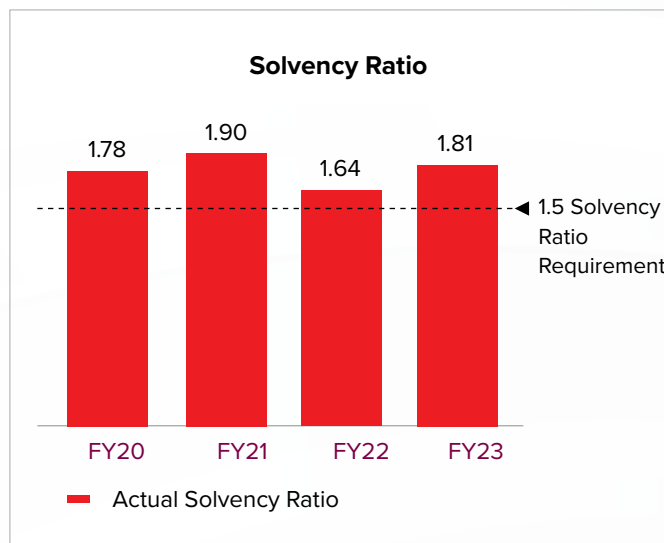
It employs various automated tools using predictive modelling, analytical engines and AI-based solutions to flag claims suspected to be fraudulent. It also investigates complaints by whistle-blowers and ensures that appropriate action is taken. The department deploys cyber and forensic expertise to investigate important cases. It also initiates recoveries of stolen assets and takes legal action against fraudsters.

The Fraud Monitoring Committee at the executive management level and the Risk Management Committee of the Board of Directors periodically deliberate on material fraud events, and undertake necessary remedial actions or advise on preventive actions.

8. Solvency

An insurance company needs to maintain financial assets or cash flow to meet its claims obligations as they fall due. The solvency ratio is a key metric used to measure an insurance company's financial health, i.e., the ability to meet its claims obligations and indicates whether a company's cash flow is sufficient. An insurance company is considered to be solvent if its assets are adequate and liquid to pay off claims or liabilities as and when they arise. Thus, an insurance company's solvency ratio indicates its claim paying ability – the higher the solvency ratio, the better the ability to pay claims.

As on March 31, 2023, the Company had a solvency ratio of 1.81 times, as against the minimum regulatory requirement of 1.5 times.



9. Environment Social Governance (ESG) framework

The Company believes in building a sustainable ecosystem to ensure that it can continue providing value to its customers and to the society at large. The Company's strategy is to integrate sustainability into its overall business through partnership and collaboration across functions.

Accordingly, the Company has developed an ESG policy and framework, which will be periodically assessed, monitored and reviewed. The principles of planet, people and governance are the key pillars supporting

the Company's ESG initiatives. This framework is still evolving and the Company is proactively focusing on strengthening its role in the new normal. The following were the initiatives under the framework for FY 2022-23.

9.1 Environmental

The Company believes in the importance of environmental sustainability for long-term development. It is the Company's constant endeavour to reduce operational emissions through the adoption of technologies, energy-efficient practices and creating awareness among employees towards environmental conservation.

To support the Company's focus on environment protection the following initiatives were implemented:

- ~ 93% of its retail policies were issued digitally;
- The solar panel warranty insurance product developed and distributed by the Company is designed to protect the balance sheet of the solar module sellers as well as the investment of the buyers;
- The Company has installed solar panels in schools and hospitals across various locations through its CSR initiatives;
- The Company has planted more than 4,000 saplings through its employee volunteering programme;
- The Company has launched 'All Things EV', the country's first one-stop-solution portal for electric vehicles (EVs).

9.2 Social

The Company is focused on making a positive impact on social and economic outcomes for its customers, employees and the community at large. The Company continuously strives to earn the confidence and trust of the community in which it operates. It has undertaken various CSR initiatives in the areas of Education, Healthcare, Women Empowerment and Road Safety.

The Company's CSR initiatives touched more than 10 lakh lives.

To drive a culture of Diversity, Equity and Inclusion (DEI) in the Company, steps have been taken to incorporate diversity in recruitment, training and development of employees. Opportunities are also being created for employee advancement while fostering an environment of inclusivity through various initiatives.

For FY 2022-23, the share of women in the overall workforce of the Company was 23% vis-à-vis 19% in FY 2021-22. The Company also hired 26 differently-abled employees in FY 2022-23.

9.3 Governance

The Company's corporate governance has always been about promoting the stability of long-term outcomes, where risks and financial outcomes are focused on and disclosed on a periodic basis.

The Company's governance structures and processes strive to promote accountability, transparency and ethical behaviour. The Board of Directors bring a combination of executive experience and skills aligned with business and strategy. The Board oversees the Company through seven sub-committees of the Board of Directors, mostly chaired by Independent Directors.

9.4 Corporate Social Responsibility (CSR)

The Company is committed to serving society and has aligned its CSR interventions under four major pillars. FY 2022-23 initiatives under these pillars are as given below:



Education

- Through its flagship programme of government school reconstruction – GAON MERA, the Company has undertaken the revamp of seven schools.
- The Company has contributed towards improving the infrastructure and facilities of educational institutions by providing buses, installing solar panels and smart classrooms.
- The Company has also supported underprivileged students with scholarships for premier institutes.



Healthcare (Niramaya)

- Reconstruction of government hospitals with improved facilities for the rural population has meant reaching out to over 1.2 lakh lives.
- The Company has funded over 2,100 critical surgeries for the underprivileged.
- The Company has also extended support to specially-abled adults.



Women's Welfare (Roshini)

- Over 1,000 destitute women were supported with sustainable livelihood solutions and capacity building in remote areas of West Bengal.

- Job-oriented vocational training was provided to over 400 young girls from urban slums.
- Access to education was provided to over 1,200 girls through learning centres.



Road Safety

- The Company has adopted two high-fatality intersections in Maharashtra and Karnataka to transform them into safe intersections and zones through tactical urbanism benefiting ~4 lakh commuters.

9.5 Employee volunteering

In its endeavour to establish a culture of volunteering within the organisation and increase its social footprint, the Company furthered its volunteering programme – 'SAATHI'. Under this programme, the employees have volunteered for over 30,000 hours through various activities in areas like environment, inclusiveness, women welfare, elderly care, children's welfare, animal welfare and road safety. The employees could participate both physically and virtually. The company also launched its maiden volunteering week – 21st to 27th September, 2022 – during which the employees across the country contributed to over 16,000 volunteering hours.

10. Future outlook

The global economy is slowing down and the risk of inflationary recession in a number of economies has increased. As per the Swiss Re Sigma report (4/2022), this economic slowdown and the high-inflation environment will weigh on insurance markets.

On the domestic front, the Reserve Bank of India expects the economy to grow at 6.5% in FY 2023-24. The CPI-based inflation is forecasted to be 5.1% for FY 2023-24. As per the Economic Survey 2023, the non-life insurance sector growth is likely to be driven by demand for health coverage, with people becoming more aware of health security post-pandemic and strong support from the government-sponsored mass health programme - Ayushman Bharat. This growth is expected to be further aided by the currently low insurance penetration levels.

In FY 2022-23, the general insurance sector experienced many changes. The pandemic has boosted the adoption of digital tools and the recognition of the importance of health insurance. Insurance seekers in India's smaller cities are likely to adopt new-age insurance products that are technology-driven, personalised and transparent.

Aligned with its vision of 'Insurance for All by 2047', IRDAI announced many progressive measures.

IRDAI replaced the earlier separate limits on commission payments on insurance products and a limit on expenses, with a single overall limit on expenses of management at company level. These regulatory changes are expected to further improve the ease of doing business for non-life insurance companies, as they can adapt to different ways of selling and serving their customers. Customers will also benefit from more choices, better products and improved service quality.

Some of the reforms include: expanding the distribution network and allowing more partnerships for corporate agents and insurance marketing firms; improving its Integrated Grievance Redressal System to Bima Bharosa; leveraging digital tools for better customer experience; launching Bima Sugam, a comprehensive platform for customers' insurance requirements – from purchase to claim settlements. These changes are expected to strengthen customer experience and facilitate wider access to insurance.

With economic expansion, supported by digital infrastructure and innovation, improvement of consumer sentiment and a conducive regulatory environment, the industry is expected to continue its growth trajectory. IRDAI has estimated that the Indian insurance market will reach \$200 billion by 2027; consequently, the growth opportunity for insurance providers is huge.

The Company believes that, over the coming years, the growth potential of the domestic economy and regulatory changes will result in strong growth and penetration of the general insurance industry. The Company would continue to innovate, use technological solutions and strive to provide better policyholder and stakeholder propositions in the future.

Disclaimer: This report contains forward-looking statements based on beliefs of HDFC ERGO's management. The words 'expected', 'estimate', 'believe' and 'intend' used to identify forward-looking statements, reflects the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different, including, amongst others, changes of competitors'/competing products, lack of acceptance of new products and may vary materially from those projected here. HDFC ERGO does not intend to assume any obligation to update these forward-looking statements.

ANNEXURE –II ANNUAL REPORT ON CSR ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

A. CSR Policy

The CSR Policy of the Company, inter-alia, specifies the key focus areas for CSR activities/projects that could be undertaken by the Company; approach and process for undertaking CSR projects and the monitoring mechanism.

The Policy is available on the website of the Company - www.hdfcergo.com.

B. Organisation setup

The CSR projects are implemented under the guidance of the CSR Committee of Directors, which presently comprises seven (7) Directors. The Company also has a Sub-Committee of CSR (SC-CSR) comprising the Senior Management team including the Executive Directors.

The terms of reference of the CSR Committee, inter-alia, includes:

- i. Formulate and review the CSR Policy and recommend the same to the Board for its approval;
- ii. Formulate and recommend to the Board an Annual Action Plan on CSR activities;
- iii. Recommend the amount of expenditure to be incurred on the CSR activities;
- iv. Review the CSR projects/ programmes from time to time;
- v. Ensure overall governance and compliance for CSR; and
- vi. Annually report to the Board, the details of the CSR activities.

C. Scope of activities

The CSR activities of the Company are as per the provisions of Schedule VII of the Companies Act, 2013 ('Act').

i. Geographical Span of CSR Projects

The CSR activities are taken up across the country and attempt is made to cover maximum geography.

ii. Planning

The identification of CSR activities is done using one or more of the following methods:

- (i) In-house planned projects;
- (ii) Proposals from District Administration/ Local Govt. body/ Public representatives etc; and
- (iii) Proposals/requests from a registered and specialized body for providing financial assistance for carrying out specific CSR initiatives subject to the condition that it fulfils the criteria as prescribed in the statute in this regard.

iii. Implementation Methodology

The CSR activities/projects are implemented using internal resources (in-house manpower) or through collaborating with NGOs / specialised agencies/ trusts/ institutions / foundations / societies / Government bodies, etc. in accordance with the provisions of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The details of major CSR initiatives undertaken by the Company during the financial year 2022-23 are given below:-

I. EDUCATION

The Company has deployed various projects towards improving quality of education and has benefitted over 4700 students in FY23.

A. Gaon Mera Government School Reconstruction & Development Project -

The focal area for the Company's CSR intervention is a dedicated "My Village" Program called "**GAON MERA**". The program is aimed at improving the current status of Education, Sanitation and Healthcare in selected village(s). The main objective of Gaon Mera program is to address the need for sustainable educational infrastructure, a support system for rural development and holistic advancement of education in the communities. The project works towards sustainable development in core focus area of education in the selected village(s).

The Company aims to work holistically towards development of education with all relevant stakeholders in these villages on Government School Reconstruction Programme to make a sustainable impact in the lives of the marginalised communities living in these villages.

Preliminary evaluation of the applications is done as per internal guidelines and a detailed study is done by the Implementation Partners in the form of rapid need assessment and development of project proposal. The Government School Construction Project is adopted using BaLA (Building as Learning Aid), an innovative concept for qualitative improvement in education, through developing child-friendly, learning and fun based physical environment. Vinoba Sewa Ashram, Yuva Unstoppable, Haritika, Round Table India Trust and Habitat for Humanity Trust have worked as Implementation Partners for the above activities of FY23.

The Company has also installed solar panel setup in 7 Government schools and 12 Smart Class rooms were created in 6 Government schools.

B. Other Education Initiatives

Besides the above, the Company has supported 15 students from low economic backgrounds, with full scholarship for undergraduate and/or graduate programme. Further, the Company has contributed towards upgrading Infrastructure at Ashoka University and supporting HDFC School with School buses.

II. NIRAMAYA Healthcare Initiative -

Considering Healthcare as one of the important pillars, the company has worked towards providing solutions in the area and has touched over 1.25 lakh lives.

A. Government Hospital Development Project -

The Company has selected villages through an internal employee nomination programme. Preliminary evaluation of the applications is done as per internal guidelines and a detailed study of the Primary Health Centre is done by the Implementation Partners in the form of rapid need assessment and development of project proposal.

Doctors For You has worked as an Implementation Partner for Niramaya projects for 1 Government Hospital each in Maharashtra and Karnataka states.

This would include initiatives to support affordable healthcare, through awareness and preventive programmes for various communicable and non-

communicable diseases; supporting mental health and differently abled, public and community health initiatives for the underprivileged sections of society; addressing malnutrition amongst women and children, provision of clean and safe drinking water to communities, etc.

B. Other Healthcare Initiatives -

The Company has also supported over 2,000 eye surgeries for people from economically challenged backgrounds across India. Support has been extended to 25 underprivileged children suffering from Congenital Heart Defect (CHD) from 8 states, 10 Cochlear implants and bone marrow transplant surgeries in Maharashtra, 19 surgeries of children from economically weak backgrounds who are affected by facial and skull deformities.

A Sewage treatment plant has also been installed to support 354 Differently abled at ADHAR, a specially abled adult home centre near Mumbai. Additionally, the Company has supported 65 underprivileged children suffering from Thalassemia and Cancer in Maharashtra.

III. ROSHINI - Women Welfare -

Through Women welfare initiatives, the company has benefitted over 2,750 women in FY23.

This initiative aims at supporting women through interventions like sustainable livelihood projects for unemployed / dropout women from rural and urban areas, by assisting them with skill training (technical and non-technical), vocational and life skills training, etc. and enabling them to generate livelihoods and in turn contribute to the economy. This would also include initiatives towards women empowerment like education, confidence building, to help women progress in their lives.

Bandhan Konnagar in West Bengal is working as an Implementation Partner in targeting 1,000 very poor women in West Bengal state.

The Company is also supporting Vocational Skill training for 467 Girls in Maharashtra and 1,285 girl students by running learning centres in 3 states.

IV. Road Safety Initiative -

This initiative is an effort towards improving road conditions and infrastructure to reduce accidents and fatalities, thereby helping in making road travel safer. It involves facilitating and/or providing enabling conditions for driving and travelling on roads and supporting post trauma interventions, thus providing better travel conditions and saving lives.

Save Life Foundation is working as an Implementation Partner for redesigning of accident-prone road intersections in the states of Maharashtra and Karnataka, which is benefitting more than 4 lakh commuters on a daily basis.

This is being done through Tactical Urbanism which is a low cost intervention and based on result, the same is sought to be implemented as a permanent solution by the government.

2. COMPOSITION OF CSR COMMITTEE

Sr. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ameet P. Hariani	Chairman-Independent Director	4	4
2.	Mehernosh B. Kapadia	Independent Director	4	4
3.	Vinay Sanghi*	Independent Director	3	3
4.	Dr. Rajgopal Thirumalai*	Independent Director	3	3
5.	Renu Sud Karnad	Non-Executive Director	4	4
6.	Dr. Oliver Martin Willmes	Non-Executive Director	4	4
7.	Anuj Tyagi	Deputy Managing Director	4	4

* inducted as Members of the Committee w.e.f April 25, 2022

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

<https://www.hdfcergo.com/corporate-social-responsibility>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of section 135 : ₹ **63,31,820**
- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ **12,66,62,305**
- (c) Surplus arising out of the CSR projects or programmes or activities for the previous financial years: **NIL**
- (d) Amount required to be set-off for the financial year, if any: **NIL**
- (e) Total CSR obligation for the financial year [(b)+(c)- (d)]: ₹ **12,66,62,305**
6. (a) Amount spent on CSR Projects (both ongoing Project and other than ongoing Project): ₹ **12,03,30,485**

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

1	2	3	4	5	6	7	8	9	10	11
Sr. No	Name of the Projects/ Activities	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency
				State	District					Name CSR Registration number
1	Gaon Mera - Reconstruction of project of Govt. School in village under Gaon Mera FY21 Projects	Promotion of Education	No	Haryana	Dighal, Jhajjar	3 Years	90,97,760	Direct expenditure: 4,54,888 Overheads— Nil	No	Habitat For Humanity Trust CSR000000402
2	Gaon Mera - Reconstruction of project of Govt. School in village under Gaon Mera FY22 Projects	Promotion of Education	No	Rajasthan	Jagsa, Barmer	2 Years	84,24,695	Direct expenditure: 4,21,234 Overheads— Nil	No	Yuva Unstoppable CSR000000473
3	Gaon Mera - Reconstruction of project of Govt. School in village under Gaon Mera FY22 Projects	Promotion of Education	No	Uttar Pradesh	Jikhangaon, Mathura	3 Years	70,35,350	Direct expenditure: 3,51,768 Overheads— Nil	No	HARITIKA CSR000000516
4	Gaon Mera - Reconstruction of project of Govt. School in villages under Gaon Mera FY22 Projects	Promotion of Education	No	Rajasthan	Naikalan, Ajmer	2 Years	34,32,309	Direct expenditure: 1,71,615 Overheads— Nil	No	Yuva Unstoppable CSR000000473
5	Reconstruction of project of Govt. School in village under Gaon Mera FY22 Projects	Promotion of Education	No	West Bengal	Pole, Hooghly	2 Years	75,67,774	Direct expenditure: 52,97,441 Overheads— Nil	No	Round Table India Trust CSR000000895
6	Gaon Mera -Reconstruction of project of Govt. School in village under Gaon Mera FY23 Projects	Promotion of Education	No	Uttar Pradesh	Kutba, Muzaffarnagar	3 Years	62,30,400	Direct expenditure: 56,07,360 Overheads— Nil	No	Vinoba Sewa Ashram CSR000001094

1	2	3	4	5	6	7	8	9	10	11		
Sr. No	Name of the Projects/ Activities	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District					Name	CSR Registration number	
7	Gaon Mera -Recon- struction project of Govt. School in village under Gaon Mera FY23 Projects	Promotion of Education	No	Uttar Pradesh	Kutbi, Muzaffarnagar	3 Years	44,13,200	Direct expenditure: 39,71,880 Overheads-- Nil	NA	No	Vinoba Sewa Ashram	CSRO00001094
8	Supporting 3 students on full scholarship for three year undergradu- ate program	Promotion of Education	Yes	Jharkhand, Maharashtra and Uttar Pradesh	Ranchi, Thane and Unnao	3 Years	95,52,075	Direct expenditure: 33,40,575 Overheads-- Nil	NA	No	International Foundation For Research and Education	CSRO00000712
9	Support to Ashoka University/Infrastructure Development	Promotion of Education	No	Haryana	Sonipat	3 Years	5,00,00,000	Direct expenditure: 50,00,000 Overheads-- Nil	NA	No	International Foundation For Research and Education	CSRO00000712
10	Niramaya-Redevelop- ment project of Govt. Hospitals in villages under Niramaya Pro- gram FY22 Projects	Health Care	No	Karnataka	Hattimattur Haveri	3 Years	1,89,74,634	Direct expenditure: 1,23,33,512 Overheads-- Nil	NA	No	Doctors for You	CSRO00000608
11	Niramaya-Redevelop- ment project of Govt. Hospitals in villages un- der Niramaya Program FY22 Projects	Health Care	Yes	Maharashtra	Chopda, Jalgaon	3 Years	45,02,925	Direct expenditure: 29,26,902 Overheads-- Nil	NA	No	Doctors for You	CSRO00000608
12	Road Safety -ZFC for Karnataka Silk Board Junction - SLF	Road Safety Awareness	No	Karnataka	Bangalore	2 Years	2,53,00,000	Direct expenditure: 1,09,25,280 Overheads-- Nil	NA	No	Save Life Foundation	CSRO00000728
13	Project Roshini-Target- ing the Hardcore Poor Programme	Livelihood	No	West Bengal	Jalpaiguri	3 Years	2,91,00,000	Direct expenditure: 1,50,00,000 Overheads-- Nil	NA	No	Bandhan Konnagar	CSRO00001463
	Total							6,58,02,455				

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

1	2	3	4	5	6	7	8
Sr. No	Name of the Projects/ Activities	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project	Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District		Name
							CSR Registration number
1	Gaon Mera - Smart Classrooms (12 classrooms in 6 completed Government schools)	Promotion of Education	Yes	Maharashtra, Uttar Pradesh, Andhra Pradesh, Odisha, Haryana, Karnataka	Kolamba-Jalgaon, Machala-Jalgaon, Tandia-Varanasi, Agraharam-Anantpur, Pandiopathar-Ganjam, Dombbramattur, Haveri	No	Yuva Unstoppable CSR000000473
2	Gaon Mera - Solar Panel Setup (completed in 7 Government Schools)	Promotion of Education	Yes	Maharashtra Uttar Pradesh, Andhra Pradesh, Odisha, Haryana	Machala-Jalgaon, Tandia-Varanasi, Agraharam-Anantpur, Pandiopathar-Ganjam, Dighal-Jhajjar, Kutba & Kutbi-Muzaifamagar	No	Vinoba Sewa Ashram CSR000001094
3	Gaon Mera - Maintenance of Government Schools	Promotion of Education	Yes	Tamilnadu, Maharashtra	Singneri-Tirunelveli, Kolamba-Jalgaon, Machala-Jalgaon, Gadewadi-Satara	No	Vinoba Sewa Ashram CSR000001094
4	Supporting 11 Students from financially challenged backgrounds for Professional Graduate Education	Education	Yes	Maharashtra	Mumbai	No	Indian Institute of Technology - Bombay, IIT Bombay CSR000007536
5	Donating Buses For School Students to HDFC Schools	Education	Yes	Maharashtra	Pune	No	Maharashtra 3E Education Trust CSR0000036742
6	Support Cataract Surgeries for underprivileged	Health Care	No	Rajasthan, Bihar, Karnataka, Uttar Pradesh, Punjab, Karnataka, Assam, Chattisgarh	Udaipur, Aurangabad, Banka, Bengaluru, Loni, Jalandhar, Hubli, Jorhat, Raipur	No	Vision Foundation of India CSR000002065

1	2	3	4	5	6	7	8
Sr. No	Name of the Projects/ Activities	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project	Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State	District		Name
							CSR Registration number
7	Congenital Surgeries for Children through Project Save Little Hearts	Heart Care	No	Telangana, Kerala, Punjab, Chattisgarh, Bihar, Arunachal Pradesh, Tripura, Jammu & Kashmir, Ladakh.	Nizamabad, Hyderabad, Karimnagar, Mehbubnagar, Rangareddy, Malappuram, Faridkot, Mansa, Muktsar, Raipur, Muzaffarpur, Rohtas, Patna, Kathihar, West Kameng, Kacharichhara, Pulwama, Kargil,	Direct expenditure -38,00,000 Overhead - Nil	Genesis Foundation CSR000001713
8	Support for Cancer Surgeries & cochlear implant for economically challenged kids through medical procedures	Health Care	Yes	Bihar, Maharashtra, Rajasthan, Uttar Pradesh, West Bengal	Khagaria, Raigad, Thane, Mumbai, Buldhana, Aurangabad, Nasik, Banswara, Pratapgadh, Nadia	Direct expenditure -30,00,000 Overhead - Nil	The Society For The Rehabilitation Of Crippled Children CSR0000032225
9	Support the surgeries of children from economically weak background who are affected by facial and skull deformities	Health Care	Yes	Maharashtra, Karnataka	Mumbai, Bengaluru	Direct expenditure -20,00,000 Overhead - Nil	Inga Health Foundation CSR000001727
10	Sewage Water Treatment Plant at ADHAR Centre	Health Care	Yes	Maharashtra	Badlapur, Thane, Mumbai	Direct expenditure -20,00,000 Overhead - Nil	Association of Parents of Mentally Retarded Children, Mumbai (ADHAR) CSR000000230
11	Support to underprivileged kids with Thalassemia & Cancer Care	Health Care	Yes	Maharashtra	Mumbai	Direct expenditure -27,23,150 Overhead - Nil	Poor Box Charity Fund MCGM Comprehensive Thalassemia Care PHO & BMT Centre CSR000032119
12	Transformation of Nagpur Intersection – SLF	Road Safety Awareness	Yes	Maharashtra	Nagpur	Direct expenditure -53,02,800 Overhead - Nil	Save Life Foundation CSR000000728
13	Supporting 30 Learning Centers for education	Education	No	Uttarakhand Haryana Chhattisgarh	Dehradun, Uttarkashi Mewat Raigarh	Direct expenditure -50,00,000 Overhead - Nil	IIMPACT CSR000002935
14	Vocational Skill training for women in urban areas - Plan India	Women Welfare & Livelihood	Yes	Maharashtra	Mumbai	Direct expenditure -56,84,000 Overhead - Nil	Plan International (India Chapter) CSR000001490
	Total					5,45,28,030	

- (b) Amount spent in Administrative Overheads: ₹ **63,31,820**
 (c) Amount spent on Impact Assessment, if applicable: **Nil**
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ **12,66,62,305**
 (e) CSR amount spent or unspent for the Financial Year: **Nil**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12,66,62,305	NIL	Not Applicable	Not Applicable	NIL	Not Applicable

- (f) Excess amount for set-off, if any: **Nil**

Sr. No	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	12,66,36,404
(ii)	Total amount spent for the financial year	12,66,62,305
(iii)	Excess amount spent for the financial year [(ii)-(i)]	25,901
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the financial year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1.	FY-1	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2.	FY-2	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3.	FY-3	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: Yes

If Yes, enter the number of Capital assets created/ acquired : 6

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					6		
1	2	3	4	5	CSR Registration Number, if applicable	Name	Registered address
1	Reconstruction project of Govt. School in Jikhangaon village, Mathura, Uttar Pradesh under Gaon Mera Program Project completed and inaugurated in July 2022. A brief overview of facilities provided by us in the project is as follows -	281501	July 23, 2022	Total Outlay - ₹ 70,35,350 Total disbursement ₹ 66,83,583 till FY23 Including disbursement ₹ 3,51,768 in FY23	Not Applicable	School Management Committee, Jikhangaon village, Mathura, Uttar Pradesh	School Management Committee, Jikhangaon village, Mathura, Uttar Pradesh
	1. Reconstruction of whole school in 2,699 Sqft area provided with all amenities and garden area with BaLA tools.						
	2. Total more than 11 BaLA tools provided like pipe phone, door angle, noise meter and different types of charts/maps for classrooms, etc.						
	3. Total more than 26 Furnishing tools provided like green boards, notice board, wooden benches and wooden desk, school bags and medical kit for students in all classes.						
	4. Refurbishment work provided including existing Class-6, Class-7, library, boundary wall work have been completed.						
	5. Additionally, developed playground area by doing ground levelling and drainage channels, interlocking tile pathways under garden.						
	Total 153 students getting benefitted in newly constructed school.						
2	Reconstruction project of Govt. School in Pole village, Hooghly, West Bengal under Gaon Mera Projects. Project completed and inaugurated in March 2023. A brief overview of facilities provided by us in the project is as follows –	712406	March 17, 2023	Total Outlay - ₹ 75,67,774 Total disbursement ₹ 75,67,774 till FY23 Including disbursement ₹ 52,97,441 in FY23	Not Applicable	School Management Committee, Pole village, Hooghly, West Bengal	School Management Committee, Pole village, Hooghly, West Bengal

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
	1. Reconstruction of 1,765 Sqft area provided in which includes construction of new kitchen - 315 Sq ft and toilet 1,450 Sqft (Girls, Boys and Physically Abled) block.						
	2. Total more than 16 furnishing tools provided like sanitary pad incineration machine, steel dustbins, RO filter, cemented chairs, football goal post, kitchen utensils, indoor and outdoor games, flag post, medical kit, kitchen utensils etc.						
	3. Refurbishment work provided including drinking water station, new galvanizing roof for stair case, roof water proofing, school building – re-plastering as per requirement, repairing doors and windows, painting of existing benches and desks, painting of blackboards work have been completed.						
	4. Additionally, develop playground area by doing installation of new main gate, plantation, construction of new boundary wall, pathway from entrance to school, etc. benefitting 808 students in newly constructed school.						
3	<p>Solar Panel setup in Govt. School in village under Gaon Mera</p> <p>Solar Panel has been setup in 7 Govt. Schools under Gaon Mera program. Project completed and handed over in March 2023</p> <p>Benefitting 1,339 students</p>	<p>425107 Machala-Jalgaon, 221305 Tandia- Varanasi, 515154 Agraharam-Anantpur, 761116 Pandhiapather-Ganjam, 124107 Dighal-Jhajjar, 251318 Kutba & Kutbi-Muzaffarnagar</p>	March 20, 2023	Total Outlay - ₹ 56,00,000 Total disbursement ₹ 56,00,000 all in FY23	Not Applicable	<p>School Management Committee, Machala-Jalgaon, Maharashtra</p> <p>Tandia- Varanasi, Uttar Pradesh</p> <p>Agraharam-Anantpur, Andhra Pradesh</p> <p>Pandhiapather-Ganjam, Odisha</p> <p>Dighal- Jhajjar, Haryana</p> <p>Kutba, Muzaffarnagar, Uttar Pradesh</p> <p>Kutbi-Muzaffarnagar, Uttar Pradesh</p>	<p>School Management Committee, Machala- Jalgaon, Maharashtra</p> <p>Tandia- Varanasi, Uttar Pradesh</p> <p>Agraharam-Anantpur, Andhra Pradesh</p> <p>Pandhiapather-Ganjam, Odisha</p> <p>Dighal- Jhajjar, Haryana</p> <p>Kutba, Muzaffarnagar, Uttar Pradesh</p> <p>Kutbi-Muzaffarnagar, Uttar Pradesh</p>

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
4	<p>Smart Class setup in Govt. School in village under Gaon Mera</p> <p>12 Smart Class has been setup in 6 Govt. Schools under Gaon Mera program. Project completed and handed over in December 2022</p> <p>The Smart Classroom facilities includes 5in1 Kyan, smart board, mouse and keyboard & stylus pen with UPS and smart class infographic</p> <p>Total 1,481 students getting benefitted</p>	<p>425107 Machala-Jalgaon, 221305 Tandia- Varanasi, 515154 Agraharam- Anantpur, 761116 Pandhiapather- Ganjam, 425107 Kolamba- Jalgaon, 581118 Dombramattur- Haveri</p>	December 30, 2022	<p>Total Outlay - ₹ 21,18,600</p> <p>Total disbursement ₹ 21,18,600 all in FY23</p>	Not Applicable	<p>School Management Committee, Machala-Jalgaon, Maharashtra</p> <p>Tandia-Varanasi, Uttar Pradesh</p> <p>Agraharam-Anantpur, Andhra Pradesh</p> <p>Pandhiapather-Ganjam, Odisha</p> <p>Kolamba-Jalgaon, Maharashtra</p> <p>Dombramattur-Haveri, Karnataka</p>	<p>School Management Committee, Machala-Jalgaon, Maharashtra</p> <p>Tandia-Varanasi, Uttar Pradesh</p> <p>Agraharam-Anantpur, Andhra Pradesh</p> <p>Pandhiapather-Ganjam, Odisha</p> <p>Kolamba-Jalgaon, Maharashtra</p> <p>Dombramattur-Haveri, Karnataka</p>
5	<p>Reconstruction project of Govt. Hospital in Chopda, Jalgaon, Maharashtra under Niramaya Projects</p> <p>Project completed and inaugurated virtually in May 2022. A brief overview of facilities provided by us in the project is as follows –</p>	425107	June 10, 2022	<p>Total Outlay - ₹ 45,02,925</p> <p>Total disbursement ₹ 42,77,780 till FY23</p> <p>Including disbursement ₹ 29,26,902 in FY23</p>	Not Applicable	Medical Officer/In charge	Medical Officer/In charge
	1. Refurbishment - Area - 3,200 sq. ft includes painting, 6 doors change, wall repairs, water proofing, room partition main building (labour room partition - septic and aseptic, semi partition - OPD room, counter for antenatal checkup - 6ft x 8ft)						
	2. Specified equipment needs which include 25 items						
	3. Solar Panel setup Appx. 1,00,000 patients will be benefitted						

Sr. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
					CSR Registration Number, if applicable	Name	Registered address
6	Reconstruction project of Govt. Hospital in Hattimattur, Haveri, Karnataka under Niramaya Projects Project completed and inaugurated virtually in January 2023. A brief overview of facilities provided by us in the project is as follows –	581118	January, 2023	Total Outlay - ₹ 1,89,74,634 Total disbursement ₹ 1,80,25,902 till FY23 Including disbursement ₹ 1,23,33,512 in FY23	Not Applicable	Medical Officer/In charge	Medical Officer/In charge
	1. Civil work includes New Block Construction of 6,000 Sqft built up area. for General Operation Theatre room - 1 OT table, Labour room - 4 labour table, Post-operative ward - 2 beds, Neonatal Care Unit- 2 beds + 2 Baby warmer, Ultrasound room; OPD room 4 -Obc, Paediatric, Gynic, ANC; Store room, Ward -5 beds						
	2. Specified equipment needs which include 39 items						
	3. Solar Panel setup 22,952 patients will be benefitted						

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

Ritesh Kumar
(DIN: 02213019)
(Managing Director & CEO)

Ameet P. Hariani
(DIN: 00087866)
(Chairman - CSR Committee)

Secretarial Audit Report for the Financial Year Ended 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

HDFC ERGO General Insurance Company Limited
CIN: U66030MH2007PLC177117

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HDFC ERGO General Insurance Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company does not have any Overseas Direct Investment and External Commercial Borrowings during the financial year;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011#;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018#;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2012#;
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021#; and
- h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018#;

The Regulations or Guidelines, as the case may be were not applicable to the Company for the period under review.

The list of Acts, Laws and Regulations specifically applicable to the Company are given below:

- vi. The Insurance Act, 1938, as amended;
- vii. The Insurance Regulatory and Development Authority Act, 1999, as amended and Regulations framed thereunder and as amended from time to time.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice 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.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period, the Company has undertaken following events/actions:

- i. On 19th September, 2022, the Company has exercised call option and redeemed 800 Unsecured, Subordinated, Listed, Redeemable, Non - Convertible Debentures (NCDs) aggregating to ₹ 80 Crore, issued on 18th September, 2017.
- ii. During the period under review, Company has issued and allotted 30,800 Unsecured, Listed, Redeemable, Non-Convertible Debentures (NCDs), in the nature of subordinated debt aggregating to ₹ 380 Crore on a private placement basis.
- iii. Approval of members of the Company has been obtained at the Extra Ordinary General Meeting held on 23rd March, 2023 to amend HDFC ERGO Employees Stock Option Plan - 2009 permitting pledge on shares allotted pursuant to exercise of stock options by eligible employees and extending flexibility with regard to opening of exercise window and sale window.

For Bhandari & Associates
Company Secretaries

Firm Registration No: P1981MH043700

S. N. Bhandari
Partner

Mumbai
27th April, 2023

FCS No: 761; C P No. : 366
ICSI UDIN: F000761E000362617

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

Annexure 'A'

To,

The Members,
HDFC ERGO General Insurance Company Limited
CIN: U66030MH2007PLC177117

Our Secretarial Audit Report for the financial year ended on 31st March, 2023 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Mumbai
27th April, 2023

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
ICSI UDIN: F000761E000362617

Independent Auditors' Report

Independent Auditor's Report to the Members of HDFC ERGO General Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HDFC ERGO General Insurance Company Limited** (the "Company") which comprise the Balance sheet as at 31 March 2023, the Revenue Account, the Profit and Loss account and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required in accordance with the provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/ "the Authority") and the Companies Act, 2013, as amended (the "Act"), to the extent applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to insurance companies:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2023;
- b. in the case of Revenue Account, of the operating profit in so far as it relates to Fire Insurance and

Miscellaneous Insurance Revenue Account; and operating loss in so far as it relates to Marine Insurance Revenue Account 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; and
- d. in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 ethical requirements that are relevant to our audit of the financial statements under the Insurance Act, the IRDA Act, the Regulations, the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Technology (IT) systems	
Key audit matter	How the matter was addressed in our audit
The Company is highly dependent on data from various information technology systems including automated controls to process and record large volume of transactions, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated.	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We involved our IT specialists for assessment of the IT systems and controls over financial reporting; Understood General IT Controls (GITC) over key financial accounting and reporting systems (referred to as "in-scope systems") which covered access controls, program/system changes, program development and computer operations;

Independent Auditors' Report (Continued)

<p>Due to the pervasive nature, complexity and importance of the impact of the IT systems and related control environment on the Company's financial statements, we have identified testing of such IT systems and related control environment as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Understood the IT infrastructure i.e. operating systems and databases and related data security controls; • Tested controls over IT infrastructure covering user access including privilege users and system changes; • Evaluated design and operating effectiveness for in-scope systems and application controls which covered segregation of duties, system interfaces, completeness and accuracy of data feeds and system reconciliation controls; and • Evaluated policies and strategies adopted by the Company in relation to operational security of key information infrastructure, data and client information management and monitoring and crisis management.
--	--

Valuation and impairment determination of Investments (31 March 2023: INR 222,416,086

31 March 2022: INR 183,970,520)

(INR in '000)

Refer Schedule 8 and 8A of the standalone financial statements and refer note 2(p) and 10 of Schedule 16 on accounting policy

Key audit matter	How the matter was addressed in our audit
<p>The Company's investment portfolio has been bifurcated into Policyholders investments and Shareholders investments in terms of IRDAI guidelines. Total investments represent 88.73 percent of the Company's total assets as at 31 March 2023.</p> <p>Investments are valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations, orders/ directions/ circulars issued by IRDAI and / or policies as approved by the Board of Directors of the Company (collectively the "Valuation Policy").</p> <p>Investments amounting to INR 222,416,086 ('000) are valued as per their accounting policy, based on which:</p> <ul style="list-style-type: none"> • the unrealized gains/ losses arising due to changes in fair value of listed equity shares, additional Tier I bonds and mutual fund units are recorded in the "Fair Value Change Account" in the Balance Sheet; and • debt securities and unlisted equity shares are valued at historical cost. 	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understood the Company's process and tested the controls on the valuation of investments; • Evaluated design, implementation and operating effectiveness of key controls over the valuation process including impairment, including management's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls; • Evaluated appropriateness of valuation methodologies with reference to the Valuation Policy; • Performed independent price-verification for samples using external quoted prices and by agreeing the management's observable inputs used in valuation techniques to external data for listed and unlisted investments on test check basis; • Examined movement and appropriateness of accounting in Fair Value Change Account for specific investments; • For selected samples of investments measured at historical cost, we have tested the Company's assessment of impairment and evaluated whether the same was in accordance with the Company's impairment policy; and

Independent Auditors' Report (Continued)

<p>Investments in listed equity shares, additional Tier I bonds and mutual funds does not represent higher risk of material misstatement, however, is considered to be a key audit matter due to its materiality to the financial statements.</p> <p>Further, investments in debt securities and unlisted equity shares are assessed for impairment as per the Company's investment policy which involves significant management judgement. There is increased economic stress on account of external factors, which may impact the determination of impairment of these investments.</p> <p>Accordingly, valuation of investments (including impairment assessment) was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the financial statements.</p>	<ul style="list-style-type: none"> Evaluated appropriateness and reasonableness of methodology, assumptions and judgements used by management with reference to the Company's investment valuation and impairment assessment as per policy.
--	--

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, net surplus/deficit, profit/loss and receipts and payments of the Company in accordance with the accounting principles generally accepted in India,

including the provisions of the Insurance Act as amended by Insurance Laws (Amendment) Act 2015 read with the IRDA Act the IRDA Financial Statements Regulations, orders/directions/circulars issued by IRDAI in this regard and Accounting Standards specified under Section 133 of the Act to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Independent Auditors' Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If

we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

- a. The actuarial valuation of liabilities for non-life policies is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of the outstanding claims reserves that are estimated using statistical methods, Premium Deficiency Reserve (the "PDR"), Incurred but Not Reported ("IBNR") including Incurred but Not Enough Reported ("IBNER") as at 31 March 2023 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in

Independent Auditors' Report (Continued)

accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claims reserves that are estimated using statistical methods, PDR, IBNR (including IBNER) reserves, as contained in the financial statements of the Company.

- b. The financial statements of the Company for the year ended 31 March 2022 were audited by one of the predecessor auditors, B. K Khare & Co. and continuing joint auditor, G. M. Kapadia & Co. whose report dated 25 April 2022 had expressed an unmodified opinion.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by IRDA Financial Statements Regulations, we have issued a separate certificate dated 27 April 2023 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
- 2A. As required by IRDA Financial Statements Regulations read with Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. As the Company's financial accounting system is centralized at Head Office, no returns for the purpose of our audit are prepared at the branches and other offices of the Company
 - d. The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payment Account dealt with by this Report are in agreement with the books of account.
 - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting

principles prescribed in the IRDA Financial Statements Regulations and orders/ directions/ circulars issued by IRDAI in this regard.

- f. In our opinion, investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations, the IRDA Act and/or orders/directions issued by the IRDAI in this regard
- g. In our opinion, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under Section 133 of the Act to the extent they are not inconsistent with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders/ directions issued by the IRDAI in this regard.
- h. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- i. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. 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:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer Note 4 to the financial statements.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. The Company did not have any outstanding long-term derivative contracts - Refer Note 35 to the financial statements.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Protection and Education Fund by the Company.

Independent Auditors' Report (Continued)

- d.(i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 37 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Section 34A of the Insurance Act, 1938. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act read with Section 34A of the Insurance Act, 1938. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For G. M. Kapadia & Co.
Chartered Accountants
Firm's Registration Number:
104767W

Rajen Ashar
Partner
Membership No. 048243
ICAI UDIN: 23048243BGXPRF9355

Mumbai
Dated: 27 April 2023

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

Ritesh Goyal
Partner
Membership No. 115007
ICAI UDIN: 23115007BGXPOX9537

Annexure A to Independent Auditors' Report

Annexure A to the Independent Auditor's Report on the financial statements of HDFC ERGO General Insurance Company Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(j) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of HDFC ERGO General Insurance Company Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10)

of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements

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

Other Matters

The actuarial valuation of liabilities for non-life policies is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of the outstanding claims reserves that are estimated using statistical methods, Premium Deficiency Reserve (the "PDR"), Incurred but Not Reported ("IBNR") including

Incurred but Not Enough Reported ("IBNER") as at 31 March 2023 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by IRDAI and the Institute of Actuaries of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for outstanding claims reserves that are estimated using statistical methods, PDR, IBNR (including IBNER) reserves, as contained in the financial statements of the Company. Our opinion is not modified in respect of this matter.

For G. M. Kapadia & Co.

Chartered Accountants
Firm's Registration Number:
104767W

Rajen Ashar

Partner
Membership No. 048243
ICAI UDIN: 23048243BGXPRF9355

Mumbai
Dated: 27 April 2023

For B S R & Co. LLP

Chartered Accountants
Firm's Registration Number:
101248W/W-100022

Ritesh Goyal

Partner
Membership No. 115007
ICAI UDIN: 23115007BGXPOX9537

Independent Auditors' Certificate

TO THE MEMBERS OF HDFC ERGO GENERAL INSURANCE COMPANY LIMITED

(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated 27 April 2023)

1. 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) Regulations 2002, ("the IRDA Financial Statements Regulations") read with Regulation 3 of the IRDA Financial Statements Regulations

Management and Board of Directors' Responsibility

2. The Company's Management and Board of Directors are responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/circulars/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes (i) preparation of management report consistent with the financial statements; (ii) compliance with the terms and conditions of the registration stipulated by the Authority; (iii) maintenance and custody of cash balances and maintenance of investments with custody and depository; and (iv) ensuring that no part of the assets of the policyholders' funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds. This responsibility includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring the aforesaid and applying an appropriate basis of preparation; and making estimates and judgments that are reasonable in the circumstances.

Independent Auditor's Responsibility

3. Pursuant to the requirement of the IRDA Financial Statements Regulations, our responsibility for the purpose of this certificate, is to provide reasonable assurance on the matters contained in paragraphs 3 and 4 of Schedule C of the IRDA Financial Statements Regulation read with Regulation 3 of the IRDA

Financial Statements Regulations for the year ended 31 March 2023.

4. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) in so far as applicable for the purpose of this Certificate, which include the concepts of test checks and materiality. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
5. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, "Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements".

Opinion

6. In accordance with the information and explanations and representations 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 the Company for the year ended 31 March 2023, we certify that:
 - a) We have reviewed the Management Report attached to the financial statements for the year ended 31 March 2023, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
 - b) Based on information and explanations received during the normal course of our audit, management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by the IRDAI;
 - c) We have verified the cash balances to the extent considered necessary, and securities relating to the Company's investments as at 31 March 2023, by actual inspection or on the basis of certificates/confirmations received from the concerned branches and/HO personnel of the company, Custodian and/or Depository Participants appointed by the Company, as the case may be. Further, we have also relied upon

the management's certificate for cash/cheque balances as at 31 March 2023;

- d) We have been given to understand by the management that the Company is not a trustee of any trust; and
- e) No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

Restriction on Use

This certificate is issued at the request of the Company solely for use of the Company for inclusion in the annual accounts in order to comply with the provisions of paragraph 3 and 4 of Schedule C of the IRDA Financial Statements Regulations read with Regulation 3 of the IRDA Financial Statements Regulations and is not intended to

be and should not be used for any other purpose without our prior consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For **G. M. Kapadia & Co.**
Chartered Accountants
Firm's Registration Number:
104767W

Rajen Ashar
Partner
Membership No. 048243
ICAI UDIN: 23048243BGXPRF9355

Mumbai
Dated: 27 April 2023

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

Ritesh Goyal
Partner
Membership No. 115007
ICAI UDIN: 23115007BGXPOX9537

FORM B - BS

IRDAI Registration No: 146

Date of Registration with the IRDAI: July 09, 2010

Balance Sheet as at March 31, 2023

Particulars	Schedule	As at March 31, 2023 (Audited) (₹ '000)	As at March 31, 2022 (Audited) (₹ '000)
SOURCES OF FUNDS			
SHARE CAPITAL	5	7,127,800	7,127,800
SHARE APPLICATION		8,769	—
RESERVES AND SURPLUS	6	32,026,002	27,994,137
FAIR VALUE CHANGE ACCOUNT - SHAREHOLDERS		56,360	132,032
FAIR VALUE CHANGE ACCOUNT - POLICYHOLDERS		242,013	520,846
BORROWINGS	7	8,290,000	5,290,000
DEFERRED TAX LIABILITY		—	—
TOTAL		47,750,944	41,064,815
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS	8	42,011,314	37,204,597
INVESTMENTS - POLICYHOLDERS	8A	180,404,772	146,765,923
LOANS	9	—	—
FIXED ASSETS	10	3,640,987	2,992,962
DEFERRED TAX ASSET (Refer note 15 of Schedule 16)		523,078	586,610
CURRENT ASSETS			
Cash and Bank Balances	11	3,152,831	1,342,855
Advances and Other Assets	12	20,920,783	24,011,507
Sub-Total (A)		24,073,614	25,354,362
CURRENT LIABILITIES	13	148,692,843	126,225,710
PROVISIONS	14	54,209,978	45,613,929
Sub-Total (B)		202,902,821	171,839,639
NET CURRENT ASSETS/(LIABILITIES) (C) = (A-B)		(178,829,207)	(146,485,277)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	—	—
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		—	—
TOTAL		47,750,944	41,064,815

Schedules referred to above and the notes to accounts form an integral part of the financial statements.

Signatures to the Balance Sheet and Schedules 1 to 16

In terms of our report attached of even date

G. M. Kapadia & Co.
Chartered Accountants
Firm Registration No.: 104767W

B S R & Co. LLP
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Rajen Ashar
Partner
Membership No.: 048243

Ritesh Goyal
Partner
(Membership No. 115007)

For and on behalf of the Board of Directors

Keki M Mistry
Chairman
(DIN: 00008886)

Renu S. Karnad
Non-Executive Director
(DIN: 00008064)

Bernhard Steinruecke
Independent Director
(DIN: 01122939)

Mehernosh B. Kapadia
Independent Director
(DIN: 00046612)

Sanjib Chaudhuri
Independent Director
(DIN: 09565962)

Vinay Sanghi
Independent Director
(DIN: 00309085)

Anuj Tyagi
Deputy Managing Director
(DIN: 07505313)

Oliver Martin Willmes
Non-Executive Director
(DIN: 08876420)

Arvind Mahajan
Independent Director
(DIN: 07553144)

Rajgopal Thirumalai
Independent Director
(DIN: 02253615)

Vyoma Manek
Company Secretary & Chief Compliance Officer
(Membership No.: ACS 20384)

Clemens Matthias Muth
Non-Executive Director
(DIN: 07824451)

Ameet Hariani
Independent Director
(DIN: 00087866)

Ritesh Kumar
Managing Director & CEO
(DIN: 02213019)

Mumbai
Dated: April 27, 2023

FORM B - PL

IRDAI Registration No: 146

Date of Registration with the IRDAI: July 09, 2010

Profit and Loss Account for the year ended March 31, 2023

Particulars	Schedule	For the year ended March 31, 2023 (₹ '000)	For the year ended March 31, 2022 (₹ '000)
OPERATING PROFIT/(LOSS)			
Fire Insurance		1,229,641	872,725
Marine Insurance		(976,202)	(259,603)
Miscellaneous Insurance		6,473,545	4,129,879
		<u>6,726,984</u>	<u>4,743,001</u>
INCOME FROM INVESTMENTS			
Interest, Dividend and Rent – Gross (Refer note 2 (c) of Schedule 16)		2,533,855	2,089,248
Profit on sale of investments		195,684	351,153
Less: Loss on sale of investments		(8,765)	(3,490)
		<u>2,720,774</u>	<u>2,436,911</u>
OTHER INCOME			
TOTAL (A)		<u>9,447,758</u>	<u>7,179,912</u>
PROVISIONS (OTHER THAN TAXATION)			
For diminution in the value of investments (Refer note 10 of Schedule 16)		(174,669)	(296,751)
For doubtful debts		222,536	(1,183)
		<u>47,867</u>	<u>(297,934)</u>
OTHER EXPENSES			
Expenses other than those related to insurance business			
Employees' related remuneration and welfare benefits (Refer note 11 of Schedule 16)		120,325	112,483
Corporate Social Responsibility Expenses (Refer note 29 of Schedule 16)		126,636	113,876
Bad debts written off		18,661	18,126
Remuneration to directors and others		7,015	4,170
Bad & Doubtful Investments written off (Refer note 10 of Schedule 16)		—	133,400
Interest on Debentures		433,202	409,148
Debenture issuance expenses		9,598	8,948
TOTAL (B)		<u>763,304</u>	<u>502,217</u>
PROFIT/(LOSS) BEFORE TAX		<u>8,684,454</u>	<u>6,677,695</u>
Provision for Taxation			
- Current Tax		2,094,328	1,526,455
- Deferred Tax (Refer note 15 of Schedule 16)		63,531	149,924
PROFIT/(LOSS) AFTER TAX		<u>6,526,595</u>	<u>5,001,316</u>
APPROPRIATIONS			
Interim Dividends paid during the year (Refer note 34 of Schedule 16)		2,494,730	2,316,535
Proposed final Dividend		—	—
Dividend Distribution tax		—	—
Transfer to any Reserves or Other Accounts		—	—
Transfer to Debenture Redemption Reserve (Refer Note 33 of Schedule 16)		—	—
Transfer to Contingency Reserve for Unexpired Risks		—	—
Balance of Profit/(Loss) brought forward from previous year		10,468,714	7,783,933
BALANCE CARRIED FORWARD TO BALANCE SHEET		<u>14,500,579</u>	<u>10,468,714</u>
EARNINGS PER SHARE (Basic) (in ₹)		<u>9.16</u>	<u>7.02</u>
EARNINGS PER SHARE (Diluted) (in ₹)		<u>9.13</u>	<u>7.00</u>
(Face Value ₹ 10 per share) (Refer Note 25 of Schedule 16)			

NOTES TO ACCOUNTS

16

Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account.

Signatures to the Profit and Loss Account and Schedules 1 to 16

In terms of our report attached of even date

G. M. Kapadia & Co. **B S R & Co. LLP**
Chartered Accountants Chartered Accountants
Firm Registration No.: 104767W Firm's Registration No.: 101248W/W-100022

Rajen Ashar **Ritesh Goyal**
Partner Partner
Membership No.: 048243 (Membership No. 115007)

For and on behalf of the Board of Directors

Keki M Mistry **Renu S. Karnad**
Chairman Non-Executive Director
(DIN: 00008886) (DIN: 00008064)

Bernhard Steinruecke **Mehernosh B. Kapadia**
Independent Director Independent Director
(DIN: 01122939) (DIN: 00046612)

Sanjib Chaudhuri **Vinay Sanghi**
Independent Director Independent Director
(DIN: 09565962) (DIN: 00309085)

Anuj Tyagi **Samir H. Shah**
Deputy Managing Director Executive Director & CFO
(DIN: 07505313) (DIN: 08114828)

Oliver Martin Willmes **Clemens Matthias Muth**
Non-Executive Director Non-Executive Director
(DIN: 08876420) (DIN: 07824451)

Arvind Mahajan **Ameet Hariani**
Independent Director Independent Director
(DIN: 07553144) (DIN: 00087866)

Rajgopal Thirumalai **Ritesh Kumar**
Independent Director Managing Director & CEO
(DIN: 02253615) (DIN: 02213019)

Vyoma Manek
Company Secretary & Chief Compliance Officer
(Membership No.: ACS 20384)

Mumbai
Dated: April 27, 2023

IRDAI Registration No: 146

Date of Registration with the IRDAI: July 09, 2010

Receipts and Payments Account for the year ended March 31, 2023

Particulars	Schedule	For the year ended March 31, 2023 (₹ '000)	For the year ended March 31, 2022 (₹ '000)
Cash flows from operating activities			
Premium received from policyholders, including advance receipts		196,628,477	151,502,343
Payments to re-insurers, net of commission and claims		(23,376,300)	(22,808,999)
Payments to co-insurers, net of claims recovery		337,644	623,568
Payments of claims		(91,144,196)	(82,709,792)
Payments of commission and brokerage		(15,793,812)	(12,818,928)
Payments of other operating expenses		(26,208,371)	(19,756,326)
Corporate Social Responsibility (CSR) expenses		(126,636)	(113,876)
Deposits, advances and staff loans		(322,455)	139,022
Income taxes paid (Net)		(1,869,785)	(1,561,635)
Goods and Services Tax paid		(9,797,054)	(8,335,878)
Net cash generated from/(used in) operating activities (A)		28,327,512	4,159,499
Cash flows from investing activities			
Purchase of fixed assets		(1,344,298)	(798,634)
Proceeds from sale of fixed assets		22,902	12,621
Purchase of investments		(1,035,962,940)	(125,942,910)
Sale of investments		986,748,329	102,971,221
Rent/Interest/Dividend received		14,573,865	12,381,513
Investments in money market instruments and in liquid mutual funds (Net)		9,394,778	6,150,646
Net cash flow from/(used in) investing activities (B)		(26,567,364)	(5,225,543)
Cash flows from financing activities			
Proceeds from issuance of share capital and share premium		—	165,580
Receipt of Share application money pending allotment		8,769	—
Repayments of borrowing		(800,000)	(3,500,000)
Proceeds from issuance of borrowing		3,800,000	3,750,000
Interest Paid		(435,589)	(408,905)
Dividend paid (Including dividend distribution tax)		(2,494,730)	(2,316,535)
Net cash flow from/(used in) financing activities (C)		78,450	(2,309,860)
Effect of foreign exchange rates on cash and cash equivalents (Net) (D)		(1,571)	(6,152)
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)		1,837,027	(3,382,056)
Cash and cash equivalents at the beginning of the year		1,305,453	4,687,509
Cash and cash equivalents at the end of the period		3,142,480	1,305,453
Net increase/(decrease) in cash and cash equivalents		1,837,027	(3,382,056)
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and Bank balances		3,152,831	1,342,855
Less: Deposit Accounts not considered as Cash and cash equivalents as defined in AS-3 "Cash Flow Statements"		(10,351)	(37,402)
Cash and cash equivalents at the end of the period		3,142,480	1,305,453

NOTES TO ACCOUNTS

16

Refer Schedule 11 for components of cash and bank balances

Signatures to the Receipts and Payments Account

In terms of our report attached of even date

G. M. Kapadia & Co. **B S R & Co. LLP**
Chartered Accountants Chartered Accountants
Firm Registration No.: 104767W Firm's Registration No.: 101248W/W-100022

Rajen Ashar **Ritesh Goyal**
Partner Partner
Membership No.: 048243 (Membership No. 115007)

For and on behalf of the Board of Directors

Keki M Mistry **Renu S. Karnad** **Oliver Martin Willmes** **Clemens Matthias Muth**
Chairman Non-Executive Director Non-Executive Director Non-Executive Director
(DIN: 00008886) (DIN: 00008064) (DIN: 08876420) (DIN: 07824451)

Bernhard Steinruecke **Mehernosh B. Kapadia** **Arvind Mahajan** **Ameet Hariani**
Independent Director Independent Director Independent Director Independent Director
(DIN: 01122939) (DIN: 00046612) (DIN: 07553144) (DIN: 00087866)

Sanjib Chaudhuri **Vinay Sanghi** **Rajgopal Thirumalai** **Ritesh Kumar**
Independent Director Independent Director Independent Director Managing Director & CEO
(DIN: 09565962) (DIN: 00309085) (DIN: 02253615) (DIN: 02213019)

Anuj Tyagi **Samir H. Shah** **Vyoma Manek**
Deputy Managing Director Executive Director & CFO Company Secretary & Chief Compliance Officer
(DIN: 07505313) (DIN: 08114828) (Membership No.: ACS 20384)

Mumbai
Dated: April 27, 2023

FORM B – RA

IRDAI Registration No: 146

Date of Registration with the IRDAI: July 09, 2010

Revenue Accounts for the year ended March 31, 2023

(₹ '000)

Particulars	Schedule	FIRE INSURANCE		MARINE INSURANCE		MISCELLANEOUS INSURANCE		TOTAL	
		For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
1 Premiums Earned (Net)	1	2,721,523	2,843,511	1,593,410	1,215,563	76,034,659	64,727,401	80,349,592	68,786,475
2 Profit/Loss on Sale/Redemption of Investments (Net)		45,319	85,094	10,288	12,827	716,387	1,379,905	771,993	1,477,826
3 Others:									
Investment Income from Terrorism Pool		53,023	40,886	—	—	—	—	53,023	40,886
Miscellaneous Income		1,788	893	1,079	386	51,475	20,550	54,342	21,829
4 Interest, Dividend and Rent – Gross (Refer note 2 (c) of Schedule 16)		614,351	511,366	139,455	77,083	9,711,299	8,292,404	10,465,105	8,880,853
TOTAL (A)		3,436,004	3,481,750	1,744,232	1,305,859	86,513,820	74,420,260	91,694,055	79,207,869
1 Claims Incurred (Net)	2	1,590,464	1,780,148	2,173,943	1,143,283	60,465,127	54,887,151	64,229,533	57,810,582
2 Commission (Net)	3	(1,954,068)	(1,277,634)	237,042	166,238	(668,156)	(1,659,118)	(2,385,182)	(2,770,514)
3 Operating Expenses Related to Insurance Business	4	2,569,967	2,106,511	309,449	255,941	20,243,304	17,062,348	23,122,720	19,424,800
4 Premium Deficiency (Refer Note 27 of Schedule 16)		—	—	—	—	—	—	—	—
TOTAL (B)		2,206,363	2,609,025	2,720,434	1,565,462	80,040,275	70,290,381	84,967,071	74,464,868
Operating Profit/(Loss) (A-B)		1,229,641	872,725	(976,202)	(259,603)	6,473,545	4,129,879	6,726,984	4,743,001
APPROPRIATIONS									
Transfer to Shareholders' Account		1,229,641	872,725	(976,202)	(259,603)	6,473,545	4,129,879	6,726,984	4,743,001
Transfer to Catastrophe Reserve		—	—	—	—	—	—	—	—
Transfer to Other Reserves		—	—	—	—	—	—	—	—
TOTAL (C)		1,229,641	872,725	(976,202)	(259,603)	6,473,545	4,129,879	6,726,984	4,743,001

NOTES TO ACCOUNTS**Schedules referred to above and the notes to accounts form an integral part of the Revenue Accounts.**

Signatures to the Revenue Account and Schedules 1 to 16

In terms of our report attached of even date

G. M. Kapadia & Co.

Chartered Accountants

Firm's Registration No.: 104767W

Rajen Ashar

Partner

Membership No.: 048243

For and on behalf of the Board of Directors

Keki M Mistry

Chairman

(DIN: 00008886)

Bernhard Steinruecke

Independent Director

(DIN: 01122939)

Sanjib Chaudhuri

Independent Director

(DIN: 09565962)

Anuj Tyagi

Deputy Managing Director

(DIN: 07505313)

Renu S. Karnad

Non-Executive Director

(DIN: 00008064)

Mehernosh B. Kapadia

Independent Director

(DIN: 00046612)

Vinay Sanghi

Independent Director

(DIN: 00309085)

Samir H. Shah

Executive Director & CFO

(DIN: 08114828)

Oliver Martin Wilmes

Non-Executive Director

(DIN: 08876420)

Arvind Mahajan

Independent Director

(DIN: 07553144)

Rajgopal Thirumalai

Independent Director

(DIN: 02253615)

Vyoma Manek

Company Secretary & Chief Compliance Officer

(Membership No.: ACS 20384)

Clemens Matthias Muth

Non-Executive Director

(DIN: 07824451)

Ameet Hariyani

Independent Director

(DIN: 00087866)

Ritesh Kumar

Managing Director & CEO

(DIN: 02213019)

Mumbai
Dated: April 27, 2023

Schedules

Annexed to and forming part of the Revenue Accounts

SCHEDULE - 1

PREMIUM EARNED (NET)

(₹ '000)

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Fire	* Miscellaneous			Total	Fire	** Miscellaneous			Total
		Marine Cargo	Marine Hull	Marine Total			Marine Cargo	Marine Hull	Marine Total	
Premium from direct business written-net of GST	17,100,149	2,001,113	197,393	2,198,506	147,059,485	13,303,548	1,537,005	197,443	1,734,448	134,975,507
Add: Premium on Re-insurance accepted	1,892,347	73,376	—	73,376	407,511	1,685,528	75,992	—	75,992	2,095,936
Less: Premium on Re-insurance ceded	(15,620,164)	(401,941)	(195,593)	(597,534)	(63,705,293)	(11,884,310)	(352,903)	(196,583)	(549,486)	(66,002,667)
Net Premium	3,372,332	1,672,548	1,800	1,674,348	83,761,703	3,104,766	1,260,094	860	1,260,954	71,068,776
Add/(Less): Adjustment for changes in reserve for unexpired risks	(650,809)	(80,044)	(894)	(80,938)	(7,727,044)	(261,255)	(45,094)	(297)	(45,391)	(2,282,301)
Total Premium Earned (Net)	2,721,523	1,592,504	906	1,593,410	76,034,659	2,843,511	1,215,000	563	1,215,563	68,786,475

* Miscellaneous Premium Breakup for the year ended March 31, 2023

(₹ '000)

Particulars	Miscellaneous									
	Motor		Workmen's Compensation		Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance
	Motor-OD	Motor-TP	Motor Total	Motor Total						
Premium from direct business written-net of GST	20,896,173	25,547,675	46,443,848	212,851	34,257	1,942	2,001,641	184,539	5,961,879	51,202,409
Add: Premium on Re-insurance accepted	—	—	—	—	1,152	—	57,259	—	—	—
Less: Premium on Re-insurance ceded	(888,103)	(12,729,332)	(13,617,435)	(39,011)	(27,269)	(1,203)	(1,735,140)	(184,446)	(2,445,614)	(16,378,004)
Net Premium	20,008,070	12,818,343	32,826,413	173,840	8,140	739	323,760	93	3,516,265	34,824,405
Add/(Less): Adjustment for changes in reserve for unexpired risks	(2,847,215)	(773,620)	(3,620,835)	(15,276)	(604)	(152)	(952)	24	491,887	(4,286,360)
Total Premium Earned (Net)	17,160,855	12,044,723	29,205,578	158,564	7,536	587	322,808	117	4,008,152	30,538,045

** Miscellaneous Premium Breakup for the year ended March 31, 2022

(₹ '000)

Particulars	Miscellaneous									
	Motor		Workmen's Compensation		Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance
	Motor-OD	Motor-TP	Motor Total	Motor Total						
Premium from direct business written-net of GST	15,370,918	20,119,060	35,489,978	167,450	34,979	1,461	1,835,923	181,440	5,987,876	43,413,660
Add: Premium on Re-insurance accepted	—	—	—	—	700	—	66,787	—	3,250	—
Less: Premium on Re-insurance ceded	(801,449)	(9,068,682)	(9,870,131)	(23,847)	(29,052)	(943)	(1,463,867)	(181,278)	(2,624,326)	(14,654,266)
Net Premium	14,569,469	11,050,378	25,619,847	143,603	6,627	518	438,843	162	3,366,800	28,764,394
Add/(Less): Adjustment for changes in reserve for unexpired risks	61,074	(96,776)	(35,702)	17	(1)	181	5,309	(34)	918,953	(2,353,570)
Total Premium Earned (Net)	14,630,543	10,953,602	25,584,145	143,620	6,626	699	444,152	128	4,285,753	26,410,824

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Motor-OD	Motor-TP	Motor Total	Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance
Premium from direct business written-net of GST	15,370,918	20,119,060	35,489,978	167,450	34,979	1,461	1,835,923	181,440	5,987,876	43,413,660
Add: Premium on Re-insurance accepted	—	—	—	—	700	—	66,787	—	3,250	—
Less: Premium on Re-insurance ceded	(801,449)	(9,068,682)	(9,870,131)	(23,847)	(29,052)	(943)	(1,463,867)	(181,278)	(2,624,326)	(14,654,266)
Net Premium	14,569,469	11,050,378	25,619,847	143,603	6,627	518	438,843	162	3,366,800	28,764,394
Add/(Less): Adjustment for changes in reserve for unexpired risks	61,074	(96,776)	(35,702)	17	(1)	181	5,309	(34)	918,953	(2,353,570)
Total Premium Earned (Net)	14,630,543	10,953,602	25,584,145	143,620	6,626	699	444,152	128	4,285,753	26,410,824

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Motor-OD	Motor-TP	Motor Total	Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance
Premium from direct business written-net of GST	15,370,918	20,119,060	35,489,978	167,450	34,979	1,461	1,835,923	181,440	5,987,876	43,413,660
Add: Premium on Re-insurance accepted	—	—	—	—	700	—	66,787	—	3,250	—
Less: Premium on Re-insurance ceded	(801,449)	(9,068,682)	(9,870,131)	(23,847)	(29,052)	(943)	(1,463,867)	(181,278)	(2,624,326)	(14,654,266)
Net Premium	14,569,469	11,050,378	25,619,847	143,603	6,627	518	438,843	162	3,366,800	28,764,394
Add/(Less): Adjustment for changes in reserve for unexpired risks	61,074	(96,776)	(35,702)	17	(1)	181	5,309	(34)	918,953	(2,353,570)
Total Premium Earned (Net)	14,630,543	10,953,602	25,584,145	143,620	6,626	699	444,152	128	4,285,753	26,410,824

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Motor-OD	Motor-TP	Motor Total	Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance
Premium from direct business written-net of GST	15,370,918	20,119,060	35,489,978	167,450	34,979	1,461	1,835,923	181,440	5,987,876	43,413,660
Add: Premium on Re-insurance accepted	—	—	—	—	700	—	66,787	—	3,250	—
Less: Premium on Re-insurance ceded	(801,449)	(9,068,682)	(9,870,131)	(23,847)	(29,052)	(943)	(1,463,867)	(181,278)	(2,624,326)	(14,654,266)
Net Premium	14,569,469	11,050,378	25,619,847	143,603	6,627	518	438,843	162	3,366,800	28,764,394
Add/(Less): Adjustment for changes in reserve for unexpired risks	61,074	(96,776)	(35,702)	17	(1)	181	5,309	(34)	918,953	(2,353,570)
Total Premium Earned (Net)	14,630,543	10,953,602	25,584,145	143,620	6,626	699	444,152	128	4,285,753	26,410,824

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Motor-OD	Motor-TP	Motor Total	Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance
Premium from direct business written-net of GST	15,370,918	20,119,060	35,489,978	167,450	34,979	1,461	1,835,923	181,440	5,987,876	43,413,660
Add: Premium on Re-insurance accepted	—	—	—	—	700	—	66,787	—	3,250	—
Less: Premium on Re-insurance ceded	(801,449)	(9,068,682)	(9,870,131)	(23,847)	(29,052)	(943)	(1,463,867)	(181,278)	(2,624,326)	(14,654,266)
Net Premium	14,569,469	11,050,378	25,619,847	143,603	6,627	518	438,843	162	3,366,800	28,764,394
Add/(Less): Adjustment for changes in reserve for unexpired risks	61,074	(96,776)	(35,702)	17	(1)	181	5,309	(34)	918,953	(2,353,570)
Total Premium Earned (Net)	14,630,543	10,953,602	25,584,145	143,620	6,626	699	444,152	128	4,285,753	26,410,824

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Motor-OD	Motor-TP	Motor Total	Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance
Premium from direct business written-net of GST	15,370,918	20,119,060	35,489,978	167,450	34,979	1,461	1,835,923	181,440	5,987,876	43,413,660
Add: Premium on Re-insurance accepted	—	—	—	—	700	—	66,787	—	3,250	—
Less: Premium on Re-insurance ceded	(801,449)	(9,068,682)	(9,870,131)	(23,847)	(29,052)	(943)	(1,463,867)	(181,278)	(2,624,326)	(14,654,266)
Net Premium	14,569,469	11,050,378	25,619,847	143,603	6,627	518	438,843	162	3,366,800	28,764,394
Add/(Less): Adjustment for changes in reserve for unexpired risks	61,074	(96,776)	(35,702)	17	(1)	181	5,309	(34)	918,953	(2,353,570)
Total Premium Earned (Net)	14,630,543	10,953,602	25,584,145	143,620	6,626	699	444,152	128	4,285,753	26,410,824

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Motor-OD	Motor-TP	Motor Total	Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance
Premium from direct business written-net of GST	15,370,918	20,119,060	35,489,978	167,450	34,979	1,461	1,835,923	181,440	5,987,876	43,413,660
Add: Premium on Re-insurance accepted	—	—	—	—	700	—	66,787	—	3,250	—
Less: Premium on Re-insurance ceded	(801,449)	(9,068,682)	(9,870,131)	(23,847)	(29,052)	(943)	(1,463,867)	(181,278)	(2,624,326)	(14,654,266)
Net Premium	14,569,469	11,050,378	25,619,847	143,603	6,627	518	438,843	162	3,366,800	28,764,394
Add/(Less): Adjustment for changes in reserve for unexpired risks	61,074	(96,776)	(35,702)	17	(1)	181	5,309	(34)	918,953	(2,353,570)
Total Premium Earned (Net)	14,630,543	10,953,602	25,584,145	143,620	6,626	699	444,152	128	4,285,753	26,410,824

Particulars	Miscellaneous															
	Motor-OD	Motor-TP	Motor Total	Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others			Total Miscellaneous		
Premium from direct business written-net of GST	15,370,918	20,119,060	35,489,978	167,450	34,979	1,461	1,835,923	181,440	5,987,876	43,418,660	835,100	729,689	2,572,167	27,119,738	1,563,050	119,937,511
Add: Premium on Re-insurance accepted Less: Premium on Re-insurance ceded	(801,449)	9,068,682	(9,870,131)	—	700	—	66,787	—	3,250	—	21,402	—	240,718	—	1,559	334,416
Net Premium	14,569,469	11,050,378	25,619,847	143,603	6,227	518	438,843	162	3,366,800	28,764,394	238,947	659,771	646,545	(21,029,278)	(838,070)	(53,568,871)
Add/(Less): Adjustment for changes in reserve for unexpired risks	61,074	(96,776)	(35,702)	17	(1)	181	5,309	(34)	918,953	(2,353,570)	(2,789)	(556,562)	(54,021)	(110,349)	21,2913	(1,975,655)
Total Premium Earned (Net)	14,630,543	10,953,602	25,584,145	143,620	6,626	699	444,152	128	4,285,753	26,410,824	236,158	103,209	592,524	5,980,111	939,452	64,727,401

Schedules

Annexed to and forming part of the Revenue Accounts

SCHEDULE - 2 CLAIMS INCURRED (NET)

(₹ '000)

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Fire	Marine		* Miscellaneous		Total	Fire	Marine		** Miscellaneous
		Marine Cargo	Marine Hull	Marine Total	Marine Total			Marine Cargo	Marine Hull	
Claims paid direct	5,003,900	2,154,248	8,306	2,162,554	88,324,024	4,141,614	1,240,915	37,735	1,278,650	75,072,195
Add: Claims on Re-insurance accepted	442,627	29,032	—	29,032	496,949	450,649	54,379	—	54,379	17,310
Less: Claims on Re-insurance ceded	(4,311,743)	(940,904)	(7,942)	(948,846)	(30,927,094)	(36,187,683)	(529,933)	(37,475)	(567,408)	(27,895,575)
Net Claims paid	1,134,784	1,242,376	364	1,242,740	50,255,766	1,074,475	765,361	260	765,621	49,034,025
Add: Claims Outstanding at the end of the year	3,209,526	1,717,104	8,922	1,726,026	76,488,130	81,423,682	2,753,846	8,560	794,823	66,278,769
Less: Claims Outstanding at the beginning of the year	(2,753,846)	(786,263)	(8,560)	(794,823)	(66,278,769)	(69,827,438)	(408,477)	(8,683)	(417,160)	(58,585,548)
Total Claims Incurred (Net)	1,590,464	2,173,217	726	2,173,943	60,465,127	64,229,534	1,780,148	136	1,143,283	54,887,151

(₹ '000)

* Miscellaneous Claims Incurred (Net) Breakup for the year ended March 31, 2023

Particulars	Miscellaneous										Total
	Motor		Workmen's Compensation		Public Liability		Product Liability		Engineering		Health Insurance
	Motor-OD	Motor-TP	Motor Total	Motor-TP	Motor Total	Public Liability	Product Liability	Product Liability	Engineering	Aviation	
Claims paid direct	14,025,197	7,689,289	21,714,486	93,824	10	—	—	—	886,685	4,218	36,202,174
Add: Claims on Re-insurance accepted	—	—	—	—	—	—	—	—	22,392	1,669	1,060
Less: Claims on Re-insurance ceded	(643,000)	(5,846,202)	(6,489,202)	(4,556)	(5)	—	—	—	(609,483)	(1,459)	(9,728,020)
Net Claims paid	13,382,197	1,843,087	15,225,284	89,268	5	—	—	—	299,594	4,428	26,474,154
Add: Claims Outstanding at the end of the year	3,138,341	55,596,886	58,735,227	238,636	13,592	12,355	12,355	12,355	531,924	51,270	4,616,666
Less: Claims Outstanding at the beginning of the year	(3,162,589)	(47,990,177)	(51,152,766)	(218,805)	(12,317)	(12,226)	(12,226)	(12,226)	(455,380)	(70,789)	(5,090,343)
Total Claims Incurred (Net)	13,357,949	9,449,796	22,807,745	109,099	1,280	129	129	129	376,138	(15,091)	26,000,477

(₹ '000)

** Miscellaneous Claims Incurred (Net) Breakup for the year ended March 31, 2022

Particulars	Miscellaneous										Total
	Motor		Workmen's Compensation		Public Liability		Product Liability		Engineering		Health Insurance
	Motor-OD	Motor-TP	Motor Total	Motor-TP	Motor Total	Public Liability	Product Liability	Product Liability	Engineering	Aviation	
Claims paid direct	11,204,364	4,302,821	15,507,185	91,448	327	—	—	—	739,341	2,270	38,822,825
Add: Claims on Re-insurance accepted	—	—	—	—	—	—	—	—	16,390	(4,605)	2,331
Less: Claims on Re-insurance ceded	(756,894)	(3,547,977)	(4,304,871)	(4,573)	(124)	(11,648)	(11,648)	(11,648)	(428,576)	(2,316)	(9,132,289)
Net Claims paid	10,447,470	754,844	11,202,314	86,875	203	—	—	—	327,155	(4,651)	29,690,536
Add: Claims Outstanding at the end of the year	3,162,589	47,990,177	51,152,766	218,805	12,317	12,226	12,226	12,226	455,380	70,789	5,090,343
Less: Claims Outstanding at the beginning of the year	(2,452,449)	(40,800,584)	(43,253,033)	(234,886)	(11,244)	(12,317)	(12,317)	(12,317)	(606,723)	(86,863)	(6,423,038)
Total Claims Incurred (Net)	11,157,610	7,944,437	19,102,047	70,794	1,276	163	163	163	175,813	(20,725)	28,357,841

(₹ '000)

Schedules

Annexed to and forming part of the Revenue Accounts

SCHEDULE - 3 COMMISSION (NET)

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Fire	Marine			Total	Fire	Marine			Total
		Marine Cargo	Marine Hull	Marine Total			Marine Cargo	Marine Hull	Marine Total	
Commission paid direct	1,730,505	260,509	2,266	262,775	12,929,812	1,294,565	187,224	2,124	189,348	9,964,110
Add: Commission paid on Re-insurance accepted	189,212	8,377	—	8,377	57,271	153,928	8,618	—	8,618	46,013
Less: Commission received on Re-insurance ceded	(3,873,785)	(26,846)	(7,264)	(34,110)	(13,655,239)	(2,726,127)	(23,497)	(8,231)	(31,728)	(11,669,241)
Net commission paid/(received)	(1,954,068)	242,040	(4,998)	237,042	(668,156)	(1,277,634)	172,345	(6,107)	166,238	(2,770,514)

* Miscellaneous Commission Breakup for the year ended March 31, 2023

Particulars	Miscellaneous															
	Motor			Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others					
	Motor-OD	Motor-TP	Motor Total								Other Liability	Home	Specialty	Weather/ Crop	Others	Total Miscellaneous
Commission paid direct	3,663,420	482,720	4,146,140	28,846	2,610	262	204,533	6,895	809,302	6,884,340	131,152	73,639	519,485	43,402	79,206	12,929,812
Add: Commission paid on Re-insurance accepted	—	—	—	—	239	—	9,717	—	—	—	2,744	—	44,556	—	15	57,271
Less: Commission received on Re-insurance ceded	(125,412)	(2,060,197)	(2,185,609)	(5,491)	(3,517)	(270)	(377,764)	(12,563)	(1,340,304)	(6,130,526)	(131,404)	(3,676)	(755,598)	(2,543,037)	(165,480)	(13,655,239)
Net commission paid/(received)	3,538,008	(1,577,477)	1,960,531	23,355	(668)	(8)	(163,514)	(5,668)	(531,002)	753,814	2,492	69,963	(191,557)	(2,499,635)	(86,259)	(668,156)

** Miscellaneous Commission Breakup for the year ended March 31, 2022

Particulars	Miscellaneous															
	Motor			Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others					
	Motor-OD	Motor-TP	Motor Total								Other Liability	Home	Specialty	Weather/ Crop	Others	Total Miscellaneous
Commission paid direct	2,645,281	222,312	2,867,593	23,741	2,068	1,096	135,463	5,964	834,186	5,421,296	99,581	109,455	333,715	62,921	67,041	9,964,110
Add: Commission paid on Re-insurance accepted	—	—	—	—	109	—	6,138	—	—	—	2,927	—	36,823	—	16	46,013
Less: Commission received on Re-insurance ceded	(112,320)	(2,561,408)	(2,673,728)	(4,158)	(3,538)	646	(285,157)	(10,609)	(1,400,384)	(5,193,152)	(109,378)	(6,846)	(445,802)	(1,417,391)	(119,744)	(11,669,241)
Net commission paid/(received)	2,532,961	(2,339,096)	193,865	19,583	(1,361)	1,742	(143,566)	(4,645)	(566,198)	228,144	(6,870)	102,609	(75,264)	(1,354,470)	(52,687)	(1,659,118)

SCHEDULE - 3 A COMMISSION PAID DIRECT

Particulars	For the year ended March 31, 2023					For the year ended March 31, 2022				
	Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total	Fire	Total
Agents	70,757	38,441	5,017,983	5,127,181	51,008	25,495	3,767,086	3,843,589	—	—
Brokers	1,342,064	221,637	4,599,970	6,163,671	1,000,224	162,269	3,113,180	4,275,673	—	—
Corporate Agency Referral	317,494	2,623	2,767,953	3,088,070	243,189	1,541	2,706,636	2,951,366	—	—
Others: Web aggregator, CSC, IMF, MISP and POSP	190	74	543,906	544,170	143	43	377,209	377,395	—	—
Total	1,730,505	262,775	12,929,812	14,923,092	1,294,565	189,348	9,964,110	11,448,023	—	—

Schedules

Annexed to and forming part of the Revenue Accounts

SCHEDULE - 4 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS											
Particulars	For the year ended March 31, 2023				For the year ended March 31, 2022				(₹ '000)		
	Fire	Marine		Total	Fire	Marine		Total	** Miscellaneous	Marine Total	Total
		Marine Cargo	Marine Hull			Marine Cargo	Marine Hull				
Employees' remuneration and welfare benefits	974,678	107,156	10,203	117,359	7,622,276	8,714,313	725,740	78,561	9,616	88,177	6,671,455
Travel, conveyance and vehicle running expenses	54,598	6,002	572	6,574	426,971	488,143	26,626	2,882	353	3,235	244,778
Training expenses	25,097	2,759	263	3,022	196,266	224,385	22,108	2,393	293	2,686	203,229
Rents, rates and taxes	66,150	7,273	693	7,966	517,312	591,428	47,476	5,107	625	5,732	433,675
Repairs	27,564	3,030	289	3,319	215,563	246,446	23,072	2,497	306	2,803	212,090
Printing and stationery	27,226	2,994	286	3,280	212,917	243,423	13,693	1,481	181	1,662	125,869
Communication	10,737	1,180	112	1,292	83,969	95,998	11,135	1,205	148	1,353	102,363
Legal and professional charges	385,920	42,428	4,040	46,468	3,018,012	3,450,400	521,670	56,471	6,912	63,383	4,795,514
Auditors' fees, expenses etc											
(a) as auditors	839	92	9	101	6,560	7,500	707	77	9	86	6,500
(b) as advisor or in any other capacity, in respect of:											
(i) Taxation matters	—	—	—	—	—	—	—	—	—	—	—
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—	—
(iii) Management services	—	—	—	—	—	—	—	—	—	—	—
(c) in any other capacity (Refer Note 31 of Schedule 16)	411	45	4	49	3,216	3,676	407	44	5	49	3,741
Advertisement and publicity	735,463	80,857	7,700	88,557	5,751,544	6,575,564	508,915	55,089	6,743	61,832	4,678,251
Interest and bank charges	30,725	3,378	322	3,700	385,661	420,086	43,291	4,686	574	5,260	458,396
Others:											
Electricity expenses	11,456	1,259	120	1,379	89,592	102,427	8,874	961	118	1,079	81,574
Office expenses	2,097	231	22	253	16,401	18,751	4,015	435	53	488	36,906
Miscellaneous expenses	30,542	3,358	320	3,678	238,844	273,064	7,596	823	101	924	69,831
Information Technology expenses	99,607	10,951	1,043	11,994	778,955	890,556	77,198	8,357	1,023	9,380	709,648
Postage and courier	10,383	1,141	109	1,250	81,195	92,828	5,411	586	72	658	49,743
Loss/(Profit) on sale of assets (net)	666	73	7	80	5,209	5,955	(77)	(8)	(1)	(9)	(705)
Depreciation	75,808	8,334	794	9,128	592,841	677,777	58,954	6,382	781	7,163	541,942
Total Operating Expenses	2,569,967	282,541	26,908	309,449	20,243,304	23,122,720	2,106,511	228,029	27,912	255,941	19,424,800

Schedules

Annexed to and forming part of the Revenue Accounts

SCHEDULE - 4 (Continued) * Miscellaneous Operating expenses related to Insurance business Breakup for the year ended March 31, 2023																	(₹ '000)
Particulars	Miscellaneous																
	Motor-OD	Motor-TP	Motor Total	Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Other Liability	Home	Specialty	Weather/ Crop	Others	Total Miscellaneous	
Employees' remuneration and welfare benefits	1,080,128	1,320,566	2,400,694	11,002	1,830	100	106,097	9,537	308,171	2,646,665	50,372	25,589	231,850	1,734,429	95,938	7,622,276	
Travel, conveyance and vehicle running expenses	60,505	73,973	134,478	616	103	6	5,943	534	17,263	148,256	2,822	1,433	12,987	97,156	5,374	426,971	
Training expenses	27,812	34,003	61,815	284	47	3	2,732	246	7,935	68,148	1,297	659	5,970	44,660	2,470	196,266	
Rents, rates and taxes	73,307	89,625	162,932	747	124	7	7,200	647	20,915	179,625	3,419	1,737	15,735	117,713	6,511	517,312	
Repairs	30,547	37,346	67,893	311	52	3	3,000	270	8,715	74,849	1,425	724	6,557	49,051	2,713	215,563	
Printing and stationery	30,172	36,888	67,060	307	51	3	2,964	266	8,608	73,931	1,407	715	6,476	48,449	2,680	212,917	
Communication	11,899	14,548	26,447	121	20	1	1,169	105	3,395	29,156	555	282	2,554	19,107	1,057	83,969	
Legal and professional charges	427,673	522,872	950,545	4,356	725	40	42,009	3,777	122,019	1,047,937	19,945	10,132	91,800	686,741	37,986	3,018,012	
Auditors' fees, expenses etc																	
(a) as auditors	930	1,137	2,067	9	2	—	91	8	265	2,278	43	22	200	1,493	82	6,560	
(b) as advisor or in any other capacity, in respect of:																	
(i) Taxation matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
(iii) Management services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
(c) in any other capacity (Refer Note 31 of Schedule 16)	456	557	1,012	5	1	—	45	4	130	1,116	21	11	98	732	40	3,216	
Advertisement and publicity	815,032	996,459	1,811,491	8,302	1,381	76	80,058	7,198	232,537	1,997,095	38,009	19,310	174,947	1,308,748	72,392	5,751,544	
Interest and bank charges	34,049	41,628	75,677	347	58	3	3,345	301	9,714	83,431	1,588	807	7,309	200,057	3,024	385,661	
Others:																	
Electricity expenses	12,696	15,522	28,218	129	22	1	1,247	112	3,622	31,109	592	301	2,725	20,386	1,128	89,592	
Office expenses	2,324	2,842	5,166	24	4	—	228	21	663	5,695	108	55	499	3,732	206	16,401	
Miscellaneous expenses	33,846	41,380	75,226	345	57	3	3,325	299	9,657	82,933	1,578	802	7,265	54,348	3,006	238,844	
Information Technology expenses	110,383	134,955	245,338	1,124	187	10	10,843	975	31,493	270,475	5,148	2,615	23,694	177,249	9,804	778,955	
Postage and courier	11,506	14,067	25,573	117	19	1	1,130	102	3,283	28,193	537	273	2,470	18,475	1,022	81,195	
Loss/(Profit) on sale of assets (net)	738	903	1,641	8	1	—	73	7	211	1,809	34	17	158	1,184	66	5,209	
Depreciation	84,010	102,710	186,720	856	142	8	8,252	742	23,968	205,851	3,918	1,990	18,033	134,899	7,462	592,841	
Total Operating Expenses	2,848,013	3,481,981	6,329,994	29,010	4,826	265	279,751	25,151	812,564	6,978,552	132,818	67,474	611,327	4,718,609	252,963	20,243,304	

Schedules

Annexed to and forming part of the Revenue Accounts

SCHEDULE - 4 (Continued)																	(₹ '000)
*** Miscellaneous Operating expenses related to Insurance business Breakup for the year ended March 31, 2022																	
Particulars	Motor			Workmen's Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others			Weather/ Crop	Others	Total Miscellaneous	
	Motor-OD	Motor-TP	Motor Total								Home	Specialty					
Employees' remuneration and welfare benefits	748,640	979,899	1,728,539	8,156	1,737	71	92,366	8,837	291,798	2,114,705	41,716	35,540	137,001	1,320,867	76,205	5,857,538	
Travel, conveyance and vehicle running expenses	27,468	35,953	63,421	299	63	3	3,389	324	10,706	77,590	1,531	1,304	5,027	48,464	2,796	214,917	
Training expenses	22,805	29,850	52,655	248	53	2	2,814	269	8,889	64,420	1,271	1,083	4,173	40,237	2,321	178,435	
Rents, rates and taxes	48,665	63,698	112,363	530	113	5	6,005	574	18,968	137,465	2,712	2,310	8,906	85,862	4,954	380,767	
Repairs	23,800	31,152	54,952	259	55	2	2,937	281	9,276	67,227	1,326	1,130	4,355	41,991	2,423	186,215	
Printing and stationery	14,124	18,487	32,611	154	33	1	1,743	167	5,506	39,897	787	671	2,585	24,920	1,438	110,514	
Communication	11,487	15,035	26,522	125	27	1	1,417	136	4,477	32,447	640	545	2,102	20,267	1,170	89,875	
Legal and professional charges	538,131	704,362	1,242,493	5,862	1,249	51	66,393	6,352	209,747	1,520,074	29,986	25,546	98,478	949,453	54,776	4,210,461	
Auditors' fees, expenses etc																	
(a) as auditors	729	955	1,684	8	2	—	90	9	284	2,060	41	35	133	1,287	74	5,707	
(b) as advisor or in any other capacity, in respect of:																	
(i) Taxation matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
(ii) Insurance matters	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
(iii) Management services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
(c) in any other capacity (Refer Note 31 of Schedule 16)	420	550	970	5	1	—	52	5	164	1,186	23	20	77	741	42	3,285	
Advertisement and publicity	524,972	687,138	1,212,110	5,719	1,219	50	64,770	6,197	204,618	1,482,904	29,253	24,922	96,070	926,236	53,437	4,107,504	
Interest and bank charges	44,657	58,452	1,03,109	486	104	4	5,510	527	17,406	126,144	2,488	2,120	8,172	139,228	4,545	409,845	
Others:																	
Electricity expenses	9,154	11,981	21,135	100	21	1	1,129	108	3,568	25,856	510	435	1,676	16,150	932	71,621	
Office expenses	4,141	5,421	9,562	45	10	—	511	49	1,614	11,698	231	197	758	7,307	422	32,403	
Miscellaneous expenses	7,836	10,257	18,093	85	18	1	967	93	3,054	22,134	437	372	1,434	13,825	798	61,310	
Information Technology expenses	79,633	104,233	183,866	868	185	8	9,825	940	31,039	224,943	4,437	3,780	14,573	140,502	8,106	623,070	
Postage and courier	5,582	7,306	12,888	61	13	1	689	66	2,176	15,767	310	266	1,022	9,849	568	43,674	
Loss/(Profit) on sale of assets (net)	(79)	(104)	(183)	(1)	—	—	(40)	(1)	(31)	(223)	(4)	(4)	(14)	(140)	(8)	(618)	
Depreciation	60,814	79,600	140,414	663	141	6	7,503	718	23,704	171,784	3,389	2,887	11,129	107,298	6,190	475,825	
Total Operating Expenses	2,172,979	2,844,225	5,017,204	23,672	5,044	206	268,099	25,649	846,964	6,138,078	121,084	103,161	397,657	3,894,345	221,189	17,062,348	

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE – 5 SHARE CAPITAL

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
<u>Authorised Capital</u>		
2000,000,000 Equity Shares of ₹ 10/- each (Previous year: 2000,000,000 Equity Shares of ₹ 10/- each)	20,000,000	20,000,000
<u>Issued Capital</u>		
712,780,035 Equity Shares of ₹ 10/- each (Previous year: 712,780,035 Equity Shares of ₹ 10/- each)	7,127,800	7,127,800
<u>Subscribed Capital</u>		
712,780,035 Equity Shares of ₹ 10/- each (Previous year: 712,780,035 Equity Shares of ₹ 10/- each)	7,127,800	7,127,800
<u>Called-up Capital</u>		
712,780,035 Equity Shares of ₹ 10/- each (Previous year: 712,780,035 Equity Shares of ₹ 10/- each)	7,127,800	7,127,800
Less: Calls unpaid	—	—
Add: Equity Shares forfeited (Amount originally paid up)	—	—
Less: Preliminary Expenses	—	—
Expenses including commission or brokerage on underwriting or subscription of shares	—	—
Total	7,127,800	7,127,800

During Financial Year 2021-22, pursuant to stake sale by HDFC Ltd of 0.62% of the issued and paid-up share capital of the Company to ERGO International AG, the shareholding of HDFC Ltd reduced to below 50 % w.e.f. May 11, 2021. Accordingly, HDFC Limited ceased to be the Holding Company of the Company with effect from that date.

SCHEDULE – 5A SHARE CAPITAL

PATTERN OF SHAREHOLDING [As certified by the Management]	As at March 31, 2023		As at March 31, 2022	
	(Number of Shares)	(% of Holding)	(Number of Shares)	(% of Holding)
Promoters:				
Indian: Housing Development Finance Corporation Limited	356,306,882	49.99%	356,253,482	49.98%
Foreign: ERGO International AG	349,204,344	48.99%	349,204,344	48.99%
Others: Employees	7,268,809	1.02%	7,322,209	1.03%
Total	712,780,035	100.00%	712,780,035	100.00%

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE – 6 RESERVES AND SURPLUS

Particulars	As at March 31, 2023 (₹ '000)		As at March 31, 2022 (₹ '000)	
Capital Reserves		—		—
Capital Redemption Reserve		—		—
Reserve on Amalgamation		3,003,014		3,003,014
Share Premium				
Balance Brought forward from Previous Year	14,165,941		14,012,512	
Add: Addition during the period	—	14,165,941	153,429	14,165,941
General Reserves				
Balance Brought forward from Previous Year	—		—	
Less: Debit balance in Profit and Loss Account	—		—	
Add: Transfer from Debenture Redemption Reserve	—	—	—	—
Contingency Reserve for Unexpired Risk		—		—
Catastrophe Reserve		—		—
Other Reserves				
Debenture Redemption Reserve (Refer Note 33 of Schedule 16)				
Balance Brought forward from Previous Year	356,468		356,468	
Less: Transfer to General Reserves	—	356,468	—	356,468
Balance of Profit/(Loss) in Profit and Loss Account				
Balance Brought forward from Previous Year	10,468,714		7,783,933	
Add: Profit/(Loss) during the period	4,031,865		2,684,781	
Less: Transfer to Debenture Redemption Reserve	—	14,500,579	—	10,468,714
Total		32,026,002		27,994,137

SCHEDULE – 7 BORROWINGS

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
Debentures/Bonds (Refer note 33 of Schedule 16)	8,290,000	5,290,000
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	8,290,000	5,290,000

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE – 8

INVESTMENTS - SHAREHOLDERS (Refer note 2 (p) and 10 of schedule 16)

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	9,653,429	8,057,038
Other Approved Securities	15,806,977	13,130,047
Other Investments:		
Shares		
- Equity	369,009	391,611
Less : Provision for Diminution in value of Investments*	—	(48,643)
- Preference	—	—
Mutual Funds	—	—
Derivative Instruments	—	—
Debentures/Bonds	346,943	699,823
Less : Provision for Diminution in value of Investments*	(346,943)	(649,265)
Other Securities (Alternative Investment Fund)	10,401	23,110
Investments in Infrastructure and Housing	10,840,983	9,872,218
Sub-total (A)	36,680,799	31,475,939
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	41,438	630,512
Other Approved Securities	3,491,544	3,984,484
Other Investments:		
Shares		
- Equity	—	—
- Preference	—	—
Mutual Funds	—	—
Derivative Instruments	—	—
Debentures/Bonds	1,914,599	1,741,641
Less : Provision for Diminution in value of Investments *	(1,867,378)	(1,691,083)
Other Securities (Alternative Investment Fund)	16,288	50,558
Subsidiaries	—	—
Investment Properties-Real Estate	—	—
Investments in Infrastructure and Housing	1,734,024	1,063,104
Sub-total (B)	5,330,515	5,728,658
Total (A+B)	42,011,314	37,204,597

Note:

a) Aggregate value of the investments other than Equity Shares and Mutual Fund

	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
Long term investments - Book Value	32,611,466	29,316,939
Market Value	32,075,488	29,625,033
Short term investments - Book Value	5,128,566	4,412,690
Market Value	5,106,162	4,446,569

b) Investments made outside India: ₹ Nil (Previous Year ₹ Nil)

* Refer note 10 of Schedule 16

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE – 8A

INVESTMENTS - POLICYHOLDERS (Refer note 2 (p) and 10 of schedule 16)

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	41,453,706	31,783,666
Other Approved Securities	67,878,239	51,795,842
Other Investments:	—	—
Shares	—	—
- Equity	1,584,597	1,352,953
- Preference	—	—
Mutual Funds	—	—
Derivative Instruments	—	—
Debentures/Bonds	—	199,442
Other Securities (Alternative Investment Fund)	44,662	91,167
Subsidiaries	—	—
Investment Properties-Real Estate	—	—
Investments in Infrastructure and Housing	46,553,295	38,944,248
Sub-total (A)	157,514,499	124,167,318
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	177,941	2,487,266
Other Approved Securities	14,993,374	15,718,129
Other Investments:	—	—
Shares	—	—
- Equity	—	—
- Preference	—	—
Mutual Funds	—	—
Derivative Instruments	—	—
Debentures/Bonds	202,778	199,442
Other Securities (Alternative Investment Fund)	69,943	—
Subsidiaries	—	—
Investment Properties-Real Estate	—	—
Investments in Infrastructure and Housing	7,446,237	4,193,768
Sub-total (B)	22,890,273	22,598,605
Total (A+B)	180,404,772	146,765,923

Note:

a) Aggregate value of the investments other than Equity Shares and Mutual Fund

	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
Long term investments - Book Value	140,039,991	115,650,422
Market Value	137,738,397	116,865,805
Short term investments - Book Value	22,023,062	17,407,325
Market Value	21,926,855	17,540,971

b) Investments made outside India: ₹ Nil (Previous Year ₹ Nil)

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE - 9

LOANS

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
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	<u>—</u>	<u>—</u>
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	—	—
(b) Banks and Financial Institutions	—	—
(c) Subsidiaries	—	—
(d) Industrial Undertakings	—	—
(e) Others	—	—
Total	<u>—</u>	<u>—</u>
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	—	—
(bb) Outside India	—	—
(b) Non-performing loans less provisions		
(aa) In India	—	—
(bb) Outside India	—	—
Total	<u>—</u>	<u>—</u>
MATURITY-WISE CLASSIFICATION		
(a) Short-Term	—	—
(b) Long-Term	—	—
Total	<u>—</u>	<u>—</u>
Total	<u>—</u>	<u>—</u>

Schedules

Annexed to and forming part of the Balance Sheet

Particulars	Cost/ Gross Block				Depreciation/ Amortisation			Net Block As at March 31, 2023
	Opening	Additions	Deductions	Closing	Upto last year	For the period	On Sales/ Adjustments	
Goodwill	—	—	—	—	—	—	—	—
Intangibles - Computer Software	2,867,205 (2,380,642)	317,655 (486,602)	4,040 (39)	3,180,820 (2,867,205)	2,151,364 (1,939,522)	299,209 (211,880)	3,051 (38)	733,298 (715,841)
Land-Freehold	—	—	—	—	—	—	—	—
Leasehold Property	157,681 (160,325)	49,434 (277)	4,689 (2,921)	202,426 (157,681)	154,168 (144,569)	6,522 (11,972)	4,689 (2,373)	46,425 (3,513)
Building	1,516,086 (1,516,086)	—	—	1,516,086 (1,516,086)	184,754 (159,562)	25,192 (25,192)	—	1,306,140 (1,331,332)
Furniture and Fittings	434,601 (426,240)	34,729 (10,749)	80,698 (2,388)	388,632 (434,601)	265,516 (230,772)	37,133 (36,257)	67,903 (1,513)	153,886 (169,085)
Information Technology Equipment	1,460,994 (1,343,048)	386,759 (265,615)	254,775 (147,669)	1,592,978 (1,460,994)	1,045,400 (1,003,410)	227,911 (186,893)	251,482 (144,903)	571,149 (415,594)
Vehicles	256,040 (218,696)	145,113 (86,567)	89,460 (49,223)	311,693 (256,040)	137,375 (139,535)	48,667 (39,323)	79,472 (41,483)	205,123 (118,665)
Office Equipment	370,971 (337,820)	39,750 (34,374)	60,348 (1,223)	350,373 (370,971)	290,501 (261,313)	33,143 (30,424)	58,553 (1,236)	85,282 (80,470)
Total	7,063,578 (6,382,857)	973,440 (884,184)	494,010 (203,463)	7,543,008 (7,063,578)	4,229,078 (3,878,683)	677,777 (541,941)	465,150 (191,546)	3,101,303 (2,834,500)
Capital Work-in-progress	158,462 (229,430)	690,833 (414,008)	309,611 (484,976)	539,684 (158,462)	—	—	—	539,684 (158,462)
Grand Total	7,222,040 (6,612,287)	1,664,273 (1,298,192)	803,621 (688,439)	8,082,692 (7,222,040)	4,229,078 (3,878,683)	677,777 (541,941)	465,150 (191,546)	3,640,987 (2,992,962)

(Figures in bracket pertain to Previous year)

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE - 11

CASH AND BANK BALANCES

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
Cash (including cheques, drafts and stamps)	450,274	171,807
Bank Balances		
(a) Deposit Accounts	—	—
(aa) Short-term (due within 12 months)	86,274	46,376
(bb) Others	2,500	11,272
(b) Current Accounts	2,613,783	1,113,400
(c) Others	—	—
Money at Call and Short Notice		
(a) With Banks	—	—
(b) With Other Institutions	—	—
Others	—	—
Total	3,152,831	1,342,855

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
ADVANCES		
Reserve deposits with ceding companies	—	—
Application money for investments	—	—
Prepayments	410,803	308,434
Advance to Directors/Officers	—	—
Advance tax paid and taxes deducted at source (Net of provision for taxation)	295,569	396,216
Others:		
Advances to employees	25,091	9,634
Advances to suppliers	850,663	550,086
Less : Provisions for doubtful debts	(229,110)	—
Goods and Service tax Unutilised Credit	23,877	1,165,360
Sub-total	1,376,893	2,429,730

(A)

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE - 12

ADVANCES AND OTHER ASSETS (Continued)

Particulars		As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
OTHER ASSETS			
Income accrued on investments		4,719,153	4,140,719
Outstanding Premiums	13,223,805	16,424,872	
Less : Provisions for doubtful debts	(315)	13,223,490	(6,856)
Agents' Balances	4,744	10,191	
Less : Provisions for doubtful debts	—	4,744	(34)
Due from other entities carrying on insurance business (including reinsurers)		1,220,616	657,220
Due from subsidiaries/holding Company		—	—
Foreign Agencies' balances		—	—
Others:			
Deposits for premises		137,904	120,974
Stock of Salvaged Cars		329	2,874
Unclaimed amount of Policyholders Investment		189,071	188,201
Interest Income on Unclaimed amount of Policyholders Investment		48,583	43,616
Sub-total	(B)	19,543,890	21,581,777
Total	(A+B)	20,920,783	24,011,507

SCHEDULE - 13

CURRENT LIABILITIES

Particulars		As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
Agents' Balances		732,829	704,800
Balances due to other insurance companies		42,563,217	32,521,287
Deposits held on re-insurance ceded		—	—
Premiums received in advance		9,662,841	8,685,254
Unallocated Premium		6,870,286	6,943,492
Unclaimed amount of Policyholders (Refer note 28 of Schedule 16)		285,513	284,107
Interest on Unclaimed amount of Policyholders (Refer note 28 of Schedule 16)		48,583	43,616
Sundry creditors		6,030,965	6,308,138

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE - 13

CURRENT LIABILITIES (Continued)

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
Due to subsidiaries/holding company	—	—
Claims Outstanding	81,423,682	69,827,438
Due to Officers/Directors	6,219	3,600
Others:		
Tax deducted at source	778,415	620,633
Other statutory dues	56,835	48,892
Interest payable on debentures	233,458	234,453
Total	148,692,843	126,225,710

SCHEDULE - 14

PROVISIONS

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
Reserve for Unexpired Risk	53,994,757	45,535,965
For taxation (less advance tax paid and taxes deducted at source)	133,538	9,349
For proposed dividends	—	—
Others:		
Provision for Employee benefits	81,683	68,615
Total	54,209,978	45,613,929

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	As at March 31, 2023 (₹ '000)	As at March 31, 2022 (₹ '000)
Discount Allowed in issue of shares/debentures	—	—
Others	—	—
Total	—	—

Schedule - 16

Notes to Accounts

1. BACKGROUND

HDFC ERGO General Insurance Company Limited ("the Company") was incorporated on December 27, 2007 as a Company under the Companies Act, 1956.

The Company is registered with the Insurance Regulatory and Development Authority of India ("IRDAI") and continues to be in the business of underwriting general insurance policies and has launched general insurance products which include Motor, Home, Accident & Health, Commercial, Specialty and Weather/Crop business lines.

The Company's Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable Non-Convertible Debentures (NCDs) are listed on the Bombay Stock Exchange (BSE).

The Company's certificate of renewal of registration dated February 25, 2014 was valid till March 31, 2015. Pursuant to Section 3 read with Section 3A of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, said certificate shall consequentially continue to be in force from April 1, 2015 onwards.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention, on an accrual basis and in accordance with the applicable provisions of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, circulars/notifications and guidelines issued by IRDAI from time to time, the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read together with Rule 7 of Companies (Accounts) Rule 2014 dated March 31, 2014 and Companies (Accounting Standards) Amendment Rules 2016 dated March 30, 2016 to the extent applicable and the relevant provisions of the Companies Act, 2013 and current practices prevailing within the insurance industry in India. The financial statements are presented in Indian rupees rounded off to the nearest thousand.

Accounting policies applied have been consistent with previous year except where different treatment is required as per new pronouncements made by the regulatory authorities. The management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis.

(b) Use of estimates

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

(c) Revenue Recognition

Premium Income

Premium including Reinsurance accepted (net of Goods & Service Tax) is recognized as income over the contract period or period of risk, as appropriate, after adjusting for unearned premium (unexpired risk). Any

Schedule - 16 (Continued)

Notes to Accounts

subsequent revisions to or cancellations of premiums are accounted for in the period in which they occur. Instalment cases are recorded on instalment due dates. Premium received in advance represents premium received prior to commencement of the risk. In case of Long Term Motor Insurance Policies, premium is recognized on a yearly basis as mandated by IRDAI circular number IRDAI/NL/CIR/MOT/137/08/2018 dated August 28, 2018.

Income earned on investments

Interest income on investments is recognised on an accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a constant yield to maturity basis.

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

The net realised gains or losses on the debt securities are the difference between the net sale consideration and the amortised cost, which is computed on a weighted average basis, as on the date of sale. In case of listed equity shares/mutual fund units, the profit or loss on sale of investment includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account". The difference between the acquisition price and the maturity value of treasury bills is recognised as income in the revenue accounts or the profit and loss account, as the case may be, over the remaining term of these instruments on a yield to maturity basis.

Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

(d) Reinsurance ceded

Reinsurance premium ceded is accounted in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Reinsurance premium ceded on unearned premium is carried forward to the period of risk and is set off against related unearned premium. Any subsequent revisions to or cancellations of premiums are accounted for in the year in which they occur.

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

(e) Commission received

Commission on reinsurance ceded is recognised as income on ceding of reinsurance premium.

Profit commission under reinsurance treaties, wherever applicable, is recognised in the year of final determination of the profits and as intimated by the Reinsurer.

(f) Reserve for Unexpired Risk

Reserve for unexpired risk represents that part of the net premium written which is attributable to and allocated to the succeeding accounting period. In terms of IRDAI Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016, as amended, Reserve for unexpired risk is calculated on the basis of 1/365th method in all segments subject to a minimum of 100% in case of Marine Hull business.

(g) Premium deficiency

Premium deficiency is recognised for the Company as a whole on an annual basis. Premium deficiency is recognised if the sum of the expected claim costs, related expenses and maintenance cost (related to

Schedule - 16 (Continued)**Notes to Accounts**

claims handling) exceeds related reserve for unexpired risk. The expected claim costs are calculated and duly certified by the Appointed Actuary.

(h) Claims incurred

Claims incurred comprises of claims paid (net of salvage and other recoveries), change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) and specific settlement costs comprising survey, legal and other directly attributable expenses.

Provision is made for estimated value of outstanding claims at the Balance Sheet date net of reinsurance, salvage and other recoveries. Such provision is made on the basis of the ultimate amounts that are likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and include claim settlement costs likely to be incurred to settle outstanding claims.

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) has been estimated by the Appointed Actuary in compliance with guidelines issued by IRDAI vide circular No. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 2005 and applicable provisions of Guidance Note 21 issued by the Institute of Actuaries of India. The Appointed Actuary has used generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data as well as appropriateness of the different methods to the different lines of businesses. The above elements of estimates of liability for claims are periodically reviewed by the Appointed Actuary and adjusted based on recent experience and emerging trends.

(i) Salvage Recoveries

Salvaged vehicles are recognised at net realizable value and are deducted from the claim settlement made against the same. Salvaged vehicles on hand are treated as stock-in-trade and are recognised at estimated net realizable value based on independent valuer's report.

(j) Acquisition Costs

Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission. These costs are expensed in the period in which they are incurred. In accordance with the requirements of the Circular no. IRDA/INT/CIR/Comm/139/08/2018 dated August 29, 2018, commission, remuneration, reward and distribution fees for new Long Term Private Car and Two-wheeler motor policies at the prescribed rates is accounted in the year in which the corresponding premium is recognised.

(k) Borrowing Costs

Borrowing costs are charged to the Profit and Loss account in the period in which they are incurred.

(l) Fixed Assets and Depreciation

Fixed assets (property, plant and equipment) are stated at cost of acquisition (including incidental expenses relating to acquisition and installation of assets), net of trade discounts and rebates, import duties and

Schedule - 16 (Continued)**Notes to Accounts**

other taxes (other than those subsequently recoverable from the tax authorities) and expenses directly attributable to bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment of assets, if any. Subsequent expenditure incurred on tangible assets is expensed out except where such expenditure results in an increase in future benefits from the existing assets beyond the previously assessed standard of performance. Salvaged vehicles, transferred and registered in the name of the Company are stated at fair market value determined based on the independent valuer's report as on the date of capitalization less accumulated depreciation.

The gain or loss arising from the derecognition of fixed assets is determined to be the difference between the net disposal proceeds (if any) and the carrying amount of the asset.

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

Depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc.

- Information Technology Equipment — 4 years
- Vehicles — 5 years
- Salvaged Vehicles Capitalised — 5 years

The Company provides pro rata depreciation from/to the day on which the asset is acquired or put to use/ disposed off as appropriate.

Leasehold Property is depreciated over the duration of lease.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- Computer Softwares — 4 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Impairment of assets

The carrying values of assets forming part of any cash generating units at Balance Sheet date are reviewed for impairment at each Balance Sheet date. If any indication for such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

(m) Finance Leases

Finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company, are capitalised at the lower of the fair value of the asset and present value

Schedule - 16 (Continued)**Notes to Accounts**

of the minimum lease payments at the inception of the lease term and are disclosed as leased assets. Lease payments are apportioned between the finance charges and the corresponding liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Revenue Accounts. Leased assets capitalised under finance lease are depreciated on a straight line basis over the lease term.

(n) Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense on straight line basis in the revenue accounts, as per the lease terms.

(o) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

At the Balance Sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at the exchange rates prevailing at that date.

All exchange differences arising on settlement/conversion of foreign currency transactions are included in the Revenue Accounts.

(p) Investments

Investments are made, accounted and classified in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended and various other circulars/notifications issued by the IRDAI in this context from time to time.

Investments are recorded at cost, which include brokerage, taxes, if any, stamp duty and excludes broken period interest.

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to be disposed off within twelve months from the Balance Sheet date are classified as short-term investments.

Investments other than short-term investments are classified as long-term investments.

Pursuant to the provisions of IRDAI Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 and IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017, the Investment made by the Company, investment income and fair value change account are bifurcated into Policyholders and Shareholders funds on notional basis.

Policyholders fund shall be the sum of a) Outstanding Claims including IBNR (Incurred but not reported) & IBNER (Incurred but not enough reported), b) Unexpired Risk Reserve (URR), c) Premium deficiency, if any, d) Catastrophe Reserve, if any, and e) Other liabilities net off Other assets. Other liabilities comprise of Premium received in advance, Unallocated premium, Balance due to other Insurance Companies, Due to others members of the Motor third party pool and Due to Policyholders. Other assets comprises

Schedule - 16 (Continued)**Notes to Accounts**

of outstanding premium, Due from other entities carrying on Insurance business (including reinsurers), Balance with Terrorism Pool and Balance with Motor third party pool, if any.

Shareholders' funds comprises of share capital, including reserves and surplus, less accumulated losses, if any, preliminary expenses and miscellaneous expenditure to the extent not written off or adjusted.

Schedule 8 denotes Investment made out of the Shareholders fund and Schedule 8A denotes Investments made out of the policyholders' fund.

All debt securities excluding Additional Tier I Bonds and non-convertible preference shares are considered as 'held to maturity' and accordingly stated at historical cost subject to amortisation of premium or accretion of discount on constant yield to maturity basis to the extent of policyholders funds in the Revenue Accounts and to the extent of shareholders' funds in the Profit and Loss Account over the period of maturity/holding.

All mutual fund investments are valued at net asset value as at Balance Sheet date.

Equity shares actively traded and convertible preference shares as at the Balance Sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange (NSE) being selected as Primary exchange as required by IRDAI Circular No. IRDA/F&I/INV/CIR/213/10/2013 dated October 30, 2013. However, in case of any stock not being listed on NSE, the same is valued based on the last quoted closing price on Bombay Stock Exchange (BSE). Investment in unlisted shares are stated at historical cost.

Additional Tier I Bond Investments are fair valued at market yield rates published by rating agency registered with the Securities and Exchange Board of India (SEBI).

In accordance with the Regulations, any unrealized gains/losses arising due to change in fair value of mutual fund investments, listed equity shares and Additional Tier I Bonds are accounted in "Fair Value Change Account" and carried forward in the Balance Sheet and is not available for distribution.

The Company assesses, whether any impairment has occurred on its investments at each Balance Sheet date. If any such indication exists, then carrying value of such investment is reduced to its recoverable amount/market value on the Balance Sheet date and the impairment loss is recognised in the Profit and Loss Account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists then impairment loss, earlier recognised in Profit and loss Account, is reversed in Profit and loss account and the investment is restated to that extent.

(q) Employee Benefits**(i) Short-term employee benefits**

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the period in which the employee renders the related service. All short term employee benefits are accounted on undiscounted basis.

(ii) Long-term employee benefits

The Company has both defined contribution and defined benefit plans, of which some have assets in special funds or similar securities. The plans are financed by the Company and in case of some defined contribution plans, by the Company along with its employees.

Schedule - 16 (Continued)

Notes to Accounts

Defined contribution plans

These are plans in which the Company pays predefined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined benefit plans

Expenses for defined benefit gratuity and supplemental payment plans are calculated as at the Balance Sheet date by independent actuaries using projected unit credit method in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments arrived at after considering the funded status, with consideration for calculated future salary increases, utilizing a discount rate corresponding to the interest rate estimated by the actuary, having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

The Company recognizes the net obligation of the scheme in Balance Sheet as an asset or liability in accordance with AS - 15 "Employee Benefits". The discount rate used for estimation of liability is based on Government securities yield. Gain or loss arising from change in actuarial assumptions/experience adjustments is recognised in the Revenue Accounts for the period in which they emerge. Expected long term rate of return on assets has been determined based on historical experience and available market information.

(iii) Other long term employee benefits

Provision for other long term benefits includes accumulated compensated absences that are entitled to be carried forward for future encashment or availment, at the option of the employer subject to the rules framed by the Company which are expected to be availed or encashed beyond twelve months from the Balance Sheet date. The Company's liability towards these other long term benefits are accrued and provided for on the basis of an actuarial valuation using projected unit credit method made at the end of the financial year.

(r) Taxation

Direct Tax

Income tax expense comprises current tax (i.e. amount of tax payable on the taxable income for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the period). Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income-tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing

Schedule - 16 (Continued)**Notes to Accounts**

evidence that sufficient future taxable income will be available against which deferred tax assets can be realised. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realised.

Indirect Tax

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

(s) (i) Terrorism Pool

In accordance with the requirements of IRDAI, the Company, together with other insurance companies, participates in the Terrorism Pool. This pool is managed by the General Insurance Corporation of India ("GIC"). Amounts collected as terrorism premium in accordance with the requirements of the Tariff Advisory Committee ("TAC") are ceded at 100% of the terrorism premium collected to the Terrorism Pool.

In accordance with the terms of the agreement, GIC retrocedes, to the Company, terrorism premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly statements received from GIC. The reinsurance accepted on account of terrorism pool has been recorded in accordance with the last statement received from the GIC.

The Company has ensured that it has created liability, to the extent of premium retroceded to the Company, through reserve for unexpired risks.

(ii) Marine Cargo Pool for Excluded Territories – Russia, Ukraine, Belarus

The Company, together with other insurance companies, has participated in the Marine Cargo Pool for Excluded Territories – Russia, Ukraine, Belarus ("MCPET") for transactions accounted on or after June 1, 2022. This pool is managed by the General Insurance Corporation of India ("GIC"). Amounts collected as MCPET premium in accordance with the requirements of the MCPET Agreement, are ceded at 96% to the MCPET Pool, after utilising the obligatory cession.

In accordance with the terms of the Agreement, GIC retrocedes, to the Company, retrocession premium to the extent of the Company's share in the risk, which is recorded as reinsurance accepted. Such reinsurance accepted is recorded based on quarterly statements received from the GIC. The reinsurance accepted on account of MCPET pool has been recorded in accordance with the last statement received from GIC.

The Company has ensured that it has created liability, to the extent of premium retroceded to the Company, through reserve for unexpired risks.

(t) Contributions to Solatium Fund

In accordance with the requirements of IRDAI Circular dated March 18, 2003 and based on the decision made by the General Insurance Council in its meeting held on May 6, 2005, the Company provides for contribution to Solatium Fund established by the Central Government as a percentage of gross written

Schedule - 16 (Continued)**Notes to Accounts**

premium for all motor policies written during that year, till the year ended March 31, 2010. Further, General Insurance Council in its meeting held on April 1, 2010 recommended that the contribution should be a percentage of gross written third party premiums.

(u) Transfer of amounts to Senior Citizen Welfare Fund

In accordance with the requirement of the Notification no G.S.R 380(E), issued by the Ministry of Finance, dated April 11, 2017 read with IRDAI Circular No. IRDA/F&A/CIR/MISC/173/07/2017 dated July 25, 2017, as amended, the Company transfers amounts outstanding for a period of more than 10 years in Unclaimed Amount of Policyholders to the Senior Citizen Welfare Fund (SCWF) on or before March 1st of each financial year.

(v) Contribution to Environment Relief Fund

In accordance with the notification no G.S.R 768(E), issued by Ministry of Environment and Forests, dated November 4, 2008, the Company provides for contribution to the Environment Relief Fund established by the Central Government, an amount equal to the premium received in relation to Public Liability policies issued by the Company, as per the rules specified by Public Liability Insurance Rules 1992.

(w) Segment Reporting

In case of General insurance business, based on the primary segments identified under Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 read with AS 17 on "Segment Reporting" specified under Section 133 of the Companies Act, 2013, the Company has classified and disclosed segment information for Fire, Marine and Miscellaneous lines of business.

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

The allocation of revenue and expenses to specific segments is done in the following manner, which is applied on a consistent basis.

Allocation of Investment Income

Investment income earned on the policyholders' funds has been allocated on the basis of the average of reserves for unexpired risks, IBNR, IBNER and outstanding claims of the respective segments.

Operating Expenses relating to Insurance Business

Expenses which are directly attributable and identifiable to the business segments shall be allocated to the respective business segment.

Expenses, which are not directly attributable and identifiable to the business segments, shall be apportioned on the basis of Gross written premium of the respective business segment.

The accounting policies used in segment reporting are same as those used in the preparation of financial statements.

(x) Earnings Per Share ("EPS")

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the

Schedule - 16 (Continued)

Notes to Accounts

year. The number of shares used in computing diluted EPS comprises of weighted average number of shares considered for deriving basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

(y) Provisions and Contingencies

A provision is recognised when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current best estimates.

Contingent losses arising from claims other than insurance claims, litigations, assessments, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. A Contingent asset is neither recognised nor disclosed in the financial statements.

(z) Employee Stock Option Plan ("ESOP")

The Company follows the intrinsic method for computing the compensation cost, for options granted under the Plan. The difference if any, between the fair value of the share and the grant price, being the compensation cost is amortized over the vesting period of the options.

(aa) Receipts and Payments Account

(i) Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with Para 2.2 of the Master Circular on Preparation of Financial Statements - General Insurance Business dated October 5, 2012, issued by the IRDAI.

(ii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Schedule - 16 (Continued)**Notes to Accounts****3. Stake sale by Housing Development Finance Corporation Limited and Munich Health Holding AG.**

During the previous year, pursuant to stake-sale by Housing Development Finance Corporation Limited (HDFC Ltd) of 0.62% of the issued and paid-up share capital of the Company to ERGO International AG, the shareholding of HDFC Ltd reduced to below 50% with effect from May 11, 2021 and accordingly HDFC Ltd ceased to be the Holding Company of the Company from the said date.

Additionally, Munich Health Holding AG transferred its entire shareholding of 7.21% in the Company consisting of 51,321,532 shares to ERGO International AG on November 12, 2021 and accordingly ceased to be a shareholder of the Company from the said date

4. CONTINGENT LIABILITIES

(₹ '000)

Sr. No.	Particulars	As at Mar 31, 2023	As at March 31, 2022
1	Partly paid up investments	Nil	Nil
2	Underwriting commitments outstanding (in respect of shares and securities)	Nil	Nil
3	Claims, other than those under policies, not acknowledged as debts by the Company	Nil	Nil
4	Guarantees given by or on behalf of the Company	Nil	Nil
5	Statutory demands/liabilities in dispute, not provided for (Refer Note 1 below)	3,517,180	1,778,984
6	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
7	Others	Nil	Nil

Note :

- (1) The Company has disputed the demand raised by Service Tax and Goods & Service Tax Authorities for various years amounting to ₹ 3,517,180 thousand (March 31, 2022 ₹ 1,778,984 thousand) towards base service tax and goods and service tax. Appeals against these demand orders/notice is filed before the appropriate Authorities.

5. ENCUMBRANCES ON ASSETS

The assets of the Company are free from encumbrances.

6. COMMITMENTS

There are commitments made and outstanding of ₹ 27,888 thousand (Previous year ₹ 67,719 thousand) for investments.

Estimated amount of contracts remaining to be executed on capital account and not provided for, [net of payments ₹ 307,795 thousand (Previous year ₹ 158,461 thousand)] is ₹ 465,884 thousand (Previous year ₹ 285,452 thousand).

There are no commitments made and outstanding for loans (Previous year ₹ Nil).

Schedule - 16 (Continued)

Notes to Accounts

7. CLAIMS

All claims, net of reinsurance are incurred and paid in India except for Marine Insurance (where consignments are exported from India, Liability Insurance and Overseas Travel Insurance.)

(₹ '000)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Outside India	570,337	117,114

There are no claims that have been settled and remaining unpaid for a period of more than six months as at the end of the year (Previous year ₹ Nil).

The Ageing of gross claims outstanding (unsettled) is as under:

(₹ '000)

Particulars	As at March 31, 2023	As at March 31, 2022
More than six months	33,493,162	33,307,142
Others	14,435,288	9,137,623

8. PREMIUM

(a) All premiums net of reinsurance are written and received in India.

(b) Premium income recognized on "Varying Risk Pattern" is ₹ Nil (Previous year ₹ Nil).

9. EXTENT OF RISKS RETAINED AND REINSURED

Extent of risk retained and reinsured with respect to gross written premium is set out below:

For the year ended on March 31, 2023

Particulars	Basis	Gross Premium	Retention	Cession	Retention	Cession
		(₹ '000)	(₹ '000)	(₹ '000)	%	%
Fire	Total sum insured	18,992,495	4,036,376	14,956,120	21	79
Marine Cargo	Value at Risk	2,074,489	1,819,194	255,296	88	12
Marine Hull	Total sum insured	197,394	1,801	195,593	1	99
Miscellaneous						
- Motor	Total sum insured	46,443,848	32,921,199	13,522,649	71	29
- Workmen's Compensation	Value at Risk	212,852	174,312	38,539	82	18
- Public/Product Liability	Value at Risk	37,351	8,880	28,471	24	76
- Engineering	Total sum insured	2,058,900	396,948	1,661,952	19	81
- Aviation	Value at Risk	184,539	93	184,446	0	100
- Personal Accident	Value at Risk	5,961,879	3,572,386	2,389,493	60	40
- Health Insurance	Value at Risk	51,202,409	34,827,811	16,374,598	68	32
- Other Liability / Speciality	Value at Risk	5,459,874	1,262,297	4,197,577	23	77
- Others	Value at Risk	35,905,346	10,902,942	25,002,403	30	70

The above excludes Excess of Loss cover reinsurance premium of ₹ 1,115,852 thousand for the year ended on March 31, 2023.

Schedule - 16 (Continued)

Notes to Accounts

For the year ended on March 31, 2022

Particulars	Basis	Gross Premium	Retention	Cession	Retention	Cession
		(₹ '000)	(₹ '000)	(₹ '000)	%	%
Fire	Total sum insured	14,989,077	3,613,079	11,375,998	24	76
Marine Cargo	Value at Risk	1,612,997	1,366,115	246,882	85	15
Marine Hull	Total sum insured	197,443	860	196,583	0	100
Miscellaneous						
- Motor	Total sum insured	35,489,979	25,699,293	9,790,686	72	28
- Workmen's Compensation	Value at Risk	167,450	143,887	23,563	86	14
- Public/Product Liability	Value at Risk	37,140	7,145	29,995	19	81
- Engineering	Total sum insured	1,902,710	526,690	1,376,020	28	72
- Aviation	Value at Risk	181,441	163	181,278	0	100
- Personal Accident	Value at Risk	5,991,125	3,402,248	2,588,877	57	43
- Health Insurance	Value at Risk	43,418,660	28,766,707	14,651,953	66	34
- Other Liability / Speciality	Value at Risk	3,669,385	885,491	2,783,894	24	76
- Others	Value at Risk	29,414,036	7,542,782	21,871,254	26	74

The above excludes Excess of Loss cover reinsurance premium of ₹ 885,685 thousand for the year ended on March 31, 2022.

10. INVESTMENTS

The Company has not executed any contract for purchase / sale of securities where deliveries are pending at the end of the year and credit/debit in Company's Demat Account has been done subsequent to the year end.

Investments made are in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended and various other circulars / notifications issued by the IRDAI in this context from time to time.

The Company's investments in Dewan Housing Finance Corporation Limited (DHFL), Reliance Capital Limited (RCL) and Infrastructure Leasing & Financial Services Limited group (IL&FS group) securities amounting ₹ 250,000 thousand, ₹ 199,979 thousand and ₹ 2,131,969 thousand respectively had been classified by the Company as non performing investments in earlier years in terms of the IRDAI guidelines, since these Companies had defaulted in the payment of interest and redemption proceeds and accordingly had been fully provided for. No interest income has been accrued thereon, in terms of the provisions of point 13 of Para 3.7 of the Master Circular on IRDAI (Investment) Regulations, 2016.

During previous year, pursuant to the Order dated June 7, 2021, passed by the Honorable National Company Law Tribunal (NCLT), based on Reserve Bank of India (RBI) initiated insolvency proceeding of DHFL under the Insolvency and Bankruptcy Code (IBC), 2016, the Company recovered ₹ 108,200 thousand being the partial claim. Based on the above Order and the pending expected claim, the Company has written off ₹ 133,400 thousand in the previous year. In view of further expected recovery, the balance of ₹ 8,400 thousand investment in DHFL's Non-Convertible Debentures (NCDs) has been carried forward.

Further, pursuant to the Order dated May 31, 2022, passed by the Honorable National Company Law Appellate Tribunal (NCLAT), on an application filed by Ministry of Corporate Affairs (MCA) seeking approval for IL&FS group to undertake an interim distribution, the Company recovered ₹ 126,027 thousand from IL&FS Financial Services

Schedule - 16 (Continued)**Notes to Accounts**

Limited (one of the entities of the IL&FS group) being interim distribution of proceeds. In view of further expected claim, the balance provision of ₹ 2,005,942 thousand investment in IL&FS group securities has been carried forward.

Historical cost of investments which have been valued on a market value basis:

Mutual Funds- ₹ 276,098 thousand (Previous year ₹ 6,635,681 thousand)

Equity Shares - ₹ 22,038,533 thousand (Previous year ₹ 9,894,589 thousand)

(₹ '000)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate market value of the Investments other than Mutual Fund and Equity Shares	196,846,903	168,478,378
Aggregate amortized cost/cost of the Investments other than Mutual Fund and Equity Shares	199,803,085	166,787,375

Repo/Reverse Repo Transactions

In terms of Para 5.1 of Master Circular dated October 27, 2022, on IRDAI (Investment) Regulations, 2016 the position of transactions under Repurchasing Option (repo) / reverse repo are provided below:

Particulars	For the year ended March 31, 2023			
	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2023
Securities sold under repo				
1. Government Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2. Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Securities purchased under reverse repo				
1. Government Securities	59,940 (Nil)	9,748,321 (Nil)	2,664,165 (Nil)	9,748,321 (Nil)
2. Corporate Debt Securities	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

(Previous year's figures are in brackets)

11. MANAGERIAL REMUNERATION

In terms of the disclosure requirements of Para 9 of IRDAI Corporate Governance Guidelines for Insurers in India, 2016, the elements of remuneration paid to Managing Director and Chief Executive Officer (MD & CEO), the Executive Directors, all other directors and Key Management Persons are as follows:

- (a) The Managing Director and Chief Executive Officer (MD & CEO) and the Executive Directors are remunerated in terms of the approval granted by IRDAI.

Schedule - 16 (Continued)

Notes to Accounts

Details of their remuneration included in employee remuneration and welfare benefits are as follows:

(₹ '000)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, perquisites and bonus	160,141	152,831
Contribution to Provident Fund	5,184	4,652
Total	165,325	157,483

The managerial remuneration is in accordance with recommendation of Nomination and Remuneration Committee and approval accorded by a resolution of the Board of Directors, Shareholders and IRDAI, in compliance with Section 34A of the Insurance Act, 1938.

Out of the above ₹ 15,000 thousand (Previous year ₹ 15,000 thousand) remuneration for each Director has been charged to Revenue Accounts and balance ₹ 120,325 thousand (Previous year ₹ 112,483 thousand) has been transferred to Profit and Loss Account.

- (b) During the year, the Company has paid an amount of ₹ 6,910 thousand (Previous year ₹ 4,000 thousand) as Commission to Independent Directors. An amount of ₹ 18,100 thousand (Previous year ₹ 15,600 thousand) has been paid as fees to Non-Executive Directors for attending Board/Committee meetings and ₹ 105 thousand (Previous year ₹ 170 thousand) has been paid for a Group Mediclaim insurance cover policy for the Non-Executive Directors.
- (c) Details of the elements of remuneration paid to Key Management Persons (KMPs) excluding Wholetime Directors, as defined under IRDAI Corporate Governance Guidelines for Insurers in India, 2016, are as follows:

(₹ '000)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, perquisites and bonus	176,750	215,295
Contribution to Provident Fund	4,219	5,301
Total	180,969	220,596

In addition to the above, Whole time Directors and KMPs are entitled to ESOPs under the Company's ESOP Scheme.

Expenses towards gratuity funding and leave encashment provision are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information.

12. SECTOR WISE BUSINESS BASED ON GROSS DIRECT PREMIUM INCOME (GDPI)

Business Sector	For the year ended March 31, 2023		For the year ended March 31, 2022	
	GDPI (₹ '000)	% of GDPI	GDPI (₹ '000)	% of GDPI
Rural	46,276,855	28	37,005,332	27
Urban	120,081,285	72	97,970,175	73
Total	166,358,140	100	134,975,507	100

Social Sector	For the year ended March 31, 2023	For the year ended March 31, 2022
Number of lives	9,882,355	8,449,491
GDPI (₹ '000)	29,690,773	26,096,710

Schedule - 16 (Continued)**Notes to Accounts****13. REINSURANCE REGULATIONS**

As per Para 6 of Insurance Regulatory and Development Authority of India (Re-insurance) Regulations, 2018, prior approval from IRDAI is required in case of re-insurance placements with Cross Border Reinsurers (CBRs) by the cedants transacting other than life insurance business, which shall be subject to the following overall cession limits on the overall reinsurance premium ceded outside India during a financial year.

Rating of the CBR as per Standard & Poor or equivalent	Maximum overall cession limits allowed per CBR
BBB & BBB+ of Standard & Poor	10%
Greater than BBB+ and up to & including A+ of Standard & Poor	15%
Greater than A+ of Standard & Poor	20%

In terms of above Reinsurance Regulations, the Company has submitted details of its reinsurance programmes to the IRDAI, covering reinsurer wise placement for such treaties.

14. ASSETS TAKEN ON LEASE**Operating lease commitments – Premises**

The Company takes commercial premises on lease. The minimum lease payments to be made in future towards non-cancellable lease agreements are as follows:

(₹'000)

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	320,161	244,467
Later than one year but not later than five years	493,384	181,637
Later than five years	—	—

The aggregate operating lease rental, charged to the Revenue Accounts in the current year is ₹ 343,575 thousand (Previous year ₹ 314,645 thousand).

The lease terms do not contain any exceptional/restrictive covenants nor are there any options given to the Company to renew the lease or purchase the asset.

15. TAXATION

Accounting Standard (AS) 22 – 'Accounting for Taxes on Income', requires the Company to accrue taxes on income in the same period as the revenue and expenses to which they relate. As the taxable income is different from the reported income due to timing differences, there arises a potential Deferred Tax Asset or Deferred Tax Liability, as the case may be. The components of the Company's Deferred Tax Assets and Liabilities are tabulated below.

(₹ in '000)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets:		
Provision for Leave Encashment	20,360	17,636
Provision for Variable Pay/ Incentive/ Bonus	2,402	12,572
Rule 6 E of the Income-tax rules, 1962 (Reserve for unexpired risk)	—	—
Amalgamation Expenses	49,448	75,211
Provision for diminution in value of Investment	558,212	602,173
Provision for bad and doubtful Debts	53,365	(2,643)
Total	683,787	704,949

Schedule - 16 (Continued)

Notes to Accounts

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Liabilities:		
Depreciation	160,709	118,339
Total	160,709	118,339
Deferred Tax Asset (Net)	523,078	586,610

16. EMPLOYEE STOCK OPTION PLAN (ESOP)

The Company had introduced an Employee Stock Option Plan 2009 (as amended) ("ESOP 2009") in financial year 2009-10. ESOP 2009 provides that eligible employees are granted options to acquire equity shares of the Company that vest in graded manner.

The options will vest over a period of two to four or five years as per the terms of the respective Tranches from the date of grant and are exercisable over a period of five years from the respective dates of vesting.

During the year, the Company issued two tranches viz. Tranche XVIII having 1,605,160 options granted at ₹ 536.00 per option and Tranche XIX having 40,000 options granted at ₹ 536.00 per option (Previous year Tranche XVI, having 100,000 options granted at ₹ 536.00 per option and Tranche XVII having 3,382,475 options granted at ₹ 536.00 per option). Details of options vested during the year are as follows:

Particulars	Number of Options Vested	
	For the year ended March 31, 2023	For the year ended March 31, 2022
HI Tranche III	5,845	—
HI Tranche IV	25,974	8,312
HI Tranche V	9,093	15,587
HI Tranche VI	60,070	6,494
HI Tranche VII	31,250	—
Tranche IX	—	967,500
Tranche X	395,000	210,000
Tranche XI	50,000	25,000
Tranche XII	—	25,000
Tranche XIV	361,875	—
Tranche XV	2,500	—
Total	941,607	1,257,893

Schedule - 16 (Continued)

Notes to Accounts

Movement in the options:

(No. of Options)

Particulars	Tranche XIX		Tranche XVIII		Tranche XVII		Tranche XVI	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	—	—	—	—	3,280,475	—	100,000	—
Granted during the year	40,000	—	1,605,160	—	—	3,382,475	—	100,000
Exercised during the year	—	—	—	—	—	—	—	—
Lapsed during the year	—	—	103,880	—	270,775	102,000	100,000	—
Outstanding at the end of the year	40,000	—	1,501,280	—	3,009,700	3,280,475	—	100,000
Unvested at the end of the year	40,000	—	1,501,280	—	3,009,700	3,280,475	—	100,000
Vested at the end of the year	—	—	—	—	—	—	—	—
Weighted average price per option	536	536	536	536	536	536	536	536

(No. of Options)

Particulars	Tranche XV		Tranche XIV		Tranche XIII		Tranche XII	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	10,000	10,000	1,447,500	1,502,500	—	—	100,000	100,000
Granted during the year	—	—	—	—	—	—	—	—
Exercise during the year	—	—	—	—	—	—	—	—
Lapsed during the year	—	—	42,000	55,000	—	—	75,000	—
Outstanding at the end of the year	—	10,000	1,405,500	1,447,500	—	—	25,000	100,000
Unvested at the end of the year	7,500	10,000	1,043,625	1,447,500	—	—	—	100,000
Vested at the end of the year	2,500	—	361,875	—	—	—	25,000	—
Weighted average price per option	363.80	363.80	363.80	363.80	364.40	364.40	364.40	364.40

(No. of Options)

Particulars	Tranche XI		Tranche X		Tranche IX		Tranche VIII	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	75,000	100,000	518,481	746,749	1,199,500	1,725,000	—	—
Granted during the year	—	—	—	—	—	—	—	—
Exercise during the year	—	25,000	—	180,768	—	510,500	—	—
Lapsed during the year	—	—	—	47,500	—	15,000	—	—
Outstanding at the end of the year	—	75,000	518,481	518,481	1,199,500	1,199,500	—	—
Unvested at the end of the year	—	50,000	—	395,000	—	—	—	—
Vested at the end of the year	75,000	25,000	518,481	123,481	1,199,500	1,199,500	—	—
Weighted average price per option	257	257	257	257	151	151	91	91

Schedule - 16 (Continued)

Notes to Accounts

(No. of Options)

Particulars	HI Tranche VII		Tranche VII		HI Tranche VI		Tranche VI	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	125,000	125,000	181,000	520,600	116,890	201,308	—	—
Granted during the year	—	—	—	—	—	—	—	—
Exercise during the year	—	—	—	339,600	—	—	—	—
Lapsed during the year	—	—	—	—	6,493	84,418	—	—
Outstanding at the end of the year	125,000	125,000	181,000	181,000	110,397	116,890	—	—
Unvested at the end of the year	93,750	125,000	—	—	55,197	110,396	—	—
Vested at the end of the year	—	—	—	181,000	55,200	6,494	—	—
Weighted average price per option	359.21	359.21	80	80	364.60	364.60	80	80

(No. of Options)

Particulars	HI Tranche V		Tranche V		HI Tranche IV		Tranche IV	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	62,342	77,928	—	57,000	24,935	33,247	2,000	80,000
Granted during the year	—	—	—	—	—	—	—	—
Exercised during the year	—	—	—	57,000	—	8,312	—	78,000
Lapsed during the year	16,885	15,586	—	—	—	—	—	—
Outstanding at the end of the year	45,457	62,342	—	—	24,935	24,935	—	2,000
Unvested at the end of the year	27,271	46,755	—	—	—	24,935	—	—
Vested at the end of the year	18,186	15,587	—	—	24,935	—	—	2,000
Weighted average price per option	281.05	281.05	62.50	62.50	75.81	75.81	50	50

(No. of Options)

Particulars	HI Tranche III		Tranche III		HI Tranche II		Tranche I	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	5,845	8,767	—	—	—	—	—	13,000
Granted during the year	—	—	—	—	—	—	—	—
Exercised during the year	—	2,922	—	—	—	—	—	13,000
Lapsed during the year	—	—	—	—	—	—	—	—
Outstanding at the end of the year	5,845	5,845	—	—	—	—	—	—
Unvested at the end of the year	—	5,845	—	—	—	—	—	—
Vested at the end of the year	5,845	—	—	—	—	—	—	—
Weighted average price per option	75.81	75.81	50	50	10	10	10	10

Schedule - 16 (Continued)**Notes to Accounts****Method used for accounting**

The Company has adopted intrinsic value method for computing the compensation cost for the Options granted. Since the exercise price is not less than the intrinsic value of shares on the date of grant, value of options is ₹ Nil (Previous year ₹ Nil) and accordingly, no compensation cost is recognized in the books.

Had the Company followed the fair value method for valuing its options for the year, the charge to the Revenue Accounts and Profit and Loss Account would have been higher by ₹ 216,280 thousand (Previous year ₹ 207,320 thousand) and profit after tax would have been lower by ₹ 162,540 thousand (Previous year ₹ 155,274 thousand). Consequently, the Company's basic and diluted earnings per share would have been ₹ 8.93 and ₹ 8.90 respectively.

Fair Value Methodology:

The fair value of options on date of grant has been estimated using Black-Scholes model. The key assumptions used in Black-Scholes model for calculating fair value under ESOP 2009 for as on grant date are as follows:

Particulars	Date of Grant	Risk Free Interest Rate	Expected Life	Expected Volatility*	Expected Dividend Yield
Tranche XIX	June 13, 2022	7.29%-7.47%	4-6 years	17%	Nil
Tranche XVIII	April 25, 2022	6.41%-6.91%	4-6 years	16%	Nil
Tranche XVII	July 21, 2021	5.44%-6.13%	4-6 years	17%	Nil
Tranche XVI	May 5, 2021	5.18%-6.03%	4-6 years	19%	Nil
Tranche XV	July 14, 2020	4.81%-5.46%	4-6 years	32%	Nil
Tranche XIV	June 12, 2020	4.95%-5.66%	4-6 years	32%	Nil
HI Tranche VII	June 12, 2020	4.95%-5.66%	4-6 years	32%	Nil
Tranche XIII	February 20, 2020	5.98%-6.27%	4-6 years	14%	Nil
HI Tranche VI	February 10, 2020	5.95%-6.28%	4-6 years	14%	Nil
Tranche XII	February 6, 2020	6.07%-6.34%	4-6 years	14%	Nil
HI Tranche V	August 7, 2019	6.10%-6.48%	4-7 years	13%	Nil
Tranche XI	August 20, 2018	7.83%-7.96%	4-6 years	10%	Nil
Tranche X	April 16, 2018	7.33%-7.58%	4-6 years	10%	Nil
HI Tranche IV	February 9, 2018	7.22%-7.59%	4-7 years	9%	Nil
HI Tranche III	October 1, 2017	6.58%-6.75%	4-6 years	10%	Nil
Tranche IX	April 28, 2017	6.90%-6.95%	4-6 years	12%	Nil
Tranche VIII	April 21, 2016	7.41%-7.62%	4-6 years	18%	Nil
Tranche VII	March 16, 2015	7.82%-7.86%	4-6 years	13%	Nil
Tranche VI	April 24, 2014	8.75%-8.93%	4-6 years	17%	Nil
Tranche V	April 30, 2013	7.64%-7.60%	4-6 years	13%	Nil
Tranche IV	April 24, 2012	8.22%-8.49%	4-6 years	20%	Nil
Tranche III	July 25, 2011	8.22%-8.31%	4-6 years	17%	Nil
Tranche II	May 25, 2010	6.92%-7.42%	4-6 years	22%	Nil
Tranche I	February 10, 2010	7.29%-7.72%	4-6 years	32%	Nil

*Volatility of BSE Sensex for one year has been considered.

Schedule - 16 (Continued)

Notes to Accounts

Particulars		Fair Value Method	
		For the year ended March 31, 2023	For the year ended March 31, 2022
A	Net Profit after Tax (₹ '000)	6,364,055	4,846,042
B	Less: Preference dividend	—	—
C	Weighted Average number of Equity Shares of ₹10/- each (Basic) (in '000)	712,780	712,655
D	Weighted Average number of Equity Shares of ₹10/- each (Diluted) (in '000)	714,729	714,616
E	Basic Earnings Per Share (₹)	8.93	6.80
F	Diluted Earnings Per Share (₹)	8.90	6.78

Information in respect of Options outstanding

Particulars		Exercise Price (₹)	No. of Options	Weighted Average remaining life
Tranche XIX	As at March 31, 2023	536	40,000	88 Months
	As at March 31, 2022	—	—	—
Tranche XVIII	As at March 31, 2023	536	1,501,280	89 Months
	As at March 31, 2022	—	—	—
Tranche XVII	As at March 31, 2023	536	3,009,700	79 Months
	As at March 31, 2022	536	3,280,475	91 Months
Tranche XVI	As at March 31, 2023	536	100,000	76 Months
	As at March 31, 2022	536	100,000	88 Months
Tranche XV	As at March 31, 2023	363.80	10,000	66 months
	As at March 31, 2022	363.80	10,000	78 months
Tranche XIV	As at March 31, 2023	363.80	1,405,500	65 months
	As at March 31, 2022	363.80	1,447,500	77 months
Tranche XIII	As at March 31, 2023	—	—	—
	As at March 31, 2022	—	—	—
Tranche XII	As at March 31, 2023	364.40	25,000	61 months
	As at March 31, 2022	364.40	100,000	73 months
Tranche XI	As at March 31, 2023	257	75,000	44 Months
	As at March 31, 2022	257	75,000	56 Months
Tranche X	As at March 31, 2023	257	518,481	40 months
	As at March 31, 2022	257	518,481	52 months
Tranche IX	As at March 31, 2023	151	1,199,500	28 months
	As at March 31, 2022	151	1,199,500	40 months

Schedule - 16 (Continued)

Notes to Accounts

Particulars		Exercise Price (₹)	No. of Options	Weighted Average remaining life
Tranche VIII	As at March 31, 2023	—	—	—
	As at March 31, 2022	—	—	—
HI Tranche VII	As at March 31, 2023	359.21	125,000	65 months
	As at March 31, 2022	359.21	125,000	77 months
Tranche VII	As at March 31, 2023	80	181,000	6 months
	As at March 31, 2022	80	181,000	14 months
HI Tranche VI	As at March 31, 2023	364.60	110,397	61 months
	As at March 31, 2022	364.60	116,890	73 months
Tranche VI	As at March 31, 2023	—	—	—
	As at March 31, 2022	—	—	—
HI Tranche V	As at March 31, 2023	281.05	41,457	64 months
	As at March 31, 2022	281.05	62,342	74 months
Tranche V	As at March 31, 2023	—	—	—
	As at March 31, 2022	—	—	—
HI Tranche IV	As at March 31, 2023	75.81	24,935	56 months
	As at March 31, 2022	75.81	24,935	68 months
Tranche IV	As at March 31, 2023	50	2,000*	—
	As at March 31, 2022	50	2,000*	—
HI Tranche III	As at March 31, 2023	75.81	5,845	33 months
	As at March 31, 2022	75.81	5,845	45 months
Tranche III	As at March 31, 2023	—	—	—
	As at March 31, 2022	—	—	—
Tranche II	As at March 31, 2023	—	—	—
	As at March 31, 2022	—	—	—
Tranche I	As at March 31, 2023	—	—	—
	As at March 31, 2022	—	—	—

*The last date for exercise of Tranche IV options vested on April 24, 2016, was April 24, 2021. The options pending for exercise pertain to one employee who has given a request letter in May 2021, indicating his intention to exercise the options and the same has been considered in the next exercise window in the month of April 2023 by the Management.

17. SEGMENT REPORTING

The statement on segment reporting is included in **Annexure 1**.

18. ACCOUNTING RATIOS

The statement on accounting ratios is provided in **Annexure 2**.

Schedule - 16 (Continued)

Notes to Accounts

19. EMPLOYEE BENEFITS

(a) Defined Contribution Plan:

(₹'000)

Expenses on defined contribution plan (included in Schedule 4: Operating Expenses)	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to Staff Provident fund	295,969	242,006
Contribution to Superannuation fund	Nil	Nil
Contribution to National Pension Scheme	19,510	17,528
Total	315,479	259,534

(b) Defined Benefit Plan – Gratuity:

Disclosures as per AS-15 (Revised) “Employee Benefits” for the year ended on March 31, 2023:

(₹'000)

Sl. No.	Particular	March 31, 2023	March 31, 2022
I.	Assumptions		
	Discount Rate	7.31%	6.09%
	Rate of increase in compensation levels	7.00%	7.00%
	Rate of Return on Plan Assets p.a.	7.31%	6.09%
	Rate of Employee Turnover	15%-26%	15%-26%
	Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
II.	Table Showing Change in Benefit Obligation		
	Net liability as per books (A)	540,598	481,316
	Fair value of Assets at the beginning of the year (B)	Nil	Nil
	Shortfall/(Excess) in opening liability determined as per actuarial valuation (C)	Nil	Nil
	Opening net Liability as per actuarial valuation (A)+(B)+(C)	540,598	481,316
	Interest Cost for the year	32,922	26,857
	Service Cost for the year	75,969	66,902
	Past Service cost	Nil	Nil
	Benefits paid during the year	(53,575)	(69,523)
	Actuarial (Gain)/Loss on obligations	(8,372)	35,046
	Plan Benefit Obligation at the end of the year	587,542	540,598
III.	Tables of Fair value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	542,055	489,530
	Expected Return on Plan Assets for the year	33,011	27,316
	Contributions during the year	81,265	101,244
	Benefits Paid during the year	(53,575)	(69,523)
	Actuarial Gain/(Loss) on Plan Assets	(16,002)	(6,512)
	Fair Value of Plan Assets at the end of the year	586,754	542,055

Schedule - 16 (Continued)

Notes to Accounts

(₹'000)

Sl. No.	Particular	March 31, 2023	March 31, 2022
IV.	The Amounts to be recognised in the Balance Sheet		
	Present Value of Obligation	(587,542)	(540,599)
	Fair Value of Plan Assets	586,754	542,055
	Asset/(Liability) recognised in Balance Sheet	(788)	1,456
V.	Amounts to be recognised in the Revenue Accounts (Net Periodic Cost)		
	Current Service Cost	75,969	66,902
	Past Service cost	Nil	Nil
	Interest Cost	(89)	(458)
	Expected Return on Plan Assets	Nil	Nil
	Net actuarial (Gain) / Loss recognised in the year	7,628	41,558
	Actuarial determined charge for the year (A)	83,508	108,002
	Shortfall/(Excess) (B)	Nil	Nil
	Total Charge as per books (A+B)	83,508	108,002
	(expense is disclosed in the line item – Employees' remuneration and welfare benefit)		
VI.	Movements in the liability recognised in the Balance Sheet:		
	Net Liability as per books (A)	(1,456)	(8,214)
	Shortfall/(Excess) in opening liability determined as per actuarial valuation (B)	Nil	Nil
	Opening net liability(A+B)	(1,456)	(8,214)
	Expense as above	83,508	108,002
	Net Liability / (Asset) Transfer In	Nil	Nil
	Net (Liability) / Asset Transfer Out	Nil	Nil
	Contribution paid	(81,264)	(101,244)
	Closing Net (Asset)/Liability	788	(1,456)
VII.	Actual Return on Plan Assets		
	Expected return on Plan Assets	33,011	27,316
	Actuarial Gain/(Loss) on Plan Assets	(16,001)	(6,512)
	Actual return on Plan assets	17,010	20,804

Experience adjustments

(₹ '000)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
Defined Benefit Obligation	587,542	540,599	481,316	452,296	276,106
Plan Assets	586,754	542,055	489,530	433,566	277,036
Surplus/(Deficit)	(788)	1,456	8,214	(18,730)	930
Experience Adjustment on Plan Liabilities	25,930	48,743	(67,395)	4,214	(21,701)
Experience Adjustment on Plan Assets	(16,002)	(6,512)	6,365	8,608	(1,808)

Schedule - 16 (Continued)**Notes to Accounts**

The Company's gratuity funds are managed by HDFC Life Insurance Company Limited. Secure Managed Fund constitutes 92.88% (Previous year 100%), Defensive Managed Funds constitutes 7.12% (Previous year Nil) of the total fund balance.

Investment Pattern of Company's Gratuity Funds in HDFC Life Insurance Company Limited:

Particular	Invested as on March 31, 2023		Invested as on March 31, 2022	
	Secure Managed Fund	Defensive Managed Fund	Secure Managed Fund	Liquid Fund
Government Securities	48.14%	43.56%	60%	—
Debentures/Bonds	48.40%	28.58%	36%	—
Deposits, Money Market Securities and Net Current Assets	3.46%	7.22%	4%	100%
Equity	—	20.64%	—	—
Total	100%	100%	100%	100%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The contribution expected to be made by the Company during the financial year 2023-24, amounts to ₹ 79,698 thousand (Previous year ₹ 74,513 thousand).

20. RELATED PARTY DISCLOSURE

As per the Accounting Standard (AS) 18 on 'Related Party Disclosures', the related parties of the Company are as follows:

(a) Names of the related parties and description of relationship:**Holding Company** (Refer Note 3)

Housing Development Finance Corporation Limited (HDFC Limited) (upto May 10, 2021)

Fellow subsidiaries (with whom Company has transactions) (Refer Note 3)

HDFC Asset Management Company Limited (upto May 10, 2021)

HDFC Sales Private Limited (upto May 10, 2021)

HDFC Property Ventures Limited (upto May 10, 2021)

HDFC Credila Financial Services Private Limited (upto May 10, 2021)

HDFC Education and Development Services Private Limited (upto May 10, 2021)

HDFC Capital Advisors Limited (upto May 10, 2021)

Investing Party and its Group Company

Housing Development Finance Corporation Limited (HDFC Limited) (Refer Note 3)

ERGO International AG

Munich Re (Group Company of Investing Party)

Munich Health Holding AG (upto November 12, 2021)

Key Management Personnel and Relatives of Key Management Personnel (with whom Company has transaction)

Ritesh Kumar, Managing Director and CEO (MD & CEO)

Reena Kumar, Spouse of Ritesh Kumar (MD & CEO)

Schedule - 16 (Continued)

Notes to Accounts

Harshita Agarwal, Daughter of Ritesh Kumar (MD & CEO)

Saloni Agarwal, Daughter of Ritesh Kumar (MD & CEO)

Amish Kumar Agarwal, Brother of Ritesh Kumar (MD & CEO)

Anuj Tyagi, Deputy Managing Director (Deputy MD)

Ramesh Tyagi, Father of Anuj Tyagi (Deputy MD)

Anjali Tyagi, Spouse of Anuj Tyagi (Deputy MD)

Anya Tyagi, Daughter of Anuj Tyagi (Deputy MD)

Alka Tyagi, Sister of Anuj Tyagi (Deputy MD)

Samir H. Shah, Executive Director & CFO (ED & CFO)

Sanjay H. Shah, Brother of Samir H. Shah (ED & CFO)

(b) **Details of Transactions:**

(₹'000)

Particulars	Holding Company (Up to May 11, 2021)		Fellow Subsidiaries		Investing Party and its Group Company		Key Managerial Personnel (including relatives)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
INCOME								
Interest, Dividend and Rent-Gross	—	54,032	—	—	589,484	442,585	—	—
Premium from direct business written - net of GST	—	11,647	—	17,667	202,658	182,064	388	500
Commission received on Reinsurance ceded	—	—	—	—	5,283,867	4,197,923	—	—
Claims on Re-insurance ceded	—	—	—	—	8,350,902	7,129,132	—	—
Other Income	—	30	—	—	135	240	—	—
Total	—	65,709	—	17,667	14,427,046	11,951,944	388	500
EXPENSES								
Rent, rates and taxes	—	7,086	—	—	65,349	56,529	—	—
Name Usage Fees	—	36,175	—	—	723,997	465,275	—	—
Electricity expenses	—	—	—	—	1,488	1,460	—	—
Claims paid direct	—	—	—	9	34	100	13	—
Commission paid	—	—	—	46,260	—	—	—	—
Employees' remuneration and welfare benefits	—	—	—	—	—	—	165,276	157,483

Schedule - 16 (Continued)

Notes to Accounts

(₹'000)

Particulars	Holding Company (Up to May 11, 2021)		Fellow Subsidiaries		Investing Party and its Group Company		Key Managerial Personnel (including relatives)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Premium on Reinsurance ceded	—	—	—	—	23,674,723	17,547,163	—	—
Interest on Debentures	—	—	—	—	15,741	112,182	—	—
Dividend	—	—	—	—	2,469,102	2,292,738	—	—
Insurance Premium Paid	—	—	—	—	—	—	—	—
Repairs (Office Maintenance)	—	—	—	—	6,710	6,865	—	—
Others	—	—	—	—	1,507	4,620	—	—
Total	—	43,261	—	46,269	26,958,651	20,486,932	165,289	157,483
ASSETS								
Transactions during the year								
Investment purchased during the year	—	—	—	—	—	—	—	—
Investment sold during the year	—	—	—	—	500,000	250,000	—	—
Account Balances:-								
Investments	—	—	—	—	8,900,126	6,399,596	—	—
Income accrued on investments	—	—	—	—	317,652	201,425	—	—
Other Receivable	—	—	—	—	—	—	—	—
LIABILITIES								
Account Balances:-								
Share Capital	—	—	—	—	7,055,112	7,054,578	—	—
Securities Premium	—	—	—	—	13,719,287	13,719,287	—	—
Debentures	—	—	—	—	—	400,000	—	—
Balance due to other insurance companies	—	—	—	—	18,770,390	11,721,722	—	—
Due to holding company	—	—	—	—	—	—	—	—
Interest Payable on Debentures	—	—	—	—	—	29,387	—	—
Unallocated premium	—	—	—	4,892	36,681	21,028	—	—

Schedule - 16 (Continued)

Notes to Accounts

(₹'000)

Particulars	Holding Company (Up to May 11, 2021)		Fellow Subsidiaries		Investing Party and its Group Company		Key Managerial Personnel (including relatives)	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Agents' Balances	—	—	—	1,627	—	—	—	—
Name Usage Fees Payable	—	—	—	—	155,701	241,571	—	—
Other Payables	—	—	—	—	—	4,620	—	—

Transactions included in (b) above which are in excess of 10% of the total related transactions of the same type are given below for the Financial Year 2022-23:

(₹'000)

Particulars	Investing Party and its Group Company		
	HDFC Limited	ERGO International AG	Munich Re
INCOME			
Premium from direct business written - net of GST	202,658	—	—
Commission received on Reinsurance ceded	—	—	5,283,867
Claims on Re-insurance ceded	—	—	8,350,902
Interest Dividend and Rent – Gross	589,484	—	—
Other Income	135	—	—
Total	792,277	—	13,634,769
EXPENSES			
Name Usage Fees	600,000	123,997	—
Claims paid direct	34	—	—
Premium on Reinsurance ceded	—	—	23,674,723
Interest on Debentures	—	—	15,741
Dividend	1,246,887	1,222,215	—
Commission Paid	—	—	—
Rent, Rates and Taxes	65,349	—	—
Electricity Expenses	1,488	—	—
Repairs (Office Maintenance)	6,710	—	—
Others	1,507	—	—
Total	1,921,975	1,346,212	23,690,464
ASSETS:			
Transactions during the year			
Investment purchased during the year	—	—	—
Investment sold during the year	500,000	—	—
Account Balances			
Investments	8,900,126	—	—
Other Receivable	—	—	—
Interest accrued on investments	317,652	—	—

Schedule - 16 (Continued)

Notes to Accounts

(₹'000)

Particulars	Investing Party and its Group Company		
	HDFC Limited	ERGO International AG	Munich Re
LIABILITIES:			
Account Balances			
Share Capital	3,563,069	3,492,043	—
Securities Premium	4,940,894	8,778,393	—
Debentures	—	—	—
Balance due to other insurance companies	—	—	18,770,390
Interest Payable on Debentures	—	—	—
Unallocated Premium	36,681	—	—
Agent Balances	—	—	—
Name Usage Fees Payable	124,284	31,417	—
Other Payables	—	—	—

Transactions included in (b) above which are in excess of 10% of the total related transactions of the same type are given below for the Financial Year 2022-23:

(₹ '000)

Particulars	Ritesh Kumar (Incl. Relatives)	Anuj Tyagi (Incl. Relatives)	Samir H. Shah (Incl. Relatives)
INCOME			
Premium from direct business written - net of GST	209	155	24
Total	209	155	24
EXPENSES			
Claim paid direct	—	—	13
Employees remuneration and welfare benefits	97,278	37,716	30,282
Total	97,278	37,716	30,295

Schedule - 16 (Continued)**Notes to Accounts**

Transactions included in (b) above which are in excess of 10% of the total related transactions of the same type are given below for the Financial Year 2021-22:

(₹ '000)

Particulars	Holding Company (Upto May 11, 2021)	Investing Party and its Group Company			Fellow Subsidiaries	
	HDFC Limited	HDFC Limited (From May 11, 2021)	ERGO International AG	Munich Re	HDFC Credila	HDFC Sales Private Limited
INCOME						
Premium from direct business written-net of GST	11,647	182,064	—	—	1	(334)
Commission received on Reinsurance ceded	—	—	—	4,197,923	—	—
Claims on Re-insurance ceded	—	—	—	7,129,132	—	—
Interest Dividend and Rent – Gross	54,032	442,585	—	—	—	—
Other Income	30	240	—	—	—	—
Total	65,709	624,889	—	11,327,055	1	(334)
EXPENSES						
Name Usage Fees	36,175	375,040	90,235	—	—	—
Claims paid direct	—	100	—	—	—	9
Premium on Reinsurance ceded	—	—	—	17,547,163	—	—
Interest on Debentures	—	—	78,582	33,600	—	—
Dividend	—	1,157,824	1,134,914	—	—	—
Commission Paid	—	—	—	—	—	46,260
Rent, Rates and Taxes	7,086	56,529	—	—	—	—
Electricity Expenses	—	1,460	—	—	—	—
Repairs (Office Maintenance)	—	6,865	—	—	—	—
Other expense	—	4,620	—	—	—	—
Total	43,261	1,602,438	1,303,731	17,580,763	—	46,269
ASSETS:						
Transactions during the year						
Investment purchased during the year	—	—	—	—	—	—
Investment sold during the year	—	250,000	—	—	—	—
Account Balances						
Investments	—	6,399,596	—	—	—	—
Other Receivable	—	—	—	—	—	—
Interest accrued on investments	—	201,425	—	—	—	—

Schedule - 16 (Continued)

Notes to Accounts

(₹ '000)

Particulars	Holding Company (Upto May 11, 2021)	Investing Party and its Group Company			Fellow Subsidiaries	
	HDFC Limited	HDFC Limited (From May 11, 2021)	ERGO International AG	Munich Re	HDFC Credila	HDFC Sales Private Limited
LIABILITIES:						
Account Balances						
Share Capital	—	3,562,535	3,492,043	—	—	—
Securities Premium	—	4,940,894	8,778,393	—	—	—
Debentures	—	—	—	400,000	—	—
Balance due to other insurance companies	—	—	—	11,721,722	—	—
Interest Payable on Debentures	—	—	—	29,387	—	—
Unallocated Premium	—	21,028	—	—	3,978	726
Agent Balances	—	—	—	—	—	—
Name Usage Fees Payable	—	129,227	112,343	—	—	1,627
Other Payables	—	4,620	—	—	—	—

Transactions included in (b) above which are in excess of 10% of the total related transactions of the same type are given below for the Financial Year 2021-22:

(₹ '000)

Particulars	Ritesh Kumar (Incl. Relatives)	Anuj Tyagi (Incl. Relatives)	Samir H. Shah (Incl. Relatives)
INCOME			
Premium from direct business written - net of GST	215	141	144
Total	215	141	144
EXPENSES			
Commission paid direct	—	—	—
Employees remuneration and welfare benefits	95,810	33,771	27,902
Total	95,810	33,771	27,902

21. LOAN RESTRUCTURING

The Company has not given any loans in the financial year 2022-23 (Previous year ₹ Nil)

22. SUMMARY OF FINANCIAL STATEMENTS

The summary of financial statements is provided in **Annexure 3**.

23. FOREIGN EXCHANGE GAIN/(LOSS) (NET)

- During the year Foreign Exchange Gain (net) earned by the Company is ₹ 28,850 thousand (Previous year Gain (net) incurred of ₹ 26,267 thousand) (included in Schedule 4 - Operating Expenses, under the head "Miscellaneous Expenses").
- The year-end foreign currency exposure is ₹ Nil (Previous year ₹ Nil).

24. (a) CONTRIBUTION TO TERRORISM POOL

The Company is a participant in and has received the Terrorism Pool retrocession of premium in the current financial year. The maximum limit of risk cession to terrorism pool is ₹ 20,000,000 thousand.

Schedule - 16 (Continued)**Notes to Accounts****(b) SOLATIUM FUND**

The IRDAI had asked the General Insurance Council ("the Council") to recommend the percentage of contribution to be made to a Solatium Fund and matters relating to the administration of the Fund. The Council has decided that The New India Assurance Company Limited would administer the fund. The Council in its meeting held on May 6, 2005 approved the contribution of 0.10% of the motor gross written premium with effect from the date of commencement of business, for private insurance companies.

The Council, vide letter dated July 26, 2010, recommended the companies to contribute 0.10% of all the third party premium written as Solatium Fund to the administrator on demand, with effect from April 1, 2010. During the year the Company has charged ₹ 25,548 thousand (Previous year ₹ 20,119 thousand) to the Revenue Accounts on an accrual basis (see accounting policy in paragraph 2(t) above) and disclosed under Current Liabilities.

(c) CONTRIBUTION TO ENVIRONMENT RELIEF FUND

During the year, an amount of ₹ 2,631 thousand (Previous year ₹ 2,350 thousand) was collected towards Environment Relief Fund for public liability policies and an amount of ₹ 2,638 thousand (Previous year ₹ 2,416 thousand) has been transferred to "United India Insurance Company Limited, Environment Fund Account" as per Notification of Environment Relief Fund (ERF) scheme under the Public Liability Insurance Act, 1991 as amended. The balance amount of ₹ 118 thousand (Previous year ₹ 125 thousand) is included under balance due to other Insurance Companies in Schedule 13.

(d) CONTRIBUTION TO MARINE CARGO POOL FOR EXCLUDED TERRITORIES – RUSSIA, UKRAINE, BELARUS (MCPET)

The Company has participated in the MCPET for all transactions accounted on or after June 1, 2022 and accordingly has recorded its share of the retrocession premium based on latest statement/information received.

25. EARNINGS PER SHARE (EPS)

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Net Profit After Tax for the year (₹ '000)	6,526,595	5,001,316
2	Number of Shares outstanding at the beginning of the year.	712,780,035	711,564,933
3	Shares issued during the year	—	1,215,102
4	Number of Shares outstanding at the end of the year.	712,780,035	712,780,035
5	Weighted Average No. of Equity Shares for Basic (₹ '000)	712,780	712,655
6	Add: Number of potentially dilutive equity shares	1,949	1,961
7	Weighted Average No. of Equity Shares for Diluted (₹ '000)	714,729	714,616
8	Basic Earnings per Share (₹)	9.16	7.02
9	Diluted Earnings per Share (₹)	9.13	7.00
10	Nominal Value per Share (₹)	10.00	10.00

Schedule - 16 (Continued)**Notes to Accounts**

26. As per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) the Micro and Small Enterprises have been identified by the Company from the available information. Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows:

(₹ '000)

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	The principal amount remaining unpaid to any supplier as at the end of the year	22,596	—
2	Interest due on the above amount	—	—
3	The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	—	—
4	Amounts of the payment made to the supplier beyond the appointed day during the year	294,600	306,493
5	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	—	—
6	Amount of interest accrued and remaining unpaid at the end of the year	—	—
7	Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	—	—

27. PREMIUM DEFICIENCY

There is no premium deficiency for the Company on an overall basis in accordance with Para 2(2) of Schedule II of Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 (Previous year ₹ Nil).

28. STATEMENT SHOWING THE AGE-WISE ANALYSIS OF THE UNCLAIMED AMOUNT OF POLICYHOLDERS

The statement of age-wise analysis of the unclaimed amount of policyholders is provided in **Annexure 4**.

29. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said Section read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company has undertaken CSR initiatives during the financial year 2022-23.

Under the "Adopt Village" program called "Gaon Mera", the Company has undertaken reconstruction of Government schools along with setting up Solar panels in these Schools. Additionally, the Company has provided scholarships to students from low economic backgrounds for undergraduate/graduate program, created infrastructure at universities and provided buses to schools.

Further, under its Health Program "Niramaya", the Company has sponsored eye surgeries for children from economically challenged backgrounds, extended support to under privileged children suffering from Congenital Heart Defect, supported Cochlear implants and bone marrow transplant surgeries.

Additionally, under program "Roshini", the Company supported learning for girl child education and contributed towards sustainable livelihood for women.

Schedule - 16 (Continued)**Notes to Accounts**

(₹'000)

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Gross amount required to be spent by the Company during the year	126,636	113,776
2	Amount approved by the Board to be spent during the year	126,636	113,776
3	Amount spent during the year on:		
	(i) Construction / acquisition of any asset	Nil	Nil
	(ii) On purposes other than (i) above	126,662	113,876
4	Amount paid to related Parties	Nil	Nil
5	Unspent amount as per Section 135 (5)	Nil	Nil
6	Excess amount Spent as per Section 135 (5)	Nil	Nil

7	Details of ongoing projects	For the year ended March 31, 2023
	Amount required to be spent during the year	65,802
	Amount spent during the year	65,802

30. PROVISION FOR FREE LOOK PERIOD

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

31. DISCLOSURE ON OTHER WORK GIVEN TO AUDITORS

Pursuant to clause 7.1(g) of Corporate Governance Guidelines issued by IRDAI on May 18, 2016 the services of the statutory auditors are disclosed below:

(₹ '000)

Name of the auditor	Services rendered	For the year ended March 31, 2023	For the year ended March 31, 2022
G. M. Kapadia & Co.	Review of quarterly financial information	1,000	1,200
	Agreed upon procedures	1,600	1,600
	Certifications	390	240
	Out of Pocket Expenses	126	67
B S R & Co. LLP	Review of quarterly financial Information	500	—
	Out of Pocket Expenses	60	—
B. K. Khare & Co.	Tax Audit	—	450
	Certifications	—	185

Schedule - 16 (Continued)

Notes to Accounts

32. PENALTIES LEVIED BY VARIOUS GOVERNMENT AUTHORITIES

(₹ '000)

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

(Previous year's figures are in brackets)

- 33.** Pursuant to receipt of approval from the Insurance Regulatory and Development Authority of India (IRDAI) to exercise its call option and redeem ₹ 800,000 ('000) of its 10 years, 800 nos. of 8.40% Unsecured, Subordinated, Fully paid up, Listed, Redeemable Non - Convertible Debentures (NCDs) having face value of ₹ 1,000 ('000) each, the Company redeemed the said debentures on September 19, 2022. Further, pursuant to approval received from IRDAI, the Company issued 10 years, 800 nos of 7.72% Unsecured, Subordinated, Fully paid up, Listed, Redeemable Non-Convertible Debentures (NCDs) having face value of ₹ 1,000 ('000) each, on September 19, 2022.

The Board of Directors of the Company, at its meeting held on January 6, 2023, approved raising of capital by issuance of Unsecured, Redeemable, Non-Convertible Debentures (NCDs), in the nature of subordinated debt upto ₹ 3,000,000 thousand on a private placement basis, in accordance with the provisions of the IRDAI (Other Forms of Capital) Regulations, 2022, the Companies Act, 2013 and the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Accordingly, the Company has allotted 30,000 Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable, Non-Convertible Debentures of the face value of ₹ 100 thousand each, for cash, at par, aggregating to ₹ 3,000,000 thousand. The NCDs have coupon of 8.15% per annum, payable annually

Schedule - 16 (Continued)**Notes to Accounts**

and having maturity of 10 years with Call Option to the Company at the end of 5 years from the Date of Allotment and every year thereafter.

Based on the above, the Company has total borrowings by way of Non-Convertible Debentures (NCDs) amounting ₹ 8,290,000 (000's) details of which are as under:

- a) 10 years, 30,000 nos. of 8.15% Unsecured, Subordinated, Fully paid up, Listed, Redeemable Non-Convertible Debentures (NCDs) having face value of ₹ 100 thousand each, issued on February 20, 2023 for cash at par under NCD Series 2022-23/1 with a call option after a period of 5 years from the date of issue ("NCD Series 2022-23/2")
- b) 10 years, 800 nos. of 7.72% Unsecured, Subordinated, Fully paid up, Listed, Redeemable Non-Convertible Debentures (NCDs) having face value of ₹ 1,000 thousand each, issued on September 19, 2022 for cash at par under NCD Series 2022-23/1 with a call option after a period of 5 years from the date of issue ("NCD Series 2022-23/1")
- c) 10 years, 3,750 nos. of 7.10% Unsecured, Subordinated, Fully paid up, Listed, Redeemable Non-Convertible Debentures (NCDs) having face value of ₹ 1,000 thousand each, issued on November 9, 2021 for cash at par under NCD Series 2021-22/1 with a call option after a period of 5 years from the date of issue ("NCD Series 2021-22/1")
- d) 10 years, 740 nos. of 10.25% Unsecured, Subordinated, Fully paid up, Listed, Redeemable Non-Convertible Debentures (NCDs) having face value of ₹ 1,000 thousand each, issued on September 18, 2018 for cash at par under NCD Series 2018-19/1 with a call option after a period of 5 years from the date of issue ("NCD Series 2018-19/1")

The debentures of the Company are listed on the BSE Limited. In terms of the amendment to the Companies (Specification of definition details) Rules, 2014, w.e.f. April 1, 2021, the Company would no longer be a listed company as defined under the Companies Act, 2013. Accordingly, in terms of Rule 18(7)(b)(iv)(B) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, the Company would be required to create Debenture Redemption Reserve out of the profits available for payment of dividend as per the said rules. The balance of Debenture Redemption Reserve as at March 31, 2023 is ₹ 356,468 thousand. Thus, the Company is not required to create any additional reserves during the year.

34. The Board of Directors in its meeting held on March 02, 2023, has approved the payment of an interim dividend of ₹ 3.50 per equity share of ₹ 10 each (Previous Year ₹ 3.25 per equity share of ₹ 10 each) and accordingly an amount of ₹ 2,494,730 thousand (Previous Year ₹ 2,316,535 thousand) was paid to the shareholders.
35. (i) The Company periodically reviews all its long-term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long-term contracts in the books of account as required under applicable law/accounting standard.
(ii) As at March 31, 2023, the company did not have any outstanding long-term derivative contracts.
36. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020 and has been published in the Gazette of India. The Ministry of Labour and Employment has released draft rules ('Rules') for the Code on November 13, 2020, The final Rules and the Effective Date of the Code is awaited. The Company will assess the impact of the Code once the Rules are notified and will record any related impact in the period when the Code becomes effective.
37. In terms of the information available with the Company, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or any other person or entities, including foreign entities ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in parties identified by or on behalf of the Company ('Ultimate beneficiaries'). The Company has also not received any fund from any parties (Funding Party) with the understanding that the

Schedule - 16 (Continued)

Notes to Accounts

Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38. Ind AS Implementation

Pursuant to notification of Indian Accounting Standards (Ind AS) by the Ministry of Corporate Affairs (for other than Banks and Insurance Companies) and further to International Accounting Standards Board (IASB) issuing IFRS 17 : Insurance Contracts, which replaced IFRS 4 with effect from January 1, 2023, IRDAI, vide letter no. 100/2/ Ind AS-Mission Mode/2022-23/1 dated July 14, 2022 advised all insurers to set up Ind AS Steering Committee and working group for effective implementation of Ind AS in the Insurance Sector in India.

Accordingly, a Steering Committee and a working group comprising members from cross-functional areas including Finance & Accounts, Actuarial, Information Technology and Project Management was established to study the new standard and its implication on internal processes, systems and business decision making. The Company appointed a knowledge partner to assist in carrying out diagnostic analysis of Ind AS 117 for the key portfolio segments of the Company.

For the said diagnostic analysis, the Company has selected a broad mix of products representing varied product features from its existing product mix in order to comprehensively evaluate the implications. The diagnostic activity is currently underway.

Additionally, as required by the above Circular, the Company has been appraising its Audit Committee on a quarterly basis of the progress made towards Ind AS implementation and diagnostic analysis.

Signature to the Notes to Accounts

For and on behalf of the Board of Directors

Keki M Mistry Chairman (DIN: 00008886)	Renu S. Karnad Non-Executive Director (DIN: 00008064)	Oliver Martin Willmes Non-Executive Director (DIN: 08876420)	Clemens Matthias Muth Non-Executive Director (DIN: 07824451)
Bernhard Steinruecke Independent Director (DIN: 01122939)	Mehernosh B. Kapadia Independent Director (DIN: 00046612)	Arvind Mahajan Independent Director (DIN: 07553144)	Ameet Hariani Independent Director (DIN: 00087866)
Sanjib Chaudhuri Independent Director (DIN: 09565962)	Vinay Sanghi Independent Director (DIN: 00309085)	Rajgopal Thirumalai Independent Director (DIN: 02253615)	Ritesh Kumar Managing Director & CEO (DIN: 02213019)
Anuj Tyagi Deputy Managing Director (DIN: 07505313)	Samir H. Shah Executive Director & CFO (DIN: 08114828)	Vyoma Manek Company Secretary & Chief Compliance Officer (Membership No.: ACS 20384)	

Mumbai
Dated: April 27, 2023

Schedule - 16 (Continued)

Notes to Accounts

Annexure 1

Segmental Breakup of the Balance Sheet as at March 31, 2023

Segment revenue and segment results have been incorporated in the financial statements. However given the nature of business, segment assets and liabilities, have been allocated amongst various segments to the extent possible.

(₹ '000)

Particulars	Fire	Marine	Miscellaneous	Unallocated	Total
Claims Outstanding (Refer note 2(h))	3,209,525	1,726,026	76,488,129	—	81,423,680
	(2,753,846)	(794,823)	(66,278,769)	—	(69,827,438)
Reserve for Unexpired Risk	4,704,752	450,966	48,839,039	—	5,3994,757
	(4,053,941)	(370,027)	(41,111,997)	—	(45,535,965)
Premium Received in Advance	4,999	18,164	9,639,678	—	9,662,841
	(1,512)	(8,850)	(8,674,892)	—	(8,685,254)
Outstanding Premium	152,427	125	13,070,938	—	13,223,490
	(72,994)	(1,050)	(16,343,972)	—	(16,418,016)

(Previous year's figures are in brackets)

Schedule - 16 (Continued)
Notes to Accounts

SEGMENT REPORTING FOR THE YEAR ENDED March 31, 2023

Annexure 1

	Fire	Marine Cargo	Marine Hull	Motor	Motor-OD	MotorTP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty *	Weather/ Crop	Others	Total
Premium Earned (Net) (Schedule - A)	2,721,522	1,592,505	907	29,205,578	17,160,856	12,044,723	158,564	7,536	587	141,459	322,808	117	4,008,153	30,538,045	191,585	1,021,451	9,523,230	915,548	80,349,593
Profit on Sale of Investments	45,320	40,225	62	416,395	76,898	359,497	1,877	106	78	3,228	4,199	376	46,431	159,357	5,824	5,996	42,436	10,083	771,993
Interest, Rent and Dividend (Net of Amortisation)	614,350	138,612	843	5,915,748	1,042,427	4,873,322	25,443	1,432	1,055	43,758	56,238	5,097	629,420	2,160,235	78,952	81,285	575,258	136,688	10,465,104
Investment Income from Pool	53,023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,023
Other Income	1,788	1,078	1	19,774	11,619	8,155	107	5	-	96	214	-	2,714	20,676	130	692	6,448	620	54,342
Total Segmental Revenue	3,436,002	1,742,420	1,812	35,577,496	18,294,799	17,285,696	185,991	9,079	1,720	158,541	384,149	5,590	4,886,718	32,878,313	276,490	1,109,423	10,147,371	1,062,939	91,694,065
Claims Incurred (Net) (Schedule - B)	1,590,463	2,173,217	725	22,807,746	13,357,949	9,449,797	109,100	1,281	128	271,159	376,138	(15,092)	1,305,029	26,000,476	79,848	481,844	8,134,824	912,645	64,229,530
Commission (Net) (Schedule - C)	(1,954,068)	242,039	(4,988)	1,980,530	3,538,007	(1,577,477)	23,354	(669)	(8)	2,492	(163,514)	(5,668)	(531,002)	753,814	69,983	(191,557)	(2,499,635)	(86,258)	(2,385,184)
Operating Expenses Related to Insurance Business (Schedule - D)	2,569,967	282,542	26,803	6,329,992	2,846,012	3,481,981	29,010	4,826	285	132,818	279,750	25,151	812,585	6,978,554	67,474	611,327	4,718,610	252,962	23,122,719
Premium Deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenditure	2,206,363	2,697,798	22,631	31,098,268	19,743,968	11,354,301	161,465	5,439	385	406,469	492,374	4,391	1,586,592	33,732,844	217,285	901,614	10,353,799	1,079,349	84,967,065
Segmental Profit/(Loss)	1,229,640	(955,378)	(20,819)	4,479,227	(1,452,169)	5,931,395	24,526	3,640	1,336	(217,928)	(108,224)	1,199	3,100,126	(854,531)	59,205	207,809	(206,428)	(16,411)	6,726,990

* Includes - 1. Directors' and officers' liability
2. Mutual fund assets protection

SCHEDULE - A to Annexure 1

	Fire	Marine Cargo	Marine- Hull	Motor	Motor-OD	Motor-TP	Workmen's Public Liability Compensation	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/ Crop	Others	Total	
PREMIUM EARNED (NET)																			
Premium from direct business written net of GST	17,100,148	2,001,113	197,394	46,443,848	20,896,173	25,547,675	212,852	34,257	1,943	956,038	2,001,641	184,539	5,961,879	51,202,409	495,067	4,156,231	33,554,267	1,854,517	166,358,142
Add: Premium on Re-insurance accepted	1,892,347	73,377	-	-	-	-	-	1,152	-	18,460	57,259	-	-	-	-	329,144	-	1,495	2,373,234
Less: Premium on Re-insurance ceded	(15,620,164)	(401,944)	(195,593)	(13,617,435)	(888,102)	(12,729,332)	(39,011)	(27,269)	(1,203)	(844,940)	(1,735,140)	(184,446)	(2,445,614)	(16,378,004)	(78,152)	(3,352,637)	(23,870,329)	(1,131,113)	(79,922,991)
Net Premium	3,372,332	1,672,548	1,801	32,826,413	20,008,071	12,818,343	173,840	8,140	740	129,558	323,760	93	3,516,265	34,824,405	416,915	1,132,738	9,683,937	724,899	88,808,385
Add/(Less): Adjustment for changes in reserve for unexpired risks	(650,810)	(80,044)	(894)	(3,620,835)	(284,721)	(773,620)	(15,276)	(604)	(152)	11,901	(952)	24	491,888	(4,286,360)	(225,331)	(111,288)	(160,708)	190,649	(8,458,792)
Total Premium Earned	2,721,522	1,592,505	907	29,205,578	17,160,856	12,044,723	158,564	7,536	587	141,459	322,808	117	4,008,153	30,538,045	191,585	1,021,451	9,523,230	915,548	80,349,593

Schedule - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE PERIOD ENDED March 31, 2023 (Continued)

SCHEDULE - B to Annexure 1

	Fire	Marine Cargo	Marine- Hull	Motor	Motor-OD	Motor-TP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/ Crop	Others	Total
CLAIMS INCURRED [NET]																			
Claims paid direct	5,003,900	2,154,247	8,306	21,714,487	14,025,197	7,689,289	93,825	10	(0)	152,892	886,655	4,218	2,060,620	36,202,174	31,678	905,870	18,060,008	1,045,105	88,324,025
Add: Claims on Re-insurance accepted	442,627	29,032	-	-	-	-	-	-	-	-	22,392	1,669	1,060	-	-	-	-	169	496,949
Less: Re-insurance ceded	(4,311,743)	(940,904)	(7,942)	(6,488,202)	(643,000)	(5,846,202)	(4,556)	(5)	-	(76,500)	(609,483)	(1,459)	(528,113)	(9,728,020)	(1,519)	(672,270)	(12,564,391)	(251,575)	(36,187,883)
Net Claims paid	1,134,784	1,242,375	364	15,225,285	13,382,197	1,843,088	89,269	5	(0)	76,392	299,593	4,427	1,533,568	26,474,154	30,158	233,600	5,495,618	793,689	52,633,290
Add: Claims Outstanding at the end of the year	3,209,525	1,717,205	8,922	88,735,227	3,138,341	55,596,886	238,636	13,593	12,385	510,034	531,924	51,270	2,220,480	4,616,866	107,964	687,761	7,791,146	961,073	81,423,681
Less: Claims Outstanding at the beginning of the year	(2,753,846)	(786,263)	(8,561)	(51,152,766)	(3,162,589)	(47,990,177)	(218,805)	(12,316)	(12,226)	(315,287)	(455,379)	(70,789)	(2,449,020)	(5,090,344)	(88,274)	(449,518)	(5,151,939)	(842,128)	(69,827,439)
Total Claims Incurred	1,590,463	2,173,217	725	22,807,746	13,357,949	9,449,797	109,100	1,281	128	271,139	376,138	(15,092)	1,305,029	26,000,476	79,848	481,844	8,134,824	912,845	64,229,532

SCHEDULE - C to Annexure 1

	Fire	Marine Cargo	Marine- Hull	Motor	Motor-OD	Motor-TP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/ Crop	Others	Total
COMMISSION PAID [NET]																			
Commission paid direct	1,730,505	260,509	2,266	4,146,140	3,663,419	482,720	28,846	2,610	262	131,152	204,533	6,894	809,302	6,884,340	73,638	519,485	43,402	79,206	14,923,091
Add: Commission paid on Re-insurance accepted	188,212	8,377	-	-	-	-	-	239	-	2,744	9,717	-	-	-	-	44,556	-	15	254,859
Less: Commission received on Re-insurance ceded	(3,873,765)	(26,846)	(7,264)	(2,185,609)	(125,412)	(2,060,197)	(5,491)	(3,517)	(270)	(131,404)	(377,764)	(12,563)	(1,340,304)	(6,130,526)	(3,676)	(755,597)	(2,543,037)	(165,480)	(17,563,133)
Net commission paid/(received)	(1,954,068)	242,039	(4,998)	1,960,530	3,538,007	(1,577,477)	23,354	(668)	(8)	2,492	(163,514)	(5,668)	(531,002)	753,814	69,963	(191,557)	(2,498,635)	(86,258)	(2,385,180)

Schedule - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE PERIOD ENDED March 31, 2023 (Continued)

SCHEDULE - D to Annexure 1

	Fire	Marine Cargo	Marine Hull	Motor	Motor OD	Motor TP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/Crop	Others	Total
(₹ '000)																			
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS																			
Employees' remuneration and welfare benefits (Refer note 10 of Schedule 16)	974,678	107,156	10,203	2,400,694	1,080,128	1,320,566	11,002	1,830	100	50,372	106,097	9,539	308,171	2,646,665	25,590	231,850	1,734,429	95,938	8,714,316
Travel, conveyance and vehicle running expenses	54,598	6,002	572	134,478	60,505	73,973	616	103	6	2,822	5,943	534	17,263	148,256	1,433	12,987	97,156	5,374	488,144
Training expenses	25,087	2,759	263	61,815	27,812	34,003	283	47	3	1,297	2,732	246	7,935	68,148	659	5,970	44,659	2,470	224,382
Rents, rates and taxes	66,150	7,273	692	16,932	73,307	89,625	747	124	7	3,419	7,201	647	20,915	179,625	1,737	15,735	117,713	6,511	591,428
Repairs	27,564	3,030	289	67,893	30,547	37,346	311	52	3	1,425	3,000	270	8,715	74,849	724	6,557	49,051	2,713	246,446
Printing and stationery	27,226	2,983	285	67,060	30,172	36,888	307	51	3	1,407	2,964	266	8,608	73,931	715	6,476	48,449	2,680	243,423
Communication	10,737	1,180	112	26,446	11,899	14,548	121	20	1	555	1,169	105	3,395	29,156	282	2,554	19,107	1,057	95,998
Legal and professional charges	385,920	42,228	4,040	950,546	427,673	522,873	4,356	725	40	19,945	42,009	3,777	122,019	1,047,937	10,132	91,800	686,741	37,986	3,450,401
Auditors' fees, expenses etc																			
(a) as auditors	839	92	9	2,066	930	1,137	9	2	-	43	91	8	265	2,278	22	200	1,493	83	7,500
(b) as advisor or in any other capacity in respect of:																			
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	411	45	4	1,013	456	557	5	1	-	21	45	4	130	1,116	11	98	732	40	3,675
Advertisement and publicity	735,463	80,657	7,699	1,811,493	815,033	996,460	8,302	1,381	76	38,009	80,058	7,198	232,537	1,997,065	19,310	174,947	1,308,748	72,392	6,575,564
Interest and bank charges	30,725	3,378	322	75,677	34,049	41,628	347	58	3	1,588	3,345	301	9,714	83,431	807	7,309	200,057	3,024	420,084
Others:																			
Electricity expenses	11,456	1,259	120	28,217	12,696	15,522	129	22	1	592	1,247	112	3,622	31,109	301	2,725	20,386	1,128	102,427
Office expenses	2,087	231	22	5,166	2,324	2,842	24	4	-	108	228	21	663	5,695	55	499	3,732	206	18,751
Miscellaneous expenses	30,542	3,358	320	75,226	33,846	41,380	345	57	3	1,578	3,325	299	9,657	82,933	802	7,265	54,348	3,006	273,064
Information Technology expenses	99,607	10,951	1,043	245,338	110,383	134,955	1,124	187	10	5,148	10,843	975	31,493	270,475	2,615	23,694	177,249	9,804	890,555
Postage and courier	10,382	1,141	109	25,573	11,506	14,067	117	19	1	537	1,130	102	3,283	28,193	273	2,470	18,475	1,022	92,826
Loss/(Profit) on sale of assets (net)	666	73	7	1,641	738	903	8	1	-	34	73	7	211	1,809	17	158	1,185	66	5,956
Depreciation	75,808	8,334	794	18,6720	84,010	102,710	856	142	8	3,918	8,252	742	23,969	205,551	1,990	18,033	134,899	7,462	677,777
Total Operating Expenses	2,569,967	282,542	26,903	6,329,992	2,848,012	3,461,981	29,010	4,826	265	132,318	279,750	25,151	812,565	6,978,554	67,474	611,327	4,718,610	252,962	23,122,719

Schedule - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE YEAR ENDED March 31, 2022

Annexure 1

	Fire	Marine Cargo	Marine Hull	Motor	Motor-CD	Motor-TP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty *	Weather/ Crop	Others	Total
Premium Earned (Net) (Schedule - A)	2,843,510	1,215,001	562	25,584,143	14,630,542	10,933,801	143,620	6,627	698	236,160	444,152	129	4,285,753	26,410,824	103,209	592,524	5,980,111	939,450	68,786,473
Profit on Sale of Investments	85,094	12,701	126	824,959	144,698	680,261	3,974	211	170	5,780	9,710	1,061	111,314	3,15,747	6,947	9,906	67,216	22,910	1,477,827
Interest, Rent and Dividend (Net of Amortisation)	511,366	76,324	758	4,957,510	869,549	4,057,562	23,881	1,268	1,021	34,737	58,352	6,377	666,929	1,887,453	41,745	59,528	403,927	137,675	8,880,852
Investment Income from Pool	40,886	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,886
Other Income	892	386	-	8,124	4,646	3,478	46	2	-	75	139	-	1,361	8,386	33	188	1,899	298	21,829
Total Segmental Revenue	3,484,749	1,304,412	1,447	31,374,737	15,649,434	15,725,302	171,621	8,107	1,890	276,752	512,354	7,567	5,067,356	28,632,410	151,933	662,146	6,453,152	1,100,334	79,207,867
Claims Incurred (Net) (Schedule - B)	1,780,148	1,143,447	137	19,102,047	11,157,610	7,944,437	70,794	1,275	161	74,368	175,813	(20,724)	1,561,812	28,397,842	49,729	1,36,424	4,555,593	822,047	57,810,582
Commission (Net) (Schedule - C)	(1,277,634)	172,344	(6,107)	193,865	2,532,960	(2,339,095)	19,584	(1,362)	1,741	(6,871)	(143,567)	(4,645)	(566,198)	228,144	102,809	(75,263)	(1,354,469)	(52,686)	(2,770,516)
Operating Expenses Related to Insurance Business (Schedule - D)	2,106,511	228,029	27,912	5,017,203	2,172,981	2,844,224	23,672	5,044	207	121,083	288,097	25,650	846,963	6,138,079	103,156	397,656	3,894,344	221,188	19,424,797
Premium Deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenditure	2,609,025	1,543,520	21,943	24,313,115	15,863,551	8,449,585	114,050	4,966	2,109	188,581	300,343	281	1,842,578	34,724,064	255,494	458,816	7,095,467	990,518	74,464,862
Segmental Profit/(Loss)	872,724	(239,108)	(20,495)	7,061,622	(214,116)	7,275,737	57,470	3,151	(219)	88,171	212,010	7,286	3,224,779	(6,091,654)	(103,561)	203,330	(642,315)	109,816	4,743,005
Exceptional Item (Refer note 27 of Schedule 15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segmental Profit/(Loss) (after exceptional item)	872,724	(239,108)	(20,495)	7,061,622	(214,116)	7,275,737	57,470	3,151	(219)	88,171	212,010	7,286	3,224,779	(6,091,654)	(103,561)	203,330	(642,315)	109,816	4,743,005
* Includes - 1. Directors' and officers' liability 2. Mutual fund assets protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SCHEDULE - A to Annexure 1

	Fire	Marine Cargo	Marine Hull	Motor	Motor-CD	Motor-TP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/ Crop	Others	Total
PREMIUM EARNED (NET)	13,303,548	1,537,004	197,443	35,489,978	15,370,918	20,119,060	167,450	34,979	1,461	835,100	1,835,923	181,441	5,987,875	43,416,660	729,689	2,572,166	27,119,738	1,593,050	134,975,508
Premium from direct business written net of GST	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Premium on Re-insurance accepted	1,685,528	75,992	-	-	-	-	-	700	-	21,401	66,787	-	3,249	-	-	240,717	-	1,559	2,085,934
Less: Premium on Re-insurance ceded	(11,884,311)	(352,903)	(196,583)	(9,870,131)	(801,449)	(9,068,682)	(23,847)	(29,052)	(943)	(617,555)	(1,463,867)	(181,278)	(2,624,325)	(14,654,266)	(69,918)	(2,166,340)	(21,029,278)	(838,071)	(66,002,667)
Net Premium	3,104,766	1,260,094	860	25,619,847	14,569,469	11,050,378	143,603	6,628	517	238,947	438,843	163	3,366,800	28,764,394	659,771	646,544	6,090,460	726,537	71,088,715
Add/(Less): Adjustment for changes in reserve for unexpired risks	(261,256)	(45,093)	(298)	(35,704)	61,073	(96,776)	17	(1)	181	(2,787)	5,309	(34)	918,954	(2,353,570)	(556,562)	(54,020)	(110,349)	212,913	(2,282,301)
Total Premium Earned	2,843,510	1,215,001	562	25,584,143	14,630,542	10,953,601	143,620	6,627	698	236,160	444,152	129	4,285,753	26,410,824	103,209	592,524	5,980,111	939,450	68,786,473

Schedule - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE PERIOD ENDED March 31, 2022 (Continued)

SCHEDULE - B to Annexure 1

	Fire	Marine Cargo	Marine Hull	Motor	Motor-OD	Motor-TP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/ Crop	Others	Total
CLAIMS INCURRED [NET]																			
Claims paid direct	4,141,614	1,240,316	37,735	15,507,185	11,204,364	4,302,821	91,448	327	11,902	89,790	739,342	2,270	1,948,057	38,822,826	23,424	584,485	16,290,247	960,895	80,492,461
Add: Claims on Re-insurance accepted	450,650	54,379	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	16,389	(4,605)	2,331	(0)	(0)	3,183	(0)	11	522,338
Less: Re-insurance ceded	(3,517,787)	(529,933)	(37,474)	(4,304,871)	(756,894)	(3,547,977)	(4,573)	(125)	(11,649)	(19,188)	(428,575)	(2,316)	(565,195)	(9,132,290)	(1,521)	(513,140)	(12,618,514)	(293,640)	(31,960,770)
Net Claims paid	1,074,476	765,363	261	11,202,314	10,447,470	754,844	86,875	202	253	70,622	327,156	(4,651)	1,385,193	29,690,536	21,903	74,528	3,671,734	667,265	49,034,029
Add: Claims Outstanding at the end of the year	2,753,846	786,263	8,561	51,152,766	3,162,589	47,990,177	218,805	12,316	12,226	315,267	455,379	70,789	2,448,020	5,090,344	58,274	449,518	5,151,939	842,128	69,827,439
Less: Claims Outstanding at the beginning of the year	(2,048,174)	(408,478)	(8,684)	(43,253,033)	(2,452,449)	(40,800,584)	(234,856)	(11,244)	(12,317)	(311,521)	(606,722)	(86,863)	(2,272,400)	(6,423,038)	(30,447)	(387,622)	(4,268,080)	(687,376)	(61,050,884)
Total Claims Incurred	1,780,148	1,143,147	137	19,102,047	11,157,610	7,944,437	70,794	1,275	161	74,368	175,813	(20,724)	1,561,812	28,357,842	49,729	136,424	4,555,593	822,017	57,810,584

SCHEDULE - C to Annexure 1

	Fire	Marine Cargo	Marine Hull	Motor	Motor-OD	Motor-TP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/ Crop	Others	Total
COMMISSION PAID [NET]																			
Commission paid direct	1,294,565	187,224	2,124	2,867,593	2,645,261	2,22,312	23,741	2,068	1,096	99,581	135,452	5,964	834,186	5,421,296	109,455	333,715	62,921	67,041	11,448,022
Add: Commission paid on Re-insurance accepted	153,929	8,618	(0)	(0)	(0)	(0)	(0)	109	(0)	2,927	6,138	(0)	(0)	(0)	(0)	36,823	(0)	16	208,559
Less: Commission received on Re-insurance ceded	(2,726,127)	(23,497)	(8,231)	(2,673,727)	(112,320)	(2,561,407)	(4,158)	(35,39)	646	(108,378)	(285,157)	(10,609)	(1,400,384)	(5,193,152)	(6,846)	(445,801)	(1,417,391)	(119,744)	(14,427,086)
Net commission paid/(received)	(1,277,634)	172,344	(6,107)	193,865	2,532,940	(2,339,095)	19,584	(1,362)	1,741	(6,871)	(143,567)	(4,645)	(866,198)	228,144	102,609	(75,263)	(1,354,469)	(52,686)	(2,770,515)

Schedule - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE PERIOD ENDED March 31, 2022 (Continued)

SCHEDULE - D to Annexure 1

	Fire	Marine Cargo	Marine-Hull	Motor	Motor-OD	Motor-TP	Workmen's Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/Crop	Others	Total
(₹ 000)																			
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS																			
Employees' remuneration and welfare benefits	725,740	78,561	9,616	1,728,539	748,640	979,889	8,156	1,738	71	41,716	92,366	8,837	291,798	2,114,706	35,540	137,001	1,320,867	76,204	6,671,455
Travel, conveyance and vehicle running expenses	26,628	2,882	353	63,421	27,468	35,953	299	64	3	1,531	3,389	324	10,706	77,590	1,304	5,027	48,464	2,796	244,781
Training expenses	22,108	2,393	293	52,656	22,805	29,850	248	53	2	1,271	2,814	269	8,689	64,419	1,063	4,173	40,237	2,321	203,229
Rents, rates and taxes	47,176	5,107	625	112,363	48,665	63,698	530	113	5	2,712	6,004	574	18,568	137,465	2,310	8,906	85,862	4,954	433,674
Repairs	23,072	2,497	306	54,951	23,800	31,152	259	55	2	1,326	2,936	281	9,276	67,228	1,130	4,355	41,991	2,423	212,089
Printing and stationery	13,682	1,482	181	32,611	14,124	18,487	154	33	1	787	1,743	167	5,505	39,897	671	2,585	24,920	1,438	125,867
Communication	11,135	1,205	148	26,522	11,487	15,035	125	27	1	640	1,417	136	4,477	32,447	545	2,102	20,267	1,169	102,363
Legal and professional charges	521,670	56,471	6,912	1,202,493	538,131	704,362	5,862	1,249	51	29,986	66,393	6,352	209,747	1,520,074	25,546	98,478	949,454	54,776	4,795,515
Auditors' fees, expenses etc																			
(a) as auditors	707	77	9	1,684	729	955	8	2	0	41	90	9	284	2,060	35	133	1,287	74	6,500
(b) as advisor or in any other capacity in respect of:																			
(i) Taxation matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity	407	44	5	969	420	550	5	1	-	23	52	5	164	1,186	20	77	741	43	3,742
Advertisement and publicity	508,914	55,090	6,743	1,212,111	524,972	687,138	5,719	1,219	50	29,253	64,770	6,197	204,038	1,482,904	24,922	96,070	926,237	53,437	4,678,252
Interest and bank charges	43,291	4,686	574	103,109	44,657	58,452	486	104	4	2,488	5,510	527	17,406	126,144	2,120	8,172	139,228	4,546	458,397
Others:																			
Electricity expenses	8,874	961	118	21,135	9,154	11,981	100	21	1	510	1,129	108	3,568	25,857	435	1,675	16,150	932	81,573
Office expenses	4,015	435	53	9,562	4,141	5,421	45	10	-	231	511	49	1,614	11,698	197	758	7,307	422	36,905
Miscellaneous expenses	7,596	822	101	18,092	7,636	10,256	85	18	1	437	967	92	3,054	22,134	372	1,434	13,825	798	69,829
Information Technology expenses	77,198	8,357	1,023	183,866	79,633	104,233	868	185	8	4,437	9,825	940	31,039	224,943	3,760	14,573	140,502	8,106	709,648
Postage and courier	5,411	586	72	12,888	5,582	7,306	61	13	1	311	689	66	2,176	15,767	265	1,021	9,848	568	48,741
Loss/(Profit) on sale of assets (net)	(77)	(8)	(1)	(133)	(79)	(104)	(1)	(0)	(0)	(4)	(10)	(1)	(31)	(223)	(4)	(14)	(140)	(8)	(705)
Depreciation	58,964	6,382	781	140,414	60,814	79,600	663	141	6	3,389	7,503	718	23,704	171,784	2,887	11,129	107,298	6,190	541,942
Total Operating Expenses	2,106,511	228,029	27,912	5,017,203	2,172,981	2,844,224	23,672	5,044	207	121,083	268,097	25,650	846,963	6,138,079	103,156	397,656	3,894,344	221,188	19,424,797

Schedule - 16 (Continued)
Notes to Accounts

Annexure -2

Sr. No.	Performance Ratio	As on March 31, 2023			As on March 31, 2022			Total	Total
		Fire	Marine	Miscellaneous	Fire	Marine	Miscellaneous		
1	Gross premium growth rate (refer note 1a and 1b) Gross Premium for Current period / Gross Premium for Previous period	28.54%	26.76%	22.61%	13.21%	16.50%	9.32%	9.78%	
2	Gross Premium to shareholders' fund ratio Gross Premium for Current period / (Paid up Capital plus Free Reserves)	NA	NA	NA	NA	NA	NA	4.20	
3	Growth rate of shareholders' funds Shareholders' funds as at the current balance sheet date / Shareholders' funds at the previous balance sheet date	NA	NA	NA	NA	NA	NA	9.74%	
4	Net retention ratio (refer note 1a and 1b) Net Premium / Gross Premium	17.76%	73.70%	56.80%	20.71%	69.65%	55.46%	51.85%	
5	Net commission ratio (refer note 1a and 1b) Net Commission / Net Premium	-57.94%	14.16%	-0.80%	-41.15%	13.18%	-2.49%	-3.90%	
6	Expenses of Management to gross direct Premium ratio Operating Expenses + Gross Commission/ Gross Premium	25.15%	26.03%	22.56%	25.57%	25.67%	22.53%	22.87%	
7	Expenses of Management to Net written Premium ratio Operating Expenses + Gross Commission/ Net Premium	127.52%	34.18%	39.60%	109.54%	35.31%	40.52%	43.44%	
8	Net Incurred Claims to Net Earned Premium Net incurred Claim / Net earned premium	58.44%	136.43%	79.52%	62.60%	94.05%	84.80%	84.04%	
9	Combined ratio Net incurred Claim, Net Commission plus Operating Expense / Net Premium + Net earned premium	76.70%	169.07%	102.89%	89.30%	127.53%	107.89%	107.48%	
10	Technical reserves to net Premium ratio Reserve for Unexpired Risks plus Deficiency Reserve plus Reserve for Outstanding Claims / Net Premium	2.35	1.30	1.50	2.19	0.92	1.61	1.62	
11	Underwriting balance ratio Underwriting Profit / Net Premium	0.19	-0.71	-0.05	0.08	-0.29	-0.09	-0.08	
12	Operating profit ratio Underwriting Profit plus Investment Income / Net Premium	45.18%	-61.26%	8.51%	30.69%	-21.36%	6.38%	6.90%	
13	Liquid assets to liabilities ratio Liquid Assets of the Insurer / Policyholders' Liabilities	NA	NA	NA	NA	NA	NA	0.26	
14	Net earnings ratio Profit after Tax / Net Premium	NA	NA	NA	NA	NA	NA	7.04%	
15	Return on net worth Profit After Tax / Net Worth	NA	NA	NA	NA	NA	NA	15.57%	
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ASM / RSM	NA	NA	NA	NA	NA	NA	1.64	
17	Gross NPA ratio* Gross NPA / Gross Investment	NA	NA	NA	NA	NA	NA	1.30%	
	Net NPA ratio* Net NPA / Net Investment	NA	NA	NA	NA	NA	NA	0.01%	

*Pertains to Non - Performing Investments

Schedule - 16 (Continued)

Notes to Accounts

Annexure - 2 Ratios for Non-Life Companies (Continued)

Notes:

1a. Miscellaneous Breakup for the year ended March 31, 2023

Sr. No.	Particulars	Miscellaneous													Total Miscellaneous		
		Motor			Workmen Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others					
		Motor-OD	Motor-TP	Motor Total								Other Liability	Home	Specialty		Weather/ Cop	Others
1	Gross premium growth rate Gross Premium for Current period / Gross Premium for Previous period	35.95%	26.98%	30.86%	27.11%	-2.07%	32.92%	9.03%	1.71%	-0.43%	17.93%	14.48%	-32.15%	61.58%	23.73%	18.65%	22.61%
2	Net retention ratio Net Premium / Gross Premium	95.75%	50.17%	70.68%	81.67%	22.99%	38.07%	15.72%	0.05%	58.98%	68.01%	13.29%	84.21%	25.25%	28.86%	39.06%	56.80%
3	Net commission ratio Net Commission / Net Premium	17.68%	-12.31%	5.97%	13.43%	-8.21%	-1.15%	-50.50%	-604.36%	-15.10%	2.16%	1.92%	16.78%	-16.51%	-25.81%	-11.90%	-0.80%

1b. Miscellaneous Breakup for the year ended March 31, 2022

Sr. No.	Particulars	Miscellaneous													Total Miscellaneous		
		Motor			Workmen Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Others					
		Motor-OD	Motor-TP	Motor Total								Other Liability	Home	Specialty		Weather/ Cop	Others
1	Gross premium growth rate Gross Premium for Current period / Gross Premium for Previous period	21.4%	5.81%	4.18%	1.03%	18.78%	-85.06%	5.03%	48.80%	10.89%	16.04%	2.59%	223.76%	21.71%	5.40%	-16.55%	9.32%
2	Net retention ratio Net Premium / Gross Premium	94.79%	54.92%	72.19%	85.76%	18.57%	35.46%	23.06%	0.09%	56.20%	66.25%	27.90%	90.42%	22.99%	22.46%	46.44%	55.46%
3	Net commission ratio Net Commission / Net Premium	17.39%	21.17%	0.76%	13.64%	20.54%	336.15%	32.71%	-269.14%	-16.82%	0.79%	2.88%	15.55%	-11.64%	22.24%	72.5%	-2.49%

2. Gross Premium represents Gross Direct Premium

3. Net Premium represents Gross Direct Premium including Premium accepted on reinsurance less reinsurance ceded

4. Underwriting Profit represents Segmental Profit / (Loss) excluding Investment Income

5. Liquid Assets represent Cash and Cash Equivalents and Short Term Investments.

Schedule - 16 (Continued)**Notes to Accounts**

Summary of Financial Statements

Annexure -3

Sr. No.	Particulars	2022-23 (₹ '000)	2021-22 (₹ '000)	2020-21 (₹ '000)	2019-20 (₹ '000)	2018-19 (₹ '000)
	OPERATING RESULTS					
1	Gross Written Premium	168,731,374	137,071,444	124,439,338	97,600,965	87,218,003
2	Net Premium Income	88,808,383	71,068,776	65,042,858	48,668,660	43,727,874
3	Income from Investments (net)	11,237,098	10,358,679	9,540,196	7,318,655	5,613,146
4	Other Income	107,365	62,715	118,832	78,665	104,959
5	Total Income	100,152,846	81,490,171	74,701,886	56,065,980	49,445,980
6	Commission (net)	(2,385,182)	(2,770,514)	(1,983,344)	(2,119,040)	(1,525,955)
7	Operating Expenses	23,122,720	19,424,800	19,868,937	14,809,749	11,313,294
8	Premium Deficiency	—	—	—	—	—
9	Net Incurred Claims	64,229,533	57,810,582	48,520,486	35,241,187	29,091,815
10	Change in Unexpired Risk Reserve	8,458,791	2,282,301	987,052	4,165,145	5,627,767
11	Operating Profit/(Loss)	6,726,984	4,743,002	7,308,755	3,968,939	4,939,059
	NON-OPERATING RESULTS					
12	Total Income under shareholder's account	1,957,469	1,934,694	608,935	620,710	(266,762)
13	Profit/(Loss) before tax	8,684,452	6,677,695	7,917,692	4,589,649	4,672,297
14	Provision for tax	2,157,859	1,676,379	2,001,182	1,320,231	842,419
15	Profit/(Loss) after tax	6,526,593	5,001,316	5,916,510	3,269,418	3,829,877
	MISCELLANEOUS					
16	Policyholders' Account :					
	Total Funds	180,404,772	146,765,923	136,900,703	115,988,644	72,068,296
	Total Investments (Refer note 2 (p) and 10 of schedule 16)	180,404,772	146,765,923	136,900,703	115,988,644	72,068,296
	Yield on Investments	7.1%	7.4%	7.3%	8.1%	8.2%
17	Shareholders' Account :					
	Total Funds	36,159,558	32,118,923	29,268,562	25,429,010	19,823,885
	Total Investments (Refer note 2 (p) and 10 of schedule 16)	42,011,314	37,204,597	29,528,835	19,780,184	18,971,760
	Yield on Investments	7.1%	7.4%	7.3%	8.1%	8.2%
18	Paid up equity capital	7,127,800	7,127,800	7,115,649	6,058,421	6,054,221
19	Net worth	36,159,558	32,118,923	29,268,562	25,429,010	19,823,885
20	Total Assets	36,159,558	32,118,923	29,268,562	25,429,010	19,823,885
21	Yield on Total Investments	7.1%	7.4%	7.3%	8.1%	8.2%
22	Earnings per Share (Basic) (₹)	9.16	7.02	8.32	5.32	6.33
23	Book Value per Share (₹)	50.73	45.06	41.13	41.97	32.74
24	Total Dividend	2,494,730	2,316,535	2,134,695	—	1,362,200
25	Dividend per Share (₹)	3.50	3.25	3.00	—	2.25

Schedule - 16 (Continued)

Notes to Accounts

Annexure 4

A) Statement showing the Age-wise Analysis of the Unclaimed amount of Policyholders

(₹ '000)

Particulars	Total Amount	AGE-WISE ANALYSIS							
		0-6 months	7-12 months	13-18 months	19-24 months	25-30 months	31-36 months	37-120 months	More than 120 Months
Claims settled but not paid to the policyholders/insured's due to any reasons except under litigation from the insured/ policyholders	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Sum due to the insured/policyholders on maturity or otherwise	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Any excess collection of the premium/tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	46,381 (36,601)	— (—)	7,773 (27,320)	12,209 (204)	15,437 (2,153)	1,304 (1,541)	2,360 (1,600)	7,298 (3,686)	— (98)
Cheques issued but not encashed by the policyholder/insured (refer note below)	289,915 (300,863)	— (—)	18,586 (30,543)	21,848 (20,932)	14,098 (21,456)	15,069 (19,020)	17,132 (21,543)	190,953 (179,242)	12,230 (8,127)
TOTAL	336,296 (337,464)	— (—)	26,359 (57,863)	34,057 (21,136)	29,535 (23,609)	16,373 (20,561)	19,492 (23,143)	198,251 (182,928)	12,230 (8,225)

(Previous year's figures are in brackets)

Notes:

1. The Policyholder due includes ₹ 97,518 thousand (Previous year ₹ 102,728 thousand) pertains to MACT cases.
2. The Policyholder due includes amount of ₹ 2,200 thousand (Previous year ₹ 9,741 thousand) pertains to cheques reissued but not encashed by the policyholder/insured.

Pursuant to Master Circular on unclaimed amount of Policy holder dues issued by IRDAI on July 25, 2017 the Company has considered the unclaimed amount which are payable to Policyholders remaining unclaimed beyond six months from the settlement date or due date whichever is earlier. Accordingly there are no additions in the unclaimed amount of Policyholder dues in the category of 0-6 months.

Schedule - 16 (Continued)

Notes to Accounts

B) Statement showing movement of Unclaimed Amount and Investment Income as per IRDAI Circular no. IRDA/F&A/CIR/MISC/282/11/2020 dated November 18, 2020

(₹ '000)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Policy Dues	Income Accrued	Policy Dues	Income Accrued
Opening Balance	284,107	43,572	264,090	44,772
Add : Amount transferred to unclaimed fund	130,918	—	87,273	—
Add : Cheques issued out of the unclaimed amount but not encashed by the policyholders (to be included only when the cheques are stale)	2,330	—	4,908	—
Add: Investment Income on unclaimed Fund	—	11,695	—	7,682
Less: Amount of claims paid during the year	119,432	1,211	59,313	3,423
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	12,423	5,561	12,851	5,415
Closing Balance of Unclaimed Amount Fund	285,500	48,495	284,107	43,616

“Unclaimed amount of policyholders (Investment)” ₹ 189,070 thousand (Previous year ₹ 188,201 thousand) and “Income on Unclaimed Amount of Policyholders (Investment)” ₹ 48,583 thousand (Previous year ₹ 43,616 thousand) are disclosed under Schedule 12 – Advances and Other Assets.

Management Report

In accordance with Part IV of Schedule B of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, the Management submits the following Report:

1. We confirm the validity of Certificate of Registration granted by the Insurance Regulatory and Development Authority of India to transact general insurance business.
2. To the best of our knowledge and belief, all the material dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and the transfer of shares during the year ended March 31, 2023 are in accordance with the statutory or regulatory requirements.
4. We declare that funds of holders of policies issued in India have not been directly or indirectly invested outside India.
5. We confirm that the Company has maintained the required solvency margins laid down by Insurance Regulatory and Development Authority of India.
6. We certify that the all assets of the Company have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings – “Loans”, “Investments”, “Agents balances”, “Outstanding Premiums”, “Interest, Dividends and Rents outstanding”, “Interest, Dividends and Rents accruing but not due”, “Amounts due from other persons or Bodies carrying on insurance business”, “Sundry Debtors”, “Bills Receivable”, “Cash” and the several items specified under “Other Accounts” except debt securities which are stated at cost / amortised cost.
7. The Company is exposed to a variety of risks associated with general insurance business such as quality of risks undertaken, fluctuations in value of assets and higher expenses in the initial years of operation. The Company monitors these risks closely and effective remedial action is taken wherever deemed necessary.
The Company has, through an appropriate reinsurance program kept its risk exposure at a level commensurate with its capacity.
8. The Company does not have operations outside India.
9. a. For ageing analysis of Gross Claims outstanding (excluding provision for IBNR / IBNER and claims relating to inward re-insurance from terrorism pool) during the preceding five years, please refer Annexure 1.
b. For average claims settlement time during the preceding five years, please refer Annexure 2.
10. Details of payments to individuals, firms, Companies and organizations in which directors are interested during the year ended on March 31, 2023:

Sr. No.	Name of the Director	Entity in which Director is interested	Interested As	Payment during the year (₹ '000)
1	Keki M. Mistry	HDFC Limited	Vice Chairman and CEO	1,921,976
		HDFC Life Insurance Company Limited	Director	35,105
		Tata Consultancy Services Limited	Director	120,611
		Torrent Power Limited	Director	1,436
2	Renu Sud Karnad	HDFC Limited	Managing Director	1,921,976
		HDFC Bank	Nominee Director	2,424,538
		HDFC Life Insurance Company Limited	Director	35,105
3	Oliver Martin Willmes	ERGO International AG	Chairman of the Board of Management	1,346,212
4	Vijay Sanghi	Suraj Sanghi Service Centre	Partner	106
5	Ameet P. Hariani	Mahindra Logistics Limited	Independent Non-Executive Director	132
6	Bernhard Steinruecke	Zodiac Clothing Limited	Director	637
7	Ritesh Kumar	Insurance Information Bureau of India	Member	1,352
		Insurance Institute of India	Member	843

Management Report (Continued)

11. We certify that all debt securities excluding Additional Tier I Bonds and non -convertible preference shares are considered as 'held to maturity' and accordingly stated at historical cost subject to amortisation of premium or accretion of discount on constant yield to maturity basis to the extent of policyholders funds in the Revenue Accounts and to the extent of shareholders funds in the Profit and Loss Account over the period of maturity/holding. Money market instruments like Commercial Papers, Certificate of Deposits, Treasury Bills and TREPS are stated at historical cost subject to accretion of discount on constant yield to maturity basis. Government Securities traded under Reverse repurchase (reverse repo) are recorded at historical cost.

All mutual fund investments are valued at net asset value as at Balance Sheet date.

Equity shares actively traded as at the Balance Sheet date are stated at fair value, being the last quoted closing price on the National Stock Exchange (NSE) being selected as Primary exchange as required by IRDAI circular number IRDA/F&I/INV/CIR/213/10/2013 dated October 30, 2013. However, in case of any stock not being listed on NSE, the same is valued based on the last quoted closing price on Bombay Stock Exchange (BSE). Unlisted equity shares are measured at historical cost.

Additional Tier I Bond Investments are fair valued at market yield rates published by rating agency registered with the Securities and Exchange Board of India (SEBI).

In accordance with the Regulations, any unrealized gains/losses arising due to change in fair value of mutual fund investments, listed equity shares and Additional Tier I Bonds are accounted in "Fair Value Change Account" and carried forward in the Balance Sheet and is not available for distribution.

12. The Company has adopted a prudent investment policy which is reviewed every half year with emphasis on optimizing return with minimum risk. Emphasis was towards low risk investments such as Government securities, rated debt instruments and liquid and Money Market instruments in order

to maintain optimum liquidity. Investments are managed in consonance with the investment policy laid down by the board from time to time and are within the investment regulation and guidelines of IRDAI. The Company has carried out periodic review of the investment portfolio and where found necessary, has made provision for diminution in value of investments or written them off.

13. The Management of HDFC ERGO General Insurance Company Limited certifies that:

The financial statements have been prepared in accordance with the applicable provisions of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, circulars/notifications issued by IRDAI from time to time (including Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016 and IRDA/F&A/CIR/CPM/010/01/2017 dated January 12, 2017), the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read together with Rule 7 of Companies (Accounts) Rule 2014 dated March 31, 2014 and Companies (Accounting Standards) amendment Rules 2016 dated March 30, 2016 to the extent applicable and the relevant provisions of the Companies Act, 2013, and disclosures have been made, wherever the same is required. There is no material departure from the said standards, principles and policies.

- i. The Company has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the operating profit for the year ended on that date.
- ii. The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act,

Management Report (Continued)

1938, (4 of 1938) as amended by Insurance Laws (Amendment) Act, 2015 / Companies Act, 1956, (1 of 1956)/ the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iii. The financial statements of the Company have been prepared on a going concern basis.

- iv. The Company's internal audit is conducted by an in-house audit team and appointed audit firms. The scope of work of internal audit is commensurate with the size and nature of the Company's business. The management has ensured that an internal audit system commensurate with the size and nature of business exists and is operating effectively.

Signatures to Management Report

For and on behalf of the Board of Directors

Keki M Mistry Chairman (DIN: 00008886)	Renu S. Karnad Non-Executive Director (DIN: 00008064)	Oliver Martin Willmes Non-Executive Director (DIN: 08876420)	Clemens Matthias Muth Non-Executive Director (DIN: 07824451)
Bernhard Steinruecke Independent Director (DIN: 01122939)	Mehernosh B. Kapadia Independent Director (DIN: 00046612)	Arvind Mahajan Independent Director (DIN: 07553144)	Ameet Hariani Independent Director (DIN: 00087866)
Sanjib Chaudhuri Independent Director (DIN: 09565962)	Vinay Sanghi Independent Director (DIN: 00309085)	Rajgopal Thirumalai Independent Director (DIN: 02253615)	Ritesh Kumar Managing Director & CEO (DIN: 02213019)
Anuj Tyagi Deputy Managing Director (DIN: 07505313)	Samir H. Shah Executive Director & CFO (DIN: 08114828)	Vyoma Manek Company Secretary & Chief Compliance Officer (Membership No.: ACS 20384)	

Mumbai,
Dated: April 27, 2023

Annexure to Management Report

Annexure 1
Details of ageing analysis of Gross Claims outstanding
Outstanding As on 31.03.2023 (F. Y. 2022-23)

Period	Fire		Marine Cargo		Marine Hull		Motor OD		Motor TP		Workmens Compensation		Public liability		Product Liability		Other Liabilities	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	96	448,609	567	113,258	1	275	14,474	528,936	4,520	1,630,416	62	7,566	1	1,15	—	—	5	1,800
31 days to 6 months	221	5,267,521	1,131	311,444	3	7,173	4,778	526,312	4,060	1,680,830	221	50,024	—	—	—	—	34	759,520
6 months to 1 year	144	2,085,638	241	273,828	—	621	540	132,125	6,354	3,035,021	56	11,703	2	600	—	—	39	12,803
1 year to 5 years	39	3,520,097	76	920,463	1	403,543	—	—	21,539	12,589,727	34	14,032	8	3,271	—	107	182	80,087
5 years and above	1	398,963	19	59,118	—	19,556	—	—	9,148	5,818,603	17	6,294	—	7	1	53,119	4	31,465
Total	501	11,720,828	2,034	1,678,101	5	431,468	19,792	1,187,373	45,621	24,754,597	390	89,619	11	3,993	1	53,226	264	885,675

Period	Engineering		Aviation		Personal Accident		Health		Home		Specialty		Weather/Crop		Others		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	149	57,453	1	408	544	177,751	23,912	1,447,815	24	6,200	25	5,488	7,240	28,149	129	123,788	51,750	4,578,027
31 days to 6 months	249	341,381	1	2,145	320	98,920	4,660	257,221	18	7,626	93	38,344	20,098	121,980	88	386,820	35,975	9,857,261
6 months to 1 year	77	1,127,873	1	2,015	—	—	14	679	4	461	74	55,390	10,384	70,051	49	75,302	17,979	6,884,110
1 year to 5 years	33	573,005	26	47,086	—	—	—	—	1	61	194	157,469	10,588	132,227	30	111,037	32,751	18,552,202
5 years and above	7	131,900	—	458,759	—	—	—	—	—	—	22	283,162	245	787,445	1	8,459	9,465	8,056,850
Total	515	2,231,612	29	510,413	864	276,671	28,586	1,705,715	47	14,348	408	539,853	48,555	1,139,852	297	705,406	147,920	47,928,450

Outstanding As on 31.03.2022 (F. Y. 2021-22)

Period	Fire		Marine Cargo		Marine Hull		Motor OD		Motor TP		Workmens Compensation		Public liability		Product Liability		Other Liabilities	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	104	134,332	262	87,390	4	1,036	13,516	502,779	1,140	398,360	81	14,997	—	—	—	—	12	3,600
31 days to 6 months	219	1,428,803	240	196,332	—	948	3,633	433,418	5,859	2,367,705	217	36,604	2	800	—	—	40	95,112
6 months to 1 year	135	2,403,935	76	82,412	1	523	113	62,127	4,471	1,907,254	109	40,032	1	400	—	—	36	22,075
1 year to 5 years	58	5,486,023	49	1,583,698	5	754,805	—	—	19,663	11,413,233	66	5,335	7	2,875	—	107	163	30,316
5 years and above	3	332,318	19	53,379	—	15,639	—	—	9,809	5,682,124	15	21,461	—	7	1	53,119	7	10,419
Total	519	9,785,412	646	2,003,210	10	772,751	17,262	998,323	40,942	21,768,677	488	118,430	10	4,082	1	53,225	258	161,521

Period	Engineering		Aviation		Personal Accident		Health		Home		Specialty		Weather/Crop		Others		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	130	74,719	—	3,610	1,412	509,941	22,549	1,523,634	27	2,401	6	2,000	14,085	61,986	664	63,451	53,992	3,384,136
31 days to 6 months	213	257,266	19	48,897	46	30,048	238	24,944	12	2,229	46	615,719	29,466	175,228	89	39,435	40,339	5,753,487
6 months to 1 year	81	329,944	3	14,518	11	15,119	17	1,385	1	13	40	46,905	10,547	90,967	12	6,821	15,654	5,024,428
1 year to 5 years	45	750,956	—	422,647	4	7,499	11	2,372	—	—	171	164,346	8,103	113,541	156	443,169	28,501	21,180,723
5 years and above	7	124,566	5	2,763	—	—	—	—	—	—	21	12,567	245	787,445	—	6,183	10,132	7,101,991
Total	476	1,537,451	27	492,436	1,473	562,506	22,815	1,552,334	40	4,643	284	841,537	62,446	1,229,188	921	559,058	148,618	42,444,765

Annexure to Management Report (Continued)

Outstanding As on 31.03.2021 (F. Y. 2020-21)

Period	Fire		Marine Cargo		Maine Hull		Motor OD		Motor TP		Workmen's Compensation		Public Liability		Product Liability		Other Liabilities	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	99	972,707	147	103,916	2	7,510	11,942	698,735	1,360	447,458	64	12,064	2	760	—	—	9	2,820
31 days to 6 months	132	1,013,281	91	103,668	4	53,475	5,111	632,750	4,719	1,825,600	190	39,633	—	—	—	—	27	9,669
6 months to 1 year	86	1,776,277	13	1,538,188	1	50,007	337	114,644	1,813	662,644	110	26,792	—	—	—	—	33	17,687
1 year to 5 years	40	5,271,345	48	273,365	2	702,237	1	10	20,257	12,176,993	180	59,616	6	2,482	—	5,440	138	151,973
5 years and above	2	277,635	5	37,745	—	14,040	—	—	7,172	3,995,514	10	3,335	—	400	1	64,221	5	31,960
Total	359	9,311,245	304	2,056,883	9	827,268	17,391	1,446,138	35,321	19,108,209	554	141,441	8	3,642	1	69,661	212	214,110

Period	Engineering		Aviation		Personal Accident		Health		Home		Specialty		Weather/Crop		Others		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	198	36,462	—	—	1,533	322,118	31,501	2,310,929	22	3,915	14	5,120	2,250	23,785	600	151,482	49,743	5,099,782
31 days to 6 months	130	300,808	5	2,979	961	338,764	13,541	1,150,462	8	6,295	40	68,556	9,000	89,329	237	213,980	34,196	5,849,249
6 months to 1 year	22	235,261	6	5,708	65	48,291	496	88,287	—	—	61	22,990	5,863	86,618	55	169,385	8,961	4,842,780
1 year to 5 years	21	954,429	11	60,704	53	67,057	1,144	232,539	—	—	164	373,915	993	15,043	64	291,776	23,122	20,638,924
5 years and above	—	101,482	2	412,514	11	12,168	235	32,606	—	—	19	110,698	245	787,445	—	763	7,707	5,882,525
Total	371	1,628,442	24	481,904	2,623	788,398	46,937	3,814,824	30	10,210	298	581,278	18,351	1,002,221	956	827,387	123,729	42,313,261

Outstanding As on 31.03.2020 (F. Y. 2019-20)

Period	Fire		Marine Cargo		Maine Hull		Motor OD		Motor TP		Workmen's Compensation		Public Liability		Product Liability		Other Liabilities	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	92	407,077	248	121,707	1	15	10,712	604,204	705	221,856	66	11,270	—	—	—	—	9	6,067
31 days to 6 months	148	1,552,915	277	283,876	6	135,688	6,661	894,205	5,118	1,781,036	226	47,582	2	800	—	—	52	19,807
6 months to 1 year	98	1,268,098	21	127,451	1	17,999	516	116,357	4,711	2,002,960	138	38,121	2	800	—	—	37	59,946
1 year to 5 years	34	4,359,012	55	258,332	7	726,357	38	12,753	15,783	10,298,747	116	31,412	2	882	—	907	59	61,362
5 years and above	2	170,456	—	15,763	—	6,147	—	—	6,034	3,110,935	5	1,994	—	400	1	64,221	3	22,396
Total	374	7,757,557	601	807,129	15	886,206	17,927	1,627,518	32,351	17,415,534	551	130,378	6	2,882	1	65,127	160	169,578

Period	Engineering		Aviation		Personal Accident		Health		Home		Specialty		Weather/Crop		Others		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	180	26,272	—	3,876	841	178,478	25,924	1,818,897	1	—	23	7,200	18,052	247,730	509	209,805	57,363	3,864,454
31 days to 6 months	118	570,668	—	824	761	234,788	3,243	304,563	2	2,070	59	22,921	11,286	102,543	287	471,297	28,246	6,425,581
6 months to 1 year	35	472,256	7	63,990	15	12,941	273	40,495	2	495	46	282,143	18	617	22	56,532	5,942	4,561,199
1 year to 5 years	22	333,754	5	152,488	30	53,690	1,029	155,247	1	155	103	207,095	22	41	15	244,357	17,321	16,896,593
5 years and above	1	99,018	2	331,246	8	11,075	197	20,064	—	—	40	26,565	245	787,445	—	265	6,538	4,667,989
Total	356	1,501,968	14	552,425	1,655	490,973	30,666	2,339,266	6	2,720	271	545,924	29,623	1,138,376	833	982,256	115,410	36,415,816

Annexure to Management Report (Continued)

Outstanding As on 31.03.2019 (F. Y. 2018-19)

Period	Fire		Marine Cargo		Marine Hull		Motor OD		Motor TP		Workmen's Compensation		Public liability		Product Liability		Other Liabilities	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	74	170,527	517	177,521	3	885	10,775	576,290	961	453,687	161	35,973	—	—	—	—	2	12,283
31 days to 6 months	119	1,381,692	249	215,635	7	714,442	5,277	632,100	3,560	2,235,030	162	52,299	—	—	—	—	30	53,705
6 months to 1 year	95	915,490	18	60,181	2	58,085	633	88,054	3,146	2,228,407	142	21,843	5	2,075	—	107	17	20,988
1 year to 5 years	24	4,538,649	38	197,149	3	17,664	110	25,085	14,724	10,263,020	61	17,930	2	507	—	800	52	205,200
5 years and above	4	157,108	—	14,279	1	5,527	2	1,698	3,858	2,025,014	2	455	—	400	1	64,221	2	19,146
Total	316	7,163,466	822	664,766	16	796,604	16,797	1,323,226	26,249	17,205,158	528	1,28,501	7	2,982	1	65,127	103	311,322

(₹ '000)

Period	Engineering		Aviation		Personal Accident		Health		Home		Specialty		Weather/Crop		Others		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
0-30 days	174	80,958	—	21,431	666	169,808	3,090	206,970	4	1,448	22	10,000	240	3,838	379	80,501	17,068	2,002,120
31 days to 6 months	96	242,855	3	12,617	520	152,862	886	122,312	2	195	32	20,073	66,713	103,670	196	184,743	77,852	6,124,229
6 months to 1 year	60	279,900	5	30,109	4	6,973	28	24,372	—	—	40	23,387	1,448	5,634	21	10,919	5,664	3,776,524
1 year to 5 years	29	163,605	18	244,205	—	524	4	6,116	—	—	56	217,518	527	64,695	9	250,150	15,657	16,212,818
5 years and above	5	89,597	2	342,545	—	—	1	1,491	—	—	42	365,515	125	725,014	—	265	4,045	3,812,276
Total	364	856,915	28	650,908	1,190	330,167	4,009	361,261	6	1,643	192	636,493	69,053	902,851	605	526,579	120,286	31,927,968

(₹ '000)

Annexure to Management Report (Continued)

Annexure - 2

Details of Average Claims Settlement Time

Line of Business	FY 2022-23*		FY 2021-22*		FY 2020-21*		FY 2019-20		FY 2018-19	
	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)	No. of Claims	Average Settlement Time (Days)
Fire	2,076	97	1,666	113	1,853	75	1,762	4	1,925	87
Marine Cargo	19,332	25	11,891	17	11,103	12	12,471	5	15,068	18
Marine Hull	1	1,922	4	263	8	461	9	4	6	448
Motor OD	520,468	5	435,626	6	356,087	17	487,550	2	412,047	15
Motor TP	8,909	1,024	5,680	974	4,030	901	3,308	29	6,885	611
Workmen's Compensation	584	208	362	209	314	198	564	2	330	183
Public liability	1	119	1	72	2	23	4	5	—	—
Product Liability	—	—	—	—	—	—	—	—	—	—
Other Liabilities	17	633	7	362	6	175	19	26	19	171
Engineering	18,036	9	29,702	7	43,585	3	50,330	1	27,669	7
Aviation	—	—	1	786	1	426	—	—	3	353
Personal Accident	7,368	34	9,137	9	7,635	28	12,107	3	10,460	21
Health	789,164	7	662,826	6	425,183	13	197,022	5	1,52,051	12
Home	331	45	279	35	172	18	31	3	33	44
Specialty	3,822	5	14	375	42	163	14	2	10	518
Weather/Crop	3,535,297	4	2,519,765	1	1,410,985	3	703,193	1	1,228,191	3
Others	24,121	10	20,830	17	26,550	14	27,917	6	12,112	9
Total	4,929,527	—	3,697,791	—	2,287,556	—	1,496,301	—	1,866,809	—

*Date of intimation of claims is considered for computation of 'Average Settlement Time' basis Authority's mail dated March 26, 2021.

OUR PRODUCTS

RETAIL PRODUCTS



**Motor
Insurance**



**Health
Insurance**



**Travel
Insurance**



**Home
Insurance**



**Personal
Accident**

RURAL PRODUCTS



**Cattle
Insurance**



**Weather
Insurance**



**Crop
Insurance**



**HDFC ERGO
Farm Yield
Insurance Policy**

COMMERCIAL PRODUCTS



**Engineering
Insurance**



**Property
Insurance**



**Accidental &
Health Insurance**

- Erection All Risks Insurance
- Contractor's All Risk Insurance
- Advance Loss of Profit
- Contractor's Plant & Machinery Insurance
- Machinery Breakdown Insurance
- Electronic Equipment Insurance
- Boiler and Pressure Plant Insurance

- Standard Fire and Special Perils Policy
- Consequential Loss (Fire) Insurance
- Industrial All Risks Policy
- Business Suraksha Classik – Laghu Udyam
- HDFC ERGO Business Secure - Sookshma Udyam
- HDFC ERGO Business Secure - Laghu Udyam

- Sarv Suraksha Plus
- my: Optima Secure
- Optima Restore
- HDFC ERGO Group Health Insurance
- Travel Insurance
- my:health Koti Suraksha
- my:health Medisure Super Top Up Insurance

COMMERCIAL PRODUCTS



Liability Insurance

CASUALTY LINES

- Product Liability
- Public Liability
- Public Liability Act
- Errors and Omission (Tech)
- Commercial General Liability
- Employee Compensation Insurance
- Professional Indemnity

FINANCIAL LINES

- Directors and Officers Liability
- Venture Capital Asset Protection Policy
- Public Offering of Securities Insurance
- Employment Practices Liability
- Multimedia Liability Insurance
- Commercial Crime Insurance
- Cyber Insurance
- Financial Institution Professional Indemnity Policy

SPECIALTY LINES

- Trade Credit Insurance Policy (Commercial)



Marine Cargo Products

- Marine Specific Policy
- Marine Open Policy
- Sales Turnover Policy



Miscellaneous Products

- Payment Protection Package



Innovative Covers

- HDFC Ergo Cyber Sachet Insurance
- e@Secure
- Contractual Liability Insurance
- Business Kisht Suraksha
- Mosquito Disease Protection Policy – Group
- TravelX
- my: Health Comprehensive Suraksha – Group
- Object Insurance
- CHOMP



Regulatory Products

HEALTH

- Arogya Sanjeevani Policy, HDFC ERGO
- Arogya Sanjeevani Policy, HDFC ERGO (Group)
- Saral Suraksha Bima, HDFC ERGO
- Corona Kavach Policy, HDFC ERGO
- Corona Kavach Policy, HDFC ERGO (Group)

PROPERTY INSURANCE

- HDFC ERGO - Bharat Griha Raksha
- HDFC ERGO - Bharat Laghu Udyam Suraksha
- HDFC ERGO - Bharat Sookshma Udyam Suraksha
- HDFC ERGO - Bharat Griha Raksha Plus
- HDFC ERGO - Bharat Griha Raksha Plus - Long Term

GLOSSARY

Sr. No	Terms	Description
1	Accretion	Incremental growth over a period of time.
2	Actuary	A person skilled in determining the present effects of future contingent events or in finance modelling and risk analysis in different areas of insurance, or calculating the value of life interests and insurance risks, or designing and pricing of policies, working out the benefits, recommending rates relating to insurance business, annuities, insurance and pension rates on the basis of empirically based tables and includes a statistician engaged in such technology, taxation, employees' benefits and such other risk management and investments and who is a fellow member of the Institute of Actuaries.
3	Appropriations	Money set aside for specific purpose.
4	Bad debts written off	Bad debt expense is the amount of an account receivable that is considered to be not collectible.
5	Book Value Per Share	This is computed as networth divided by number of outstanding shares.
6	Company or We or Us	Means HDFC ERGO General Insurance Company Limited (IRDAI Regn. 146).
7	Claim	A request by a policyholder for payment following the occurrence of an insured event. A claim does not necessarily lead to a payment.
8	Co-insurance	Method of sharing insurance risk between several insurers. The policyholder will deal with the Lead insurer who issues documents and collects premiums. The policy will detail the shares held by each company.
9	Combined Ratio	Incurred Claims Ratio plus Expense Ratio.
10	Commission paid	Amount paid to intermediaries for acquiring business.
11	Deferred Tax Asset	An asset that is used to represent lower amount of tax that a company will have to pay in a later tax period.
12	Deferred Tax Liability	A tax liability that a company owes and does not pay at the current point, although it will be responsible for paying it in a later tax period.
13	EPS	Earning Per Share (EPS) is arrived at by dividing Net Profit After Tax by the weighted average number of shares.
14	Expense Ratio	Expense ratio is a proportion of the sum of all expenses (acquisition & operating) and net commission received on reinsurance to net written premium expressed as a percentage.
15	Fair Value Change Account	It represents unrealized gains or losses at the end of the period with respect to listed equity securities, derivative instruments and mutual fund investments.
16	Gross Written Premium (GWP)	Gross Written Premium is the sum of gross direct premium and the reinsurance premium accepted.
17	Incurred But Not Reported (IBNR)	A reserve created by insurer and certified by an Actuary to cover the estimated cost of losses that might have incurred but not yet reported.
18	Incurred But Not Enough Reported (IBNER)	Losses that might have incurred but have not yet been enough reported.
19	Incurred Claims	It is claims paid during the period plus the change in outstanding claims at the end of the period versus at the beginning of the period.
20	Incurred Claims Ratio	Proportion of incurred claims to premiums earned during a period.

Sr. No	Terms	Description
21	Industry Market Share	Proportion of gross written premium of an insurer to the total gross premium written of the General Insurance Industry - expressed as a percentage.
22	IRDAI	Insurance Regulatory and Development Authority of India (IRDAI) established under IRDA Act, 1999 to protect the interests of the policyholders, to regulate, develop, promote and ensure orderly growth of the insurance industry.
23	Loss on sale	Loss on sale of assets when an asset is sold below its book value.
24	Net Premiums Earned	Net premium written adjusted for the change in unexpired risks reserve.
25	Net Premiums Written	Gross written premium less reinsurance premium ceded.
26	Net Worth	Paid up share capital (+/-) reserves/ accumulated losses (-) preliminary expenses.
27	Operating Expenses	Expenses for carrying out insurance / reinsurance business.
28	Operating Profit or Loss	Surplus/ Deficit from carrying out insurance business activities i.e. profit before tax excluding investment income and other income.
29	Policy	The legal document issued by an Insurance Company to a policyholder which outlines the terms and conditions of the insurance.
30	Policy Holder [Insured]	A person who pays a premium to an insurance company in exchange for the insurance protection provided by a policy of insurance.
31	Premium Deficiency	Premium deficiency is recognised as the sum of expected claim costs, related expenses and maintenance cost exceeds related reserve for unexpired risks.
32	Reinsurance	Transfer of an insurance (or part of the risk covered) from one insurance company to another for a premium, not necessarily with the knowledge of the policyholder.
33	Retention	The amount of risk retained by the insurer on its own account.
34	Solvency Margin	A ratio of Available Solvency Margin (ASM)/ Required Solvency Margin (RSM) (calculated as per IRDAI Guidelines).
35	Technical Reserves	Amount set aside in the balance sheet to meet liabilities arising out of insurance contracts, including claims provision (whether reported or not) and reserve for unexpired risks.
36	Treaty Reinsurance	It means a reinsurance arrangement between the cedant and the reinsurer, usually for one year or longer, which stipulates the technical particulars and financial terms applicable to the reinsurance of defined class or classes of business.
37	Underwriting	The process of selecting applicants for insurance and classifying them according to their degrees of insurability so that the appropriate premium rates may be charged. The process includes rejection of unacceptable risks.
38	Unexpired Risks Reserve	Portion of premium with respect to the unexpired insurance contracts as at the end of the period.

Note: The definitions of the ratios in the glossary above are used in this report unless specifically defined otherwise.

AWARDS

THE ECONOMIC TIMES BEST ORGANISATION FOR WOMEN

The Economic Times



ICAI AWARDS FOR EXCELLENCE IN FINANCIAL REPORTING

Institute of Chartered
Accountants of India



TISS LEAP VAULT CLO AWARDS

TISS Leap Vault



INNOVATIVE CSR PROJECT FOR GAON MERA

UBS Forums



BEST CYBER INSURANCE AWARD FOR CYBER SACHET

Insurenex Awards and
Summit 2023, organised by
Banking Frontiers



BEST HEALTHCARE SERVICE PROVIDER (INSURANCE)

ICC Healthcare
Excellence Awards



BEST CSR INITIATIVE

ET BFSI
Excellence Awards



MOST PREFERRED WORKPLACES 2022-23 BFSI

Team Marksmen



GEOSPATIAL APPLICATION EXCELLENCE

Geospatial World



PROMINENT IN DIGITAL INSURANCE INNOVATION' AWARD FOR CYBER SACHET PRODUCT

'BFSI Tech Innovation
Awards 2023', organised
by Elets Technomedia



SWIFT AND PROMPT INSURER

The Economic Times
Insurance Summit
and Awards



BEST INITIATIVES FOR THREAT MANAGEMENT- INSURANCE

Quantic India Cyber Security
Excellence Awards 2022



**THE ECONOMIC
TIMES EMPLOYEE
EXCELLENCE AWARDS**

ET Edge



**PRODUCT
INNOVATOR OF
THE YEAR- CYBER
INSURANCE**

**PRODUCT
INNOVATOR OF THE
YEAR (HEALTH)-
OPTIMA SECURE**

BFSI Leadership Awards2002



**THE ECONOMIC
TIMES FUTURE-READY
ORGANISATION**

The Economic Times



**VIDEO CONTENT
MARKETING CAMPAIGN
OF THE YEAR -
#SAWAALJORAKHEY
KHAYAL - THE
MOTHER'S DAY
CAMPAIGN FILM, 2021**

**CONSUMER INSIGHT
OF THE YEAR -
#SAWAALJORAKHEY
KHAYAL - THE
MOTHER'S DAY
CAMPAIGN, 2021**

**EXCELLENCE IN
CLAIMS SERVICE OF
THE YEAR: HEALTH**

**BFSI PRODUCT
INNOVATION OF THE
YEAR: CYBER SACHET**

**VIRTUAL PRODUCT
LAUNCH: OPTIMA
SECURE**

2nd edition of The Great Indian BFSI
Marketing Awards, organized by
BFSI Digital Stallions Forum



**RECOGNIZED FOR
USING ADEPT
TECHNOLOGY IN
THE CUSTOMER
ENGAGEMENT
INITIATIVES**

11th Global Customer
Engagement Awards,
organized by ACEF



**AN AWARD
FOR PIHU**

10th FINNOVITI
Awards, organized by
Banking Frontiers



**A CERTIFICATE OF
APPRECIATION FOR
THE 'MERI POLICY
MERE HAATH'
CAMPAIGN**

7th National Review
Conference on PMFBY







HDFC ERGO General Insurance Company Limited

Registered & Corporate Office: HDFC House, 1st Floor, 165-166 Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400 020.

Customer Experience Management, Customer Happiness Center: D-301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg, Bhandup (West), Mumbai - 400 078.

Trade Logo displayed above belongs to HDFC Ltd and ERGO International AG and used by the Company under license. CIN: U66030MH2007PLC177117. IRDAI Reg. No. 146.



Phone
+91 22 6638 3600



E-mail
care@hdfcergo.com



Website
www.hdfcergo.com