

**BUILDING
A DIGITALLY SECURE FUTURE
FOR INDIA**





In line with the HDFC Group's core values of trust, integrity and transparency, the Company takes pride in servicing its over 15 million customers.

- Mr. Keki M. Mistry

Values that empower us for the future



SENSITIVITY

We will build our business on empathy and an inherent understanding of both our internal and external customers' needs.

ETHICS

We will honour our commitments and be transparent in our dealings with all our stakeholders.



EXCELLENCE

We will always strive to offer innovative products and services and endeavour to set new benchmarks to do things better each time.

DYNAMISM

We will be pro-active with a “can do” approach.



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Company Highlights

- **3rd largest** General Insurance Company in private sector.
- Overall market share of **6.1%** for Fiscal Year 2021-22.
- **Comprehensive** product portfolio along with a balanced channel mix.
- Credit rating of **ICRA/AAA, CRISIL/AAA, CARE/AAA** and **Acuité/ AAA** with a stable outlook for the Non-Convertible Debentures (Subordinated Debt) programme.
- Solvency ratio of **164%** vis-a-vis IRDAI required solvency ratio of **150%**.
- PAN-India presence across **203 branches** and a close knit family of **8,900** professionals.
- **ISO certified** processes for Claims Services, Operations, Customer Services, ISO certified Business Continuity Management System and ISO certified Information Security Management System.
- Issued more than **8.6 million policies** and serviced more than **3.5 million claims** in FY22.



CHAIRMAN'S MESSAGE

FY22 was characterized by global and local developments through the year. Globally, the year will be remembered for the third and fourth waves of COVID-19 and the start of the Russia-Ukraine war. Just as the world was recovering from the pandemic, the war has impacted the global economy. Inflation is rising and the interest rate increases by central banks of major economies is expected to moderate the growth expectations. The geo-political implications of this on the world order remain to be seen.

In India, the second wave of COVID-19 had a rapid and severe impact on lives and businesses in the first quarter. The vaccination efforts of the Government of India were scaled up and the majority of the population, especially those at risk, were vaccinated in a time bound manner. This enabled continuity of businesses and helped the economy grow by 8.9% in FY22. In the wake of the global developments, India's GDP growth estimate for FY23 has been revised from 7.8% in February 2022 to 7.2% in April 2022. Any further cascading impacts of the ongoing Russia-Ukraine war and/or a subsequent wave of the infection remain as downside risks.

The General Insurance (GI) industry grew by ~11% to ₹220,000 crore in FY22. The motor segment witnessed muted growth on account of low vehicle registrations. Health insurance remained the fastest growing segment, reinforcing the need for adequate health insurance cover. The industry had to bear the



"The industry continued to fulfill its responsibility of supporting its policyholders in FY22, especially during the second and third waves of COVID-19."

impact of the high number of COVID claims during the year.

The year gone by was again a challenging one for our Company. Given our status of being the second largest retail health insurer in the country with a ~10% market share, we were impacted with our share of COVID-19 claims. Being a responsible insurer, we have remained committed to our responsibility of supporting our policyholders during these difficult times.

In line with the HDFC Group's core values of trust, integrity and transparency, the Company takes pride in servicing its over 15 million customers. During the year, the Company ensured that all its customers, especially health policyholders, were serviced seamlessly using innovative digital technologies delivering timely service.

The theme of consolidation and listing on the stock exchanges continued this year as well with the merger of two multi-line general insurers with each other and equity market listing of one large standalone health insurer. This takes the number of mergers and listings in the non-life insurance industry to three each.

Necessitated by the pandemic, the regulatory amendments aimed at development of the general insurance industry, increasing competitive intensity and widespread adoption of digital initiatives are expected to result in a more customer centric set of insurance solutions and deeper insurance reach, more specifically in rural India. I welcome the developmental efforts being taken by the IRDAI to drive insurance penetration and to improve the ease of doing business.

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

Keki M. Mistry
Chairman



MD & CEO's MESSAGE

The world saw the impact of COVID-19 continuing in FY22. FY22 turned out to be different in many ways. The second wave of COVID-19 impacted citizens and businesses across the country in the first quarter of FY22. As the situation improved thereafter, only limited lockdowns were imposed. The vaccination drive rollout by the Govt. of India was successful in ensuring majority of the population, especially the elderly, received both doses of the vaccine. This contributed to the third wave of COVID-19 being less severe than the previous ones. These measures also resulted in domestic economy growing by 8.9% in FY22, helped partly by the base effect. While the economy is expected to grow by 7.2% in FY23, the impact of the Russia - Ukraine war may slow down global growth prospects and thereby impact domestic economic growth.

The GI industry registered a growth of 11.1% in FY22 (FY21: 5.2%), growing to gross direct premium of ~ ₹ 220,000 crore. The increased awareness of health insurance following the pandemic resulted in the Accident & Health insurance segment leading the industry growth with a 26.2% premium growth. Commercial lines registered a growth of 11.8%. Motor insurance continued to be subdued with a 4.0% growth, as the vehicle sales registered a de-growth of 5.9%. The crop insurance segment witnessed a 5.1% de-growth.

Private sector insurers (including standalone health insurers) grew by 14.8%, capturing further market share from the public sector insurers (including specialized insurers), who registered a 6.1% growth. In FY23, we expect that the GI

"In FY22, HDFC ERGO became the sixth largest multi-line General Insurer in India"

industry will register growth across segments, arising from economic growth.

In line with our calibrated risk selection strategy, our Gross Written Premium (GWP) grew by 10.2% during the year, from ₹12,444 crore to ₹13,707 crore.

The profitability of the GI industry was severely impacted by COVID-19 this year. Health insurance segment was impacted by the high volumes of COVID claims and higher inflation, increasing the average claims size of normal hospitalization claims. There was no relief from the non-health segments either, as the limited lockdowns meant that motor accident as well as commercial claims returned to pre-COVID levels.

Being a responsible insurer and one of the large health insurers in the country, we ensured our policyholders did not suffer during these difficult times. This has impacted our profitability, with the Company registering a profit after tax of ₹ 500 crore as compared to ₹ 592 crore for the previous year.

In our endeavour to consistently deliver high quality customer service, we further leveraged our 'Digital First' approach this year. During the year, your Company sold over 8 million policies, of which ~93% were issued digitally. We launched AI-enabled inspection for break-in insurance, benefitting more than 100,000 customers in the first year of its launch. Our e-mail bot eRA and WhatsApp bot MyRA continued to witness higher adoption, processing more than 2 million requests during the year.

The last two years have been one of the most challenging years in recent times. I would like to thank all our employees and their families for going beyond the call of duty and ensuring business continuity in such uncertain times. I would also take this opportunity to thank all our stakeholders for the contribution made and look forward to their continued support.

Ritesh Kumar
MD & CEO

Board of Directors

Mr. Deepak S. Parekh
Chairman
(DIN: 00009078)
(upto March 2, 2022)

Mr. Keki M. Mistry
Chairman
(DIN: 00008886)
(Chairman w.e.f March 11, 2022)

Directors
Ms. Renu Sud Karnad
(DIN: 00008064)

Dr. Oliver Martin Willmes
(DIN: 08876420)

Dr. Clemens Matthias Muth
(DIN: 07824451)

Mr. Bernhard Steinruecke
(DIN: 01122939)

Mr. Mehernosh B. Kapadia
(DIN: 00046612)

Mr. Arvind Mahajan
(DIN: 07553144)

Mr. Ameet P. Hariani
(DIN: 00087866)

Mr. Sanjib Chaudhuri
(DIN: 09565962)
(w.e.f April 12, 2022)

Mr. Vinay Sanghi
(DIN: 00309085)
(w.e.f April 12, 2022)

Dr. Rajgopal Thirumalai
(DIN: 02253615)
(w.e.f April 12, 2022)

Mr. Samir H. Shah
Executive Director & CFO
(DIN: 08114828)

Mr. Anuj Tyagi
Deputy Managing Director
(DIN: 07505313)

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

Senior Management

Mr. Rahul Ahuja
Mr. Ankur Bahorey
Mr. Parthanil Ghosh
Mr. Sanjay Kaw
Mr. Mehmood Mansoori
(upto February 28, 2022)
Mr. Anurag Rastogi
Mr. Ravi Vishwanath

Appointed Actuary

Mr. Hiten Kothari

Company Secretary

Mr. Dayananda V. Shetty
Membership No.: FCS 4638

Chief Compliance Officer

Ms. Vyoma Manek
(w.e.f June 10, 2021)

Auditors

G. M. Kapadia & Co.
Chartered Accountants

B. K. Khare & Co.
Chartered Accountants

Bankers

HDFC Bank Ltd.

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001.
Tel. No: +91 22 40807008
Fax No: +91 22 66311776

Axis Trustee Services Limited
The Ruby, 2nd Floor,
SW, 29 Senapati Bapat Marg,
Dadar (West), Mumbai - 400 028.
Tel. No: +91 22 62300451
Fax No: +91 22 62300700

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 Experience Management, Customer Happiness Center: 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

Brief Profile of the Directors



Mr. Keki M. Mistry (DIN: 00008886) is the Non- Executive Chairman of the Company. . He is a fellow 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 the Chairman of CII National Council on Corporate Governance and a member of Primary Markets Advisory Committee set up by the Securities and Exchange Board of India (SEBI). He was also a member of the Committee of Corporate Governance set up by SEBI.



Ms. Renu Sud Karnad (DIN: 00008064) is a Non-Executive Director of the Company. Ms. Karnad 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, U.S.A. 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. Ms. Karnad has been the Managing Director of HDFC w.e.f. January 1, 2010. Ms. Karnad is currently the President of the International Union for Housing Finance (IUHF), an association of global housing finance firms.



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 (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 a 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.



Mr. 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. Mr. Steinruecke was the former Co-CEO of Deutsche Bank India and Co-Owner and Speaker of the Board of ABC Privatkunden-Bank, Berlin. Mr. Steinruecke was appointed as an Independent Director of the Company for a period of 5 years w.e.f. September 9, 2016 and was re-appointed as an Independent Director for another term of 5 consecutive years w.e.f September 9, 2021.



Mr. 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 34 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. Mr. Kapadia was appointed as an Independent Director of the Company for a period of 5 years w.e.f. September 9, 2016 and was re-appointed as an Independent Director for another term of 5 consecutive years w.e.f. September 9, 2021.



Mr. 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.

Mr. Mahajan 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 lead business consulting services and later the Energy, Infrastructure, Government and Healthcare practices of the firm. He also had the privilege of being member of KPMG's Global Business Consulting and Global Infrastructure Sector Leadership teams. His specialization 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.

Mr. Mahajan was appointed as an Independent Director of the Company for a period of 5 years w.e.f. November 14, 2016 and was re-appointed as an Independent Director for another term of 5 consecutive years w.e.f. November 14, 2021.



Mr. 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 organizations in international real estate transactions, arbitrations and prominent litigations. He was a partner at Ambubhai and Diwanji, Mumbai, Andersen Legal India, Mumbai 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. 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 Law Society of Singapore, the Bar Council of Maharashtra and the Bombay Bar Association. Mr. Hariani was appointed as an Independent Director of the Company for a period of 5 years w.e.f. July 16, 2018.



Mr. Sanjib Chaudhuri (DIN: 09565962) has a rich experience of over forty years in the Indian non-life insurance and reinsurance industry. He was with National Insurance Company Limited from 1979 to 1997 and Chief Representative, India, for the Munich Reinsurance Company from 1997 to 2014. From 2015 to 2018, he served as a member of the Executive Committee, General Insurance Council, nominated by IRDAI as policyholders' representative. Mr. Chaudhuri is also a member of Health Insurance Forum, IRDAI, nominated by IRDAI as consumer representative, since 2018 and was member of Committee, formed by IRDAI, to recommend amendments to the regulations regarding reinsurance, investment, FRBs and Lloyd's India.



Mr. Vinay Sanghi (DIN: 00309085) has more than three decades of experience in the auto industry. Mr. Sanghi is the founder and Chairman of CarTrade Tech and has been instrumental in establishing market leadership and effecting consolidation in the space by acquiring CarWale, BikeWale, Adroit Auto and Shriram Automall. Prior to this he was the CEO of Mahindra First Choice Wheels Limited and was instrumental in it becoming one of India's leading companies in used-car segment. He is also a partner in the Sah and Sanghi group of companies.



Dr. 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 Chief Operating Officer 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.



Mr. Samir H. Shah (DIN: 08114828) is a Fellow member of The Institute of Chartered Accountants of India (FCA), 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 31 years of work experience, of which over 15 years in the General Insurance sector. Mr. Shah was appointed as the Executive Director & CFO of the Company for a period of 5 years with effect from June 1, 2018 and is currently responsible for Finance, Accounts, Tax, Secretarial, Legal & Compliance, Risk Management, Internal Audit functions of the Company.



Mr. Anuj Tyagi (DIN: 07505313) is a Chemistry (H) graduate and has a Post Graduate Diploma in Business Management. Mr. Tyagi has about 22 years of work experience in insurance and banking. He joined the Company in 2008 as Head - Corporate Business Group. Mr. Tyagi was appointed as a Whole-time Director (designated as Executive Director & CBO) of the Company for a period of 5 years with effect from May 1, 2016. On November 13, 2020, Mr. Tyagi was re-appointed as the Executive Director & CBO for a further period of 5 years and thereafter re-designated as the Deputy Managing Director w.e.f April 20, 2021.



Mr. Ritesh Kumar (DIN: 02213019) is the Managing Director and CEO of the Company since 2008. Mr. Kumar has about 30 years of experience in the Financial Services Industry, of which the first 10 years were in Banking and the last 20 years in Insurance. Mr. Kumar is a commerce graduate from Shriram College of Commerce, Delhi and holds a MBA degree from Faculty of Management Studies (FMS), Delhi.

Directors' Report

TO THE MEMBERS

Your Directors are pleased to present the Fifteenth Annual Report of your Company together with the audited financial statements for the financial year ended on March 31, 2022.

Financial Results

(₹ in crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gross Written Premium	13,707.1	12,443.9
Net Written Premium	7,106.9	6,504.3
Net Earned Premium	6,878.6	6,405.6
Other Income/Liabilities written back	2.2	7.4
Net Incurred Claims	5,781.1	4,852.0
Net Commission (Income)/Expenses	(277.1)	(198.3)
Expenses of Management	2,009.0	2,080.8
Investment Income - Policyholders	1,040.0	958.5
General Insurance Result	407.7	636.9
Investment Income - Shareholders	243.7	186.0
Profit before Tax - Before providing for diminution in value of investments & write-off of Bad and Doubtful Investments	651.4	822.9
Provision towards diminution in value of investments & write - off of Bad and Doubtful Investments	(16.3)	31.2
Profit before Tax - After providing for diminution in value of investments & write-off of Bad and Doubtful Investments	667.8	791.8
Provision for Tax	167.6	200.1
Profit after Tax	500.1	591.7
Interim Dividend	231.7	213.5
Transfer to Debenture Redemption Reserve	—	—
Profit carried to Balance Sheet	268.5	378.2
Credit balance in P & L account at the year end	1,046.9	778.4

Performance

The Gross Written Premium (GWP) of the Company increased to ₹ 13,707.1 crore (PY: ₹ 12,443.9 crore). The Net Earned Premium increased to ₹ 6,878.6 crore (PY: ₹ 6,405.6 crore). The Company achieved a Profit before Tax of ₹ 667.8 crore (PY: ₹ 791.8 crore). The provision for diminution in the value of investments and write-off of Bad and Doubtful Investments amounted to ₹ (16.3) crore as against ₹ 31.2 crore for the previous year. The Profit after Tax for the year is ₹ 500.1 crore (PY: ₹ 591.7 crore).

Dividend

The Board of Directors had approved the payment of an interim dividend of ₹ 3.25 per equity share of ₹ 10 each for the financial year 2021-22 in March 2022 (as against ₹ 3 per equity share paid during the previous year).

No amount is lying in the unpaid dividend account.

No final dividend was recommended by the Board.

Increase in Paid-up Share capital

During the year, the Company allotted 12,15,102 equity shares of ₹ 10 each pursuant to exercise of stock options under Employees Stock Option Plan-2009 (ESOP-2009).

The Paid-up equity share capital of the Company has increased to ₹ 712.8 crore as on March 31, 2022 from ₹ 711.6 crore as on March 31, 2021 and the Share Premium Account increased to ₹ 1,416.6 crore as on March 31, 2022 from ₹ 1,401.3 crore as on March 31, 2021.

Changes in Shareholding

Housing Development Finance Corporation Limited (HDFC) sold 44,12,000 equity shares of ₹ 10 each, representing 0.62% of the paid-up share capital of the Company to ERGO International AG (ERGO) in May 2021. Subsequent to the sale, the Company has ceased to be a subsidiary of HDFC under the provisions of the Companies Act, 2013 ('Act').

As part of restructuring at Munich Re, its step down subsidiary - Munich Health Holding AG (MHH), was merged with ERGO. Pursuant to that, in November 2021, the entire shareholding of MHH (i.e. 5,13,21,532 equity shares of ₹ 10 each representing 7.12% of the paid-up share capital) in the Company was transferred to ERGO.

Proposed Merger of HDFC Limited with HDFC Bank Limited

The Board of Directors of HDFC has approved, on April 4, 2022, a composite scheme of amalgamation (Scheme) for the amalgamation of (i) HDFC Investments Limited and HDFC Holdings Limited, wholly-owned subsidiaries of HDFC, with and into HDFC and (ii) HDFC with and into HDFC Bank Limited (HDFC Bank), and their respective shareholders and creditors, under Sections 230 to 232 of the Act, Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other rules and regulations framed thereunder. The Scheme is subject to the receipt of requisite approvals from the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), the Competition Commission of India, the National Housing Bank (NHB), the Insurance and Regulatory and Development Authority of India (IRDAI), the Pension Fund Regulatory and Development Authority, the National Company Law Tribunal, BSE Limited and the National Stock Exchange of India Limited (collectively, the 'Stock Exchanges') and other statutory and regulatory authorities, and the respective shareholders and creditors.

Non-Convertible Debentures

On November 9, 2021, in terms of IRDAI (Other Forms of Capital) Regulations, 2015 ('OFC Regulations'), the Company exercised the call option on 3,500 Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable, Non Convertible Debentures ('NCDs') of the face value of ₹ 10,00,000 each, aggregating to ₹ 350 crore bearing interest of 7.6% per annum, issued on November 9, 2016. All the NCD holders holding the said NCDs as on the Record Date were paid redemption amount along with the interest accrued thereon.

On the same date, the Company issued and allotted 3,750 Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable, Non-Convertible Debentures of the face value of ₹ 10,00,000 each, at par, aggregating to ₹ 375 crore, on a private placement basis, with a coupon of 7.10% per annum, in accordance with OFC Regulations and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Operational Circular issued by SEBI dated August 10, 2021. The date of allotment is November 9, 2021.

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 rating of CRISIL AAA/Stable and ICRA AAA/Stable respectively.

As at March 31, 2022, the Company's outstanding NCDs stood at ₹ 529.00 crore consisting:

- i. 800 Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable NCDs of the face value of ₹ 10,00,000 each, aggregating to ₹ 80 crore, with a coupon of 8.40% per annum allotted on September 18, 2017 and redeemable on September 17, 2027;
- ii. 740 Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable NCDs of the face value of ₹ 10,00,000 each, aggregating to ₹ 74 crore, with a coupon of 10.25% per annum allotted on September 18, 2018 and redeemable on September 17, 2028.

The above two NCDs are rated by CRISIL, CARE, Acuité and ICRA and were assigned the highest rating of CRISIL AAA/Stable, CARE AAA/Stable, Acuité AAA/Stable and ICRA AAA/Stable respectively.

- iii. 3,750 Unsecured, Subordinated, Fully Paid-up, Listed, Redeemable NCDs of the face value of ₹ 10,00,000 each, aggregating to ₹ 375 crore, with a coupon of 7.10% per annum allotted on November 9, 2021 and are redeemable on November 9, 2031.

The above NCDs are rated by CRISIL and ICRA and were assigned the highest rating of CRISIL AAA/Stable and ICRA AAA/Stable respectively.

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 Debenture Redemption Reserve (DRR) out of the profits available for payment of dividend. As at March 31, 2022, the balance in DRR stands at ₹ 35.6 crore.

Annual Return

The Annual Return in prescribed Form MGT- 7 for FY22 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 20, 2021, July 21, 2021, September 2, 2021, October 26, 2021, January 25, 2022 and March 11, 2022.

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 and Members of Senior Management and other Employees (Appointment Policy) and Remuneration Policy for the Directors, Key Managerial Personnel (KMPs), Senior Management and other Employees (Remuneration Policy).

The objective of the Appointment Policy is inter-alia to 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.

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 organizational objectives; (ii) a reasonable balance is maintained in the composition of remuneration (fixed and variable component); (iii) to have performance measurement parameters 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 fixed 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 come across or reported any incident 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 in compliance with the norms prescribed by IRDAI, 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 Management Discussion and Analysis Report section.

Related Party Transactions

Transactions/arrangements by the Company in its ordinary course of business with related parties 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.

Audit and Compliance Committee of Directors has granted omnibus approval to enter into different types of related party transactions which are recurring in nature and in the ordinary course of business.

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 are 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 under review, the Company did not enter into any transaction or arrangement with related parties which were material as per extant law or not at arm's length.

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.

On September 7, 2021, SEBI, amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), pursuant to which the Company is now considered as a 'high value debt listed entity' and hence required to adhere to the provisions of Regulations 16 to 27 of Chapter IV of LODR Regulations. These requirements are applicable from September 7, 2021 on a 'comply or explain' basis until March 31, 2023 and on a mandatory basis thereafter.

Further, SEBI vide its notification dated November 9, 2021 amended the definition of 'related party' which now includes entities within 'Promoter Group'.

The provisions with respect to the related party transactions under Regulation 23 of LODR Regulations, effective April 1, 2022 mandates prior approval of Members by means of an ordinary resolution for related party transactions, which are material, even if such transactions are in the ordinary course of the business of the Company and at an arm's length basis.

A transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

Accordingly, the shareholders of the Company at the extraordinary general meeting (EGM) held on March 29, 2022 gave approval for the proposed material transactions to be entered into with HDFC Bank Ltd 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, 2022 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 ₹ 291.98 crore in foreign exchange (PY: ₹ 308.6 crore) mainly on account of reinsurance premium and claims payment. Premium received and claims on reinsurance ceded in foreign exchange during the year was ₹ 211.89 crore (PY: ₹ 154.0 crore).

Risk Management Framework

The Company recognizes that risk is an integral element of insurance business and realizes the criticality of institutionalized risk management practices to meet its objectives. The Company has therefore established an effective and robust enterprise wide Risk Management Framework (RMF), which addresses all relevant risks including strategic risk (duly considering the Environmental, Social and Governance (ESG) aspects), operational risks, investment risks, insurance risks and information & cyber security risks.

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 of the CEO, Executive Directors, CRO and Heads of various business units which steers 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:

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 utilization trends and formulas are adjusted if deemed necessary and agreed by all stakeholders.

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 and the Investment 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 Security Rating (FSR). This minimizes its credit risk exposures in reinsurance protection arrangements.

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

Information & Cyber Security

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

To manage the existing and emerging information and cyber security risks, following 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 program for employees such as awareness mailers, simulation and tabletop exercises, etc; and
- Vulnerability Assessment and Penetration Testing exercise on a periodic basis.

The Company, in the past, had an independent assessment done for Capability Maturity Model integration (CMMi) of its Information & Cyber Security processes to benchmark its practices against the globally recognized CMMi standard.

As per the results of the independent assessment exercise, the Company's overall Cyber & Information Security has been assessed as "Processes are strong, continuously monitored and measured." Further, the Company constantly endeavors 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, approach and process for undertaking CSR projects and the monitoring mechanism.

During the year, the Company has spent the mandatory CSR spend of ₹ 10.81 crore on various CSR activities, projects and programmes.

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, 2014, as amended is appended to this Report.

Under Gaon Mera Program, during the year, re-construction of 3 Government schools viz. Dighal village, Jhajjar, Haryana; Jagsa village, Barmer, Rajasthan and Naikalan village, Ajmer, Rajasthan, was fully completed. Additionally, Solar panels were set up in Government school at Dombramattur, Haveri, Karnataka to help the school reduce electricity costs sustainably. The school reconstruction and refurbishment projects undertaken are expected to positively impact the growth in student enrollment, average attendance rate, continuation of education of girls, student's interest in sports and/or extra-curricular activities and reduction in dropout rate in schools. Over 1,611 students and teachers have benefitted through this initiative. Additionally, during the year, 2 Government schools in Jikhangaon, Mathura and Pole, Hooghly were taken up for re-construction.

Besides the above, the Company has supported 48 students from low economic backgrounds, with full scholarship for undergraduate and/or graduate program and has also supported Learning Centre for 30 mentally challenged kids. Further, the Company has contributed to create Digital Infrastructure (Digital Village) at Gram Panchayat Level in 100 villages in Rajasthan and Uttar Pradesh impacting the lives of 12,300 children.

The cause of health is one of our mainstays in CSR and the Company under its Health Program, Niramaya, has sponsored 2,500 eye surgeries for people from economically challenged backgrounds across India. Support has been extended to 19 underprivileged children suffering from Congenital Heart Defect (CHD) from 8 states, 5 Cochlear implant and 5 bone marrow transplant surgeries in Maharashtra, 25 surgeries of children from economically weak background who are affected by facial and skull deformities. Teleclinic centers were run in 11 villages catering to over 500 patients. The Company has also initiated reconstruction of 2 Government Hospitals at Maharashtra and Karnataka.

Our country is facing one of its biggest challenges in the face of COVID-19 pandemic. Your Company has joined this fight on ground by contributing to manage and run COVID-19 vaccination centers to scale up Government of India COVID vaccination drive, mobilize, train and build capacity of additional skilled man-power required

for COVID vaccination and total 1,16,647 people have been vaccinated through 10 vaccination centers across 4 states. Additionally, your Company has deployed 4 Oxygen generating plants in Government Hospitals at West Bengal, Maharashtra, Karnataka and Madhya Pradesh.

Your Company has undertaken Women Empowerment Initiatives under the Program Roshini and has contributed to furthering the cause of education of girl children by supporting 120 learning centers impacting approximately 2,640 girls in 5 states. The Company has also initiated livelihood flagship program for ultra poor women to support 1,000 women in West Bengal and provide them sustainable livelihood.

The Company has also selected 2 accident prone road intersections in Delhi and redesigned them to create accident free zone, impacting over 2.5 lacs commuters every day.

Board Evaluation

Pursuant to the provisions of the Act, the Directors have carried out an annual performance evaluation of Individual Directors, Board as a whole and Board Committees.

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.

Particulars of Employees and other related disclosures

The total employee strength of the Company as on March 31, 2022 stood at 8,976.

During the year, 14 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 lacs 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 Section 136(1) 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 principles and practices of the Company with respect to salary increase, promotion, 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 right talent at all levels and keep them motivated enough to meet the organizational

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 is subject to 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;
- Key strategic and operational deliverables for the year and progress on the mid-term deliverables;
- Satisfactory claim settlement and repudiation performance;
- Effectiveness of the Grievance Redressal Mechanism; and
- 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 Managing Director and CEO:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
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	8,67,32,313	7,59,38,032
Variable	4,33,62,283	3,34,03,999
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 [#]	3,74,000	4,62,500
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, post approval of 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 had appointed Messrs Bhandari & Associates, Practicing Company Secretaries for conducting Secretarial Audit for FY 2021-22.

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 34,82,475 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 2 years from grant date, 25% at the end of 3 years from grant date and the balance 50% on completion of 4 years from grant date and are exercisable within a period of 5 years from the date of respective vesting.

During the year, Options vested aggregated to 12,27,500 and Options exercised aggregated to 12,15,102. Pursuant to the said exercise, the Company received ₹ 16.56 crore as consideration (excluding tax). Pursuant to exercise of Options, 12,15,102 equity shares of ₹ 10 each have been allotted to the concerned employees.

During the year, 3,19,504 Options lapsed and the Options in force as on March 31, 2022 were 72,48,968.

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

The diluted EPS is ₹ 7.00 against a basic EPS of ₹ 7.02.

Employee wise details of Options granted during the year to KMPs and employees including Whole-time Directors who received grant amounting to 5% or more of the Options granted during the year are as follows:

Name of the employee	Position	No. of Options granted and % ge to total grant in the FY
Mr. Ritesh Kumar	Managing Director & CEO	1,69,000 (5%)
Mr. Anuj Tyagi	Deputy Managing Director	1,20,000 (4%)
Mr. Samir H. Shah	Executive Director & CFO	85,000 (3%)
Mr. Dayananda V. Shetty	Company Secretary	21,000 (1%)

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 tenth Annual General Meeting (AGM) held on September 29, 2017, Members had appointed Messrs B. K. Khare & Co., Chartered Accountants (Registration No. of the firm with the ICAI: FRN 105102W) and Messrs G. M. Kapadia & Co., Chartered Accountants (Registration No. of the firm with the ICAI: FRN 104767W), as the Joint Statutory Auditors of the Company to audit the accounts of the Company upto FY 2021-22 and hold office as such upto the conclusion of the fifteenth AGM of the Company.

Accordingly, their current term as Statutory Auditors would expire at the conclusion of the 15th AGM of the Company.

As per the CG Guidelines, an audit firm may be appointed as statutory auditors by an insurer for a continuous period of up to 10 years. Further, as per the Act, an audit firm can be appointed as Statutory Auditor for not more than two terms of five (5) consecutive years.

The Board of Directors, based on the recommendation of the Audit and Compliance Committee, has recommended re-appointment of Messrs G. M. Kapadia & Co., Chartered Accountants as one of the Joint Statutory Auditor for a second term of five (5) years from the conclusion of the 15th AGM till the conclusion of the 20th AGM.

The Board after considering the qualifications and experience of Messrs B S R & Co. LLP, Chartered Accountants and being satisfied that qualifications and experience of the firm is commensurate with the size and requirements of the Company recommends their appointment as one of the Joint Statutory Auditors of the Company for a period of 5 years from the conclusion of the 15th AGM till the conclusion of the 20th AGM.

Messrs G. M. Kapadia & Co., Chartered Accountants and Messrs B S R & Co. LLP, Chartered Accountants have expressed their willingness to act as the Joint Statutory Auditors of the Company and have confirmed that they fulfil the conditions of eligibility to be appointed as the Auditors as required under the provisions of Sections 139 and 141 of the Act, and Auditor Guidelines issued by IRDAI.

The Board wishes to place on record its appreciation for the services rendered by Messrs B. K. Khare & Co., Chartered Accountants during their tenure as one of the Joint Statutory Auditors of the Company.

Subsidiary Company

The Company has no subsidiaries.

Directors and Key Managerial Personnel

Resignation of Non-Executive Chairman

Mr. Deepak Parekh (DIN: 00009078) was the Non-Executive Chairman of the Company since its incorporation. Mr. Parekh has resigned as a Director and consequently as Chairman of the Company w.e.f. March 2, 2022, in view of his other commitments. The Board acknowledges and places on record its appreciation for the support and guidance provided by Mr. Parekh during his tenure, in the growth journey and success of the Company.

Appointment of Non-Executive Chairman

In accordance with the provisions of the Shareholders Agreement between the Promoters and the Company and as per nomination letter of HDFC, Mr. Keki M. Mistry (DIN: 00008886) has been appointed as the Non-Executive Chairman of the Company w.e.f. March 11, 2022.

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, Dr. Oliver Martin Willmes (DIN: 08876420) and Dr. Clemens Matthias Muth (DIN: 07824451), 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 fifteenth AGM circulated to the Members.

Appointment of Independent Directors

The Board, pursuant to the recommendation of the NRC and subject to approval of the Shareholders, has appointed Mr. Sanjib Chaudhuri (DIN:09565962), Mr. Vinay Sanghi (DIN:00309085) and Dr. Rajgopal Thirumalai (DIN:02253615) as Independent (Additional) Directors of the Company for a period of five years w.e.f. April 12, 2022. Post the said appointments, the Board comprises 14 Directors, of which 7 are Independent Directors.

The Board is of the view that Mr. Sanjib Chaudhuri, Mr. Vinay Sanghi and Dr. Rajgopal Thirumalai are persons of integrity and possesses relevant expertise and experience to be appointed as Independent Directors of the Company and fulfils the conditions specified in the Act and the rules made thereunder and are independent of the Management.

As required under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, their names are available in the data bank for independent directors maintained by the Indian Institute of Corporate Affairs and they have either undertaken the online proficiency self-assessment test or would undergo the test in due course.

Orientation Programme for Non-Executive Directors

IRDAI vide its letter dated February 23, 2021 advised all the insurance companies to ensure that all its Non-Executive Directors participate in a three day online Orientation Programme to be conducted by National Insurance Academy, Pune. The objective of the programme is to ensure high levels of corporate governance standards and to facilitate fulfillment of obligations of Non-Executive Directors in a prudent manner. The sector specific Orientation Programme provides insights relating to the industry requirements. The Non-Executive Directors of the Company attended the said Orientation Programme.

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 names of all Independent Directors are available in the data bank for independent directors 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 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 authorizations of Management and Directors of the Company; and (iii) provide reasonable assurance regarding prevention and timely detection of unauthorized 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, 2022. 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, 2022 with no significant deficiency.

Audit and Compliance Committee

The Audit and Compliance Committee comprises six (6) 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.

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

Indian Accounting Standards (Ind AS)

Pursuant to notification of the Companies (Indian Accounting Standards) Rules, 2015, IRDAI vide circular dated March 1, 2016, directed the insurance companies to prepare financial statements in accordance with Ind AS from April 1, 2018 onwards, with comparatives for the period ended March 31, 2018.

On May 18, 2017, the International Accounting Standards Board (IASB) issued IFRS 17: Insurance Contracts (applicable from January 1, 2021) replacing IFRS 4: Insurance Contracts. Consequently, IRDAI vide circular dated June 28, 2017, deferred the implementation of Ind AS for a period of two years i.e. to be implemented effective FY 2020-21. Considering the challenges in implementation and concerns expressed by various stakeholders, on November 14, 2018, the IASB proposed the deferral of IFRS 17, by one year i.e. 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 finalization 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.

Further, in June 2020, the IASB has published amendments to IFRS 17 and subsequently, in December 2020, 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.

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 organization, who is an expert on the subject matter. One of the women member 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

During the year, for administrative convenience, the Registrar and Transfer agency for NCDs amounting to ₹ 154 crore, with M/s. Beetal Financial & Computer Services (P) Ltd was transferred to M/s. KFin Technologies Ltd, which was already the RTA for NCDs amounting to ₹ 375 crore and equity shares.

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, 2022 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 thanks and appreciates various authorities including the Insurance Regulatory and Development Authority of India, General Insurance Council, 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 guidance and extending co-operation in the endeavours pursued by the Company.

The Board wishes to place on record its gratitude to and acknowledges the role of all stakeholders such as the policyholders, channel partners, intermediaries and

reinsurers for their continued support, trust and co-operation.

The Board expresses its sincere gratitude for the guidance and support extended by the Promoters – Housing Development Finance Corporation Limited and ERGO International AG.

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

The Board remains grateful and acknowledges the indomitable spirit and commitment shown by the employees while servicing the customers and ensuring least disruption during the COVID-19 pandemic.

On behalf of the Board of Directors

Mumbai
April 25, 2022

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 2021-22:

Name	Designation	Ratio of remuneration of each Director to the median remuneration of the employees
Mr. Deepak S. Parekh*	Chairman (Non-Executive)	-
Mr. Keki M. Mistry*	Chairman (Non-Executive)	12:1
Ms. Renu Sud Karnad	Non-Executive Director	9:1
Dr. Oliver Martin Willmes	Non-Executive Director	-
Dr. Clemens Matthias Muth	Non-Executive Director	-
Mr. Bernhard Steinruecke	Independent Director	13:1
Mr. Mehernosh B. Kapadia	Independent Director	15:1
Mr. Arvind Mahajan	Independent Director	15:1
Mr. Ameet P. Hariani	Independent Director	15:1
Mr. Samir H. Shah	Executive Director and CFO	92:1
Mr. Anuj Tyagi	Deputy Managing Director	112:1
Mr. Ritesh Kumar	Managing Director and CEO	323:1

*Mr. Deepak S. Parekh resigned as a Director and consequently as the Chairman of the Company w.e.f. March 2, 2022.

Mr. Keki M. Mistry has been appointed as the Non-Executive Chairman of the Company w.e.f. March 11, 2022.

Percentage increase in remuneration of each Director and Key Managerial Personnel in FY 2021-22:

Name	Designation	Increase in Remuneration
Mr. Ritesh Kumar	Managing Director and CEO	14%
Mr. Anuj Tyagi	Deputy Managing Director	19%
Mr. Samir H. Shah	Executive Director and CFO	10%
Mr. Dayananda V. Shetty	Company Secretary	10%

The Company did not pay any commission to Non-Executive Directors. It is proposed to pay commission of ₹ 10 lac each to the Independent Directors for FY 2021-22, which is the same as paid for FY 2020-21. 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 2021-22: 8%

Number of permanent employees on the rolls of the Company as on March 31, 2022: 8,976

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 2021-22 was 9.34%. The average increase in the remuneration of managerial personnel (i.e. Whole-time Directors) stood at 14.3% and of non-managerial personnel was 9.34%.

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 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 integral to the very existence of a business enterprise. Corporate Governance is the practice of consistently creating and enhancing long-term sustainable value by good governed business enterprises for its stakeholders through ethically driven business processes. Good corporate governance standards play a key role in enhancing the confidence of various stakeholders. Corporate Governance is the application of best management practices, compliance of laws in letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility. The Company believes that good governance is not merely about framing rules and procedures but also about establishing an environment of trust and confidence among various stakeholders.

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 endeavors to adhere to the well established and proven practices of HDFC and ERGO in maintaining corporate culture and the spirit in managing the business. Corporate Governance is intrinsic to the Management of the Company affairs. Good Governance aids effective management and control of 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 optimize 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 endeavors 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 thorough compliance with the applicable laws and conducting business in best ethical manner.

The Company is not only committed to follow the good Corporate Governance practices embodied in various regulatory provisions, but is constantly striving to adopt and adhere to the emerging best practices and benchmarking itself against such practices.

The Board of Directors has 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 ('CG Guidelines') issued by the Insurance Regulatory and Development Authority of India (IRDAI) and certain non-mandatory requirements.

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 employees at senior management, middle management and junior management positions. Through this, it is ensured that strategic supervision is provided by the Board; control and implementation of the Company's strategy is 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 of 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, 2022, the Board comprised of eleven members, of which three are Whole-time Directors and eight are Non-Executive Directors. The three Whole-time Directors include the Managing Director & CEO, Deputy Managing Director and Executive Director & Chief Financial Officer. Of the eight Non-Executive Directors,

two Directors represent HDFC which includes one Woman Director, two Directors represent ERGO and four are Independent Directors.

The role of the Chairman and the Chief Executive Officer are distinct and separate.

All the Independent Directors have confirmed that they satisfy the criteria laid down for an independent director under Section 149(6) of the Act and Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of LODR Regulations.

Details of the Board of Directors in terms of their directorships/memberships in committees of public companies as on March 31, 2022 are as set out in the below table:

Sr. No.	Directors	Category	No. of Directorships as on March 31, 2022 [#]	Of which Number of Committees ^{##}	
				Member	Chairperson
1.	Mr. Keki M. Mistry*	Non-Executive Chairman	5	7	2
2.	Ms. Renu Sud Karnad	Non-Executive Director	7	6	3
3.	Dr. Oliver Martin Willmes	Non-Executive Director	-	-	-
4.	Dr. Clemens Matthias Muth	Non-Executive Director	-	-	-
5.	Mr. Bernhard Steinruecke	Independent Director	1	1	-
6.	Mr. Mehernosh B. Kapadia	Independent Director	4	7	4
7.	Mr. Arvind Mahajan	Independent Director	2	2	-
8.	Mr. Ameet P. Hariani	Independent Director	8	7	3
9.	Mr. Samir H. Shah	Executive Director & CFO	-	-	-
10.	Mr. Anuj Tyagi	Deputy Managing Director	1	-	-
11.	Mr. Ritesh Kumar	Managing Director & CEO	-	-	-

[#] 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.

* Mr. Deepak S. Parekh resigned as a Director and consequently as the Chairman of the Company w.e.f. March 2, 2022. Mr. Keki M. Mistry has been appointed as the Non-Executive Chairman of the Company w.e.f. March 11, 2022.

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.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee (NRC) approved the appointment of Mr. Sanjib Chaudhuri (DIN:09565962), Mr. Vinay Sanghi (DIN:00309085) and Dr. Rajgopal

Thirumalai (DIN:02253615) as Independent Directors of the Company for a period of five years w.e.f. April 12, 2022, subject to the approval of the shareholders. The directorships/memberships in committees of public companies by these directors as at the date of appointment are as follows:

Sr. No.	Directors	Category	No. of Directorships as on March 31, 2022 [#]	Of which Number of Committees ^{##}	
				Member	Chairperson
1.	Mr. Sanjib Chaudhuri	Independent Director	-	-	-
2.	Mr. Vinay Sanghi	Independent Director	3	3	-
3.	Dr. Rajgopal Thirumalai	Independent Director	-	-	-

[#] 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.

Board Expertise and Attributes

The Board comprises of Directors that bring a wide range of skills, expertise and experience which enhances the overall board effectiveness. The Directors have expertise in insurance, banking, finance, accountancy, economics,

law, human resources, etc.

The names of the Directors of the Company, as at March 31, 2022, with qualification, field of specialization/core skills/expertise are as set out in the below table:-

Name of the Director	Qualification	Field of specialization/core skills/expertise				
		Governance	Corporate Strategy and Planning	Insurance & Risk Management	Business Management and Marketing	Accountancy and Finance
Mr. Keki M. Mistry	Fellow of Institute of Chartered Accountants of India	✓	✓	✓	✓	✓
Ms. Renu Sud Karnad	Law Graduate from 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 University of Cologne and MBA from Eastern Illinois University, USA	✓	✓	✓	✓	✓
Dr. Clemens Matthias Muth	Economics at University of Mainz and Munich, Doctorate in Economics from Munich University	✓	✓	✓	✓	✓

Name of the Director	Qualification	Field of specialization/core skills/expertise				
		Governance	Corporate Strategy and Planning	Insurance & Risk Management	Business Management and Marketing	Accountancy and Finance
Mr. Bernhard Steinruecke	Law and Economics in Vienna, Bonn, Geneva and Heidelberg and Law Degree from the University of Heidelberg & passed Bar exam at the High Court of Hamburg		✓	✓	✓	
Mr. 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	✓	✓	✓	✓	✓
Mr. Arvind Mahajan	Graduate (B.Com. Hons) from Shriram College of Commerce, Delhi University and Post Graduate Diploma in Management from IIM, Ahmedabad		✓		✓	✓
Mr. Ameet P. Hariani	Law degree from Government Law College, Mumbai and Masters in Law degree from the University of Mumbai	✓	✓			
Mr. 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	✓	✓	✓		✓
Mr. Anuj Tyagi	Chemistry (H) graduate and Post Graduate Diploma in Business Management	✓	✓	✓	✓	
Mr. Ritesh Kumar	Commerce Graduate from Shriram College of Commerce, Delhi and MBA degree from Faculty of Management Studies, Delhi	✓	✓	✓	✓	✓

The qualification, field of specialization/core skills/expertise of the newly appointed Independent Directors are as below:

Name of the Director	Qualification	Field of specialization/core skills/expertise					
		Governance	Corporate Strategy and Planning	Insurance & Risk Management	Business Management and Marketing	Accountancy and Finance	Health Care
Mr. Sanjib Chaudhuri	B.SC, CMA, AIII			✓	✓		
Mr. Vinay Sanghi	B.Com		✓		✓		
Dr. Rajgopal Thirumalai	Post Graduate in Preventive Medicine (MD), Public Health (DPH), Occupational Health (DIH) and Health & Hospital Administration (DNB).	✓	✓	✓	✓		✓

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 as well as under 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 requisite qualification, experience and expertise and they hold highest standard of integrity.

Responsibilities

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

Role of Independent Directors

The Independent Directors bring an independent judgement to bear on 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 in which they are members. They represent and safeguard the interest of all stakeholders.

Familiarization Programme

The Company familiarizes new and all its Directors. The Directors are briefed on the regulatory requirements and statutory provisions applicable to the Company. The familiarization programme enables the Non-Executive Directors to make better informed decisions in the interest of the Company and its stakeholders

An orientation programme is arranged to familiarize the newly inducted Directors. The newly appointed Director is provided with a copy of all the applicable codes and relevant policies of the Company.

The Company also provides Directors with a Director's Reference Manual (DRM) which inter-alia provides a brief about the Company products and services offered, the duties, functions, responsibilities and powers of the Directors, Board as a whole and specific to Independent Directors, the composition and charter of various committees and the formats of disclosures/declarations to be submitted by the Directors on an on-going and annual basis.

Non-Executive Directors including Independent Directors have undergone Orientation Programme of Insurance Companies as organized by the National Insurance Academy ('NIA') to familiarize them with the Corporate Governance compliances, overview of general insurance; complexities in general insurance; digital opportunities; regulatory aspects of general insurance; actuarial

aspects of general insurance; board leadership; role of independent directors; insights from financial statements and global best practices.

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

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 5 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 is summarized 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 informed to the Directors. The notice of each Board and Committee meetings is given in writing through email to each Director, Appointed Actuary, members of Senior Management and Statutory and Internal Auditors, as and when required. The Company also makes arrangements for 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 due to pandemic like COVID-19. 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 in advance with regard to 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 consent of majority of Directors present at the meeting.

The Members of the Board have access to all information of the Company. 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 Senior Management team are invited to attend the Board and Committee meetings so as to provide additional inputs on the items being discussed. Urgent matters are also considered and approved by passing resolution through circulation, which are noted at the next meeting. At the Board Meetings, the Whole-Time Directors and Senior Management makes presentations which includes 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 mechanism or any other matter which the Board needs to be apprised of. The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. The draft minutes of each Board and Committee meetings are circulated to the members of the Board/Committee within fifteen days from the date of meeting and the comments, if any on the draft minutes are received within seven days of its circulation. The minutes are finalized within thirty days and thereafter recorded in the Minutes Book.

During FY 2021-22, the Board met six (6) times on April 20, 2021, July 21, 2021, September 2, 2021, October 26, 2021, January 25, 2022 and March 11, 2022. 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 20, 2021	July 21, 2021	September 2, 2021	October 26, 2021	January 25, 2022	March 11, 2022
Mr. Keki M. Mistry	Non-Executive Chairman	✓	✓	✓	✓	✓	✓
Ms. Renu Sud Karnad	Non-Executive Director	✓	✓	✓	✓	✓	✓
Dr. Oliver Martin Willmes	Non-Executive Director	✓	✓	✓	✓	✓	✓
Dr. Clemens Matthias Muth	Non-Executive Director	✓	✓	✓	✓	✓	✓
Mr. Bernhard Steinruecke	Independent Director	✓	✓	✓	✓	✓	✓
Mr. Mehernosh B. Kapadia	Independent Director	✓	✓	✓	✓	✓	✓
Mr. Arvind Mahajan	Independent Director	✓	✓	✓	✓	✓	✓
Mr. Ameet P. Hariani	Independent Director	✓	✓	✓	✓	✓	✓
Mr. Samir H. Shah	Executive Director & CFO	✓	✓	✓	✓	✓	✓
Mr. Anuj Tyagi	Deputy Managing Director	✓	✓	✓	✓	✓	✓
Mr. Ritesh Kumar	Managing Director & CEO	✓	✓	✓	✓	✓	✓

Mr. Deepak S. Parekh resigned as a Director and consequently as the Chairman of the Company w.e.f. March 2, 2022.

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

The Board also met on April 25, 2022 *inter alia* for consideration and approval of audited financial statements for the year ended March 31, 2022.

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 report 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. To comply with the requirements prescribed under Regulations 16 to 27 of Chapter IV of LODR Regulations, which are applicable to the Company w.e.f. September 7, 2021, the Board of Directors at its meeting held on January 25, 2022 approved amendments to Terms of Reference (TOR) of the Audit and Compliance Committee (ACC), the Risk Management Committee (RMC) and the Nomination

and Remuneration Committee (NRC) to align with the requirements of amended LODR Regulations.

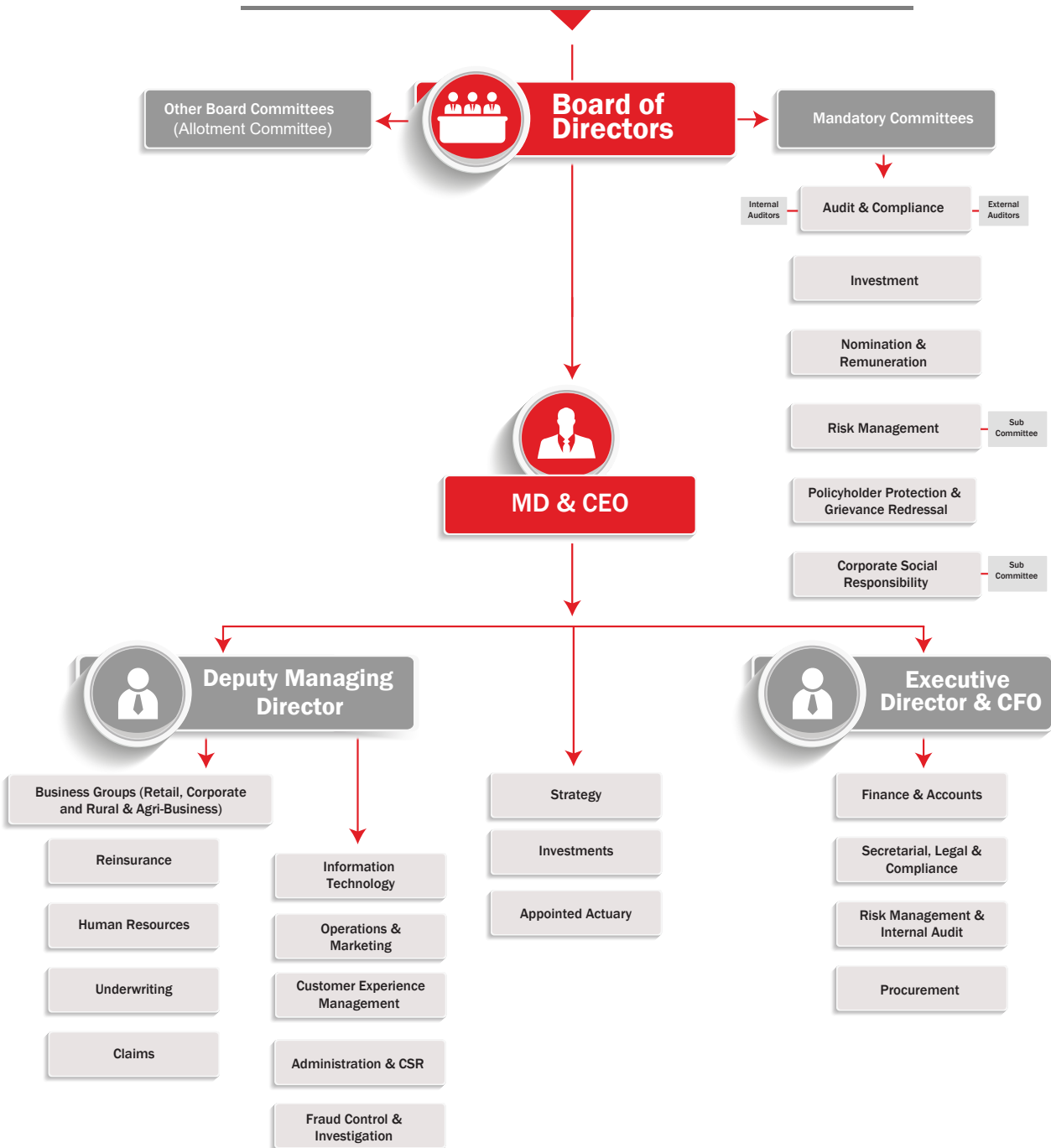
Minutes of the Committee meetings/report on the activities of the Committee are submitted to the Board at its quarterly meetings. Matters requiring the Board's attention/approval are generally placed in the form of notes/report to the Board from the respective Committee.

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. Allotment Committee

The organization 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 nominee each of 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 CG Guidelines.

All the Committee Members possess adequate qualifications to fulfill their duties as stipulated under the Act and the CG 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 taken at its 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 also reviews the internal audit function, compliance function and the work of the Statutory Auditors. The Committee also reviews the reports of the Internal Auditors and Statutory Auditors along with the comments and action taken reports of the Management. The Committee gives appropriate directions to the Management in areas that needs to be strengthened. The Committee 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 unclaimed amount of policyholders, progress on settlement of unclaimed amount and steps taken by the Company to reduce 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 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 internal financial control and risk management systems of the Company and ensures that adequate procedures and processes has been set-up to address all concerns relating to adequacy of checks and control mechanisms. All the Independent Directors who are Members of the Committee separately meet the Statutory Auditors prior to approval of annual audited financial statements.

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

During FY 2021-22, the ACC met seven (7) times on April 20, 2021, July 21, 2021, August 20, 2021, October 26, 2021, December 8, 2021, January 25, 2022 and February 28, 2022.

The Committee also met on April 25, 2022 wherein it recommended the audited Financial Statements for the year ended March 31, 2022 to the Board for approval.

The composition of the ACC and attendance of the Committee Members at the meetings held during FY 2021-22 are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated						
			April 20, 2021	July 21, 2021	August 20, 2021	October 26, 2021	December 8, 2021	January 25, 2022	February 28, 2022
Mr. Mehernosh B. Kapadia	Independent Director	Chairman	✓	✓	✓	✓	✓	✓	✓
Mr. Bernhard Steinruecke	Independent Director	Member	✓	✓	✓	✓	✓	✓	✓
Mr. Arvind Mahajan	Independent Director	Member	✓	✓	✓	✓	✓	✓	✓
Mr. Ameet P. Hariani	Independent Director	Member	✓	✓	✓	✓	✓	✓	✓
Mr. 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 HDFC nominee, one ERGO nominee, 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 Chief Compliance Officer and Company Secretary attends all Committee meetings. 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 the investment operations, ensuring liquidity for smooth operations, compliance with prudential regulatory norms on investments, risk management/mitigation strategies to ensure adequate return on investment of Policyholder and Shareholder funds.

The composition of the IC and attendance of the Committee Members at the meetings held during FY 2021-22 are listed below:

Name of Director	Nature of Directorship/Position	Designation in Committee	Meeting dated			
			April 20, 2021	July 21, 2021	October 26, 2021	January 25, 2022
Mr. Keki M. Mistry	Non-Executive Director	Chairman	✓	✓	✓	✓
Dr. Clemens Matthias Muth	Non-Executive Director	Member	✓	✓	✓	✓
Mr. Arvind Mahajan	Independent Director	Member	✓	✓	✓	✓
Mr. Ritesh Kumar	Managing Director & CEO	Member	✓	✓	✓	✓
Mr. Samir H. Shah	Executive Director & CFO	Member	✓	✓	✓	✓
Mr. Hiten B. Kothari	Appointed Actuary	Member	✓	✓	✓	✓
Mr. Sanjay Kulshrestha	Chief Investment Officer	Member	✓	✓	✓	✓
Mr. Sanjay Mishra	Chief Risk Officer	Member	✓	✓	✓	✓

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

The Committee also reviews the ALM, 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 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 advise 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 2021-22, the IC met four (4) times on April 20, 2021, July 21, 2021, October 26, 2021 and January 25, 2022. The IC also met on April 25, 2022.

Risk Management Committee (RMC)

The Risk Management Committee comprises eight (8) members – three Independent Directors, two HDFC nominees, one ERGO nominee, 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 (CRO) 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

The composition of the RMC and attendance of the Committee Members at the meetings held during FY 2021-22 are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated			
			April 20, 2021	July 21, 2021	October 26, 2021	January 25, 2022
Mr. Bernhard Steinruecke	Independent Director	Chairman	✓	✓	✓	✓
Mr. Mehernosh B. Kapadia	Independent Director	Member	✓	✓	✓	✓
Mr. Ameet P. Hariani	Independent Director	Member	✓	✓	✓	✓
Mr. Keki M. Mistry	Non-Executive Director	Member	✓	✓	✓	✓
Ms. Renu Sud Karnad	Non-Executive Director	Member	✓	✓	✓	✓
Dr. Oliver Martin Willmes	Non-Executive Director	Member	✓	✓	✓	✓
Mr. Samir H. Shah	Executive Director & CFO	Member	✓	✓	✓	✓
Mr. Ritesh Kumar	Managing Director & CEO	Member	✓	✓	✓	✓

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

The Company has a Sub-Committee of the RMC (SC-RMC) comprising of the Senior Executives including the Managing Director and CEO and Executive Directors. The SC-RMC inter-alia reviews 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. On a regular basis, the SC-RMC reviews and updates the RMC on matters such as IBNR utilization status, premium payment warranty, frauds, business continuity and disaster recovery plan and ALM from a risk perspective.

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 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 minimization measures.

During FY 2021-22, the RMC met four (4) times on April 20, 2021, July 21, 2021, October 26, 2021 and January 25, 2022. The RMC also met on April 25, 2022.

Policyholder Protection and Grievance Redressal Committee (PPGRC)

The Policyholder Protection and Grievance Redressal Committee comprises seven (7) members – two Independent Directors, two HDFC nominees, one ERGO nominee 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 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 status of outstanding claims with ageing and repudiated claims with analysis of reasons thereof.

The Policy on Protection of Interests of Policyholders (PPHI Policy) is hosted on the website - www.hdfcergo.com. The key objective of the Policy is to provide for 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 analysis of reasons thereof.

During FY 2021-22, the PPGRC met four (4) times on April 20, 2021, July 21, 2021, October 26, 2021 and January 25, 2022. The PPGRC also met on April 25, 2022.

The composition of the PPGRC and the attendance of the Committee Members at the meetings held during FY 2021-22 are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated			
			April 20, 2021	July 21, 2021	October 26, 2021	January 25, 2022
Mr. Arvind Mahajan	Independent Director	Chairman	✓	✓	✓	✓
Mr. Ameet P. Hariani	Independent Director	Member	✓	✓	✓	✓
Mr. Keki M. Mistry	Non-Executive Director	Member	✓	✓	✓	✓
Ms. Renu Sud Karnad	Non-Executive Director	Member	✓	✓	✓	✓
Dr. Clemens Matthias Muth	Non-Executive Director	Member	✓	✓	✓	✓
Mr. Anuj Tyagi	Deputy Managing Director	Member	✓	✓	✓	✓
Mr. Samir H. Shah	Executive Director & CFO	Member	✓	✓	✓	✓

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

As stipulated under the CG Guidelines, Dr. Jagdish Khattar was holding the position of expert/representative of customers. Due to sudden demise of Dr. Khattar, the position became vacant in April 2021. The Committee places on record its appreciation for the valuable contribution made by Dr. Jagdish Khattar as an expert/representative of customers at the meetings of the Committee since April 2018.

The Company has identified and appointed Mr. Sanjib Chaudhuri as an expert/representative of customers to take care of the interest of the Policyholders and suggest formulation of requisite policies thereto and assess compliance thereof w.e.f October 26, 2021. Mr. Chaudhuri has a rich experience of over 40 years in the Indian Non-Life and Reinsurance industry.

Mr. Chaudhuri attends regular meetings of PPGRC as an invitee and provides valuable advice to the Company in protection of interest of policyholders.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee comprises six (6) members – three Independent Directors, two HDFC nominees and one ERGO nominee. The Chairman of the Committee is an Independent Director.

The terms of reference of the Committee inter-alia includes 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 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 prescribed under 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, recommend to the Board remuneration payable to the Senior Management Personnel and approve overall salary increase across the organization, administration of the Employee Stock Option Plan (ESOP), recommend grant of stock options to eligible employees, fixing of criteria inter-alia for evaluation of performance of Individual Directors, Board as a whole and Board Committees.

During the year, the NRC met four (4) times on April 20, 2021, July 21, 2021, October 26, 2021 and January 25, 2022. The NRC also met on April 25, 2022.

The composition of the NRC and the attendance of the Committee Members at the meetings held during FY 2021-22 are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated			
			April 20, 2021	July 21, 2021	October 26, 2021	January 25, 2022
Mr. Mehernosh B. Kapadia	Independent Director	Chairman	✓	✓	✓	✓
Mr. Bernhard Steinruecke	Independent Director	Member	✓	✓	✓	✓
Mr. Arvind Mahajan	Independent Director	Member	✓	✓	✓	✓
Mr. Keki M. Mistry	Non-Executive Director	Member	✓	✓	✓	✓
Ms. Renu Sud Karnad	Non-Executive Director	Member	✓	✓	✓	✓
Dr. Clemens Matthias Muth	Non-Executive Director	Member	✓	✓	✓	✓

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

Corporate Social Responsibility Committee (CSR)

The CSR Committee comprises five (5) members – two Independent Directors, one HDFC nominee, one ERGO nominee and one Executive Director. The Chairman of the Committee is an Independent Director.

During FY 2021-22, the Committee met four (4) times on April 20, 2021, July 21, 2021, October 26, 2021 and January 25, 2022. The CSR also met on April 25, 2022.

The composition of the CSR Committee and the attendance of the Committee Members at the meetings held during FY 2021-22 are listed below:

Name of Director	Nature of Directorship	Designation in Committee	Meeting dated			
			April 20, 2021	July 21, 2021	October 26, 2021	January 25, 2022
Mr. Ameet P. Hariani	Independent Director	Chairman	✓	✓	✓	✓
Mr. Mehernosh B. Kapadia	Independent Director	Member	✓	✓	✓	✓
Ms. Renu Sud Karnad	Non-Executive Director	Member	✓	✓	x	✓
Dr. Oliver Martin Willmes	Non-Executive Director	Member	✓	✓	✓	✓
Mr. Anuj Tyagi	Deputy Managing Director	Member	✓	✓	✓	✓

Mr. Deepak S. Parekh resigned as a Director and consequently as the Chairman of the Company w.e.f. March 2, 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 Annual Action Plan, approach and process for undertaking CSR projects and the monitoring mechanism. The CSR Policy is hosted 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 of the Senior Management team including Executive Directors.

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

Allotment Committee (AC)

The Allotment Committee comprises five (5) members – one Independent Director, two HDFC nominees, one ERGO nominee and the Managing Director & CEO.

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

The terms of reference of the Committee inter-alia includes consideration and approval of allotment of shares and other securities either pursuant to exercise of stock options by eligible employees or in case the Board approves, issue of new securities from time to time.

During the year, the Committee approved the allotment of 12,15,102 equity shares of ₹ 10 each pursuant to exercise of stock options under Employees Stock Option Plan - 2009 (ESOP-2009).

On November 9, 2021, the Committee approved the allotment of 3,750 Unsecured, Listed, Redeemable, Fully Paid-up, Non-Convertible Debentures in the nature of subordinated debt, of the face value of ₹ 10,00,000 each aggregating to ₹ 375 crore.

Meeting of Independent Directors

The Independent Directors separately hold a meeting once a year (without the presence of the Management) 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.

During the year, the meeting of Independent Directors was held on January 25, 2022 which was attended by all Independent Directors.

Remuneration of Directors and KMPs

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 approved by the Board and is within the overall limits prescribed by the IRDAI Guidelines on Remuneration of Non-Executive Directors and Managing Director/Chief-Executive Officer/Whole-time Directors of Insurers dated August 5, 2016 ('IRDAI Guidelines on Remuneration') and as approved by the shareholders.

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

The details of remuneration paid to the Non-Executive and Independent Directors during FY 2021-22 are as under:

(Amount in ₹)

Directors	Sitting Fees	Commission	Total Amount
Mr. Keki M. Mistry	30,00,000	-	30,00,000
Ms. Renu Sud Karnad	21,00,000	-	21,00,000
Mr. Bernhard Steinruecke	23,00,000	10,00,000	33,00,000
Mr. Mehernosh B. Kapadia	27,00,000	10,00,000	37,00,000
Mr. Arvind Mahajan	27,00,000	10,00,000	37,00,000
Mr. Ameet P. Hariani	27,00,000	10,00,000	37,00,000

Mr. Deepak S. Parekh resigned as a Director and consequently as the Chairman of the Company w.e.f. March 2, 2022

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 is disclosed in the Directors report.

Details of the remuneration paid to the Whole-Time Directors and KMPs during FY 2021-22 is as under:

(Amount in ₹)

Particulars	Ritesh Kumar (Managing Director & CEO)	Anuj Tyagi (Deputy Managing Director)	Samir H. Shah (Executive Director & CFO)	Dayananda V. Shetty (Company Secretary)
Salary	5,08,19,973	1,92,89,383	1,58,09,150	69,29,822
Perquisites & bonus	4,49,90,113	1,44,82,089	1,20,92,439	28,33,518
TOTAL	9,58,10,086	3,37,71,472	2,79,01,589	97,63,340

Further, the consolidated remuneration of all the KMPs, for FY 2021-22, defined under the CG Guidelines, except the Whole-time Directors, is as under:

(Amount in ₹)

Particulars	KMPs
Salary	21,52,95,06
Perquisites & bonus	53,00,813
TOTAL	22,05,95,882

Related Party Transactions

The Policy on related party transactions of the Company is hosted 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 behavior in all its dealings, business or otherwise and has put in place a Whistleblower Policy (Policy) for reporting of any illegal or unethical behavior. The Policy is hosted 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 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, 6 intimations received at the whistleblower email ID, were mainly business related viz. increase in premiums, wrong claims lodged by advisor and HR related viz. 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 25, 2022

Compliance Certificate

In accordance with the provisions of Corporate Governance Guidelines issued by the Insurance Regulatory and Development Authority of India, I, Dayananda V. Shetty, Company Secretary 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 25, 2022

DAYANANDA V. SHETTY
Company Secretary
FCS: 4638

Management Discussion and Analysis Report

MACRO-ECONOMIC ENVIRONMENT

As the world enters the third year of the COVID-19 crisis, we see both encouraging and alarming developments across economies with multiple risks and uncertainties. After a significant decline in economic activity last year, the output in advanced and middle-income countries has rebounded. The world bank estimates that the global economy which grew by 5.5% in 2021 to decelerate to 4.1% in 2022. The 2021 growth was on the back of fiscal interventions and encouraging vaccine rates and in turn, boosted consumer confidence. The slowing of growth in 2022 is a reflection of continued COVID waves, tightening of the policy support and supply chain disruptions. Consequently, the path toward the pre-pandemic level of economic activity and growth remains a challenge, especially for developing economies. Emerging and developing economies are expected to face significant headwinds due to lower vaccine rates, limited headroom for expansionary fiscal policies and second-order impacts of record-high levels of government spending in the advanced economies. The geopolitical tensions in eastern Europe are expected to add further unpredictability to the global recovery. Consequently, a downside risk to growth continues to be a likely scenario.

On the domestic front, the accelerated rates of vaccination and comparatively lesser mobility restrictions have improved consumer confidence. According to the advance estimates of the National Statistics Office, the GDP growth for 2022, at constant prices, is expected to be 9.2% as compared to the provisional estimate of contraction of 7.3% for the last year. Overall economic activity has recovered past the pre-pandemic levels. Agriculture and allied sectors have been the least impacted by the pandemic and the sector is expected to grow by 3.9% in FY 2021-22 after growing 3.6% in the previous year. As per the advance estimates, the Gross Value Added (GVA) of Industry (including mining and construction) will rise by 11.8% in FY 2021-22 after contracting by 7% in FY 2020-21. The services sector has been the hardest hit by the pandemic, especially segments that involve human contact. This sector is estimated to grow by 8.2% this financial year following last year's 8.4% contraction. The total consumption is expected to have grown by 7% in FY 2021-22 aided by government spending.

The Union Budget FY 2022-23 lay thrust on various sectors such as infrastructure, health and well-being,

innovation and research, etc. which should augment growth prospects next year. The government's focus on capital expenditure and exports is expected to enhance capacity and strengthen demand. The pandemic induced digitization is expected to improve the efficiency of labour and capital. The Reserve Bank of India estimates a growth of 7.2% for the year 2023. The risks to the outlook include a persistent uptick in commodity prices, volatility in the global financial markets and supply chain bottlenecks.

GENERAL INSURANCE INDUSTRY

1. Regulatory Developments

The Indian General Insurance industry has been one of the fastest growing industries over the last two decades supported by the privatization in 2000 and de-tariffing of major segments in 2008. The Insurance Regulatory and Development Authority of India (IRDAI) continues to refine the existing regulations pertaining to insurance companies, intermediaries and customers to ensure ease of doing business.

In a COVID-19 pandemic impacted financial year, the IRDAI has taken several measures with a major focus on driving industry wide uniformity in coverages which will help in driving the adoption of insurance products. During the COVID-19 outbreak, IRDAI undertook various initiatives and measures aimed at protecting the interests of the policyholders. Apart from asking insurers to launch standard COVID-specific health insurance products, insurers were advised to expeditiously handle health insurance claims, in particular those pertaining to COVID-19.

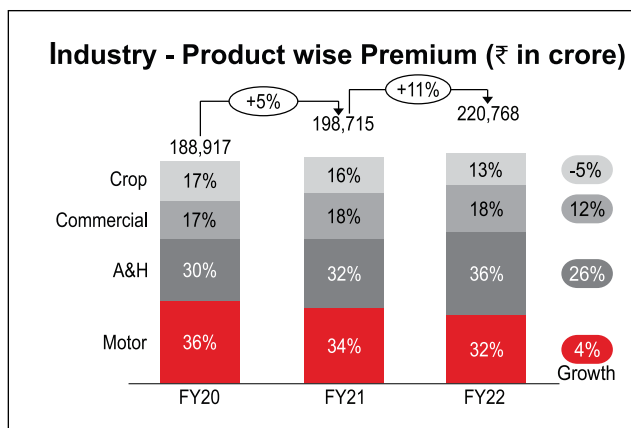
Further, as indicated by the Hon'ble Finance Minister in her Budget speech, limits for foreign investments, through automatic route, in the insurance sector was increased from 49% to 74%. Over medium to long term, this is expected to enable insurers access capital, which in turn may augment industry's growth.

The General Insurance Business (Nationalization) Act is amended to enable the privatization of one public sector general insurance company.

2. Business Performance

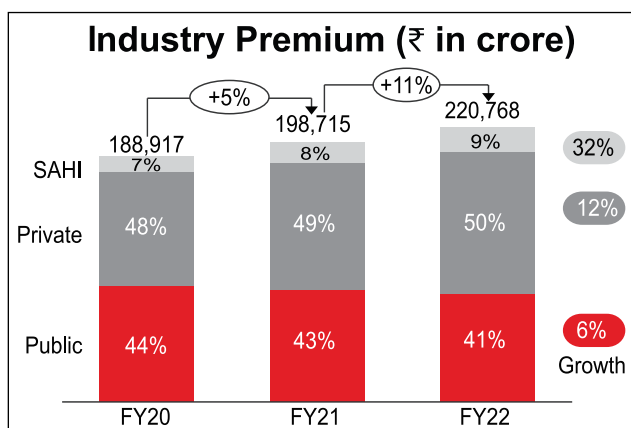
The general insurance industry grew by 11% in FY22, led by Accident & Health (A&H) and Commercial Business segments. The onset of the pandemic resulted in increased

awareness of health insurance, thereby resulting in a 26% growth in health portfolio. The motor segment recovered from last year's de-growth and registered a growth of 4%. The industry excluding the crop segment witnessed 14% growth on a year-on-year basis.



Source: IRDAI & GI Council

During FY 2021-22, private sector insurers grew by 12%, while standalone health insurers grew by 32% and public sector insurers (including the specialized insurers) grew by 6%. Private sector insurers grew faster than public sector insurers across all segments. In the A&H segment, private sector insurers grew faster in the retail health and government segment, while public sector insurers grew faster in the group health and personal accident segments. For the first time, the private sector general insurance companies have had a 50% share of the industry due to the muted growth rate of the public sector companies.



Source: IRDAI & GI Council

3. Company Performance:

1. Competitive Strength

1.1 Growth

The Company has been one of the fastest growing general insurance companies with a 3 year CAGR of 16% vis-à-vis an industry growth rate of 9% over the same period. The Company is the third largest private general insurer with an overall market share of 6.1% and a private sector share of 10.3%, ascertained based on Gross Direct Premium (GDP).

1.2 Large Agency Force

The Company has large agency channel with ~53K multi-line agents and ~107K health only agents totaling to ~160K agents including the Point of Sales Personnel (POSPs).

1.3 Increased Presence in the districts

The Company follows a multi-geography, multi-product and multi-channel distribution strategy. As of March 31, 2022, the Company had a strong network of 203 branches and 465 Digital Offices spread across 385 districts of the country.

The Company's focus to increase insurance penetration in the tier-3 and beyond cities drives the geographical and channel expansion strategy. The Digital Office has helped in increasing the Company's presence in upcountry locations and now contributes ~4% of the Company's retail business.

1.4 Retail Health Insurance Focus

In FY 2021-22, the Company is one of the leading retail health insurer in the industry. The Company's retail health premium was ₹ 3,079 crore with a market share of 10%. The Company has an extensive network of over 9,700 empanelled hospitals located in about 576 districts of India. The Company's flagship products Optima Secure and Optima Restore continue to drive the retail health portfolio.

1.5 Large digital business propelled by seamless customer journeys & integration capabilities

The Company continuously endeavours to digitally connect the 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 ~14% of the retail business.

The Company has enabled an enhanced customer experience and launch of unique propositions with its strides in digital optimization & marketing. Additionally, the Company has been able to scale up the aggregator and affinity business with the help of its integration capabilities, seamless & integrated customer journeys, wide product offerings and contextual personalized propositions for affinity partners.

1.6 Digital Transformation

The Company continues to remain focused on:

- new-age technologies like AI, IVR and robotics;
- providing a superior customer experience;
- enhance productivity;
- continuous innovation; and
- being future-ready.

1.6.1 Artificial Intelligence (AI) First

Keeping the core philosophy of customer service with the mind-set of a fintech, the Company has been transforming its digital service architecture, starting from building the robust core and various efficiencies through automation – resulting in substantial number of policies through straight through process (STP).

The Company has transformed the entire digital service architecture into “*ai. First*” architecture, which has helped it to increase the self-service from 35% to 60%, significantly and brought efficiencies to the service model. AI enablement helped develop WhatsApp, Telegram, E-Mail, Chatbots etc., as new channels of communication, which is gradually increasing its popularity.

With the help of AI & Natural Language Processing (NLP), the Company has enabled WhatsApp servicing for its advisors. ‘PIHU – Policy Information in Your Hand’, is the Company’s digital inclusion initiative to extend service to the farmers across the country over WhatsApp. It assists the farmer with likes of policy information, scheme information, claim registration, claims survey, claim settlement status and enrolment information. This service is available in 12 languages and within a short period it has reached a monthly volume of 150K+ interactions.

The Company’s focus on customer servicing through AI-enabled means led to assessing and detecting external damage to automobiles and provide a complete assessment with the estimation of repair/replace of parts. It has helped in assessing motor damage in 70%

of manual claims. The Company also launched AI-enabled break-in inspection for automobiles’ assessment, which has helped achieve 50% plus of eligible cases getting auto assessed and approved, enabling the customers to receive the decision in ~5 minutes.

1.6.2 Other Digital Initiatives for superior customer experience

Digital services have opened a new dimension of policy servicing options to customers at the convenience of their fingertips. Continuous developments and technological enhancements have resulted in the fulfilment of about 60% of customer requests digitally in FY22.

The Company launched multilingual support across digital platforms to service the customers in their preferred language. Self Help and chatbot - ‘DIA’ is available in English & Hindi. The AI-enabled WhatsApp bot ‘MyRA’ currently offers services in 12 languages.

The Company will continue to focus on the exploration of new-age technologies and will remain on the path of exploring cognitive technologies like speech recognition, robotics, natural language processing and generation. With advanced analytics within underwriting, claims and servicing the processes are transforming from ‘automated’ to ‘autonomous’ and thereby improving the customer experience, operational efficiencies and information security.

1.6.3 Innovation lab in partnership with IIT Bombay

The Company entered into a strategic partnership with IIT Bombay which is consistently ranked as 1st engineering college in India and 49th globally, within science & technology institutes as per QS World University Ranking.

The partnership involves setting up of innovation lab and incubator to support high impact projects. The objectives of the partnership include supporting Research and Development (R&D) projects, supporting relevant incubating companies and start-ups, entrepreneurial learning and incubation and student learning and experience programs.

1.7 Employee centric culture with a focus on driving diversity

The Company strongly believes that when people from different backgrounds come together, they create a holistic organization with multiple perspectives. The Company has been working towards nurturing an equitable environment

and believes diversity is not only about gender but also about the diversity of mind, skill as well as the thought-process.

Project Shakti is the Company's gender diversity pillar. As a part of Project Shakti, the Company aims to improve its gender diversity over the next few years. The Company currently stands at an encouraging 19%, 4%p higher than the previous year. Since gender diversity is not merely about recruiting women, but also enabling them to grow in the organisation, the Company has launched structured programs for its women colleagues in middle to senior management roles for their career progression.

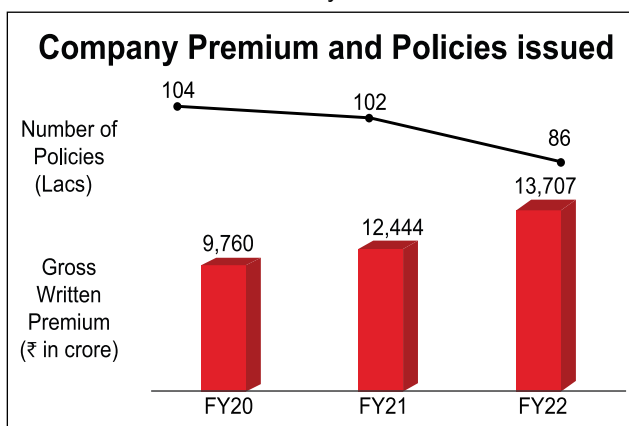
Project Purple is about the diversity of abilities. With Project Purple, the Company hopes to create a more sensitive, equitable and inclusive workplace that provides opportunities for growth without restrictions.

The Company strives to be a learning organization through its Onetastic learning initiative, a library of 500+ bite-sized, self-paced and interactive online learning modules. On average, half a man-day has been dedicated by each employee to Onetastic learning in FY 2021-22.

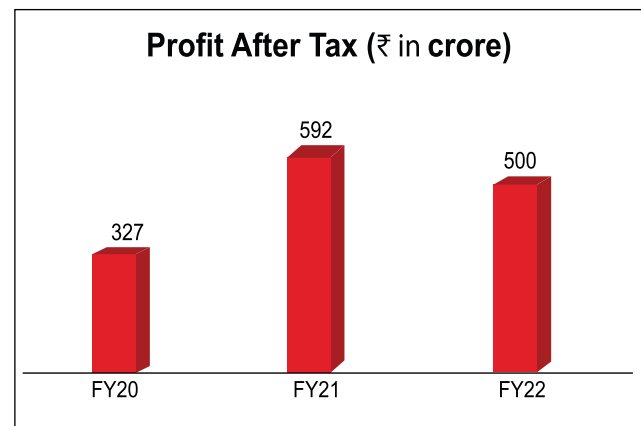
As a testimony to its employee centric culture, the Company has earned the Great Place to Work Certification™ and has featured in the Economic Times' Best Workplaces for Women - 2022.

2. Business Overview

The Company issued 86.43 lacs policies (NOP) resulting in a GWP of ₹ 13,707 crore in FY 2021-22, with a market share of 6.1%, based on GDP. This resulted in a Y-o-Y growth rate of 10% on a GWP basis which translates to a CAGR of 16% over the last 3 years.



The Company achieved a profit after tax of ₹ 500 crore as compared to ₹ 592 crore during the previous year, representing a de-growth of 15.5% due to high claims payout resulting from the second wave of COVID-19 in 2021-22. Excluding COVID claims, PAT would have been ₹ 1,098 crore (FY21: ₹ 833 crore).

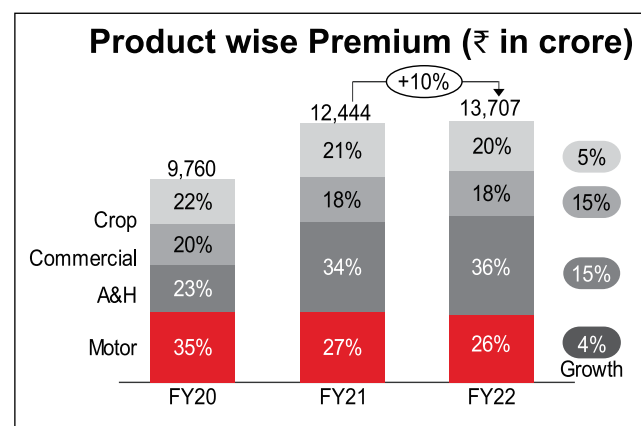


3. Performance Highlights

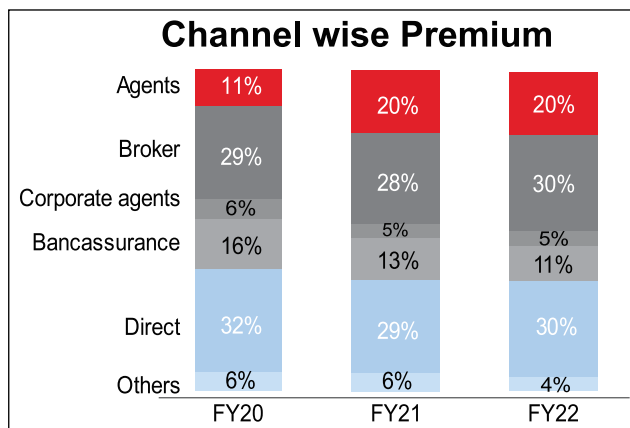
3.1 Premium

The Company's GWP increased to ₹ 13,707 crore in FY 2021-22 (PY: ₹ 12,444 crore) with a growth rate of 10%. Share of A&H business contribution increased to 36% from 34% in the previous year.

The Company continues to increase the share of the agency channel. The Company has an agent network of ~53,000 general insurance agents and ~107,000 health insurance agents, making it one of the largest networks in the industry. Likewise, the Company has 105 Bank/Corporate Agent partners for distributing its products.



The Company's retail business grew across geographies through the agency and online channels this year. The growth of MISP was muted as there was a slowdown in the primary sales of 4-wheelers & 2-wheelers in the country due to supply side constraints. Bancassurance business was also depressed this year as the banking industry, in general, witnessed a slowdown at the beginning of the year due to COVID induced lockdown.



3.2 Claims Settlement

In FY 2021-22, 38.9 lacs (PY: 24.9 lacs) claims were reported to the Company with a rise of 64%. During FY 2021-22, the claims incurred (net) amounted to ₹ 5,781 crore (PY: ₹ 4,852 crore), an increase of 19% over last year largely due to an increase of 27% in health claims (₹ 2,992 crore in FY22 vis-à-vis ₹ 2,350 crore in FY21).

The intimation of motor OD claims increased Y-o-Y by 27% in FY22 with 4.8 lacs claims being reported. 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. The Company has helped the insured manage their claims by providing claims servicing across 596 districts. The repudiation rate for motor OD claims in FY22 has been 1.92% (PY: 1.29%). The faster settlement turn-around-times (TAT) and higher settlement rate resulted in a Net Promoter Score (NPS) of ~16 in FY22 for motor OD claims.

Despite challenges caused by COVID-19, the Company maintained its focus on serving its A&H customers. The Company has a network of over 9,700 empanelled hospitals and diagnostic centres across about 576

districts. The Company endeavours to provide the customers with the best claims experience in the industry. To this end, the Company has embarked on several initiatives to further streamline processes. During FY22, the Company has paid ~ 6 lacs 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 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. 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 of business and nature of claims. The ultimate claims reserves are estimates involving actuarial projections at a given point of time, of what the Company expects the ultimate settlement of claims will cost.

The claims reserve for the Motor Third Party liability portfolio comprises a significant proportion of the Company's total liability. The claims for Motor Third Party liability are characterized by a relatively long time delay for reporting and settlement of claims. Thus, the ultimate claim liabilities are estimated basis available information at the valuation date and assumptions around future trends in claims severity and frequency, judicial rulings and other factors. Further, the assumptions are influenced by the Company's claims handling procedures, inflation, minimum wages, court decisions, legislative changes, customer behaviour, claims reporting delays, etc. The ultimate reserves take into account the emerging claims experience.

Additionally, during the current financial year, the claims reporting and settlement pattern witnessed distortions on account of huge COVID-19 infections across the country and principles of prudence have been followed by the

Appointed Actuary in applying judgements, estimates and assumptions to assess and provide for the impact of COVID-19 pandemic across the line of business based on internal and external sources of information.

The table below provides an overview of the development of the Company's estimates of gross ultimate claim

amounts and gross paid losses (including loss adjustment expenses) in relation to a given accident year over time. This estimate of losses and their corresponding provision is increased or decreased as more information becomes known about the development of losses for each individual accident years.

(₹ in crore)

Gross Incurred Losses and Allocated Expenses (Ultimate Movement)											
As at March 31, 2022	AY 2012 & Prior	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20	AY 21	AY 22
End of First year	1,964	1,065	2,178	2,636	2,923	5,007	5,616	7,049	8,236	9,099	10,681
One year later	2,023	1,103	2,323	2,547	2,980	4,788	5,332	6,951	7,661	8,147	
Two years later	2,024	1,050	2,293	2,535	3,112	4,874	5,284	6,981	7,588		
Three years later	1,987	1,116	2,289	2,638	3,121	4,860	5,290	6,966			
Four years later	2,010	1,080	2,363	2,636	3,120	4,854	5,297				
Five years later	2,031	1,144	2,369	2,621	3,134	4,820					
Six years later	2,039	1,150	2,376	2,623	3,108						
Seven years later	2,063	1,149	2,384	2,623							
Eight years later	2,062	1,163	2,384								
Nine years later	2,079	1,165									
Ten years later	2,076										

(₹ in crore)

Gross Paid Losses and Loss Adjustment Expenses											
As at March 31, 2022	AY 2012 & Prior	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20	AY 21	AY 22
End of First year	1,120	548	1,263	1,390	1,808	2,071	2,706	3,882	3,810	3,612	5,298
One year later	1,606	840	1,801	2,020	2,387	3,779	4,191	5,310	5,561	5,692	
Two years later	1,758	903	1,928	2,186	2,594	4,224	4,373	5,903	5,857		
Three years later	1,812	948	2,000	2,279	2,725	4,307	4,480	6,069			
Four years later	1,847	973	2,053	2,350	2,807	4,374	4,565				
Five years later	1,876	1,006	2,098	2,397	2,834	4,430					
Six years later	1,907	1,025	2,132	2,418	2,870						
Seven years later	1,930	1,071	2,150	2,450							
Eight years later	1,947	1,082	2,170								
Nine years later	1,957	1,091									
Ten years later	1,968										

(₹ in crore)

Gross Unpaid Losses and Loss Adjustment Expenses											
As at March 31, 2022	AY 2012 & Prior	AY 13	AY 14	AY 15	AY 16	AY 17	AY 18	AY 19	AY 20	AY 21	AY 22
End of First year	844	516	915	1,246	1,115	2,936	2,910	3,167	4,426	5,487	5,383
One year later	417	264	522	527	593	1,009	1,141	1,641	2,100	2,455	
Two years later	265	146	366	349	517	649	911	1,078	1,731		
Three years later	174	168	289	359	395	553	810	897			
Four years later	163	107	309	286	312	480	732				
Five years later	156	138	272	224	301	390					
Six years later	132	125	243	205	238						
Seven years later	133	78	234	173							
Eight years later	115	81	214								
Nine years later	122	73									
Ten years later	107										

Note:

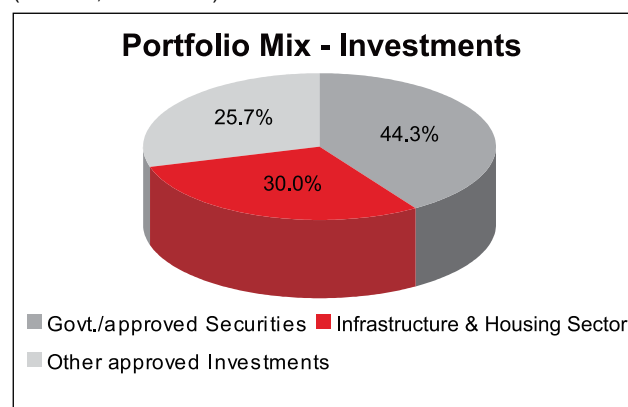
1. Motor pool claims are excluded from the above tables
2. For Crop and Weather Insurance class of business, Accident Year corresponds to the year in which Premium is received.
3. The impact on the unpaid claims liability of the Company on account of landmark judgements issued by the Supreme Court of India and various High Courts e.g. Sarla Verma (April 2009) Pranay Sethi (October 2017) etc. has been allowed for in the ultimate claims.

4. Investments

The Investment function complements the core business of the Company. The investments of the Company 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 in perspective the regulatory framework. The Investment Policy mandate includes maintaining a high degree of liquidity and safety of assets, optimizing returns and consistency of returns commensurate with the risks undertaken.

As on March 31, 2022, the Investment Assets of the Company stood at ₹ 18,397 crore (PY: ₹ 16,643 crore). The IRDAI (Investment) Regulations, 2016 requires 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 ₹ 8,147 crore (44.3%) in Government securities,

₹ 5,512 crore (30%) in securities of the infrastructure and housing sector and the remaining ₹ 4,738 crore (25.7%) in approved and other investments. The Company held 91% of its assets in Sovereign and AAA or equivalent rated assets, reflecting a high degree of safety. Further, the Company held ₹ 2,832 crore in assets maturing within one year. The total investment income generated for the year ended March 31, 2022, was ₹ 1,284 crore (PY: ₹ 1,145 crore).



5. Reinsurance

The Company's reinsurance program is designed to ensure protection against exposure to large losses affecting single risks as well as catastrophic loss events affecting multiple risks across portfolios. As per regulatory requirements, the Company has ceded 5% of its business as obligatory cessions to the General Insurance Corporation of India (GIC).

The Company has had a successful reinsurance renewal for FY22. The Company experienced a few large risk losses and a catastrophic (CAT) loss on account of Maharashtra Floods, Cyclone Tauktae, etc. in FY22. 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. 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 program. It has been aligned and integrated with business processes and covers all relevant risks including strategic risks (duly considering the environmental, social and governance (ESG) aspects), operational risks, investment risks, insurance risks and information & cyber security risks. The Risk Strategy is embedded in the business planning process of the Company.

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

The Company's risk management is overseen by the Risk Management Committee of Directors. The Board approved Risk Management Policy & 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 Investment Standard Operating Guidelines provide the framework for management and mitigation of the risks associated with investments. The investment portfolio and its performance is 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. The controls are assessed periodically to determine the adequacy and effectiveness of the controls instituted.

The Company, in the past, had done an independent assessment for Capability Maturity Model Integration (CMMi) of its Information & Cyber Security processes to benchmark its practices against the globally recognized CMMi standard. As per the results of the independent assessment exercise the Company's overall Cyber & Information Security has been assessed as "Processes are strong, continuously monitored and measured". Further, the Company constantly endeavours towards the improvement of the Information & Cyber Security posture given the dynamic and complex cybersecurity 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 audits conducted by Internal Audit are presented to the ACC every quarter. All audit findings are tracked and monitored to confirm the implementation of remediation plans.

6.1 Risk and Loss Mitigation

The Company has a dedicated Risk and Loss Mitigation Unit that implements the Company's Fraud Management

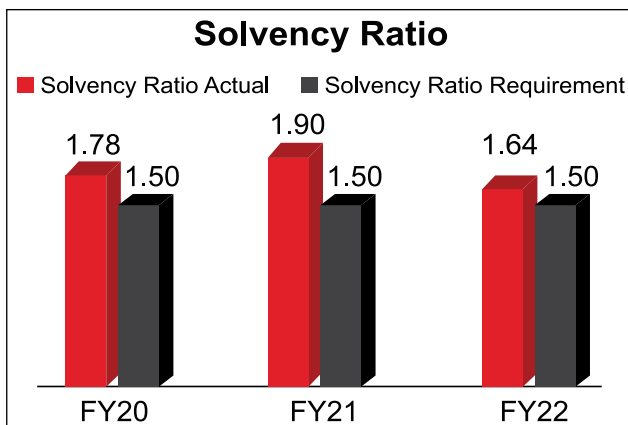
Framework. It primarily endeavours to take all the possible steps to prevent, detect and mitigate risks emanating from various types of frauds to the Company.

It relies on various automated tools using predictive modelling, analytical engines and AI-based solution to flag claims suspected to be fraudulent, dynamically and seamlessly. It also investigates the complaints by whistleblowers and ensures appropriate actions are taken thereof accordingly. Cyber and Forensic expertise are deployed to investigate important cases. Apart from these, it also handles the filing of complaints with the police department on fraud cases, initiates recoveries of the stolen assets and takes legal action against the fraudsters.

7. Solvency

An insurance company needs to maintain financial assets/cash flow to meet its long term claims obligations as they fall due in the future. The Solvency ratio is a key metric used to measure an insurance company's ability to meet its claims obligations and indicates whether a company's cash flow is sufficient and thus is a measure of its financial health. 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 claim paying ability.

As on March 31, 2022, the Company had a solvency ratio of 1.64 times as against the minimum regulatory requirement of 1.50 times.



8. Environment Social Governance (ESG)

The Company strives to create value for all its stakeholders including society, employees and shareholders to achieve sustainable growth.

Environmental, Social, and Governance (ESG) are three non-financial performance indicators that are used to assess a Company's performance in pursuit of sustainability and growth. For long term resilience and value, ESG is one of the key pillars of the Company's strategy.

As a responsible corporate citizen and to transform its belief into actions and results, the Company has embarked on its ESG journey starting by assessing the industry and regulatory landscape both in India and globally to identify relevant and material ESG aspects to be considered.

The Company has identified stakeholders and material ESG aspects as under:

Stakeholders
Regulators
Customers
Channel Partners
Communities & Civil Societies
Board of Directors
Investors
Employees
Vendors & Suppliers

Material ESG Aspects
1. Sustainable Investment
2. Responsible Business & Product offerings
3. Customer Service/Awareness & Inclusion
4. Information & Cyber Security and Data Privacy
5. Risk Management
6. Transparency & Disclosures (including ESG)
7. Business Ethics, Values & Compliance
8. Climate & Environment Management
9. Diversity & Inclusion Employee Well-being, and Talent Management
10. Societal engagement/CSR

The Company's ESG initiatives are best reflected in the Company's core values which are embedded in day to day operations. These include.

- Promoting sustainable practices by:
 - o Reducing the usage of plastic across all branches,
 - o installing energy-efficient lights,
 - o periodic energy audits for large offices to ensure optimum and efficient functioning of electrical systems and,
 - o Enhanced adoption of digitalization to reduce paper consumption.
- Creating an inclusive culture in which differences are recognized and valued. The strategic intent for focusing on Diversity and Inclusion is to leverage diversity and always practice inclusion to contribute to the achievement of the Company's strategic objectives to help attract, engage and retain a diverse team of high performing individuals across the businesses.
- CSR projects are undertaken by the Company to promote education, health care, road safety, women empowerment and implementation of employee volunteering programs in the said areas.

The Company ensures that it remains future-oriented, customer and society focused and agile whilst ensuring that progress is sustainable and inclusive. It aims to act with the highest integrity and operate with the highest ethical standards.

The Company aims to integrate the ESG aspects into the business by implementing relevant policies and procedures. The Company believes that it is crucial to build awareness about ESG amongst employees and hence has planned to impart relevant and periodic training to employees on relevant ESG aspects. These trainings will assist the Company in managing complexity and remain focused on long term value creation with sustainable future growth.

The Company is committed to conduct its business operations with a due focus on ESG. The collective endeavour of all employees is to imbibe and drive sustainability practices.

8.1 Corporate Social Responsibility (CSR)

The Company is aware of its commitment to society and has undertaken various CSR interventions in the areas of Education, Healthcare, Women Empowerment and Road Safety. Through its Flagship Program of government school reconstruction project – GAON MERA, the Company has started the reconstruction of 17 schools of which 15 have been completed. With the continued COVID-19 pandemic, the Company has also increased its support for healthcare through initiatives like running vaccination centres and deployment of oxygen generating plants in government hospitals in addition to the other healthcare projects such as reconstruction of government hospitals, funding surgeries for the underprivileged and telemedicine – a digital consultation platform. The Company has also recognized women empowerment as a critical focus area and has started a new initiative of providing sustainable livelihood support to ultra-poor women in remote areas of West Bengal, while also continuing to support girl child education through learning centres. Another new initiative started this year is towards saving lives on roads, under which the Company has adopted 2 high fatality intersections in Delhi and transformed them into safe intersections through tactical urbanism.

8.2 Employee Volunteering

The Company endeavours to establish a culture of volunteering within the organization and in the process increase its social footprint and contribute to the Sustainability Development Goals. To advance this cause, the Company has launched its Employee Volunteering Program in FY22. Under this program, the employees have volunteered to participate in activities, both physically and virtually, in the areas including mental health and inclusiveness, education for the visually impaired, children's welfare, women's welfare and animal welfare.

9. Future Outlook

The growth of the general insurance companies has been severely impacted due to two continuous years of COVID. The industry grew at a CAGR of 16% during 2014-2020 at ~10%p above the GDP growth. During the COVID impacted years of 2020-22, the industry grew at a CAGR of 8%

whereas the GDP remained almost flat. The domestic economy rebounded in FY22 even after a weak Q1 and posted a real GDP expansion of 9.2%. The Reserve Bank of India expects the economy to grow at 7.2% in FY23. The CPI based inflation is forecasted to be 5.7% for FY23.

The recent geopolitical developments are expected to pose some challenges to this growth projection but the general consumer sentiment is optimistic and is expected to bring back the growth momentum. Moreover, the insurance penetration in the country is lower than most of the developed economies, at 4.2% for FY21, it provides a huge opportunity for growth of the industry. With the easing of the pandemic situation and improvement of consumer sentiment, the industry is expected to register better growth in FY23 vis-à-vis FY22.

IRDAI plans to undertake reforms which will lead to increased insurance penetration and move towards the objective of “Insurance for all” by 2047. These reforms, among others, include promoting ease of doing business, time-bound approval, administrative flexibility, fast-track approvals for investment proposals, facilitating InsurTech and distribution agility.

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.

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 hosted on the website of the Company - www.hdfcergo.com.

B. Organization setup

The CSR projects are implemented under the guidance of the CSR Committee of Directors, which presently comprises six (6) Directors. The Company also has a Sub-Committee of CSR(SC-CSR) comprising of 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 primarily in India – both in urban and rural areas.

ii. Planning

The identification of CSR activities is done using one or combination 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 fulfills the criteria as prescribed in the statute in this regard.

iii. Implementation Methodology

The CSR activities/projects are implemented using internal resources or through collaborating with NGOs/specialized 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 2021-22 are given below:-

I. GAON MERA - Government School Reconstruction & Development Project

One of the main focus areas for the Company's CSR intervention is a dedicated "Adopt a 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, 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 has selected villages through an internal employee nomination program. The Company aims to work holistically towards development of education with all relevant stakeholders in these villages on Government School Reconstruction

Program to make a sustainable impact in the lives of the marginalized communities living in these villages.

Preliminary evaluation of the applications is done as per internal guidelines, followed by a site visit by the Implementation Partners for rapid need assessment and development of project proposal. 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. Yuva Unstoppable, Haritika, Round Table India Trust and Habitat for Humanity Trust are working as Implementation Partners for this Program.

II. NIRAMAYA – Health Care Initiative

The cause of health is one of our mainstays in CSR and the Company undertakes various health care interventions like supporting critical surgeries for underprivileged elderly and kids from economically challenged backgrounds. Further, this year, the Company has also undertaken Hospital Infrastructure Project and has initiated the reconstruction and refurbishment of two Government Hospitals which cater to around 170 villages.

The Company has selected villages through an internal employee nomination process. Preliminary evaluation of the applications is done as per internal guidelines and a site visit is done by the Implementation Partners in the form of rapid need assessment and development of project proposal. Doctors For You is working as an Implementation

Partner for this Government Hospital Reconstruction Project in Maharashtra and Karnataka.

III. ROSHINI - Women Welfare Initiative

The Company has also initiated a Program for Women Welfare and Empowerment through a major intervention of creating sustainable livelihood options for unemployed/dropout women from rural and urban areas, by assisting them with skill training (technical and non-technical), vocational and lifeskills training, etc. and enabling them to generate livelihoods, thereby contributing to the economy. Bandhan Konnagar is working as an Implementation Partner in West Bengal, for the 'Targeting the Hardcore Poor Programme' which aims at helping 1,000 ultra-poor women dependent families by providing the women training and means for sustainable livelihoods generation.

IV. Road Safety Initiative

During the year, the Company has identified Road safety as one of the initiatives and has undertaken a project for improving road conditions and infrastructure to reduce accidents and fatalities by facilitating and/or providing enabling conditions for driving and traveling on roads and supporting post trauma interventions, thereby providing better travel conditions and saving lives. SaveLife Foundation is working as an Implementation Partner for redesigning and transformation of accident prone and high fatality road intersection in Delhi with an objective of making them safe for the commuters and pedestrians.

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings held	Number of meetings attended
1	Mr. Ameet P. Hariani	Chairman (Independent Director)	4	4
2	Mr. Mehernosh B. Kapadia	Independent Director	4	4
3	Ms. Renu Sud Karnad	Non-Executive Director	4	3
4	Dr. Oliver Martin Willmes	Non-Executive Director	4	4
5	Mr. Anuj Tyagi	Deputy Managing Director	4	4

Mr. Deepak S. Parekh, Member of the Committee resigned as a Director of the Company w.e.f March 2, 2022

3. Provide the web-link where 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 details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Not Applicable

6. Average net profit of the Company as per Section 135(5) of the Act : ₹ 568.88 crore

7. (a) Two percent of average net profit of the company as per section 135(5) of the Act : ₹ 11.38 crore

(b) Surplus arising out of the CSR projects or programmes or activities for the previous financial years – NIL

(c) Amount required to be set-off for the financial year, if any – NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) – ₹ 11.38 crore.

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11,38,76,240	NIL	NA	NA	NIL	NA

- (b) 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 ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) of the Act (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Reconstruction project of Govt. School in villages under Gaon Mera FY21 Projects	Promotion of Education	No	Haryana	Dighal, Jhajjar	3 Years	90,97,760	Direct expenditure: 59,13,544 Overheads - Nil	NA	No	Habitat For Humanity	CSR00000402
2	Reconstruction project of Govt. School in villages under Gaon Mera FY22 Projects	Promotion of Education	No	Uttar Pradesh	Jikhangaon, Mathura	3 Years	70,35,350	Direct expenditure: 63,31,815 Overheads - Nil	NA	No	Haritika	CSR00000516
3	Reconstruction project of Govt. School in villages under Gaon Mera FY22 Projects	Promotion of Education	No	Rajasthan	Jagsa, Barmer	2 Years	84,24,695	Direct expenditure: 80,03,461 Overheads - Nil	NA	No	Yuva Unstoppable	CSR00000473

1	2	3	4	5		6	7	8	9	10	11	
				State	District						Name	CSR Registration number
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) of the Act (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
4	Reconstruction 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: 32,60,694 Overheads - Nil	NA	No	Yuva Unstoppable	CSR00000473
5	Reconstruction project of Govt. School in villages under Gaon Mera FY22 Projects	Promotion of Education	No	West Bengal	Pole, Hooghly	3 Years	75,67,774	Direct expenditure: 22,70,333 Overheads - Nil	NA	No	Round Table India Trust	CSR00000895
6	Supporting 3 students on full scholarship for three year undergraduate program	Promotion of Education	No	Jharkhand, Maharashtra and Uttar Pradesh	Ranchi, Thane and Unnao	3 Years	95,52,075	Direct expenditure: 25,06,500 Overheads - Nil	NA	No	International Foundation For Research and Education	CSR00000712
7	Redevelopment project of Govt. Hospitals in villages under Nira Maya Program FY22 Projects	Health Care	No	Karnataka	Hattimattur, Haveri	3 Years	1,89,74,634	Direct expenditure: 56,92,390 Overheads - Nil	NA	No	Doctors for You	CSR00000608
8	Redevelopment project of Govt. Hospitals in villages under Nira Maya Program FY22 Projects	Health Care	No	Maharashtra	Chopda, Jalgaon	3 Years	45,02,925	Direct expenditure: 13,50,878 Overheads - Nil	NA	No	Doctors for You	CSR00000608
9	Reconstruction project of Govt. School in villages under Gaon Mera FY20 Projects	Promotion of Education	No	Gujarat	Mithivavdi, Patan	3 Years	83,88,594	Direct expenditure: 4,19,430 Overheads- Nil	NA	No	Yuva Unstoppable	CSR00000473
10	Reconstruction project of Govt. School in villages under Gaon Mera FY20 Projects	Promotion of Education	No	Karnataka	Dombaramattur, Haveri	3 Years	1,02,84,836	Direct expenditure: 5,14,241 Overheads- Nil	NA	No	Yuva Unstoppable	CSR00000473
11	Project Roshini-Targeting the Hardcore Poor Programme	Women Welfare	No	West Bengal	Jalpaiguri	3 Years	2,91,00,000	Direct expenditure: 1,00,00,000 Overheads- Nil	NA	No	Bandhan Konnagar	CSR00001463
12	Supporting Professional Graduate Education for Girls	Promotion of Education	Yes	Maharashtra	Wardha and Amravati	3 Years	52,07,250	Direct expenditure: 17,35,750 Overheads- Nil	NA	No	Lila Poonawalla Foundation	CSR00000090
Total								4,79,99,036				

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

1 Sr. No.	2 Name of the Projects/ Activities	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/No)	5 Location of the project		6 Amount spent in the current financial year (in ₹)	7 Mode of Implementation -Direct (Yes/No)	8 Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Solar Panel setup in Govt. School in village under Gaon Mera	Education	No	Karnataka	Domabaramattur, Haveri	Direct expenditure: 3,97,095 Overheads- Nil	Yes	NA	NA
2	Supporting 11 Students from financially challenged backgrounds for Professional Graduate Education	Promotion of Education	Yes	Maharashtra	Mumbai	Direct expenditure: 25,08,000 Overheads- Nil	No	Indian Institute of Technology - Bombay, IIT Bombay	CSR00007536
3	Creation of Digital Infrastructure in 50 villages (Digital Village) at Gram Panchayat Level	Promotion of Education	No	Uttar Pradesh	Baghpat and Hathras District	Direct expenditure: 50,00,000 Overheads- Nil	No	CSC Academy	CSR00006887
4	Creation of Digital Infrastructure in 50 villages (Digital Village) at Gram Panchayat Level	Promotion of Education	No	Rajasthan	Pali	Direct expenditure: 50,00,000 Overheads- Nil	No	CSC Academy	CSR00006887
5	Running Teleclinic Centers in 11 villages	Health care	Yes	Himachal Pradesh, Maharashtra, Karnataka, Andhra Pradesh, Gujarat, Uttar Pradesh, Madhya Pradesh, Odisha	Kullu, Jalgaon, Satara, Haveri, Anantpur, Patan, Varanasi, Jabalpur, Ganjam	Direct expenditure: 20,21,369 Overheads- Nil	Yes	NA	NA
6	Support Cataract Surgeries (~2500 surgeries)	Health care	No	Gujarat, Rajasthan	Valsad, Kheda, Ahmedabad, Surendranagar, Bhavnagar Udaipur	Direct expenditure: 50,00,000 Overheads- Nil	No	Vision Foundation of India	CSR00002065
7	Support extended to 19 underprivileged children suffering from Congenital Heart Defect	Health care	Yes	West Bengal, Tamil Nadu, Uttar Pradesh, Maharashtra, Kerala, Odisha, West Bengal, Himachal Pradesh, Chhattisgarh	Hooghly, Chennai, Tiruppur, Shahjahanpur, Mathura, Pune, Thrissur, Cuttack, Patnaur, Hamirpur, Kawardha	Direct expenditure: 30,00,000 Overheads- Nil	No	Genesis Foundation	CSR00001713
8	Support for Cancer Surgeries & cochlear transplant for children to economically challenged kids for medical procedures at SRCC Children's Hospital	Health care	Yes	Maharashtra	Mumbai, Nashik, Jalgaon, Thane, Amravati, Sangli, Yavatmal	Direct expenditure: 30,00,000 Overheads- Nil	No	The Society for the Rehabilitation of Crippled Children	CSR00003225
9	Support to manage and run COVID19 vaccination centers to scale up Govt. of India COVID vaccination drive, mobilize, train and build capacity of additional skilled man-power required for COVID vaccination	COVID-19 Support	Yes	Karnataka, Maharashtra, Uttar Pradesh, Tamilnadu	Bangalore, Mumbai, Noida, Chennai	Direct expenditure: 99,99,150 Overheads- Nil	No	Doctors for You	CSR00000608

1	2	3	4	5		6	7	8	
				State	District			Name	CSR Registration number
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	
10	Setting up 3 Oxygen generator plant at Government Hospitals	COVID-19 Support	Yes	West Bengal Maharashtra Karnataka	Kolkata, Bhandara, Chikkaballapur	Direct expenditure: 96,92,970 Overheads- Nil	Yes	NA	NA
11	Setting up Oxygen generator plant at Government Hospitals	COVID-19 Support	No	Madhya Pradesh	Morena	Direct expenditure: 29,12,000 Overheads- Nil	Yes	NA	NA
12	Redesigning of accident prone road intersection	Road Safety	No	Delhi	Delhi	Direct expenditure: 36,98,816 Overheads- Nil	No	Save Life Foundation	CSR0000728
13	Girl Child Education Program by supporting Learning Centers	Women Welfare	No	Haryana, Uttarakhand	Mewat, Haridwar, Dehradun	Direct expenditure: 34,50,000 Overheads- Nil	No	IIMPACT	CSR00002935
14	Girl Child Education Program by supporting Learning Centers	Women Welfare	No	Bihar, Haryana, Rajasthan, Uttarakhand	Patna, Mewat, Rajsamand, Bundi, Alwar, Haridwar	Direct expenditure: 15,00,000 Overheads- Nil	No	IIMPACT	CSR00002935
15	Support the education of students with special needs	Promotion of Education	Yes	Maharashtra	Aurangabad	Direct expenditure: 10,09,000 Overheads- Nil	No	Swayamsiddh Matimand Mulansathi Matrupalak Sanstha	CSR00007163
16	Support the surgeries of children from economically weak background who are affected by facial and skull deformities	Health care	Yes	Maharashtra, Karnataka	Mumbai, Bangalore	Direct expenditure: 20,00,000 Overheads- Nil	No	Inga Health Foundation	CSR00001727
	Total					6,01,88,400			

(d) Amount spent in Administrative Overheads – ₹ 56,88,804

(e) Amount spent on Impact Assessment, if applicable – Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 11,38,76,240

(g) Excess amount for set-off, if any – Nil

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5) of the Act	11,37,76,081
(ii)	Total amount spent for the financial year	11,38,76,240
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	NIL
(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

*The difference between (ii) and (i) i.e. excess of ₹ 100,159 is not proposed to be carried forward

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6) of the Act, if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
NIL							

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

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of the reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
NIL									

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

The Company has not constructed or acquired any asset in its name. However, the Company has refurbished/reconstructed Govt. Schools as detailed below:

A. Reconstruction project of Govt. School in Dighal village, Jhajjar, Haryana under Gaon Mera Program-

(a)	Date of creation or acquisition of the capital asset(s)	October 20, 2021
(b)	Amount of CSR spent for creation or acquisition of capital asset	₹ 86,42,872
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc	School Management Committee, Dighal village, Jhajjar, Haryana
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	<p>Project completed and inaugurated in October 2021. A brief overview of facilities provided by us in project is as follows -</p> <ol style="list-style-type: none"> 1. Reconstruction of 4,428 sq.ft. area of school provided with all amenities with BALA tools. A new drinking water area with water filter has been constructed; 2. New garden area with play section has been created. A variety of indoor and outdoor play items have been provided; 3. BALA tools like knowledge grill, charts, maps, play of light and shadow, periscope, toy making area, etc.; 4. Furnishing items like wooden benches and wooden desk for students, almira for all classes, notice board, etc.;

		<p>5. School bags and stationery kits for all students;</p> <p>6. Refurbishment work includes:</p> <p>a. Repairing of existing classrooms and painting,</p> <p>b. Refurbishment of boys toilet including repair of roof.</p> <p>Total 72 students getting benefitted and expecting to increase at least 30% number of students in newly constructed school.</p>
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B. Reconstruction project of Govt. School in Jagsa village, Barmer, Rajasthan under Gaon Mera Projects –

(a)	Date of creation or acquisition of the capital asset(s)	January 21, 2022
(b)	Amount of CSR spent for creation or acquisition of capital asset	₹ 80,03,461
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc	School Management Committee, Jagsa village, Barmer, Rajasthan
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	<p>Project completed & inaugurated virtually in January, 2022. A brief overview of facilities provided by us in project is as follows –</p> <p>1,020 sq ft block with laboratory & toilet for boys, girls and differently abled has been constructed. 12 Smart class rooms has been developed in school. Water proofing has been done in the old buildings. Flooring in the old buildings has been repaired. Entire school has been painted. An old room has been converted into kitchen with kotah platform, tiling and plumbing. A basketball court has been created which is of Sports Authority approved size and quality.</p> <p>Total 509 students getting benefitted and expecting to increase at least 10% number of students in newly constructed school.</p>

C. Refurbishment project of Govt. School in Naikalan village, Ajmer, Rajasthan under Gaon Mera Projects –

(a)	Date of creation or acquisition of the capital asset(s)	March 17, 2022
(b)	Amount of CSR spent for creation or acquisition of capital asset	₹ 32,60,694
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc	School Management Committee, Naikalan village, Ajmer, Rajasthan

(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	<p>Project completed and inaugurated virtually in December 2020. A brief overview of facilities provided by us in project is as follows –</p> <p>Refurbishment of 6 classrooms with plaster and flooring work, water proofing, color work in existing building, Kitchen and store room refurbishment, Electric wiring and fixtures fixing, Educational painting under BaLA program.</p> <p>Total 307 students getting benefitted and expecting to increase at least 7% number of students in newly constructed school.</p>
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D. Solar Panel setup in Govt. School in village under Gaon Mera –

(a)	Date of creation or acquisition of the capital asset(s)	March 17, 2022
(b)	Amount of CSR spent for creation or acquisition of capital asset	₹ 3,97,095
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc	School Management Committee, Domabaramattur village, Haveri, Karnataka
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	<p>Solar Panel has been setup in Govt. School Domabaramattur village, Haveri, Karnataka under Gaon Mera program. Project completed and handed over in March 2022.</p> <p>Total 186 students getting benefitted and expecting to increase at least 10% number of students in newly constructed school.</p>

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Act- NIL

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

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

Secretarial Audit Report for the Financial Year Ended 31st March, 2022

[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, 2022** 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, 2022 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, 2021#;
- 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 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 (Buyback of Securities) Regulations, 2018#;

The Regulations or Guidelines, as the case may be were not applicable 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[“Listing Regulations”].

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 atleast seven days in advance for meetings, 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. Approval from members of the Company has been obtained at the Extra Ordinary General Meeting held

- on July 21, 2021 for carrying out amendments to HDFC ERGO Employees Stock Option Plan – 2009 and to create, issue, offer and allot such number of equity shares of the Company, as may be decided by the Board from time to time, to the present and future permanent employees and directors of the Company and its subsidiary company, if any, provided that the aggregate shareholding of the employees shall not exceed 2.25% of the paid up equity share capital of the Company at any point of time;
- ii. The Company has issued and allotted 3,750 Unsecured, Subordinated, Listed, Redeemable, Non-Convertible Debentures (NCDs) of face value of ₹ 10 Lakh each, aggregating to ₹ 375 Crore on a private placement basis;
- iii. The Company has redeemed 3,500 Unsecured, Subordinated, Listed, Redeemable, Non-Convertible Debentures (NCDs) of face value of ₹ 10 Lakh each, aggregating to ₹ 350 Crore.

Mumbai
April 25, 2022

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner
FCS No: 761; C P No. : 366
ICSI UDIN: F000761D000199300

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, 2022 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.

For Bhandari & Associates
Company Secretaries
Firm Registration No: P1981MH043700

S. N. Bhandari
Partner

FCS No: 761; C P No. : 366
ICSI UDIN: F000761D000199300

Mumbai
April 25, 2022

Independent Auditors' Report

Independent Auditors' Report to the Members of HDFC ERGO GENERAL INSURANCE COMPANY LIMITED

Report on the audit of the Standalone Financial Statements

1. Opinion

We have audited the standalone financial statements of **HDFC ERGO GENERAL INSURANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 the Revenue Accounts, the Profit and Loss Account and the Receipts and Payments Account for the year ended March 31, 2022 and summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements are prepared in accordance with the requirements of the Insurance Act, 1938 (the "Insurance Act"), Insurance Regulatory and Development Act, 1999 (the "IRDA Act"), Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "Regulations") including orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI") and the Companies Act, 2013 ("the Act") to the extent applicable and 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 March 31, 2022;
- (b) in the case of the Revenue Accounts, of the operating profit in so far as it relates to the Fire Revenue Account and the Miscellaneous

Revenue Account and the operating loss in so far as it relates to the Marine Revenue Account for the year ended March 31, 2022;

- (c) in the case of the Profit and Loss Account, of the profit for the year ended on March 31, 2022; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on March 31, 2022

2. Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (the "SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the 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.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.

Key Audit Matter Description: -	How our Audit addressed the Key Audit Matters
1) Valuation of Investments: <ul style="list-style-type: none"> • The carrying value of Investments amounting to 183,970,520 ('000) (Policy holders and Shareholders) represent 86.41 % of total assets as disclosed in the financial statement. • Due to the regulatory prescriptions applicable to recognition, measurement and disclosure of Investments and the assumptions used in the valuation of Investments, (Note 10 to the financial statements) we have considered this as a key audit matter. 	<p>To ensure that the valuation of investments and impairment provision considered in the financial statements is adequate, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Reviewed the manner in which the investments have been made by the Company to ensure that the investments as in accordance with Regulation of Investments as stated in the IRDAI guidelines.

Independent Auditors' Report (Continued)

<ul style="list-style-type: none"> The valuation of all investments should be as per the investment policy framed by the Company which in turn should be in line with IRDAI Investment Regulations. The Company has <i>inter alia</i> a policy framework for Valuation and impairment of Investments The valuation of unquoted investments and thinly traded investments continues to be an area of inherent risk because of market volatility, unavailability of reliable prices and macroeconomic uncertainty. The Company performs an impairment review of its investments periodically and recognizes impairment charge when the investments meet the trigger/s for impairment provision as per the criteria set out in the investment policy. Further, the assessment of impairment involves significant management judgement. 	<ul style="list-style-type: none"> Evaluation of the Company's Internal controls viz a viz the implementation of Investment Risk management System and processes. Tested the management oversight and controls over valuation of investments. Independently test-checked valuation of quoted and unquoted investments. Reviewed the Fair Value Change Account for specific investments. Reviewed the basis of provisions accounted in respect of non-performing investments and ensured that the provision meets the IRDAI guidelines Reviewed the compliance with the IRDAI guidelines on recording of Income on non performing investments Substantive testing of transactions relating to Investments, reviewed and assessed the adequacy with respect to management assessment of identification of Non performing investments and impairment charge on such investments outstanding at the year end. <p>Accordingly based on our audit procedures, we noted no reportable matters regarding investments and its valuation.</p>
<p>2) Provision for bad & doubtful debts relating to receivables from other insurance companies (Including Government Receivables), outstanding premium and agent balances:</p>	
<ul style="list-style-type: none"> "Dues from Other entities carrying on insurance business" is ₹ 657,220 ('000) as at the year end. "Outstanding premium" amounting to ₹ 16,418,016 ('000) (schedule 12) net of provision of ₹ 6,856 ('000) includes premium due from Central Government, State Government and others. Outstanding "Agent balances" as at the year end amounted to ₹ 10,157 ('000) (schedule 12) net of provision bad debts of ₹ 34 ('000) Due to the significance of the amount and judgement involved in assessing the recoverability of dues, this has been considered as key audit matter 	<p>The audit procedures performed by us included the following:</p> <ul style="list-style-type: none"> Evaluation and testing of controls over the recording, monitoring and ageing of outstanding premium, Agents' Balances and due from other entities carrying on insurance business Evaluating the adequacy of the process of reconciliation followed by the Company with respect to amounts due from other entities carrying on insurance business We reviewed the historical provision for bad debts and compared it to the actual amounts written off, to determine whether management's estimates have been prudent and reasonable. Reviewed the details of co-insurance transactions uploaded on the ETASS portal by the Company and Other Insurance Companies and reconciled with the transactions accounted by the Company. Sending out direct confirmations of balances to select parties on a test check basis as required under "SA 505-External Confirmations".

Independent Auditors' Report (Continued)

	<ul style="list-style-type: none"> We discussed with management and reviewed correspondences, where relevant, to identify disputes, if any, on any of the recoverable balances and review the assessment of the management as to the requirement of provisioning if any on these disputed dues. Relied on the management estimates with respect to such provisions. <p>Accordingly, based on our audit procedures, we noted no reportable matter.</p>
3) Provisions and contingent liabilities:	
<ul style="list-style-type: none"> As of March 31, 2022 the Company has disclosed pending litigations arising out of matters relating to Service tax contingent liabilities of ₹ 1,778,984 ('000) and pending litigations arising out of matters relating to GST of ₹ 2,082,369 ('000) (Refer Note No.4 of the financial statement). The assessment of the existence of the present legal obligation, analysis of the probability of the related payment and analysis of a reliable estimate, requires management's judgement to ensure appropriate accounting or disclosures. Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter. 	<ul style="list-style-type: none"> As part of our audit procedures we have assessed management's processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Accounting Standard 29 – Provisions, Contingent Liabilities and Contingent Assets. The audit procedures performed by us included the following: <ul style="list-style-type: none"> Obtained listing from the management of the changes in litigation status as compared to prior year and obtained a detailed understanding of the disputes and also reviewed the analysis made by the management and assumptions used by them on how they concluded as required under AS 29. Wherever the company had obtained external legal advice, the same were reviewed to gain an understanding of the management's view on the matters. Used internal tax experts to gain an understanding of these disputes and also obtained their views on the possible outcome based on facts and current circumstances. Obtained legal representation letters on the material outstanding legal cases. Reviewed minutes of board meetings, including the sub-committees. <p>Based on the audit evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31, 2022 to be appropriate.</p>

Independent Auditors' Report (Continued)

4. Other Matter

The actuarial valuation of the outstanding claims Incurred but Not Reported (IBNR) including IBNER (Incurred but Not Enough Reported) and Premium Deficiency Reserve (the "PDR") that are estimated using statistical methods, PDR and IBNR reserve, as at March 31, 2022 have been duly certified by the Appointed Actuary and in his opinion, the norms and assumptions for such Valuation are in accordance with the guidelines issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/ "Authority") 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 and PDR contained in the standalone financial statements of the Company.

5. Information other than the Financial Statement and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 'the management report' and "Director's report", but does not include the financial statements and our 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.

6. Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial

performance, and receipts and payments of the Company in accordance with the requirements of the Insurance Act 1938, as amended by Insurance Laws (Amendment) Act, 2015 read with the IRDA Act, the Regulations, order/ directions issued by the IRDAI in this regard and in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act [read with Rule 7 of the Companies (Accounts) Rules, 2014] to the extent applicable and in the manner so required. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process. We have nothing to report in this regard.

7. Auditor's responsibilities for the audit of the Standalone 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 the SAs will always detect a material misstatement when it

Independent Auditors' Report (Continued)

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 the SAs, we exercise professional judgment and maintain professional scepticism 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) 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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.

8. Report on other legal and regulatory requirements

As required by IRDA Financial Statements Regulations, we have issued a separate certificate dated April 25, 2022 certifying the matters specified in paragraphs 3

Independent Auditors' Report (Continued)

and 4 of Schedule C to the IRDA Financial Statements Regulations.

Further, to our comments in the Certificate referred to in paragraph 2 above, as required under the 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 and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) As the Company's financial accounting system is centralized at Head Office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company.
- d) The Balance Sheet, the Revenue Account, the Profit and Loss Account, and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
- e) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act and the Regulations and orders/directions issued by the IRDAI in this behalf;
- f) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act and section 34 of the IRDA Act.
- g) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by the IRDAI in this behalf;
- h) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report comply with the Accounting Standards referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by IRDAI in this regard; and
- i) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
- j) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 4 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or

Independent Auditors' Report (Continued)

any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide

any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

For **B. K. KHARE & CO.**
Chartered Accountants
Firm's Reg. No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212
UDIN No: 22111212AHSJXW1833

Mumbai,
Dated: April 25, 2022.

For **G. M. KAPADIA & CO.**
Chartered Accountants
Firm's Reg. No.: 104767W

Rajen Ashar
Partner
Membership No. 048243
UDIN No: 22048243AHSGBM8468

Annexure A to Independent Auditors' Report

Annexure A - Referred to in paragraph 8 (j) of the Independent Auditors' Report of even date to the members of HDFC ERGO General Insurance Company Limited on the standalone financial statements for the year ended March 31, 2022.

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of **HDFC ERGO General Insurance Company Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section

143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

The actuarial valuation of the outstanding claims Incurred but Not Reported (IBNR) and Premium Deficiency Reserve

(the "PDR") that are estimated using statistical methods, PDR and IBNR reserve, as at March 31, 2022 have been duly certified by the Appointed Actuary and in his opinion, the norms and assumptions for such Valuation are in accordance with the guidelines issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/ "Authority") 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 and PDR contained in the standalone financial statements of the Company.

For **B. K. KHARE & CO.**
Chartered Accountants
Firm's Reg. No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212
UDIN No: 22111212AHSJXW1833

Mumbai,
Dated: April 25, 2022.

For **G. M. KAPADIA & CO.**
Chartered Accountants
Firm's Reg. No.: 104767W

Rajen Ashar
Partner
Membership No. 048243
UDIN No: 22048243AHSGBM8468

Independent Auditors' Certificate

TO THE MEMBERS OF HDFC ERGO GENERAL INSURANCE COMPANY LIMITED

(Referred to in paragraph 8 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated April 25, 2022)

- 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's Responsibility

- The Company's Management is 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

- Pursuant to the requirement of the IRDA Financial Statements Regulations, it is 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 March 31, 2022.
- 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. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 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

- 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 March 31, 2022, we certify that:
 - We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2022, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
 - Based on the 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 IRDA;
 - We have verified the cash balances to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2022, or have sought and obtained 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.
 - The Company is not a trustee of any trust; and
 - 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 B. K. KHARE & CO.
Chartered Accountants
Firm's Reg. No.: 105102W

Shirish Rahalkar
Partner
Membership No.: 111212
UDIN No: 22111212AHSJXW1833

Mumbai,
Dated: April 25, 2022.

For G. M. KAPADIA & CO.
Chartered Accountants
Firm's Reg. No.: 104767W

Rajen Ashar
Partner
Membership No. 048243
UDIN No: 22048243AHSGBM8468

FORM B - BS

IRDAI Registration No: 146

Date of Registration with the IRDAI: July 09, 2010

Balance Sheet as at March 31, 2022

Particulars	Schedule	As at	
		March 31, 2022 (Audited) (₹ '000)	March 31, 2021 (Audited) (₹ '000)
SOURCES OF FUNDS			
SHARE CAPITAL	5	7,127,800	7,115,649
RESERVES AND SURPLUS	6	27,994,137	25,155,927
FAIR VALUE CHANGE ACCOUNT - SHAREHOLDERS		132,032	46,834
FAIR VALUE CHANGE ACCOUNT - POLICYHOLDERS		520,846	217,132
BORROWINGS	7	5,290,000	5,040,000
DEFERRED TAX LIABILITY		—	—
TOTAL		41,064,815	37,575,542
APPLICATION OF FUNDS			
INVESTMENTS - SHAREHOLDERS	8	37,204,597	29,528,835
INVESTMENTS - POLICYHOLDERS	8A	146,765,923	136,900,703
LOANS	9	—	—
FIXED ASSETS	10	2,992,962	2,733,604
DEFERRED TAX ASSET (Refer note 15 of Schedule 16)		586,610	736,533
CURRENT ASSETS			
Cash and Bank Balances	11	1,342,855	4,738,249
Advances and Other Assets	12	24,011,507	18,551,807
Sub-Total (A)		25,354,362	23,290,056
CURRENT LIABILITIES			
PROVISIONS	13	126,225,710	112,312,673
	14	45,613,929	43,301,516
Sub-Total (B)		171,839,639	155,614,189
NET CURRENT ASSETS/(LIABILITIES) (C) = (A-B)		(146,485,277)	(132,324,133)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	—	—
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT		—	—
TOTAL		41,064,815	37,575,542
NOTES TO ACCOUNTS	16		

Signatures to the Balance Sheet and Schedules 1 to 16

In terms of our report attached

B. K. Khare & Co.
Chartered Accountants
Firm Registration No.: 105102W

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

Shirish Rahalkar
Partner
Membership No.: 111212

Rajen Ashar
Partner
Membership No.: 048243

Mumbai,
Dated: April 25, 2022

For and on behalf of the Board of Directors

Keki M Mistry
Chairman
(DIN: 00008886)

Renu S. Karnad
Director
(DIN: 00008064)

Oliver Martin Willmes
Director
(DIN: 08876420)

Clemens Matthias Muth
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)

Ritesh Kumar
Managing Director & CEO
(DIN: 02213019)

Anuj Tyagi
Deputy Managing Director
(DIN: 07505313)

Samir H. Shah
Executive Director & CFO
(DIN: 08114828)

Dayananda V. Shetty
Company Secretary
(Membership No.: FCS 4638)

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, 2022

Particulars	Schedule	For the year ended March 31, 2022 (₹ '000)	For the year ended March 31, 2021 (₹ '000)
OPERATING PROFIT/(LOSS)			
Fire Insurance		872,725	(254,704)
Marine Insurance		(259,603)	(207,186)
Miscellaneous Insurance		4,129,879	7,770,647
		<u>4,743,001</u>	<u>7,308,757</u>
INCOME FROM INVESTMENTS			
Interest, Dividend and Rent - Gross		2,089,248	1,661,112
Profit/Loss on sale of investments		347,663	199,059
Less: Loss on sale of investments		—	—
		<u>2,436,911</u>	<u>1,860,171</u>
OTHER INCOME			
TOTAL (A)		<u>7,179,912</u>	<u>9,168,928</u>
PROVISIONS (OTHER THAN TAXATION)			
For diminution in the value of investments (Refer note 10 of Schedule 16)		(296,751)	311,725
For doubtful debts		(1,183)	(11,816)
		<u>(297,934)</u>	<u>299,909</u>
OTHER EXPENSES			
Expenses other than those related to insurance business			
Employees' related remuneration and welfare benefits (Refer note 11 of Schedule 16)		112,483	93,124
Corporate Social Responsibility Expenses (Refer note 29 of Schedule 16)		113,876	95,202
Bad debts written off		18,126	21,212
Remuneration to directors and others		4,170	4,120
Bad & Doubtful Investments written off (Refer note 10 of Schedule 16)		133,400	—
Amalgamation Expenses		—	328,426
Interest on Debentures		409,148	409,243
Debenture issuance expenses		8,948	—
TOTAL (B)		<u>502,217</u>	<u>1,251,236</u>
PROFIT/(LOSS) BEFORE TAX		<u>6,677,695</u>	<u>7,917,692</u>
Provision for Taxation			
- Current Tax		1,526,455	2,011,440
- Deferred Tax (Refer note 15 of Schedule 16)		149,924	(10,258)
PROFIT/(LOSS) AFTER TAX		<u>5,001,316</u>	<u>5,916,510</u>
APPROPRIATIONS			
Interim Dividends paid during the year (Refer note 34 of Schedule 16)		2,316,535	2,134,695
Proposed final Dividend		—	—
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		7,783,933	4,002,118
BALANCE CARRIED FORWARD TO BALANCE SHEET		<u>10,468,714</u>	<u>7,783,933</u>
EARNINGS PER SHARE (Basic) (in ₹)		7.02	8.32
EARNINGS PER SHARE (Diluted) (in ₹)		7.00	8.29

(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

B. K. Khare & Co.
 Chartered Accountants
 Firm Registration No.: 105102W

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

For and on behalf of the Board of Directors

Keki M Mistry
 Chairman
 (DIN: 00008886)

Renu S. Karnad
 Director
 (DIN: 00008064)

Oliver Martin Willmes
 Director
 (DIN: 08876420)

Clemens Matthias Muth
 Director
 (DIN: 07824451)

Shirish Rahalkar
 Partner
 Membership No.: 111212

Rajen Ashar
 Partner
 Membership No.: 048243

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)

 Mumbai,
 Dated: April 25, 2022

Ritesh Kumar
 Managing Director & CEO
 (DIN: 02213019)

Anuj Tyagi
 Deputy Managing Director
 (DIN: 07505313)

Samir H. Shah
 Executive Director & CFO
 (DIN: 08114828)

Dayananda V. Shetty
 Company Secretary
 (Membership No.: FCS 4638)

IRDAI Registration No: 146
Date of Registration with the IRDAI: July 09, 2010

Receipts and Payments Account for the year ended March 31, 2022

Particulars	Schedule	For the year ended March 31, 2022 (₹ '000)	For the year ended March 31, 2021 (₹ '000)
Cash flows from operating activities			
Premium received from policyholders, including advance receipts		151,502,343	146,028,961
Payments to re-insurers, net of commission and claims		(22,808,999)	(23,365,657)
Payments to co-insurers, net of claims recovery		623,568	516,553
Payments of claims		(82,709,792)	(63,383,344)
Payments of commission and brokerage		(12,818,928)	(11,806,102)
Payments of other operating expenses		(19,756,326)	(21,016,226)
Corporate Social Responsibility (CSR) expenses		(113,876)	(95,202)
Deposits, advances and staff loans		139,022	77,143
Income taxes paid (Net)		(1,561,635)	(2,106,753)
GST paid		(8,335,878)	(6,217,673)
Net cash generated from operating activities (A)		4,159,499	18,631,700
Cash flows from investing activities			
Purchase of fixed assets		(798,634)	(611,530)
Proceeds from sale of fixed assets		12,621	41,000
Purchase of investments		(125,942,910)	(74,665,676)
Sale of investments		102,971,221	49,617,718
Rent/Interest/Dividend received		12,381,513	11,428,407
Investments in money market instruments and in liquid mutual funds (Net)		6,150,646	(5,033,544)
Net cash flow from/(used in) investing activities (B)		(5,225,543)	(19,223,625)
Cash flows from financing activities			
Proceeds from issuance of share capital and share premium		165,580	57,738
Receipt of Share application money pending allotment		—	—
Repayments of borrowing		(3,500,000)	—
Proceeds from issuance of borrowing		3,750,000	—
Interest Paid		(408,905)	(406,645)
Dividend paid (Including dividend distribution tax)		(2,316,535)	(2,134,695)
Net cash flow from/(used in) financing activities (C)		(2,309,860)	(2,483,602)
Effect of foreign exchange rates on cash and cash equivalents (Net) (D)		(6,152)	(1,028)
Net (decrease)/increase in cash and cash equivalents (A + B + C + D)		(3,382,056)	(3,076,555)
Cash and cash equivalents at the beginning of the year		4,687,509	7,764,064
Cash and cash equivalents at the end of the period		1,305,453	4,687,509
Net (decrease)/increase in cash and cash equivalents		(3,382,056)	(3,076,555)
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and Bank balances		1,342,855	4,738,249
Less: Deposit Accounts not considered as Cash and cash equivalents as defined in AS-3 "Cash Flow Statements"		(37,402)	(50,740)
Cash and cash equivalents at the end of the year		1,305,453	4,687,509

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NOTES TO ACCOUNTS

Refer Schedule 11 for components of cash and bank balances

Signatures to the Receipts and Payments Account

In terms of our report attached

B. K. Khare & Co.

Chartered Accountants

Firm Registration No.: 105102W

G. M. Kapadia & Co.

Chartered Accountants

Firm Registration No.: 104767W

Shirish Rahalkar

Partner

Membership No.: 111212

Rajen Ashar

Partner

Membership No.: 048243

For and on behalf of the Board of Directors

Keki M Mistry

Chairman

(DIN: 00008886)

Renu S. Karnad

Director

(DIN: 00008064)

Oliver Martin Willmes

Director

(DIN: 08876420)

Clemens Matthias Muth

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)

Mumbai,

Dated: April 25, 2022

Ritesh Kumar

Managing Director & CEO

(DIN: 02213019)

Anuj Tyagi

Deputy Managing Director

(DIN: 07505313)

Samir H. Shah

Executive Director & CFO

(DIN: 08114828)

Dayananda V. Shetty

Company Secretary

(Membership No.: FCS 4638)

FORM B – RA

IRDAI Registration No: 146

Date of Registration with the IRDAI: July 09, 2010

Revenue Accounts for the year ended March 31, 2022

Particulars	Schedule	FIRE INSURANCE		MARINE INSURANCE		MISCELLANEOUS INSURANCE		TOTAL	
		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
1	1	2,843,511	2,401,067	1,215,563	797,565	64,727,401	60,857,174	68,786,475	64,055,806
2		85,094	52,015	12,827	7,489	1,379,905	961,404	1,477,826	1,020,908
3		40,886	44,675	—	—	—	—	40,886	44,675
		893	2,739	386	924	20,550	70,495	21,829	74,158
4		511,366	434,056	77,083	62,492	8,292,404	8,022,741	8,880,853	8,519,289
		3,481,750	2,934,552	1,305,859	868,470	74,420,260	69,911,814	79,207,869	73,714,836
1	2	1,780,148	1,795,580	1,143,283	718,721	54,887,151	46,006,185	57,810,582	48,520,486
2	3	(1,277,634)	(641,069)	166,238	108,540	(1,659,118)	(1,450,815)	(2,770,514)	(1,983,344)
3	4	2,106,511	2,034,745	255,941	248,395	17,062,348	17,585,797	19,424,800	19,868,937
4		—	—	—	—	—	—	—	—
		2,609,025	3,189,256	1,565,462	1,075,656	70,290,381	62,141,167	74,464,868	66,406,079
		872,725	(254,704)	(259,603)	(207,186)	4,129,879	7,770,647	4,743,001	7,308,757
		872,725	(254,704)	(259,603)	(207,186)	4,129,879	7,770,647	4,743,001	7,308,757
		872,725	(254,704)	(259,603)	(207,186)	4,129,879	7,770,647	4,743,001	7,308,757

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

Signatures to the Revenue Accounts and Schedules 1 to 16

In terms of our report attached

B. K. Khare & Co. Chartered Accountants Firm Registration No.: 105102W	G. M. Kapadia & Co. Chartered Accountants Firm Registration No.: 104767W	For and on behalf of the Board of Directors Keki M. Mistry Chairman (DIN: 00008886)	Renu S. Karnad Director (DIN: 00008064)	Oliver Martin Willmes Director (DIN: 08876420)	Clemens Matthias Muth Director (DIN: 07824451)
Shirish Rahaikar Partner Membership No.: 111212	Rajen Ashar Partner Membership No.: 048243	Bernhard Steinuecke Independent Director (DIN: 01122939)	Mehemosh B. Kapadia Independent Director (DIN: 00046612)	Arvind Mahajan Independent Director (DIN: 07553144)	Ameet Hariyani Independent Director (DIN: 00087866)
Mumbai, Dated: April 25, 2022	Ritesh Kumar Managing Director & CEO (DIN: 02213019)	Anuj Tyagi Deputy Managing Director (DIN: 07506313)		Samir H. Shah Executive Director & CFO (DIN: 08114828)	Dayananda V. Shetty Company Secretary (Membership No.: FCS 4638)

Schedules

Annexed to and forming part of the Revenue Accounts

Particulars	For the year ended March 31, 2022						For the year ended March 31, 2021								
	Fire			* Miscellaneous			Marine			** Miscellaneous					
	Motor-OD	Motor-TP	Motor Total	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Other Liability	Home	Specialty	Weather/Crop	Others	Total
Premium from direct business written-net of GST	13,303,548	1,537,005	1,734,448	197,443	1,734,448	1,19,937,511	134,975,507	11,751,194	1,266,089	222,770	1,488,859	109,710,974	122,951,027		
Add: Premium on Re-insurance accepted	1,685,528	75,992	75,992	-	75,992	334,416	2,095,936	1,129,335	79,055	-	79,055	279,921	1,488,311		
Less: Premium on Re-insurance ceded	(11,884,310)	(352,903)	(549,486)	(196,583)	(549,486)	(53,568,871)	(66,002,667)	(9,657,290)	(416,935)	(222,161)	(639,096)	(49,100,094)	(59,396,480)		
Net Premium	3,104,766	1,260,094	860	1,260,094	860	66,703,056	71,068,716	3,223,239	928,209	609	928,818	60,890,801	65,042,858		
Add/(Less): Adjustment for changes in reserve for unexpired risks	(261,255)	(45,094)	(297)	(297)	(45,394)	(1,975,655)	(2,282,301)	(822,172)	(131,406)	153	(131,253)	(33,627)	(987,052)		
Total Premium Earned (Net)	2,843,511	1,215,000	563	1,215,563	563	64,727,401	68,786,415	2,401,067	796,803	762	797,565	60,857,174	64,055,806		

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

Particulars	Miscellaneous															
	Motor-OD	Motor-TP	Motor Total	Workmen Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Other Liability	Home	Specialty	Weather/Crop	Others	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	43,418,660	835,100	729,689	2,572,167	27,119,738	1,563,050	119,937,511
Add: Premium on Re-insurance accepted	(80,449)	(9,068,682)	(9,870,131)	(23,847)	(29,052)	(943)	(1,463,867)	(181,278)	(2,624,326)	(14,654,266)	(21,402)	(69,918)	(240,718)	(21,029,278)	(838,070)	(334,416)
Less: Premium on Re-insurance ceded	14,569,469	11,050,378	25,619,847	143,603	6,627	518	438,843	162	3,366,800	28,764,394	238,947	659,771	646,545	6,090,460	726,539	(53,568,871)
Net Premium	61,074	(96,776)	(35,702)	17	(4)	181	5,309	(34)	918,953	(2,353,570)	(2,789)	(556,562)	(54,021)	(110,349)	212,913	(4,975,655)
Add/(Less): Adjustment for changes in reserve for unexpired risks	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

**** Miscellaneous Premium Breakup for the year ended March 31, 2021**

Particulars	Miscellaneous															
	Motor-OD	Motor-TP	Motor Total	Workmen Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Other Liability	Home	Specialty	Weather/Crop	Others	Total
Premium from direct business written-net of GST	15,049,515	19,015,041	34,064,556	165,741	29,448	9,783	1,748,058	121,934	5,399,683	37,416,320	813,992	225,378	2,113,322	25,729,721	1,873,038	109,710,974
Add: Premium on Re-insurance accepted	(777,013)	(8,592,314)	(9,369,327)	(18,565)	(22,846)	(8,580)	(1,321,029)	(121,820)	(1,580,701)	(12,520,098)	(581,312)	(36,056)	(1,704,412)	(21,073,991)	(741,357)	(49,100,094)
Less: Premium on Re-insurance ceded	14,272,502	10,422,727	24,695,229	147,176	7,366	1,203	515,258	(1,332)	3,828,201	24,896,222	246,283	189,322	576,875	4,655,730	1,133,268	(59,396,480)
Net Premium	(1,682,593)	1,062,788	(619,805)	12,172	3,196	462	99,013	39	768,829	139,825	39,365	(467,801)	616	(40,683)	(268,855)	(33,627)
Add/(Less): Adjustment for changes in reserve for unexpired risks	12,569,909	11,485,515	24,075,424	159,348	10,562	1,665	614,271	(1,293)	4,597,030	25,036,047	285,648	21,921	577,491	4,615,047	864,413	60,857,174

Schedules

Annexed to and forming part of the Revenue Accounts

SCHEDULE - 2 CLAIMS INCURRED (NET)

Particulars	For the year ended March 31, 2022				For the year ended March 31, 2021				Total		
	File		Marine		* Miscellaneous		Total			**	
	Motor-OD	Motor-TP	Marine Cargo	Marine Hull	Marine Cargo	Marine Hull	Marine Total	Marine Total		Miscellaneous	Others
Claims paid direct	4,141,614	1,240,915	1,278,650	37,735	75,072,195	80,492,459	3,524,891	1,807,831	1,842,940	56,592,039	61,959,870
Add: Claims on Re-insurance accepted	450,649	54,379	54,379	—	17,310	522,337	232,618	87,241	87,241	43,249	363,108
Less: Claims on Re-insurance ceded	(3,517,788)	(529,933)	(567,408)	(37,475)	(27,895,575)	(31,980,771)	(2,930,443)	(1,404,887)	(1,139,777)	(23,221,275)	(27,291,495)
Net Claims paid	1,074,475	765,361	765,621	260	47,193,930	49,034,025	827,066	790,185	790,404	33,414,013	35,031,483
Add: Claims Outstanding at the end of the year	2,753,846	786,263	794,823	8,560	66,278,769	69,827,438	2,048,173	408,477	417,160	58,585,548	61,050,881
Less: Claims Outstanding at the beginning of the year	(2,048,173)	(408,477)	(417,160)	(8,683)	(58,585,548)	(61,050,881)	(1,079,659)	(480,512)	(488,843)	(45,993,376)	(47,561,878)
Total Claims Incurred (Net)	1,780,148	1,143,147	1,143,283	136	54,887,151	57,810,582	1,795,580	718,150	718,721	46,006,185	48,520,486

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

Particulars	Miscellaneous										Total Miscellaneous							
	Motor		Workmens Compensation		Public Liability		Product Liability		Aviation			Personal Accident		Health Insurance		Others		Total
	Motor-OD	Motor-TP	Motor Total	Workmens Compensation	Public Liability	Product Liability	Aviation	Personal Accident	Health Insurance	Other Liability		Home	Specialty	Weather/Crop	Others			
Claims paid direct	11,204,364	4,302,821	15,507,185	91,448	327	11,902	739,341	2,270	1,948,056	38,822,825	89,789	23,425	584,485	16,290,247	960,895	75,072,195		
Add: Claims on Re-insurance accepted	—	—	—	—	—	—	16,390	(4,605)	2,331	—	—	—	3,183	—	11	17,310		
Less: Claims on Re-insurance ceded	(756,894)	(3,547,977)	(4,304,871)	(4,573)	(124)	(11,648)	(428,576)	(2,316)	(565,195)	(9,132,289)	(19,168)	(1,521)	(513,440)	(12,618,514)	(293,640)	(27,895,575)		
Net Claims paid	10,447,470	754,844	11,202,314	86,875	203	254	327,155	(4,651)	1,385,192	29,690,536	70,621	21,904	74,528	3,671,733	667,266	47,193,930		
Add: Claims Outstanding at the end of the year	3,162,589	47,990,177	51,152,766	218,905	12,317	12,226	455,380	70,789	2,449,020	5,090,343	315,267	58,274	449,517	5,151,939	842,127	66,278,769		
Less: Claims Outstanding at the beginning of the year	(2,452,449)	(40,800,584)	(43,253,033)	(234,886)	(11,244)	(12,317)	(606,723)	(86,863)	(2,272,400)	(6,423,038)	(311,521)	(30,447)	(387,622)	(4,268,080)	(687,376)	(58,585,548)		
Total Claims Incurred (Net)	11,157,610	7,944,437	19,102,047	70,794	1,276	163	175,813	(20,725)	1,561,812	28,357,841	74,367	49,731	136,423	4,555,692	822,017	54,887,151		

** Miscellaneous Claims Incurred (Net) Breakup for the year ended March 31, 2021

Particulars	Miscellaneous										Total Miscellaneous							
	Motor		Workmens Compensation		Public Liability		Product Liability		Aviation			Personal Accident		Health Insurance		Others		Total
	Motor-OD	Motor-TP	Motor Total	Workmens Compensation	Public Liability	Product Liability	Aviation	Personal Accident	Health Insurance	Other Liability		Home	Specialty	Weather/Crop	Others			
Claims paid direct	9,589,399	2,802,165	12,391,564	59,286	3,384	—	811,040	51,289	1,545,667	24,429,451	202,934	12,530	179,189	15,641,743	1,263,962	56,592,039		
Add: Claims on Re-insurance accepted	—	—	—	—	—	—	26,540	15,768	—	27	914	—	—	—	—	43,249		
Less: Claims on Re-insurance ceded	(1,244,637)	(2,381,396)	(3,626,033)	(3,002)	(185)	—	(375,495)	(51,193)	(415,977)	(5,452,399)	(190,103)	(672)	(11,3,699)	(12,341,667)	(650,850)	(23,221,275)		
Net Claims paid	8,344,762	420,769	8,765,531	56,284	3,199	—	462,085	15,864	1,129,690	18,977,079	13,745	11,858	65,490	3,300,076	613,112	33,414,013		
Add: Claims Outstanding at the end of the year	2,452,449	40,800,584	43,253,033	234,886	11,244	12,317	606,723	86,863	2,272,400	6,423,038	311,521	30,447	387,622	4,268,080	687,376	58,585,548		
Less: Claims Outstanding at the beginning of the year	(1,936,519)	(33,225,630)	(35,162,149)	(189,817)	(11,027)	(8,612)	(406,368)	(88,080)	(1,267,255)	(4,035,386)	(14,936)	(196,600)	(3,986,643)	(477,617)	(45,993,376)			
Total Claims Incurred (Net)	8,860,692	7,995,723	16,856,415	101,363	3,416	3,705	662,440	14,647	2,134,835	21,364,731	176,380	27,369	256,512	3,581,513	822,871	46,006,185		

Schedules

Annexed to and forming part of the Revenue Accounts

(₹ '000)

Particulars	For the year ended March 31, 2022					For the year ended March 31, 2021					
	Fire		Marine		* Miscellaneous	Marine		** Miscellaneous		Total	
	Motor-OD	Motor-TP	Marine Cargo	Marine Hull		Marine Cargo	Marine Hull	Marine Total	Total		
Commission paid direct	2,644,485	279,824	2,924,009	2,124	189,348	9,964,110	11,448,023	1,094,947	142,316	9,055,616	10,292,879
Add: Commission paid on Re-insurance accepted	-	-	-	8,618	-	46,013	208,559	75,138	4,411	39,771	119,321
Less: Commission received on Re-insurance ceded	(318,077)	(1,913,946)	(2,232,023)	(8,231)	(31,728)	(11,669,241)	(14,427,096)	(1,811,154)	(38,187)	(10,546,202)	(12,395,543)
Net commission paid/(received)	2,326,108	(1,634,122)	691,986	(1,277,634)	172,345	(1,659,118)	(2,770,514)	(641,069)	(7,255)	(1,450,815)	(1,983,344)

(₹ '000)

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

Particulars	Miscellaneous										Total Miscellaneous				
	Motor		Workmen Compensation		Public Liability		Product Liability		Others			Total			
	Motor-OD	Motor-TP	Workmen Compensation	Public Liability	Product Liability	Aviation	Engineering	Aviation	Personal Accident	Health Insurance					
Commission paid direct	2,645,281	222,312	2,867,593	23,741	2,068	1,096	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)	(4,458)	(3,538)	646	(285,157)	(10,609)	(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)	(6,870)	102,609	(75,264)	(1,354,470)	(52,687)	(1,659,118)

(₹ '000)

**** Miscellaneous Commission Breakup for the year ended March 31, 2021**

Particulars	Miscellaneous										Total Miscellaneous				
	Motor		Workmen Compensation		Public Liability		Product Liability		Others			Total			
	Motor-OD	Motor-TP	Workmen Compensation	Public Liability	Product Liability	Aviation	Engineering	Aviation	Personal Accident	Health Insurance					
Commission paid direct	2,644,485	279,824	2,924,009	22,354	2,111	1,231	3,343	685,734	4,734,279	96,373	29,204	240,736	49,880	143,202	9,055,616
Add: Commission paid on Re-insurance accepted	-	-	-	-	134	-	(72)	3,537	-	2,955	-	28,076	-	16	39,771
Less: Commission received on Re-insurance ceded	(318,077)	(1,913,946)	(2,232,023)	(3,520)	(3,102)	(1,772)	(8,058)	(874,429)	(5,016,698)	(104,330)	(2,178)	(334,800)	(1,575,470)	(95,755)	(10,546,202)
Net commission paid/(received)	2,326,108	(1,634,122)	691,986	18,834	(857)	(541)	(168,792)	(182,156)	(282,419)	(5,002)	27,026	(65,988)	(1,525,580)	47,463	(1,450,815)

(₹ '000)

SCHEDULE - 3 A

COMMISSION PAID DIRECT

Particulars	For the year ended March 31, 2022					For the year ended March 31, 2021				
	Fire		Marine		* Miscellaneous	Marine		** Miscellaneous		Total
	Fire	Marine	Marine	Fire		Marine	Miscellaneous	Total		
Agents	51,008	25,495	3,767,086	3,843,589	15,689	3,731,637	3,799,878	3,731,637	3,799,878	
Brokers	1,000,224	162,269	3,113,180	4,275,673	125,539	2,575,255	3,514,325	2,575,255	3,514,325	
Corporate Agency	243,189	1,541	2,706,636	2,951,366	1,081	2,266,914	2,496,580	2,266,914	2,496,580	
Referral	-	-	-	-	-	-	-	-	-	
Others: Web aggregator, CSC, IMF, MISF and POSP	143	43	377,209	377,395	7	481,810	482,096	481,810	482,096	
Total	1,294,565	189,348	9,964,110	11,448,023	142,316	9,055,616	10,292,879	9,055,616	10,292,879	

Schedules

Annexed to and forming part of the Revenue Accounts

(₹ '000)

Particulars	For the year ended March 31, 2022					For the year ended March 31, 2021					
	Fire	Marine		* Miscellaneous	Total	Fire	Marine		** Miscellaneous	Total	
		Marine Cargo	Marine Hull				Marine Total	Marine Cargo			Marine Hull
Employees' remuneration and welfare benefits	725,740	78,561	9,616	88,177	5,857,538	547,541	57,345	9,497	66,842	4,688,789	5,303,172
Travel, conveyance and vehicle running expenses	26,626	2,882	353	3,235	214,917	12,773	1,338	221	1,559	109,398	123,730
Training expenses	22,108	2,393	293	2,686	178,435	49,274	5,161	854	6,015	421,950	477,239
Rents, rates and taxes	47,176	5,107	625	5,732	380,767	59,138	6,194	1,026	7,220	506,419	572,776
Repairs	23,072	2,497	306	2,803	186,215	21,213	2,222	368	2,590	181,659	205,461
Printing and stationery	13,693	1,481	181	1,662	110,514	11,492	1,203	199	1,402	98,399	111,293
Communication	11,135	1,205	148	1,353	89,875	8,129	851	141	992	69,608	78,729
Legal and professional charges	521,670	56,471	6,912	63,383	4,210,461	474,026	49,645	8,222	57,867	4,059,252	4,591,145
Auditors' fees, expenses etc											
(a) as auditors	707	77	9	86	5,707	671	71	12	83	5,747	6,501
(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)	407	44	5	49	3,285	522	55	9	64	4,473	5,059
Advertisement and publicity	508,915	55,089	6,743	61,832	4,107,504	635,287	66,534	11,019	77,553	5,440,182	6,153,022
Interest and bank charges	43,291	4,686	574	5,260	409,845	31,443	3,293	545	3,838	430,807	466,089
Others:											
Electricity expenses	8,874	961	118	1,079	71,621	8,005	839	139	978	68,548	77,531
Office expenses	4,015	435	53	488	32,403	3,992	418	69	487	34,187	38,667
Miscellaneous expenses	7,596	823	101	924	61,310	8,483	889	147	1,036	72,643	82,161
Information Technology expenses	77,198	8,357	1,023	9,380	623,070	91,480	9,581	1,586	11,167	783,370	886,017
Postage and courier	5,411	586	72	658	43,674	2,725	285	48	333	23,336	26,394
Loss/(Profit) on sale of assets (net)	(77)	(8)	(1)	(9)	(618)	9,305	975	161	1,136	79,684	90,125
Depreciation	58,954	6,382	781	7,163	475,825	59,246	6,205	1,028	7,233	507,347	573,827
Total Operating Expenses	2,106,511	228,029	27,912	255,941	17,062,348	2,034,745	213,103	35,292	248,395	17,585,797	19,868,937

Schedules
Annexed to and forming part of the Revenue Accounts

(₹ '000)

Particulars	Miscellaneous														Total Miscellaneous		
	Motor				Others												
	Motor-OD	Motor-TP	Motor-TP Total	Motor Total	Workmens Compensation	Public Liability	Product Liability	Engineering	Aviation	Personal Accident	Health Insurance	Other Liability	Home	Specialty		Weather/ Crop	Others
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	5,857,638
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	949,463	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	103,109		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	0	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)	—	—	(10)	(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 Revenue Accounts

(₹ '000)

Particulars	Miscellaneous													Total Miscellaneous		
	Motor			Workmen Compensation	Public Liability	Product Liability	Engineering Aviation	Personal Accident	Health Insurance	Others					Total Miscellaneous	
	Motor-OD	Motor-TP	Motor Total							Other Liability	Home	Specialty	Weather/Crop			Others
Employees' remuneration and welfare benefits	641,579	810,634	1,452,214	7,066	1,288	417	78,026	5,137	230,588	1,595,103	35,281	9,608	97,254	1,096,889	79,918	4,688,789
Travel, conveyance and vehicle running expenses	14,969	18,914	33,883	165	30	10	1,820	120	5,380	37,217	823	224	2,269	25,592	1,865	109,398
Training expenses	57,736	72,950	130,686	636	116	38	7,022	462	20,751	143,546	3,175	865	8,752	98,710	7,192	421,950
Rents, rates and taxes	69,294	87,553	156,848	763	139	45	8,429	555	24,905	172,281	3,811	1,038	10,504	118,471	8,632	506,419
Repairs	24,857	31,407	56,263	274	50	16	3,023	199	8,934	61,799	1,367	372	3,768	42,497	3,097	181,659
Printing and stationery	13,464	17,012	30,476	148	27	9	1,637	108	4,840	33,475	740	202	2,041	23,020	1,677	98,399
Communication	9,525	12,034	21,559	105	19	6	1,158	76	3,423	23,680	524	143	1,444	16,284	1,186	69,608
Legal and professional charges	555,438	701,795	1,257,233	6,117	1,115	361	67,550	4,447	199,628	1,380,938	30,544	8,318	84,196	949,616	69,187	4,059,252
Auditors' fees, expenses etc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a) as auditors	786	994	1,780	9	2	1	96	6	283	1,955	43	12	119	1,344	98	5,747
(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)	612	773	1,385	7	1	-	74	5	220	1,522	34	9	93	1,046	76	4,473
Advertisement and publicity	744,394	940,541	1,684,935	8,198	1,494	484	90,530	5,960	267,541	1,850,724	40,935	11,148	112,840	1,272,669	92,725	5,440,182
Interest and bank charges	36,843	46,551	83,394	406	74	24	4,481	295	13,242	91,600	2,026	552	5,585	224,540	4,589	430,807
Others:																
Electricity expenses	9,380	11,851	21,231	103	19	6	1,141	75	3,371	23,319	516	140	1,422	16,036	1,168	68,548
Office expenses	4,678	5,910	10,588	52	9	3	569	37	1,681	11,630	257	70	709	7,998	583	34,187
Miscellaneous expenses	9,940	12,559	22,499	109	20	6	1,209	80	3,572	24,713	547	149	1,507	16,994	1,239	72,643
Information Technology expenses	107,190	135,435	242,625	1,180	215	70	13,036	858	38,525	266,498	5,895	1,605	16,249	183,260	13,352	783,370
Postage and courier	3,193	4,034	7,227	35	6	2	388	26	1,148	7,938	174	49	484	5,460	398	23,336
Loss/(Profit) on sale of assets (net)	10,903	13,776	24,680	120	22	7	1,326	87	3,919	27,108	600	163	1,653	18,641	1,358	79,684
Depreciation	69,422	87,714	157,136	765	139	45	8,443	556	24,951	172,597	3,818	1,040	10,523	118,688	8,647	507,347
Total Operating Expenses	2,384,204	3,012,439	5,396,643	26,257	4,786	1,550	289,958	49,088	856,901	5,927,642	131,108	35,707	361,411	4,237,759	296,985	17,585,797

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE – 5 SHARE CAPITAL

Particulars	As at	As at
	March 31, 2022 (₹ '000)	March 31, 2021 (₹ '000)
Authorised Capital		
2000,000,000 Equity Shares of ₹ 10/- each (Previous year: 2000,000,000 Equity Shares of ₹ 10/- each)	20,000,000	20,000,000
Issued Capital		
712,780,035 Equity Shares of ₹ 10/- each (Previous year: 711,564,933 Equity Shares of ₹ 10/- each)	7,127,800	7,115,649
Subscribed Capital		
712,780,035 Equity Shares of ₹ 10/- each (Previous year: 711,564,933 Equity Shares of ₹ 10/- each)	7,127,800	7,115,649
Called-up Capital		
712,780,035 Equity Shares of ₹ 10/- each (Previous year: 711,564,933 Equity Shares of ₹ 10/- each)	7,127,800	7,115,649
Less: Calls unpaid	—	—
Add: Equity Shares forfeited (Amount originally paid up)	—	—
Less: Preliminary Expenses	—	—
Total	7,127,800	7,115,649

Pursuant to the stake sale of 0.62% by HDFC Limited to ERGO International AG, the holding of HDFC Limited has reduced to below 50% with effect from May 11, 2021. Accordingly, HDFC Limited is no longer 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, 2022		As at March 31, 2021	
	(Number of Shares)	(% of Holding)	(Number of Shares)	(% of Holding)
Promoters:				
Indian: Housing Development Finance Corporation Limited	356,253,482	49.98%	359,741,874	50.56%
Foreign: ERGO International AG	349,204,344	48.99%	293,470,812	41.24%
Munich Health Holding AG	—	0.00%	51,321,532	7.21%
Others: Employees	7,322,209	1.03%	7,030,715	0.99%
Total	712,780,035	100.00%	711,564,933	100.00%

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE - 6

RESERVES AND SURPLUS

Particulars	As at March 31, 2022 (₹ '000)		As at March 31, 2021 (₹ '000)	
Capital Reserves		—		—
Capital Redemption Reserve		—		—
Reserve on Amalgamation		3,003,014		3,003,014
Share Premium				
Balance Brought forward from Previous Year	14,012,512		13,958,314	
Add: Addition during the period	<u>153,429</u>	14,165,941	<u>54,198</u>	14,012,512
General Reserves				
Balance Brought forward from Previous Year	—		—	
Less: Debit balance in Profit and Loss Account	—		—	
Add: Transfer from Debenture Redemption Reserve	<u>—</u>	—	<u>—</u>	—
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	<u>—</u>	356,468	<u>—</u>	356,468
Balance of Profit/(Loss) in Profit and Loss Account				
Balance Brought forward from Previous Year	7,783,933		4,002,118	
Add: Profit during the period	2,684,781		3,781,815	
Less: Transfer to Debenture Redemption Reserve	<u>—</u>	10,468,714	<u>—</u>	7,783,933
Total		<u>27,994,137</u>		<u>25,155,927</u>

SCHEDULE - 7

BORROWINGS

Particulars	As at March 31, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
Debentures/Bonds (Refer note 33 of Schedule 16)	5,290,000	5,040,000
Banks	—	—
Financial Institutions	—	—
Others:	—	—
Total	<u>5,290,000</u>	<u>5,040,000</u>

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, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	8,057,038	7,904,031
Other Approved Securities	7,004,864	3,184,193
Other Investment:		
Shares		
- Equity	2,184,533	740,489
Less : Provision for Diminution in value of Investments*	(48,643)	(103,793)
- Preference	—	—
Mutual Funds	23,110	17,141
Derivative Instruments	—	—
Debentures/Bonds	5,027,211	5,447,533
Less : Provision for Diminution in value of Investments*	(649,265)	(1,013,062)
Other Securities (Bank Deposits)	4,874	36,213
Investments in Infrastructure and Housing	9,872,217	7,959,598
Sub-total (A)	31,475,939	24,172,343
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	630,511	918,412
Other Approved Securities	782,386	38,479
Other Investment:		
Shares		
- Equity	—	81,842
- Preference	—	2,734
Mutual Funds	1,315,970	2,321,494
Derivative Instruments	—	—
Debentures/Bonds	2,971,821	2,101,419
Less : Provision for Diminution in value of Investments *	(1,691,083)	(1,568,885)
Other Securities (Commercial Papers and Certificate of Deposits)	655,949	654,918
Subsidiaries	—	—
Investment Properties-Real Estate	—	—
Investments in Infrastructure and Housing	1,063,104	806,079
Sub-total (B)	5,728,658	5,356,492
Total (A+B)	37,204,597	29,528,835

Note:

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

	As at March 31, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
Long term investments - Book Value	29,316,939	23,518,506
Market Value	29,625,033	24,283,741
Short term investments - Book Value	4,412,690	2,953,159
Market Value	4,446,569	2,978,182

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, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	31,783,666	36,644,428
Other Approved Securities	27,633,018	14,762,466
Other Investment:		
Shares		
- Equity	8,425,731	2,951,831
- Preference	—	—
Mutual Funds	91,167	79,467
Derivative Instruments	—	—
Debentures/Bonds	17,270,263	20,558,962
Other Securities (Bank Deposits)	19,226	167,887
Subsidiaries	—	—
Investment Properties-Real Estate	—	—
Investments in Infrastructure and Housing	38,944,247	36,902,050
Sub-total (A)	124,167,318	112,067,091
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	2,487,267	4,257,919
Other Approved Securities	3,086,382	178,396
Other Investment:		
Shares		
- Equity	—	379,433
- Preference	—	12,673
Mutual Funds	5,191,280	10,762,832
Derivative Instruments	—	—
Debentures/Bonds	5,052,300	2,468,922
Other Securities (Commercial Papers and Certificate of Deposits)	2,587,608	3,036,311
Subsidiaries	—	—
Investment Properties-Real Estate	—	—
Investments in Infrastructure and Housing	4,193,768	3,737,126
Sub-total (B)	22,598,605	24,833,612
Total (A+B)	146,765,923	136,900,703

Note:

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

	As at March 31, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
Long term investments - Book Value	115,650,422	109,035,794
Market Value	116,865,805	112,583,551
Short term investments - Book Value	17,407,325	13,691,347
Market Value	17,540,971	13,807,359

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, 2022 (₹ '000)	As at March 31, 2021 (₹ '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

(₹ '000)

Particulars	Cost/Gross Block			Depreciation/Amortisation			Net Block As at Year end		
	Opening	Additions	Deductions	Closing	Upto last year	For the period		On Sales/ Adjustments	To Date
Intangibles - Computer Software*	2,380,642 (2,340,910)	486,602 (244,790)	39 (205,058)	2,867,205 (2,380,642)	1,939,522 (1,829,802)	211,880 (243,951)	38 (134,231)	2,151,364 (1,939,522)	715,841 (441,120)
Leasehold Property	160,325 (172,122)	277 (13,094)	2,921 (24,891)	157,681 (160,325)	144,569 (127,176)	11,972 (17,688)	2,373 (295)	154,168 (144,569)	3,513 (15,756)
Building	1,516,086 (1,267,779)	— (248,307)	— (1,516,086)	1,516,086 (1,516,086)	159,562 (135,323)	25,192 (24,238)	— (131,192)	184,754 (159,562)	1,331,332 (1,356,524)
Furniture and Fittings	426,240 (437,804)	10,749 (48,896)	2,388 (60,460)	434,601 (426,240)	230,772 (248,137)	36,257 (35,242)	1,513 (52,607)	265,516 (230,772)	169,085 (195,468)
Information Technology Equipment	1,343,048 (1,326,207)	265,615 (164,398)	147,669 (147,557)	1,460,994 (1,343,048)	1,003,410 (948,885)	186,893 (185,717)	144,903 (131,192)	1,045,400 (1,003,410)	415,594 (339,638)
Vehicles	218,696 (231,299)	86,567 (17,118)	49,223 (29,721)	256,040 (218,696)	139,535 (120,096)	39,323 (38,907)	41,483 (19,468)	137,375 (139,535)	118,665 (79,161)
Office Equipment	337,820 (305,887)	34,374 (42,504)	1,223 (10,571)	370,971 (337,820)	261,313 (242,570)	30,424 (28,085)	1,236 (9,342)	290,501 (261,313)	80,470 (76,507)
Total	6,382,857 (6,082,008)	884,184 (779,107)	203,463 (478,258)	7,063,578 (6,382,857)	3,878,683 (3,651,989)	541,941 (573,828)	191,546 (347,134)	4,229,078 (3,878,683)	2,834,500 (2,504,174)
Capital Work-in-progress (includes advances)	229,430 (394,334)	414,008 (312,204)	484,976 (477,108)	158,462 (229,430)	— (—)	— (—)	— (—)	— (—)	158,462 (229,430)
Grand Total	6,612,287 (6,476,342)	1,298,192 (1,091,311)	688,439 (955,366)	7,222,040 (6,612,287)	3,878,683 (3,651,989)	541,941 (573,828)	191,546 (347,134)	4,229,078 (3,878,683)	2,992,962 (2,733,604)

* There are no internally generated Computer Software
(Figures in bracket, pertains to Previous Period)

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE - 11

CASH AND BANK BALANCES

Particulars	As at March 31, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
Cash (including cheques, drafts and stamps)	171,807	811,595
Bank Balances		
(a) Deposit Accounts	—	—
(aa) Short-term (due within 12 months)	46,376	772,469
(bb) Others	11,272	4,671
(b) Current Accounts	1,113,400	3,149,514
(c) Others	—	—
Money at Call and Short Notice		
(a) With Banks	—	—
(b) With Other Institutions	—	—
Others	—	—
Total	1,342,855	4,738,249

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

Particulars	As at March 31, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
ADVANCES		
Reserve deposits with ceding companies	—	—
Prepayments	308,434	248,395
Advance tax paid and taxes deducted at source (Net of provision for taxation)	396,216	354,080
Others:		
Advances to employees	9,634	7,584
Advances to suppliers	550,086	800,713
Goods and Service tax Unutilised Credit	1,165,360	862,074
Sub-total	(A) 2,429,730	2,272,846

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE - 12

ADVANCES AND OTHER ASSETS (Continued)

Particulars		As at March 31, 2022 (₹ '000)		As at March 31, 2021 (₹ '000)
OTHER ASSETS				
Income accrued on investments		4,140,719		3,894,317
Outstanding Premiums	16,424,872		10,956,266	
Less : Provisions for doubtful debts Receivable	(6,856)	16,418,016	(6,856)	10,949,410
Agents' Balances	10,191		7,123	
Less : Provisions for doubtful debts	(34)	10,157	(1,217)	5,905
Due from other entities carrying on insurance business		657,220		1,089,638
Due from subsidiaries/holding Company		—		—
Others:				
Deposits for premises		120,974		147,133
Stock of Salvaged Cars		2,874		—
Unclaimed amount of Policyholders Investment		188,201		147,786
Interest Income on Unclaimed amount of Policyholders Investment		43,616		44,772
Sub-total	(B)	21,581,777		16,278,961
Total	(A+B)	24,011,507		18,551,807

SCHEDULE - 13

CURRENT LIABILITIES

Particulars		As at March 31, 2022 (₹ '000)		As at March 31, 2021 (₹ '000)
Agents' Balances		704,800		571,506
Balances due to other insurance companies		32,521,287		29,374,458
Premiums received in advance		8,685,254		8,938,194
Unallocated Premium		6,943,492		6,013,690
Unclaimed amount of Policyholders (Refer note 28 of Schedule 16)		284,107		264,090
Interest on Unclaimed amount of Policyholders(Refer note 28 of Schedule 16)		43,616		44,772
Sundry creditors		6,308,138		5,160,450
Due to subsidiaries/holding company		—		112,036
Claims Outstanding		69,827,438		61,050,885
Due to Officers/Directors		3,600		3,700
Others:				
Tax deducted at source		620,633		499,115
Other statutory dues		48,892		48,331
Interest payable on debentures		234,453		231,446
Total		126,225,710		112,312,673

Schedules

Annexed to and forming part of the Balance Sheet

SCHEDULE - 14 PROVISIONS

Particulars	As at March 31, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
Reserve for Unexpired Risk	45,535,965	43,253,664
For taxation (less advance tax paid and taxes deducted at source)	9,349	—
For proposed dividends	—	—
Others:		
Provision for Employee benefits	68,615	47,852
Total	45,613,929	43,301,516

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

Particulars	As at March 31, 2022 (₹ '000)	As at March 31, 2021 (₹ '000)
Discount Allowed in issue of shares/debentures	—	—
Others:		
Pre-operative expenses:		
Opening balance	—	—
Incurred during the period	—	—
Less: Amortisation during the period	—	—
Total	—	—

Schedules - 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 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 subsequent revisions to or cancellations of premiums are accounted for in the period in which they occur.

Schedules - 16 (Continued)

Notes to Accounts

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. Reserve for unexpired risk is calculated on the basis of 1/365th method in all segment subject to a minimum of 100% in case of Marine Hull business and based on Net Premium Written during the year, whichever is higher as per Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016.

(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 claims handling) exceeds related reserve for unexpired risk. The expected claim costs are calculated and duly certified by the Appointed Actuary.

Schedules - 16 (Continued)

Notes to Accounts

(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 are stated at cost of acquisition (including incidental expenses relating to acquisition and installation of assets) 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. 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.

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

Schedules - 16 (Continued)

Notes to Accounts

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

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 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.

Schedules - 16 (Continued)

Notes to Accounts

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 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).

Schedules - 16 (Continued)

Notes to Accounts

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.

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.

Schedules - 16 (Continued)

Notes to Accounts

(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 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) 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 the GIC. The reinsurance accepted on account of terrorism 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.

Schedules - 16 (Continued)

Notes to Accounts

(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 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 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

Schedules - 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.

(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.

Schedules - 16 (Continued)

Notes to Accounts

3. Stake sale by Housing Development Finance Corporation Limited and Munich Health Holding AG.

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, 2022	As at March 31, 2021
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	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)	1,778,984	Nil
6	Reinsurance obligations to the extent not provided for in accounts	Nil	Nil
7	Others	Nil	Nil

Note :

- (1) The Company has received demand orders from the GST Authorities for various years amounting to ₹ 1,778,984 thousand towards base service tax. Appeals against these demand orders will be filed in due course before the appropriate Authorities.
- (2) The Company has pending litigations arising out of matters relating to GST/Service tax and has received Order in Original in respect of GST/Service Tax matters of ₹ 2,082,369 thousand (March 31, 2021 ₹ 2,015,673 thousand). Based on the expert advice in respect of these matters, the Management does not expect any outflow of economic benefits and assessed the likelihood of outflow of resources as remote.

5. ENCUMBRANCES ON ASSETS

The assets of the Company are free from encumbrances.

6. COMMITMENTS

There are commitments made and outstanding of thousand ₹ 67,719 (Previous year ₹ 88,648 thousand) for investments.

Estimated amount of contracts remaining to be executed on capital account and not provided for, [net of payments ₹ 158,461 thousand (Previous year ₹ 229,430 thousand)] is ₹ 285,452 thousand (Previous year ₹ 297,900 thousand).

There are no commitments made and outstanding for loans (Previous year ₹ Nil).

Schedules - 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, 2022	For the year ended March 31, 2021
Outside India	117,114	136,874

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, 2022	As at March 31, 2021
More than six months	33,307,142	31,364,229
Others	9,137,623	10,949,031

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, 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 / Specialty	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.

Schedules - 16 (Continued)

Notes to Accounts

For the year ended on March 31, 2021

Particulars	Basis	Gross Premium	Retention	Cession	Retention	Cession
		(₹ '000)	(₹ '000)	(₹ '000)	%	%
Fire	Total sum insured	12,880,529	3,804,160	9,076,369	30	70
Marine Cargo	Value at Risk	1,345,144	1,075,288	269,855	80	20
Marine Hull	Total sum insured	222,770	609	222,161	—	100
Miscellaneous						
- Motor	Total sum insured	34,064,555	24,734,822	9,329,732	73	27
- Workmen's Compensation	Value at Risk	165,741	147,532	18,209	89	11
- Public/Product Liability	Value at Risk	39,995	8,568	31,427	21	79
- Engineering	Total sum insured	1,836,286	611,418	1,224,868	33	67
- Aviation	Value at Risk	120,489	(1,331)	121,820	—	100
- Personal Accident	Value at Risk	5,408,902	3,898,459	1,510,444	72	28
- Health Insurance	Value at Risk	37,416,318	24,897,466	12,518,852	67	33
- Other Liability / Specialty	Value at Risk	3,108,881	823,157	2,285,724	26	74
- Others	Value at Risk	27,829,724	6,057,474	21,772,249	22	78

The above excludes Excess of Loss cover reinsurance premium of ₹ 1,014,770 thousand for the year ended on March 31, 2021.

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 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 terms of the IRDAI guidelines in earlier years since these Companies had defaulted in the payment of interest and redemption proceeds and were accordingly fully provided for as on March 31, 2021.

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.

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 view of further expected recovery, the balance of ₹ 8,400 thousand investment in DHFL's Non-Convertible Debentures (NCDs) has been carried forward.

Historical cost of investments which have been valued on a market value basis:

Mutual Funds – ₹ 6,635,681 thousand (Previous year ₹ 13,192,752 thousand)

Equity Shares – ₹ 9,894,589 thousand (Previous year ₹ 3,774,017 thousand)

Schedules - 16 (Continued)

Notes to Accounts

(₹ '000)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate market value of the Investments other than Mutual Fund and Equity Shares	168,478,378	153,652,833
Aggregate amortized cost/cost of the Investments other than Mutual Fund and Equity Shares	166,787,375	149,198,806

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.

Details of their remuneration included in employee remuneration and welfare benefits are as follows:

(₹ '000)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary, perquisites and bonus	152,831	134,055
Contribution to Provident Fund	4,652	4,069
Total	157,483	138,124

Out of the above ₹15,000 thousand (Previous year ₹ 15,000 thousand) remuneration for each Director has been charged to Revenue Accounts and balance ₹ 112,483 thousand (Previous year ₹ 93,124 thousand) has been transferred to Profit and Loss Account.

- (b) During the year, the Company has paid an amount of ₹ 4,000 thousand (Previous year ₹ 4,000 thousand) as Commission to Independent Directors. An amount of ₹ 15,600 thousand (Previous year ₹ 21,700 thousand) has been paid as fees to Non-Executive Directors for attending Board/Committee meetings and ₹ 170 thousand (Previous year ₹ 120 thousand) has been paid for a Group Medclaim 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, 2022	For the year ended March 31, 2021
Salary, perquisites and bonus	215,295	180,701
Contribution to Provident Fund	5,301	4,496
Total	220,596	185,197

In addition to the above, Wholetime 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.

Schedules - 16 (Continued)
Notes to Accounts

12. SECTOR WISE BUSINESS BASED ON GROSS DIRECT PREMIUM INCOME (GDPI)

Business Sector	For the year ended March 31, 2022		For the year ended March 31, 2021	
	GDPI (₹ '000)	% of GDPI	GDPI (₹ '000)	% of GDPI
Rural	37,005,332	27	34,738,074	28
Urban	97,970,175	73	88,212,953	72
Total	134,975,507	100	122,951,027	100

Social Sector	For the year ended March 31, 2022	For the year ended March 31, 2021
Number of lives	8,449,491	8,951,187
GDPI (₹ '000)	26,096,710	27,760,111

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, 2022	As at March 31, 2021
Not later than one year	244,467	291,242
Later than one year but not later than five years	181,637	210,315
Later than five years	—	—

The aggregate operating lease rental, charged to the Revenue Accounts in the current year is ₹ 314,645 thousand (Previous year ₹ 405,322 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.

Schedules - 16 (Continued)

Notes to Accounts

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, 2022	As at March 31, 2021
Deferred Tax Assets:		
Section 43B & 40(a) of Income Tax Act	30,208	24,224
Rule 6 E of the Income-tax rules, 1962 (Reserve for unexpired risk)	—	—
Amalgamation Expenses	75,211	100,974
Provision for diminution in value of Investment and Doubtful Debts	599,530	674,514
Total	704,949	799,712
Deferred Tax Liabilities:		
Depreciation	118,339	63,179
Total	118,339	63,179
Deferred Tax Asset / (Liabilities) (Net)	586,610	736,533

Deferred Tax on unabsorbed depreciation or carried forward loss under taxation laws are recognized only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which Deferred Tax Asset can be realized.

16. EMPLOYEE STOCK OPTION PLAN (ESOP)

The Company had introduced an Employee Stock Option Plan 2009 (“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 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 (Previous year Tranche XIV, having 1,530,500 options granted at ₹ 363.80 per option, Tranche XV having 10,000 options granted at ₹ 363.80 per option & HI Tranche VII having 125,000 options granted at ₹ 359.21 per option). Accordingly, during the year, Nil options (Previous year 2,922 options) were vested out of HI Tranche III, 8,312 options (Previous year Nil options) were vested out of HI Tranche IV, 15,587 options (Previous year Nil options) were vested out of HI Tranche V, 6,494 options (Previous year Nil options) were vested out of HI Tranche VI, Nil options (Previous year 20,000 options) were vested out of Tranche VIII, 967,500 options (Previous year 503,750 options) were vested out of Tranche IX, 210,000 options (Previous year 217,500 options) were vested out of Tranche X, 25,000 options (Previous year 25,000 options) were vested out of Tranche XI and 25,000 options (Previous year Nil options) were vested out of Tranche XII.

Schedules - 16 (Continued)
Notes to Accounts

Movement in the options:

(No. of Options)

Particulars	Tranche XVII		Tranche XVI		Tranche XV		Tranche XIV	
	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Outstanding at the beginning of the year	–	–	–	–	10,000	–	1,502,500	–
Granted during the year	33,82,475	–	100,000	–	–	10,000	–	1,530,500
Exercised during the year	–	–	–	–	–	–	–	–
Lapsed during the year	102,000	–	–	–	–	–	55,000	28,000
Outstanding at the end of the year	32,80,475	–	100,000	–	10,000	10,000	1,447,500	1,502,500
Unvested at the end of the year	32,80,475	–	100,000	–	10,000	10,000	1,447,500	1,502,500
Vested at the end of the year	–	–	–	–	–	–	–	–
Weighted average price per option	536	–	536	–	363.80	363.80	363.80	363.80

(No. of Options)

Particulars	Tranche XIII		Tranche XII		Tranche XI		Tranche X	
	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Outstanding at the beginning of the year	–	100,000	100,000	100,000	100,000	100,000	746,749	870,000
Granted during the year	–	–	–	–	–	–	–	–
Exercise during the year	–	–	–	–	25,000	–	180,768	123,251
Lapsed during the year	–	100,000	–	–	–	–	47,500	–
Outstanding at the end of the year	–	–	100,000	100,000	75,000	100,000	518,481	746,749
Unvested at the end of the year	–	–	100,000	100,000	50,000	75,000	395,000	652,500
Vested at the end of the year	–	–	–	–	25,000	25,000	123,481	94,249
Weighted average price per option	364.40	364.40	364.40	364.40	257	257	257	257

(No. of Options)

Particulars	Tranche IX		Tranche VIII		HI Tranche VII		Tranche VII	
	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Outstanding at the beginning of the year	1,725,000	1,872,500	–	20,000	125,000	–	520,600	550,000
Granted during the year	–	–	–	–	–	125,000	–	–
Exercise during the year	510,500	122,500	–	20,000	–	–	339,600	29,400
Lapsed during the year	15,000	25,000	–	–	–	–	–	–
Outstanding at the end of the year	1,199,500	1,725,000	–	–	125,000	125,000	181,000	520,600
Unvested at the end of the year	–	982,500	–	–	125,000	125,000	–	–
Vested at the end of the year	1,199,500	742,500	–	–	–	–	181,000	520,600
Weighted average price per option	151	151	91	91	359.21	359.21	80	80

Schedules - 16 (Continued)
Notes to Accounts

(No. of Options)

Particulars	HI Tranche VI		Tranche VI		HI Tranche V		Tranche V	
	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Outstanding at the beginning of the year	201,308	383,134	—	—	77,928	162,349	57,000	76,000
Granted during the year	—	—	—	—	—	—	—	—
Exercise during the year	—	—	—	—	—	—	57,000	19,000
Lapsed during the year	84,418	181,826	—	—	15,586	84,421	—	—
Outstanding at the end of the year	116,890	201,308	—	—	62,342	77,928	—	57,000
Unvested at the end of the year	110,396	201,308	—	—	46,755	77,928	—	—
Vested at the end of the year	6,494	—	—	—	15,587	—	—	57,000
Weighted average price per option	364.60	364.60	80	80	281.05	281.05	62.50	62.50

(No. of Options)

Particulars	HI Tranche IV		Tranche IV		HI Tranche III		Tranche III	
	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Outstanding at the beginning of the year	33,247	91,429	80,000	98,500	8,767	35,066	—	13,000
Granted during the year	—	—	—	—	—	—	—	—
Exercised during the year	8,312	—	78,000	18,500	2,922	—	—	13,000
Lapsed during the year	—	58,182	—	—	—	26,299	—	—
Outstanding at the end of the year	24,935	33,247	2,000	80,000	5,845	8,767	—	—
Unvested at the end of the year	24,935	33,247	—	—	5,845	5,845	—	—
Vested at the end of the year	—	—	2,000	80,000	—	2,922	—	—
Weighted average price per option	75.81	75.81	50	50	75.81	75.81	50	50

(No. of Options)

Particulars	Tranche II		Tranche I	
	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Outstanding at the beginning of the year	—	—	13,000	13,000
Granted during the year	—	—	—	—
Exercised during the year	—	—	13,000	—
Lapsed during the year	—	—	—	—
Outstanding at the end of the year	—	—	—	13,000
Unvested at the end of the year	—	—	—	—
Vested at the end of the year	—	—	—	13,000
Weighted average price per option	10	10	10	10

Schedules - 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 ₹ 207,320 thousand (Previous year ₹ 115,532 thousand) and profit after tax would have been lower by ₹ 155,274 thousand (Previous year ₹ 86,337 thousand). Consequently, the Company's basic and diluted earnings per share would have been ₹ 6.80 and ₹ 6.78 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 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.

Schedules - 16 (Continued)
Notes to Accounts

Particulars		Fair Value Method	
		For the year ended March 31, 2022	For the year ended March 31, 2021
A	Net Profit after Tax (₹ '000)	4,846,042	5,830,173
B	Less: Preference dividend	—	—
C	Weighted Average number of Equity Shares of ₹10/- each (Basic) (in '000)	712,655	711,483
D	Weighted Average number of Equity Shares of ₹10/- each (Diluted) (in '000)	714,616	713,328
E	Basic Earnings Per Share (₹)	6.80	8.19
F	Diluted Earnings Per Share (₹)	6.78	8.17

Information in respect of Options outstanding

Particulars		Exercise Price (₹)	No. of Options	Weighted Average remaining life
Tranche XVII	As at March 31, 2022	536	3,280,475	91 Months
	As at March 31, 2021	—	—	—
Tranche XVI	As at March 31, 2022	536	100,000	88 Months
	As at March 31, 2021	—	—	—
Tranche XV	As at March 31, 2022	363.80	10,000	78 months
	As at March 31, 2021	363.80	10,000	90 months
Tranche XIV	As at March 31, 2022	363.80	1,447,500	77 months
	As at March 31, 2021	363.80	1,502,500	89 months
Tranche XIII	As at March 31, 2022	—	—	—
	As at March 31, 2021	—	—	—
Tranche XII	As at March 31, 2022	364.40	100,000	73 months
	As at March 31, 2021	364.40	100,000	85 months
Tranche XI	As at March 31, 2022	257	75,000	56 Months
	As at March 31, 2021	257	100,000	68 months
Tranche X	As at March 31, 2022	257	518,481	52 months
	As at March 31, 2021	257	746,749	64 months
Tranche IX	As at March 31, 2022	151	1,199,500	40 months
	As at March 31, 2021	151	1,725,000	52 months
Tranche VIII	As at March 31, 2022	—	—	—
	As at March 31, 2021	—	—	—
HI Tranche VII	As at March 31, 2022	359.21	125,000	77 months
	As at March 31, 2021	359.21	125,000	89 months

Schedules - 16 (Continued)
Notes to Accounts

Tranche VII	As at March 31, 2022	80	181,000	14 months
	As at March 31, 2021	80	520,600	26 months
HI Tranche VI	As at March 31, 2022	364.60	116,890	73 months
	As at March 31, 2021	364.60	201,308	85 months
Tranche VI	As at March 31, 2022	—	—	—
	As at March 31, 2021	—	—	—
HI Tranche V	As at March 31, 2022	281.05	62,342	74 months
	As at March 31, 2021	281.05	77,928	86 months
Tranche V	As at March 31, 2022	—	—	—
	As at March 31, 2021	62.5	57,000	4 months
HI Tranche IV	As at March 31, 2022	75.81	24,935	68 months
	As at March 31, 2021	75.81	33,247	80 months
Tranche IV	As at March 31, 2022	50	2,000*	—
	As at March 31, 2021	50	80,000	1 month
HI Tranche III	As at March 31, 2022	75.81	5,845	45 months
	As at March 31, 2021	75.81	8,767	57 months
Tranche III	As at March 31, 2022	—	—	—
	As at March 31, 2021	—	—	—
Tranche II	As at March 31, 2022	—	—	—
	As at March 31, 2021	—	—	—
Tranche I	As at March 31, 2022	—	—	—
	As at March 31, 2021	10	13,000	—

*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 would be considered in the next exercise window 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**.

19. EMPLOYEE BENEFITS

(a) Defined Contribution Plan:

(₹'000)

Expenses on defined contribution plan	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to Staff Provident fund	242,006	214,151
Contribution to Superannuation fund	Nil	Nil
Contribution to National Pension Scheme	17,528	16,832
Total	259,534	230,983

Schedules - 16 (Continued)

Notes to Accounts

(b) Defined Benefit Plan – Gratuity:

Disclosures as per AS-15 (Revised) “Employee Benefits” for the year ended on March 31, 2022:

(₹'000)

Sl. No.	Particular	March 31, 2022	March 31, 2021
I.	Assumptions		
	Discount Rate	6.09%	5.58%
	Rate of increase in compensation levels	7.00%	7.00%
	Rate of Return on Plan Assets p.a.	6.09%	5.58%
II.	Table Showing Change in Benefit Obligation		
	Net liability as per books (A)	481,316	452,296
	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)	481,316	452,296
	Interest Cost for the year	26,857	31,437
	Service Cost for the year	66,902	94,515
	Past Service cost	Nil	35,164
	Benefits paid during the year	(69,523)	(63,117)
	Actuarial (Gain)/Loss on obligations	35,046	(68,978)
	Plan Benefit Obligation at the end of the year	540,598	481,316
III.	Tables of Fair value of Plan Assets		
	Fair Value of Plan Assets at the beginning of the year	489,530	433,566
	Expected Return on Plan Assets for the year	27,316	28,340
	Contributions during the year	101,244	84,376
	Benefits Paid during the year	(69,523)	(63,117)
	Actuarial Gain/(Loss) on Plan Assets	(6,512)	6,365
	Fair Value of Plan Assets at the end of the year	542,055	489,530
IV.	The Amounts to be recognised in the Balance Sheet		
	Present Value of Obligation	(540,599)	(481,316)
	Fair Value of Plan Assets	542,055	489,530
	Asset/(Liability) recognised in Balance Sheet	1,456	8,214
V.	Amounts to be recognised in the Revenue Accounts (Net Periodic Cost)		
	Current Service Cost	66,902	94,515
	Past Service cost	Nil	35,164
	Interest Cost	(458)	3,098
	Expected Return on Plan Assets	Nil	Nil
	Net actuarial (Gain) / Loss recognised in the year	41,558	(75,344)
	Actuarial determined charge for the year (A)	108,002	57,432
	Shortfall/(Excess) (B)	Nil	Nil
	Total Charge as per books (A+B)	108,002	57,432
	(expense is disclosed in the line item – Employees’ remuneration and welfare benefit)		

Schedules - 16 (Continued)
Notes to Accounts

(₹'000)

Sl. No.	Particular	March 31, 2022	March 31, 2021
VI.	Movements in the liability recognised in the Balance Sheet:		
	Net Liability as per books (A)	(8,214)	18,730
	Shortfall/(Excess) in opening liability determined as per actuarial valuation (B)	Nil	Nil
	Opening net liability(A+B)	(8,214)	18,730
	Expense as above	108,002	57,432
	Net Liability/(Asset) Transfer In	Nil	Nil
	Net (Liability)/Asset Transfer Out	Nil	Nil
	Contribution paid	(101,244)	(84,376)
	Closing Net (Asset)/Liability	(1,456)	8,214
VII.	Actual Return on Plan Assets		
	Expected return on Plan Assets	27,316	28,340
	Actuarial Gain/(Loss) on Plan Assets	(6,512)	6,365
	Actual return on Plan assets	20,804	34,705

Experience adjustments

(₹ '000)

Particulars	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Defined Benefit Obligation	540,599	481,316	452,296	276,106	234,391
Plan Assets	542,055	489,530	433,566	277,036	229,315
Surplus/(Deficit)	1,456	8,214	(18,730)	930	(5,076)
Experience Adjustment on Plan Liabilities	48,743	(67,395)	4,214	(21,701)	(20,613)
Experience Adjustment on Plan Assets	(6,512)	6,365	8,608	(1,808)	(4,446)

The Company's gratuity funds are managed by HDFC Life Insurance Company Limited. Secure Managed Fund constitutes 100% (Previous year 100%) and Liquid Fund constitutes Nil (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, 2022		Invested as on March 31, 2021	
	Secure Managed Fund	Liquid Fund	Secure Managed Fund	Liquid Fund
Government Securities	60%	—	59%	—
Debentures/Bonds	36%	—	36%	—
Deposits, Money Market Securities and Net Current Assets	4%	100%	5%	100%
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 2022-23, amounts to ₹ 74,513 thousand (Previous year ₹ 58,688 thousand).

Schedules - 16 (Continued)

Notes to Accounts

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 Life Insurance Company Limited (upto November 12, 2020)

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)

HDFC Pension Management Company Limited (upto November 12, 2020)

Entities over which Holding Company has control

HDFC Investment Trust (upto May 10, 2021)

HDFC Investment Trust II (upto May 10, 2021)

H T Parekh Foundation (upto May 10, 2021)

Investing Party and its group companies

Housing Development Finance Corporation Limited (HDFC Limited) (w.e.f. May 11, 2021)

ERGO International AG

Munich Re

Munich Health Holding AG (upto November 12, 2021)

Key Management Personnel and Relatives of Key Management Personnel

Mr. Ritesh Kumar, Managing Director and CEO (MD & CEO)

Ms. Harshita Agarwal, Daughter of Ritesh Kumar (MD & CEO)

Ms. Saloni Agarwal, Daughter of Ritesh Kumar (MD & CEO)

Mr. Amish Kumar Agarwal, Brother of Ritesh Kumar (MD & CEO)

Mr. Anuj Tyagi, Deputy Managing Director (Deputy MD)

Ms. Anya Tyagi, Daughter of Anuj Tyagi (Deputy MD)

Mr. Samir H. Shah, Executive Director & CFO (ED & CFO)

Schedules - 16 (Continued)
Notes to Accounts

(b) Details of Transactions:

(₹'000)

Particulars	Holding Company (Upto May 11, 2021)		Fellow Subsidiaries#		Investing Party and its group companies		Key Managerial Personnel (including relatives)	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
INCOME								
Interest, Dividend and Rent-Gross	54,032	458,387	—	—	442,585	—	—	—
Premium from direct business written – net of GST	11,647	113,130	17,667	73,830	182,064	—	500	210
Commission received on Reinsurance ceded	—	—	—	—	4,197,923	3,566,394	—	—
Claims on Re-insurance ceded	—	—	—	—	7,129,132	4,399,478	—	—
Other Income	30	258	—	—	240	28,443	—	—
Total	65,709	571,775	17,667	73,830	11,951,944	7,994,315	500	210
EXPENSES								
Rent, rates and taxes	7,086	65,407	—	—	56,529	—	—	—
Name Usage Fees	36,175	373,318	—	—	465,275	22,109	—	—
Electricity expenses	—	450	—	—	1,460	—	—	—
Claims paid direct	—	1,551	9	576	100	—	—	—
Commission paid	—	—	46,260	655,431	—	—	—	—
Employees' remuneration and welfare benefits	—	—	—	—	—	—	157,483	138,124
Premium on Reinsurance ceded	—	—	—	—	17,547,163	15,344,221	—	—
Interest on Debentures	—	—	—	—	112,182	162,800	—	—
Dividend	—	1,079,226	—	—	2,292,738	1,034,377	—	—
Insurance Premium Paid	—	—	—	—	—	—	—	—
Repairs (Office Maintenance)	—	11,940	—	—	6,865	—	—	—
Others	—	753	—	—	4,620	3,000	—	—
Total	43,261	1,532,644	46,269	656,007	20,486,932	16,566,507	157,483	138,124

Schedules - 16 (Continued)
Notes to Accounts

(₹'000)

Particulars	Holding Company (Upto May 11, 2021)		Fellow Subsidiaries#		Investing Party and its group companies		Key Managerial Personnel (including relatives)	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
ASSETS								
Transactions during the year								
Investment purchased during the year	—	—	—	500,305	—	—	—	—
Investment sold during the year	—	—	—	531,257	250,000	—	—	—
Account Balances:-								
Investments	—	6,638,154	—	—	6,399,596	—	—	—
Income accrued on investments	—	173,266	—	—	201,425	—	—	—
Other Receivable	—	—	—	—	—	5,698	—	—
LIABILITIES								
Account Balances:-								
Share Capital	—	3,597,419	—	—	7,054,578	3,447,923	—	—
Securities Premium	—	4,940,894	—	—	13,719,287	8,778,393	—	—
Debentures	—	—	—	—	400,000	2,100,000	—	—
Balance due to other insurance companies	—	—	—	—	11,721,722	8,315,049	—	—
Due to holding company	—	112,036	—	—	—	—	—	—
Interest Payable on Debentures	—	—	—	—	29,387	77,096	—	—
Unallocated premium	—	16,026	4,892	22,478	21,028	—	—	—
Agents' Balances	—	—	1,627	93,201	—	—	—	—
Name Usage Fees	—	—	—	—	241,571	—	—	—
Other Payables	—	—	—	—	4,620	—	—	—

includes transaction with HDFC Investment Trust, HDFC Investment Trust II & H T Parekh Foundation (Entity over which control is exercised by erstwhile Holding Company)

Schedules - 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			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	—	—	—	—
Others	—	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	—	—	—	—

Schedules - 16 (Continued)
Notes to Accounts

(₹ '000)

Particulars	Holding Company (Upto May 11, 2021)	Investing Party			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

Schedules - 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 2020-21:

(₹ '000)

Particulars	Munich Re	ERGO International AG	Munich Health Holding AG	HDFC AMC Ltd	HDFC Life (up till Nov 12, 2020)	HDFC Sales Private Limited
INCOME						
Premium from direct business written-net of GST	—	—	—	15,529	4,421	44,498
Commission received on Reinsurance ceded	3,566,394	—	—	—	—	—
Claims on Re-insurance ceded	4,399,478	—	—	—	—	—
Other Income	—	28,443	—	—	—	—
Total	7,965,872	28,443	—	15,529	4,421	44,498
EXPENSES						
Name Usage Fees	—	22,109	—	—	—	—
Claims paid direct	—	—	—	—	566	10
Premium on Reinsurance ceded	15,344,221	—	—	—	—	—
Interest on Debentures	33,600	129,200	—	—	—	—
Dividend	—	880,412	153,965	—	—	—
Commission Paid	—	—	—	—	—	655,431
Deputation Fees Paid	—	—	—	—	—	—
Other expense	3,000	—	—	—	—	—
Total	15,380,821	1,031,721	153,965	—	566	655,441
ASSETS:						
Transactions during the year						
Investment purchased during the year	—	—	—	—	500,305	—
Investment sold during the year	—	—	—	—	531,257	—
Account Balances						
Other Receivable	—	5,698	—	—	—	—
Interest accrued on investments	—	—	—	—	—	—
LIABILITIES:						
Account Balances						
Share Capital	—	2,934,708	513,215	—	—	—
Securities Premium	—	3,260,251	5,518,142	—	—	—
Debentures	400,000	1,700,000	—	—	—	—
Balance due to other insurance companies	8,315,049	—	—	—	—	—
Interest Payable on Debentures	29,242	47,854	—	—	—	—
Unallocated Premium	—	—	—	21,240	697	332
Agent Balances	—	—	—	—	—	93,201

Schedules - 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 2020-21:

(₹ '000)

Particulars	Ritesh Kumar (Incl. Relatives)	Anuj Tyagi (Incl. Relatives)	Samir H. Shah (Incl. Relatives)
INCOME			
Premium from direct business written – net of GST	154	33	23
Total	154	33	23
EXPENSES			
Commission paid direct	–	–	–
Employees remuneration and welfare benefits	84,154	28,523	25,447
Total	84,154	28,523	25,447

21. LOAN RESTRUCTURING

The Company has not given any loans in the financial year 2021-22 (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 ₹ 26,267 thousand (Previous year Loss (net) incurred of ₹ 5,747 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.

(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. However, during the year the Company has charged ₹ 20,119 thousand (Previous year ₹ 19,015 thousand) to the Revenue Accounts on an accrual basis (see accounting policy in paragraph 2(t) above) and disclosed under Current Liabilities.

(c) CONTRIBUTIONS TO ENVIRONMENT RELIEF FUND

During the year, an amount of ₹ 2,350 thousand (Previous year ₹ 2,773 thousand) was collected towards Environment Relief Fund for public liability policies and an amount of ₹ 2,416 thousand (Previous year ₹ 2,613 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 ₹ 125 thousand (Previous year ₹ 192 thousand) is included under balance due to other Insurance Companies in Schedule 13.

Schedules - 16 (Continued)
Notes to Accounts

25. EARNINGS PER SHARE (EPS)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Net Profit After Tax for the year (₹ '000)	5,001,316	5,916,510
2	Weighted Average No. of Equity Shares for Basic (₹ '000)	712,655	711,483
3	Weighted Average No. of Equity Shares for Diluted (₹ '000)	714,616	713,328
4	Basic Earnings per Share (₹)	7.02	8.32
5	Diluted Earnings per Share (₹)	7.00	8.29
6	Nominal Value per Share (₹)	10.00	10.00

There are 1,961 thousand (Previous year 1,845 thousand) dilutive potential equity shares outstanding during the year.

26. According to the information available with the Company, as on March 31, 2022, there are no dues (Previous year ₹ Nil) including any overdue amount (Previous year ₹ Nil), interest due thereon (Previous year ₹ Nil) and interest paid during the year (Previous year ₹ Nil) to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as amended.

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 the following CSR initiatives during the financial year 2021-22:

- Under the "Adopt Village" program called "Gaon Mera", re-construction of 3 Government schools in Dighal village, Jhajjar, Haryana; Jagsa village, Barmer, Rajasthan and Naikalan village, Ajmer, Rajasthan, were fully completed. Additionally, Solar panels were set up in Government school Dombaramattur, Haveri, Karnataka, to help the school reduce electricity costs sustainably.
- Besides the above, the other CSR related activities carried out by the Company include supporting students from low economic backgrounds with full scholarship for undergraduate and/or graduate program, supporting Learning Centre for mentally challenged kids, contributing to create Digital Infrastructure (Digital Village) at Gram Panchayat Level. Under its Health Program called "Niramaya", the Company has sponsored eye surgeries for children from economically challenged backgrounds in addition to extending support to under privileged children suffering from Congenital Heart Defect and supported Cochlear implants and bone marrow transplant surgeries. The Company has undertaken Women Empowerment Initiatives under the Program "Roshini" to further the cause of education of girl children by supporting learning centers and has also initiated livelihood flagship program for ultra poor women in West Bengal and provided them sustainable livelihood. Further, the Company has also selected 2 accident prone road intersections in Delhi and redesigned them to create accident free zone.

Schedules - 16 (Continued)

Notes to Accounts

- In addition, specific COVID-19 related CSR activities were carried out which included contributing to manage and run Covid-19 vaccination centers to scale-up Government of India's Covid vaccination drive and has also deployed oxygen generating plants in Government Hospitals in West Bengal, Maharashtra, Karnataka and Madhya Pradesh.

(₹'000)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
1	Gross amount required to be spent by the Company during the year.	113,776	95,191
2	Amount approved by the Board to be spent during the year	113,776	95,191
3	Amount spent during the year on:		
	– Construction/acquisition of any asset	Nil	Nil
	– On purposes other than (i) above	113,876	95,202
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, 2022
	Amount required to be spent during the year	47,999
	Amount spent during the year	47,999

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, 2022	For the year ended March 31, 2021
G. M. Kapadia & Co.	Review of quarterly financial information	1,200	1,500
	Agreed upon procedures and Certifications	1,907	2,539
	Issuance of comfort letters for Qualified Institutional Placement issue of HDFC Ltd*	—	2,500
B. K. Khare & Co.	Tax Audit	450	900
	Certifications	185	121
	Issuance of comfort letters for Qualified Institutional Placement issue of HDFC Ltd*	—	2,500

*This cost is reimbursed to the Company by HDFC Ltd and does not reflect as a charge to the Revenue / Profit & Loss Account.

Schedules - 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 the receipt of approval from the Insurance Regulatory and Development Authority of India (IRDAI) to exercise the call option on existing Redeemable Non-Convertible Debentures, the Company on November 9, 2021 has redeemed ₹ 3,500,000 thousand of its 10 years, 3,500 nos. of 7.60% Unsecured, Subordinated, Fully paid up, Listed, Redeemable Non-Convertible Debentures having face value of ₹ 1,000 thousand each and further based on the same approval, on November 9, 2021 the Company has issued fresh 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. These NCDs are listed on the BSE Limited.

Based on the above, the Company has total borrowing by way of Non-Convertible Debentures (NCDs) amounting ₹ 5,290,000 thousand as at March 31, 2022. The details of such borrowing are as under:

- a) 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")

Schedules - 16 (Continued)

Notes to Accounts

- b) 10 years, 800 nos. of 8.40% Unsecured, Subordinated, Fully paid up, Listed, Redeemable Non-Convertible Debentures (NCDs) having face value of ₹ 1,000 thousand each, issued on September 18, 2017 for cash at par under NCD Series 2017-18/1 with a call option after a period of 5 years from the date of issue (“NCD Series 2017-18/1”)
- c) 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, 2022 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 11, 2022, has approved the payment of an interim dividend of ₹ 3.25 per equity share of ₹ 10 each (Previous Year ₹ 3 per equity share of ₹ 10 each) and accordingly an amount of ₹ 2,316,535 thousand (Previous Year ₹ 2,134,695 thousand) was paid to the shareholders.
35. In light of the Covid-19 outbreak and the information available upto the date of approval of these financial statements, the Company has assessed the impact of Covid-19 on its operations and its financial statements. The assessment includes but is not limited to valuation of investments, valuation of policy-related liabilities and solvency position of the Company as at March 31, 2022. Further, there have been no material changes in the controls or processes followed in the financial closing process of the Company. The Company continuously monitors any material change in future economic conditions which may impact the financial results in future depending on developments which may differ from that estimated as at the date of approval of these financial statements in the view of any surge in Covid-19.
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.

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

In terms of our report attached

B. K. Khare & Co. Chartered Accountants Firm Registration No.: 105102W	G. M. Kapadia & Co. Chartered Accountants Firm Registration No.: 104767W	For and on behalf of the Board of Directors			
Shirish Rahalkar Partner Membership No.: 111212	Rajen Ashar Partner Membership No.: 048243	Keki M Mistry Chairman (DIN: 00008886)	Renu S. Karnad Director (DIN: 00008064)	Oliver Martin Willmes Director (DIN: 08876420)	Clemens Matthias Muth 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)
Mumbai, Dated: April 25, 2022		Ritesh Kumar Managing Director & CEO (DIN: 02213019)	Anuj Tyagi Deputy Managing Director (DIN: 07505313)	Samir H. Shah Executive Director & CFO (DIN: 08114828)	Dayananda V. Shetty Company Secretary (Membership No.: FCS 4638)

Schedules - 16 (Continued)
Notes to Accounts

Annexure 1

Segmental Breakup of the Balance Sheet as at March 31, 2022

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	2,753,846	794,823	66,278,769	—	69,827,438
(Refer note 2(h))	(2,048,173)	(417,160)	(58,585,552)	—	(61,050,885)
Reserve for Unexpired Risk	4,053,941	370,027	41,111,997	—	45,535,965
	(3,792,685)	(324,637)	(39,136,342)	—	(43,253,664)

(Previous year's figures are in brackets)

Schedules - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31, 2022

Annexure 1

	(₹ '000)																		
File	Marine Cargo	Marine Hull	Motor	Motor-OD	Motor-TP	Workmen 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	10,953,601	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
Profit or Sale of Investments	85,094	12,701	126	824,959	144,898	680,281	3,974	211	170	57,890	9,710	1,061	111,314	315,747	6,947	9,906	67,216	22,910	1,477,827
Interest, Rent and Dividend (Net of Amortisation)	511,366	76,324	738	4,957,510	869,549	4,087,962	23,881	1,268	1,021	34,737	58,352	6,377	688,929	1,897,453	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	3,481,749	1,304,412	1,447	31,374,737	15,649,434	15,725,302	17,521	8,107	1,890	276,752	512,394	7,567	5,067,356	28,632,410	151,933	662,146	6,433,152	1,100,334	79,207,867
Claims Incurred (Net) (Schedule - B)	1,780,148	1,143,147	137	19,102,047	11,157,610	7,944,437	70,794	1,275	161	74,388	175,813	(20,724)	1,561,612	28,357,842	49,729	136,424	4,555,593	822,017	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)	(443,567)	(4,645)	(566,198)	228,144	102,609	(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	268,097	25,650	846,563	6,138,079	103,156	397,656	3,894,344	221,188	19,424,797
Premium Deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenditure	2,609,025	1,443,520	21,943	24,313,115	15,863,851	8,449,565	114,050	4,956	2,109	188,581	300,343	281	1,842,578	34,724,064	254,494	458,816	7,095,467	990,518	74,464,862
Segmental Profit/(Loss)	872,724	(239,108)	(20,496)	7,061,622	(2,944,116)	7,275,737	57,470	3,151	(219)	88,171	212,050	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

	(₹ '000)																		
File	Marine Cargo	Marine Hull	Motor	Motor-OD	Motor-TP	Workmen 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	35,489,378	15,370,818	20,119,060	167,450	34,979	1,461	835,100	1,635,923	181,441	5,987,815	43,418,660	729,689	2,572,166	27,119,738	1,563,050	134,875,508
Advt. Premium on Re-insurance accepted	1,685,528	75,992	-	-	-	-	700	-	-	21,401	66,787	-	3,249	-	-	240,717	-	1,559	2,095,934
Less: Premium on Re-insurance ceded	(11,894,311)	(352,903)	(1,06,583)	(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	34,360	6,628	517	238,947	438,843	163	3,366,800	28,764,394	659,771	646,544	6,090,460	726,537	71,066,775
Advt/(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	(2,363,570)	(556,952)	(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

Schedules - 16 (Continued) Notes to Accounts

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31, 2022 (Continued) SCHEDULE - B to Annexure 1

	File	Marine Cargo	Marine Hull	Motor	Motor-OD	Motor-TP	Workmen 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	1,240,916	37,735	15,507,085	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	
Advt. Claims on Re-insurance accepted	450,660	54,379	-	-	-	-	-	-	-	-	16,389	(4,605)	2,331	-	-	3,183	-	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)	(19,168)	(428,575)	(2,316)	(565,195)	(9,132,290)	(1,521)	(513,140)	(12,618,514)	(283,640)	(31,980,770)	
Net Claims paid	1,074,416	765,363	261	11,202,214	10,447,470	754,844	86,875	202	263	70,622	327,156	(4,651)	1,385,193	29,690,536	21,903	74,528	3,671,734	867,265	49,034,029	
Advt. Claims Outstanding at the end of the year	2,753,946	786,263	8,561	51,152,766	3,462,589	47,990,177	218,805	12,316	12,226	315,267	455,379	70,789	2,449,020	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)	(234,886)	(11,244)	(12,317)	(311,821)	(606,722)	(86,863)	(2,272,400)	(6,423,038)	(30,447)	(387,622)	(4,288,080)	(687,376)	(61,050,884)	
Total Claims Incurred	1,780,148	1,143,147	137	19,102,047	11,117,610	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

	File	Marine Cargo	Marine Hull	Motor	Motor-OD	Motor-TP	Workmen 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	2,867,583	2,645,281	222,312	23,741	2,068	1,096	99,581	135,452	5,964	834,186	5,421,296	1,094,455	333,715	62,921	67,041	11,448,022	
Advt. Commission paid on Re-insurance accepted	153,929	8,618	-	-	-	-	-	109	-	2,927	6,138	-	-	-	-	36,823	-	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)	(3,539)	646	(109,378)	(285,157)	(10,609)	(1,400,384)	(5,193,152)	(6,846)	(445,801)	(1,417,391)	(119,744)	(14,427,096)	
Net commission paid/(received)	(1,277,634)	(172,344)	(6,107)	(193,865)	(2,532,860)	(2,339,095)	(19,584)	(1,362)	1,741	(6,871)	(143,567)	(4,645)	(566,198)	228,144	102,609	(75,263)	(1,354,469)	(52,686)	(2,770,515)	

Schedules - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31, 2022 (Continued)

SCHEDULE - D to Annexure 1

(₹ '000)

	Fire	Marine Cargo	Marine Hull	Motor	Motor-OD	Motor-TP	Workmen Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/Crop	Others	Total	
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	8,889	64,419	1,083	4,173	40,237	2,521	203,229	
Rents, rates and taxes	47,476	5,107	625	112,363	48,665	63,698	530	113	5	2,712	6,004	574	18,968	137,465	2,310	8,906	85,862	4,954	433,674	
Repairs	23,072	2,497	306	54,951	23,800	31,522	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	13,692	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	1,242,493	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	-	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	508,814	55,090	6,743	1,212,111	524,972	687,138	5,719	1,219	50	29,253	64,770	6,197	204,618	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	7,836	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	3,780	14,573	140,302	8,106	709,648	
Postage and courier	5,411	596	72	12,888	5,882	7,306	61	13	1	311	689	66	2,176	15,767	285	1,021	9,848	568	48,741	
Loss/(Profit) on sale of assets (net)	(77)	(8)	(1)	(183)	(79)	(104)	(1)	-	-	(4)	(10)	(1)	(31)	(223)	(4)	(14)	(140)	(8)	(705)	
Depreciation	58,954	6,382	781	140,414	60,814	79,600	663	141	6	3,369	7,503	718	23,704	171,784	2,887	11,129	107,988	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	846,863	6,138,079	103,156	397,656	3,894,344	221,188	19,424,797	

Schedules - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31, 2021

Annexure 1

	Fire	Marine Cargo	Marine Hull	Motor	Motor-OD	Motor-TP	Workmen Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty*	Weather/Crop	Others	Total
Premium Earned (Net) (Schedule - A)	2,401,067	796,804	761	24,075,424	12,589,909	11,485,515	159,349	10,562	1,664	285,648	614,271	(1,292)	4,597,030	25,036,047	21,521	577,491	4,615,048	864,412	64,055,805
Profit on Sale of Investments	52,015	7,392	97	557,317	98,133	459,184	3,018	175	117	3,636	7,881	920	89,974	229,624	1,393	6,132	45,619	15,697	1,020,908
Interest, Rent and Dividend (Net of Amortisation)	4,34,056	61,685	807	4,650,710	818,302	3,831,808	25,185	1,460	978	32,009	65,767	7,681	748,309	4,916,172	11,623	51,173	350,683	130,991	85,192,886
Investment Income from Pool	44,675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,675
Other Income	2,738	923	1	27,891	14,585	13,306	185	12	2	331	703	-	5,326	29,004	25	669	5,346	1,001	74,157
Total Segmental Revenue	29,34,550	866,803	1,666	29,311,342	13,521,529	15,789,813	187,736	12,209	2,762	321,824	688,622	7,309	5,440,338	27,210,847	34,562	635,466	5,046,697	1,012,101	73,714,833
Claims Incurred (Net) (Schedule - B)	1,795,580	718,348	573	16,656,415	8,860,893	7,985,722	101,352	3,415	3,704	176,380	682,440	14,648	2,134,835	21,364,731	27,396	256,512	3,558,513	822,872	48,520,485
Commission (Net) (Schedule - C)	(641,069)	115,795	(7,255)	691,985	2,326,107	(1,634,122)	18,835	(858)	(541)	(5,022)	(188,792)	(4,787)	(182,159)	(282,420)	27,026	(65,987)	(1,525,580)	47,464	(1,983,345)
Operating Expenses Related to Insurance Business (Schedule - D)	2,034,744	213,103	35,292	5,396,642	2,384,204	3,012,439	26,257	4,786	1,550	131,111	2,89,957	19,088	856,900	5,927,643	35,705	361,411	4,237,756	296,966	19,688,933
Premium Deficiency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Segmental Expenditure	3,189,255	1,047,046	28,610	22,945,043	13,571,004	9,374,039	146,444	7,344	4,713	302,490	783,605	28,949	2,809,576	27,009,954	90,098	551,935	6,293,689	1,167,222	66,406,072
Segmental Profit/(Loss)	(254,705)	(180,243)	(26,944)	(6,966,300)	(49,475)	6,415,774	41,292	4,865	(1,951)	19,334	(94,982)	(21,639)	2,630,761	200,892	(85,536)	835.31	(1,246,992)	(155,220)	7,308,761

* 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 Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/Crop	Others	Total
Premium Earned (NET)	11,751,194	1,266,089	222,770	34,018,456	15,049,515	19,015,041	165,741	29,448	9,783	813,992	1,748,058	121,934	5,399,683	37,416,320	225,378	2,113,322	25,729,721	1,873,038	122,951,028
Premium from direct business written-net of GST	11,293,335	79,055	-	-	-	-	-	764	-	13,602	88,228	(1,446)	9,219	-	-	167,964	-	1,587	1,488,310
Add: Premium on Re-insurance accepted	(9,657,291)	(416,935)	(222,161)	(9,369,327)	(777,013)	(6,592,314)	(18,565)	(22,846)	(6,580)	(581,312)	(1,321,028)	(121,820)	(1,580,701)	(12,520,098)	(36,056)	(1,704,412)	(21,073,990)	(741,358)	(59,396,481)
Less: Premium on Re-insurance ceded	3,223,239	928,209	609	24,695,229	14,272,502	10,422,727	147,176	7,366	1,202	246,282	515,258	(1,331)	3,628,201	24,896,222	189,322	576,875	4,655,731	1,133,267	65,042,857
Net Premium	(822,172)	(131,406)	153	(619,805)	(1,652,593)	1,062,788	12,172	3,196	462	39,366	99,013	39	768,629	139,825	(167,801)	616	(40,683)	(268,855)	(987,052)
Add/(Less)-Adjustment for changes in reserve for unexpired risks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Premium Earned	2,401,067	796,804	761	24,075,424	12,589,909	11,485,515	159,349	10,562	1,664	285,648	614,271	(1,292)	4,597,030	25,036,047	21,521	577,491	4,615,048	864,412	64,055,805

Schedules - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31, 2021 (Continued)

SCHEDULE - B to Annexure 1

	(₹ '000)																			
	Fire	Marine Cargo	Marine Hull	Motor	MotorOD	MotorTP	Workmen Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/Crop	Others	Total	
CLAIMS INCURRED (NET)																				
Claims paid direct	3,524,891	1,807,831	35,109	12,391,563	9,589,399	2,802,165	59,296	3,384	-	202,934	811,040	51,289	1,545,667	24,029,451	12,529	179,189	15,641,743	4,263,982	61,959,870	
Add: Claims on Re-insurance accepted	232,618	87,240	-	-	-	-	-	-	-	914	26,540	15,769	-	27	-	-	-	-	363,108	
Less: Re-insurance ceded	(2,930,444)	(1,104,887)	(34,890)	(3,626,033)	(1,244,637)	(2,381,396)	(3,002)	(186)	-	(190,103)	(375,494)	(51,193)	(415,977)	(5,452,389)	(672)	(113,699)	(12,341,667)	(650,650)	(27,291,496)	
Net Claims paid	827,065	790,183	219	8,765,531	8,344,762	420,768	56,294	3,199	-	13,746	462,086	15,865	1,129,690	18,977,079	11,857	65,490	3,300,076	63,112	35,031,481	
Add: Claims Outstanding at the end of the year	2,048,174	408,478	8,684	43,253,033	2,452,449	40,800,584	234,886	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	
Less: Claims Outstanding at the beginning of the year	(1,079,659)	(480,513)	(8,331)	(35,162,149)	(19,365,519)	(33,225,630)	(189,817)	(11,027)	(6,812)	(148,868)	(406,368)	(86,090)	(1,267,255)	(4,035,368)	(14,936)	(196,600)	(3,986,643)	(477,617)	(47,561,878)	
Total Claims Incurred	1,795,580	718,148	573	16,856,415	8,880,693	7,995,722	101,352	3,415	3,704	176,380	662,440	14,648	219,435	21,364,731	27,966	256,512	3,581,813	822,872	48,520,487	

SCHEDULE - C to Annexure 1

	(₹ '000)																			
	Fire	Marine Cargo	Marine Hull	Motor	MotorOD	MotorTP	Workmen Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/Crop	Others	Total	
COMMISSION PAID (NET)																				
Commission paid direct	1,094,947	142,310	6	2,924,009	2,644,165	279,824	22,354	2,111	1,231	96,373	123,150	3,343	685,734	4,734,279	29,204	240,736	49,890	143,202	10,322,878	
Add: Commission paid on Re-insurance accepted	75,138	4,411	-	-	-	-	-	134	-	2,955	5,125	(72)	3,537	-	-	28,076	-	16	119,320	
Less: Commission received on Re-insurance ceded	(1,811,154)	(30,929)	(7,261)	(2,232,023)	(318,077)	(1,913,946)	(3,520)	(3,102)	(1,772)	(104,330)	(297,067)	(8,058)	(671,429)	(5,016,689)	(2,178)	(334,800)	(1,575,470)	(95,755)	(12,395,542)	
Net commission paid/(received)	(641,069)	115,795	(7,255)	691,985	2,326,107	(1,634,122)	18,835	(688)	(541)	(5,022)	(168,792)	(4,787)	(182,169)	(282,420)	27,026	(65,987)	(1,525,580)	47,464	(1,983,344)	

Schedules - 16 (Continued)

Notes to Accounts

SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31, 2021 (Continued)

SCHEDULE - D to Annexure 1

	(₹ '000)																			
	Fire	Marine Cargo	Marine Hull	Motor	MotorOD	MotorTP	Workmen Compensation	Public Liability	Product Liability	Other Liabilities	Engineering	Aviation	Personal Accident	Health	Home	Specialty	Weather/Crop	Others	Total	
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS																				
Employees' remuneration and welfare benefits	5,47,541	57,345	9,497	1,452,214	641,579	810,634	7,066	1,288	417	35,281	78,026	5,137	230,388	1,595,103	9,608	97,254	1,056,889	79,918	5,303,172	
Travel, conveyance and vehicle running expenses	12,775	1,338	222	33,883	14,969	18,914	165	30	10	823	1,820	120	5,380	37,217	224	2,269	25,592	1,865	1,23,733	
Training expenses	49,274	5,161	855	130,686	57,336	72,950	636	116	38	3,175	7,022	462	20,751	143,545	865	8,752	98,710	7,192	477,239	
Rents, rates and taxes	59,138	6,194	1,026	156,848	69,294	87,553	763	139	45	3,811	8,427	555	24,905	172,281	1,038	10,504	118,471	8,632	572,774	
Repairs	21,213	2,222	368	56,263	24,857	31,407	274	50	16	1,367	3,023	199	8,934	61,799	372	3,768	42,497	3,096	205,461	
Printing and stationery	11,481	1,203	199	30,476	13,464	17,012	148	27	9	740	1,637	108	4,839	33,475	202	2,041	23,019	1,677	111,292	
Communication	8,129	851	141	21,559	9,525	12,034	105	19	6	524	1,158	76	3,423	23,680	143	1,444	16,284	1,186	78,779	
Legal and professional charges	474,026	49,646	8,222	1,257,233	555,638	701,795	6,117	1,115	361	30,544	67,550	4,447	199,628	1,380,938	8,318	84,196	949,616	69,187	4,591,146	
Auditors' fees, expenses etc																				
(a) as auditors	671	70	12	1,780	786	894	9	2	1	43	96	6	283	1,955	12	119	1,344	98	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	522	55	9	1,385	612	773	7	1	-	34	74	5	220	1,522	9	93	1,046	76	5,059	
Advertisement and publicity	635,286	86,535	11,019	1,684,935	744,394	940,541	8,198	1,494	484	40,935	90,530	5,960	267,541	1,850,724	11,148	112,839	1,272,669	92,725	6,153,022	
Interest and bank charges	31,443	3,293	545	83,394	36,343	46,551	406	74	24	2,026	4,481	295	13,242	91,600	552	5,585	224,540	4,589	466,089	
Others																				
Electricity expenses	8,005	838	139	21,231	9,380	11,851	103	19	6	516	1,141	75	3,371	23,320	140	1,422	16,036	1,168	77,532	
Office expenses	3,992	418	69	10,588	4,678	5,911	52	9	3	257	569	37	1,681	11,630	70	709	7,988	583	38,667	
Miscellaneous expenses	8,483	888	147	22,499	9,940	12,559	109	20	6	547	1,209	80	3,572	24,713	149	1,507	16,994	1,238	82,161	
Information Technology expenses	91,479	9,581	1,587	246,625	107,190	135,435	1,180	215	70	5,895	13,036	858	38,525	266,498	1,605	16,249	183,260	13,352	886,016	
Postage and courier	2,725	285	47	7,227	3,183	4,034	35	6	2	176	388	26	1,148	7,938	48	484	5,459	398	26,391	
Loss/(Profit) on sale of assets (net)	9,305	975	161	24,680	10,503	13,776	120	22	7	600	1,326	87	3,919	27,108	163	1,653	18,641	1,358	90,125	
Depreciation	59,246	6,205	1,028	157,136	69,422	87,714	765	139	45	3,818	8,443	556	24,951	172,597	1,040	10,523	118,688	8,647	573,827	
Total Operating Expenses	2,034,744	213,103	35,292	5,396,642	2,394,204	3,012,439	26,257	4,786	1,560	131,111	289,957	19,088	866,900	5,927,643	36,705	361,411	4,237,756	296,986	19,668,933	

Schedules - 16 (Continued)
Notes to Accounts

Annexure -2
Ratios for Non-Life Companies

Sr. No.	Performance Ratio	As on March 31, 2022				As on March 31, 2021			
		Fire	Marine	Miscellaneous	Total	Fire	Marine	Miscellaneous	Total
1	Gross premium growth rate (refer note 1a and 1b) Gross Premium for Current period / Gross Premium for Previous period	13.21%	16.50%	9.32%	9.78%	19.98%	-19.26%	29.59%	27.68%
2	Gross Premium to shareholders' fund ratio Gross Premium for Current period / (Paid up Capital plus Free Reserves)	NA	NA	NA	4.20	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	9.74%	NA	NA	NA	15.10%
4	Net retention ratio (refer note 1a and 1b) Net Premium / Gross Premium	20.71%	69.65%	55.46%	51.85%	25.02%	59.24%	55.36%	52.27%
5	Net commission ratio (refer note 1a and 1b) Net Commission / Net Premium	-41.15%	13.18%	-2.49%	-3.90%	-19.89%	11.69%	-2.38%	-3.05%
6	Expenses of Management to gross direct Premium ratio Operating Expenses + Gross Commission/ Gross Premium	25.57%	25.67%	22.53%	22.87%	26.63%	26.24%	24.28%	24.53%
7	Expenses of Management to Net written Premium ratio Operating Expenses + Gross Commission/ Net Premium	109.54%	35.31%	40.52%	43.44%	97.10%	42.07%	43.75%	46.37%
8	Net Incurred Claims to Net Earned Premium Net incurred Claim / Net earned premium	62.60%	94.05%	84.80%	84.04%	74.78%	90.11%	75.60%	75.75%
9	Combined ratio Net incurred Claim, Net Commission plus Operating Expense / Net Premium + Net earned premium	89.30%	127.53%	107.89%	107.48%	118.02%	128.54%	102.10%	103.25%
10	Technical reserves to net Premium ratio Reserve for Unexpired Risks plus Deficiency Reserve plus Reserve for Outstanding Claims / Net Premium	2.19	0.92	1.61	1.62	1.81	0.80	1.60	1.60
11	Underwriting balance ratio Underwriting Profit / Net Premium	0.08	-0.29	-0.09	-0.08	-0.33	-0.35	-0.02	-0.04
12	Operating profit ratio Underwriting Profit plus Investment Income / Net Premium	30.69%	-21.36%	6.38%	6.90%	-10.61%	-25.98%	12.77%	11.41%
13	Liquid assets to liabilities ratio Liquid Assets of the Insurer / Policyholders' Liabilities	NA	NA	NA	0.26	NA	NA	NA	0.33
14	Net earnings ratio Profit after Tax / Net Premium	NA	NA	NA	7.04%	NA	NA	NA	9.10%
15	Return on net worth Profit After Tax / Net Worth	NA	NA	NA	15.57%	NA	NA	NA	20.21%
16	Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ASM / RSM	NA	NA	NA	1.64	NA	NA	NA	1.90
17	Gross NPA ratio* Gross NPA / Gross Investment	NA	NA	NA	1.30%	NA	NA	NA	1.62%
	Net NPA ratio* Net NPA / Net Investment	NA	NA	NA	0.01%	NA	NA	NA	0.03%

*Pertains to Non-Performing Investments

Schedules - 16 (Continued)

Notes to Accounts

Annexure - 2 Ratios for Non-Life Companies (Continued)

Notes:

1a. 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/ Crop	Others
1	Gross premium growth rate Gross Premium for Current period / Gross Premium for Previous period	2.14%	5.82%	4.18%	1.03%	18.78%	-85.06%	5.03%	48.80%	-10.88%	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%	-2869.14%	-16.82%	0.79%	-2.88%	15.55%	-11.64%	-22.24%	-7.25%	-2.49%

1b. Miscellaneous Breakup for the year ended March 31, 2021

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/ Crop	Others
1	Gross premium growth rate Gross Premium for Current period / Gross Premium for Previous period	-4.16%	4.60%	0.54%	-17.54%	-16.45%	144.96%	-8.52%	-4.07%	-17.92%	133.40%	0.87%	1821.17%	38.08%	18.95%	-1.79%	29.59%
2	Net retention ratio Net Premium / Gross Premium	94.84%	54.81%	72.50%	88.60%	24.38%	12.29%	28.06%	-1.11%	70.78%	66.54%	29.76%	84.00%	25.29%	18.09%	60.45%	55.36%
3	Net commission ratio Net Commission / Net Premium	16.30%	-15.68%	2.80%	12.80%	-11.64%	-44.98%	-32.76%	359.53%	-4.76%	-1.13%	-2.03%	14.28%	-11.44%	-32.71%	4.19%	-2.38%

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.

Schedules - 16 (Continued)

Notes to Accounts

Summary of Financial Statements Annexure - 3

Sr. No.	Particulars	2021-22 (₹ '000)	2020-21 (₹ '000)	2019-20 (₹ '000)	2018-19 (₹ '000)	2017-18 (₹ '000)
	OPERATING RESULTS					
1	Gross Written Premium	137,071,444	124,439,338	97,600,965	87,218,003	74,011,117
2	Net Premium Income	71,068,776	65,042,858	48,668,660	43,727,874	34,554,756
3	Income from Investments (net)	10,358,679	9,540,196	7,318,655	5,613,146	4,814,513
4	Other Income (includes provision written back)	62,715	118,832	78,665	104,959	79,176
5	Total Income	81,490,171	74,701,886	56,065,980	49,445,980	39,448,445
6	Commission (net)	(2,770,514)	(1,983,344)	(2,119,040)	(1,525,955)	(2,684,241)
7	Operating Expenses	19,424,800	19,868,937	14,809,749	11,313,294	10,544,703
8	Premium Deficiency	—	—	—	—	—
9	Net Incurred Claims	57,810,582	48,520,486	35,241,187	29,091,815	22,266,806
10	Change in Unexpired Risk Reserve	2,282,301	987,052	4,165,145	5,627,767	4,609,759
11	Operating Profit / (Loss)	4,743,002	7,308,755	3,968,939	4,939,059	4,711,418
	NON-OPERATING RESULTS					
12	Total Income under shareholder's account	1,934,694	608,935	620,710	(266,762)	421,263
13	Profit / (Loss) before tax	6,677,695	7,917,692	4,589,649	4,672,297	5,132,681
14	Provision for tax	1,676,379	2,001,182	1,320,231	842,419	1,095,624
15	Profit / (Loss) after tax	5,001,316	5,916,510	3,269,418	3,829,877	4,037,057
	MISCELLANEOUS					
16	Policyholders' Account :					
	Total Funds	146,765,923	136,900,703	115,988,644	72,068,296	63,433,015
	Total Investments	146,765,923	136,900,703	115,988,644	72,068,296	63,433,015
	Yield on Investments	7.4%	7.3%	8.1%	8.2%	8.2%
17	Shareholders' Account :					
	Total Funds	32,118,923	29,268,562	25,429,010	19,823,885	17,611,118
	Total Investments	37,204,597	29,528,835	19,780,184	18,971,760	18,154,614
	Yield on Investments	7.4%	7.3%	8.1%	8.2%	8.2%
18	Paid up equity capital	7,127,800	7,115,649	6,058,421	6,054,221	6,050,718
19	Net worth	32,118,923	29,268,562	25,429,010	19,823,885	17,611,118
20	Total Assets	32,118,923	29,268,562	25,429,010	19,823,885	17,611,118
21	Yield on Total Investments	7.4%	7.3%	8.1%	8.2%	8.2%
22	Earnings per Share (Basic) (₹)	7.02	8.32	5.32	6.33	6.70
23	Book Value per Share (₹)	45.06	41.13	41.97	32.74	29.11
24	Total Dividend	2,316,535	2,134,695	—	1,362,200	1,210,144
25	Dividend per Share (₹)	3.25	3.00	—	2.25	2.00

Schedules - 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	36,601 (9,109)	— (—)	27,320 (2,167)	204 (1,494)	2,153 (1,545)	1,541 (512)	1,600 (563)	3,686 (2,701)	98 (128)	
Cheques issued but not encashed by the policyholder/insured (refer note below)	300,863 (354,674)	— (—)	30,543 (38,812)	20,932 (75,965)	21,456 (23,737)	19,020 (21,751)	21,543 (10,206)	179,242 (174,577)	8,127 (9,626)	
TOTAL	337,464 (363,783)	— (—)	57,863 (40,979)	21,136 (77,458)	23,609 (25,281)	20,561 (22,263)	23,143 (10,769)	182,928 (177,278)	8,225 (9,754)	

(Previous year's figures are in brackets)

Notes:

1. The Policyholder due includes ₹ 102,728 thousand (Previous year ₹ 169,781 thousand) pertains to MACT cases.
2. The Policyholder due includes amount of ₹ 9,741 thousand (Previous year ₹ 54,921 thousand) pertains to cheques reissued but not encashed by the policyholder/insured.

Pursuant to Master Circular on unclaimed amount of Policy Holder due's 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.

Schedules - 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, 2022		For the year ended March 31, 2021	
	Policy Dues	Income Accrued	Policy Dues	Income Accrued
Opening Balance	264,090	44,772	229,040	39,928
Add : Amount transferred to unclaimed fund	87,273	—	121,805	—
Add : Cheques issued out of the unclaimed amount but not encashed by the policyholders (to be included only when the cheques are stale)	4,908	—	52,642	—
Add: Investment Income on unclaimed Fund	—	7,682	—	10,310
Less: Amount of claims paid during the year	59,313	3,423	131,577	2,595
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	12,851	5,415	7,820	2,871
Closing Balance of Unclaimed Amount Fund	284,107	43,616	264,090	44,772

“Unclaimed amount of policyholders (Investment)” ₹ 188,201 thousand (Previous year ₹ 147,786 thousand) and “Income on Unclaimed Amount of Policyholders (Investment)” ₹ 43,616 thousand (Previous year ₹ 44,772 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, 2022 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, 2022:

Sr. No.	Name of the Director	Entity in which Director is interested	Interested As	Payment during the year (₹ '000)
1	Mr. Keki M. Mistry	HDFC Limited	Vice Chairman and CEO	1,645,698
		HDFC Life Insurance Company Limited	Director	9,173
		Tata Consultancy Services Limited	Director	143,290
		Torrent Power Limited	Director	1,269
2	Ms. Renu Sud Karnad	HDFC Limited	Managing Director	1,645,698
		HDFC Bank	Nominee Director	2,065,195
		HDFC Life Insurance Company Limited	Director	9,173
3	Mr. Anuj Tyagi	CSC E-Governance Services India Limited	Director	127,687
4	Mr. Arvind Mahajan	Ilmpact	Trustee	4,940
5	Mr. Ameet P. Hariani	Juhu Beach Resorts Limited	Director	1,000
6	Mr. Bernhard Steinruecke	Zodiac Clothing Limited	Director	4

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.

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 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).

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 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, 2022 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, 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.

Management Report (Continued)

- 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 an appointed audit firm. 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.

Signature to the Management Report

For and on behalf of the Board of Directors

Keki M Mistry
Chairman
(DIN: 00008886)

Renu S. Karnad
Director
(DIN: 00008064)

Oliver Martin Willmes
Director
(DIN: 08114828)

Clemens Matthias Muth
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)

Ritesh Kumar
Managing Director & CEO
(DIN: 02213019)

Anuj Tyagi
Deputy Managing Director
(DIN: 07505313)

Samir H. Shah
Executive Director & CFO
(DIN: 08114828)

Dayananda V. Shetty
Company Secretary
(Membership No: FCS 4638)

Mumbai,
Dated: April 25, 2022

Annexure to Management Report

Annexure 1 Details of ageing analysis of Gross Claims outstanding Outstanding as on 31.03.2022 (F. Y. 2021-22)

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	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	754,605	-	-	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	509,841	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	492,435	1,473	562,506	22,815	1,552,334	40	4,643	284	841,537	62,446	1,229,168	921	559,058	148,618	42,444,765

Outstanding as on 31.03.2021 (F. Y. 2020-21)

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	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	964,429	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	46,917	3,814,824	30	10,210	298	581,278	18,351	1,002,221	956	827,387	123,729	42,313,261

Annexure to Management Report (Continued)

Outstanding as on 31.03.2020 (F. Y. 2019-20)

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	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	17,989	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	-	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	570,688	-	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	1,501,988	14	592,425	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

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	10,283,020	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	-	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	128,501	7	2,982	1	65,127	103	314,322

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	64,895	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	626,579	120,266	31,927,968

Annexure to Management Report (Continued)

Outstanding as on 31.03.2018 (F. Y. 2017-18)

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	109	288,722	669	86,676	2	2,506	7,990	445,409	1,063	407,981	51	7,078	-	-	-	-	14	12,495
31 days to 6 months	279	1,058,433	483	206,980	5	4,032	3,936	379,661	3,947	1,869,268	140	19,585	3	1,200	-	-	16	11,444
6 months to 1 year	115	3,173,303	60	73,604	5	6,511	1,031	162,560	3,755	2,040,825	64	9,129	-	-	-	-	20	19,055
1 year to 5 years	39	1,765,746	38	213,830	5	26,318	489	123,020	14,543	8,321,601	78	20,215	5	1,907	-	-	49	35,736
5 years and above	1	141,282	1	44,403	-	4,184	-	-	2,866	1,214,447	1	100	-	-	1	64,221	9	19,221
Total	543	6,427,487	1,251	625,494	17	43,552	13,446	1,110,650	26,174	13,854,123	334	56,107	8	3,507	1	65,021	108	97,951

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	621	56,511	3	1,503	1,235	219,528	3,651	253,983	5	831	5	3,500	697	204,084	134	51,000	16,249	2,041,808
31 days to 6 months	446	212,253	5	127,547	570	275,797	1,190	203,760	10	5,392	8	3,803	790	6,372	154	145,205	11,982	4,528,733
6 months to 1 year	56	100,631	7	59,812	26	9,093	50	34,941	3	2,668	31	14,429	14	702	28	61,956	5,265	5,769,619
1 year to 5 years	42	233,130	33	219,249	4	3,277	87	63,763	-	-	92	314,710	250	795,330	5	112,768	15,759	12,251,000
5 years and above	-	68,097	2	340,378	-	-	-	-	-	-	50	367,575	-	-	-	265	2,931	2,264,574
Total	1,165	670,621	50	748,488	1,835	507,694	4,978	556,447	18	8,891	186	704,018	1,751	1,006,489	321	369,195	52,186	26,855,734

Annexure - 2 Details of Average Claims Settlement Time (Continued)

Line of Business	F.Y 2021-22*		F.Y 2020-21*		F.Y 2019-20		F.Y 2018-19		F.Y 2017-18	
	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	1,666	113	1,853	75	1,762	4	1,925	87	1,645	114
Marine Cargo	11,891	17	11,103	12	12,471	5	15,068	18	12,882	44
Marine Hull	4	263	8	461	9	4	6	448	12	245
Motor OD	435,626	6	356,087	17	487,550	2	412,047	15	274,597	21
Motor TP	5,680	974	4,030	901	3,308	29	6,885	611	8,020	557
Workmen's Compensation	362	209	314	198	564	2	330	183	123	212
Public liability	1	72	2	23	4	5	-	-	-	-
Product Liability	-	-	-	-	-	-	-	-	-	-
Other Liabilities	7	362	6	175	19	26	19	171	15	281
Engineering	29,702	7	43,585	3	50,330	1	27,669	7	14,409	30
Aviation	1	786	1	426	-	-	3	353	1	168
Personal Accident	9,137	9	7,635	28	12,107	3	10,460	21	8,406	24
Health	662,826	6	425,183	13	197,022	5	152,051	12	93,388	21
Home	279	35	172	18	31	3	33	44	30	111
Specialty	14	375	42	163	14	2	10	518	7	284
Weather/Crop	2,519,765	1	1,410,985	3	703,193	1	1,228,191	3	61,108	3
Others	20,830	17	26,550	14	27,917	6	12,112	9	7,335	10
Total	3,697,791	-	2,287,556	-	1,496,301	-	1,866,809	-	481,978	-

*Date of intimation of claims is considered for computation of 'Average Settlement Time' basis Authority's mail dated March 26, 2021.

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.

Sr. No.	Terms	Description
20	Incurred Claims Ratio	Proportion of incurred claims to premiums earned during a period.
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.

Our Products

> Retail Products

-  Motor Insurance
-  Home Insurance
-  Health Insurance
-  Personal Accident
-  Travel Insurance

> Rural Products

-  Cattle Insurance
-  Weather Insurance
-  Crop 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

Specialty Lines

- > Trade Credit Insurance Policy (Commercial)

Engineering 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

Property Insurance

- > Standard Fire and Special Perils Policy
- > Consequential Loss (Fire) Insurance
- > Industrial All Risks Policy
- > Business Suraksha Classik - Laghu Udyam

Accidental & Health Insurance

- > 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

 **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

 **Standard 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

Customer Testimonials



“Excellent service! Good knowledge of the customer care executive.”

Pramod Sambhaji Govilkar
Health Insurance Customer | Policy No. 2825100834762700

“Your agent at Trichy is cooperative and helpful. The head office response is also quick and hassle-free. Thank you.”

Senthil Kumar S. V.
Health Insurance Customer | Policy No. 2825204288202500

“Service is excellent. Definitely will recommend to others.”

Mohammed Mushtaq
Health Insurance Customer | Policy No. 2805203608709201

“Best experience I have had with any insurance company ever.”

Jinit Kirti Shah
Health Insurance Customer | Policy No. 2805203577638100

“Superb service!”

Dharmveer
Motor Insurance Customer | Policy No. 2312100858990900

“Very very good. Fully satisfied by the excellent service.Thank you.”

Balasubramaniam Thirumalai
Travel Insurance Customer | Policy No. 2919204581985600

“Good response by HDFC ERGO insurance and claim service was very good.”

Syed Arshad Pasha
Motor Insurance Customer | Policy No. 2315101029769900

“Keep up your excellent services. Thank you very much.”

B. S. Venkatesh
Health Insurance Customer | Policy No. 2311100719545202

“Superb service and timely response. Will definitely recommend HDFC ERGO to others.”

Amit Jain
Health Insurance Customer | Policy No. 2805204192865900

“Excellent professional approach, lightening fast claim settlement with full clarity.”

Ajay Vijaykumar Duggal
Health Insurance Customer | Policy No. 2805203549392802

“Everything is excellent and all your teams are doing excellent work.”

Ravinder Singh Kohli
Health Insurance Customer | Policy No. 2805203583238601

“Highly satisfied with being an HDFC ERGO customer. I highly appreciate the quick service of claim settlement. Thank you for your best services!”

Amit Mehrotra
Health Insurance Customer | Policy No. 2805203518102600

“Good and fast service!”

Dhiraj Rambhau Mendhe
Motor Insurance Customer | Policy No. 2311204100657700

“HDFC ERGO is a very good company.”

Sharad Yadav
Travel Insurance Customer | Policy No. 2311204020866800

Awards and Recognitions





Recognition for using adept technology in the customer engagement initiatives at the 11th Global Customer Engagement Awards by ACEF



Best Email Marketing Campaign Award for eRA at the National Marketing Excellence Awards by Indian Business Council



Best Tech-Driven Marketing - B2B Award for MyRaa at the National Marketing Excellence Awards by Indian Business Council



Best Mobile App in the Healthcare Consultation Market Segment Award for TeleClinic at the National Marketing Excellence Awards by Indian Business Council



Award for Best D&I Project of the Year for NARI SHAKTI at the D&I Summit Awards by Transformation Forums



Recognition for D&I Team of the Year at the D&I Summit Awards by Transformation Forums



Award for Best HR Initiative in Non-Life Category for Project Shakti and Project Purple by InsureNext Summit and Awards



Recognition for Best Organisations for Women in India by ET



Top 20 Recruitment Champions Award at the Recruitment World Summit & Awards 2022 by Transformation Forums Stallions Forum



Best Recruitment Team Award at the Recruitment World Summit & Awards 2022 by Transformation Forums



Best Talent Engagement Initiative Award at the Recruitment World Summit & Awards 2022 by Transformation Forums



TISS Leap Vault CLO Award in the 'Best Leadership Development Program' (Insurance) category for 'We LEAD' at the CLO Chief Learning Officers Summit



Being a responsible insurer and one of the large health insurers in the country, we ensured our policyholders did not suffer during difficult times.

- Mr. Ritesh Kumar



**HDFC
ERGO**

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