



Royal Sundaram  
General Insurance

# ANNUAL REPORT

2023 - 2024



Growth | Quality | Profitability

Royal Sundaram General Insurance Co. Limited



# VISION



- To be amongst the **most respected** General Insurance companies in the industry with a brand known for **customer service**.



- To rapidly **grow to scale** and increase our **market share** versus peers in our chosen products and geographies.



- To **embrace innovation and build a dynamic organization** that drives change in technology, products and service for our customers and channel partners.



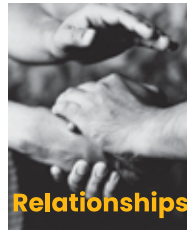


# VALUES



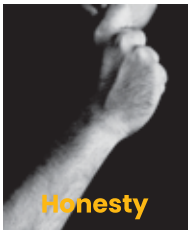
**Service**

- To be of service even when time is against you.
- To deliver exceptional claims service and build a competitive edge in the market through Service.
- To go the extra yard to meet the needs of our customers and channel partners in terms of technology, products, processes and the service culture of the organization.



**Relationships**

- To know that we are not merely insurer; but custodians of trust.
- To be out in the field in constant contact with our channel partners and customers.
- To build long term relationships with our employees, who are vital partners in our success.



**Honesty**

- To believe that honesty is the only policy.
- We are honest and transparent in interactions and aim to be fair in everything we do.
- It is our responsibility to build a culture of compliance throughout the organization.



**Integrity**

- To put integrity above all else.
- To be recognized in the market as an ethical general insurer.
- To stay true to claims mandates, settling claims with fairness and transparency.



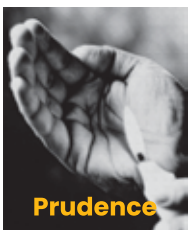
**Fair Play**

- To stand for fair play when the odds are stacked against you.
- To build sustainable, mutually beneficial relationships with customers and channel partners.
- We believe in treating people how we wish to be treated.



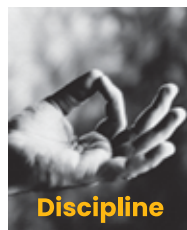
**Openness**

- To be open to scrutiny anywhere, anytime.
- To be open to new ideas and build a culture of being constantly innovative in delivering products and services to our customers and channel partners.
- To be open to feedback internally and externally to build a better institution.



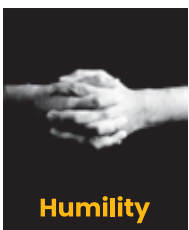
**Prudence**

- To be the voice of prudence in the midst of chaos.
- To demonstrate consistent results over the long term by taking only measured and appropriate risks.
- To reserve diligently for all risks to ensure the organization's future health.



**Discipline**

- To know that discipline is your ally in all situations.
- We are marathon runners, and we recognize that excellence has no finish line.
- To strive for operational improvement and commit to giving our best in every task.



**Humility**

- To realise that humility is the greatest virtue.
- Be empathetic in all our dealings with employees, customers and channel partners
- Our duty is not just to further our name, but build an environment where our employees, customers and channel partners prosper.

<b>Board of Directors</b>	S Viji	Chairman
	T T Srinivasaraghavan	Director
	Harsha Viji	Director
	Gary Lee Crist	Director
	Filip A L Coremans	Director
	S Prasad	Independent Director
	M S Sundara Rajan	Independent Director
	A V Girijakumar	Independent Director
	Sudha Suresh	Independent Director
	Amit S Ganorkar	Managing Director
<b>Audit Committee</b>	S Prasad	Chairman
	T T Srinivasaraghavan	Member
	Gary Lee Crist	Member
	M S Sundara Rajan	Member
	A V Girijakumar	Member
	Sudha Suresh	Member
<b>Key Managerial Personnel of the Company</b>	T M Shyamsunder	Chief Operating Officer
	A V Ramanan	Appointed Actuary
	Vaibhav Kabra	Chief Financial Officer
	S R Balachandher	Company Secretary & Chief Compliance Officer
	Jignesh Sangoi	Chief Risk Officer
	Ramu Govindan	Chief Investment Officer
<b>Corporate Identification Number (CIN)</b>	U67200TN2000PLC045611	
<b>IRDAI Registration Number</b>	102	
<b>Registered Office</b>	21, Patullos Road Chennai 600 002	
<b>Corporate Office</b>	Vishranthi Melaram Towers 2/319, Rajiv Gandhi Salai Karapakkam (OMR) Chennai 600 097 Tel: 044 7117 7117	
<b>Regional Offices</b>	Chennai, Gurugram, Kolkata & Mumbai	

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<b>Joint Statutory Auditors</b>	M/s. N C Rajagopal & Co., Chartered Accountants 22, V.Krishnaswamy Avenue Luz Church Road, Mylapore Chennai 600 004
	M/s. Brahmayya & Co., Chartered Accountants 48, Masilamani Road Balaji Nagar, Royapettah Chennai 600 014
<b>Concurrent Auditors (Investments)</b>	M/s. T Selvaraj & Co., Chartered Accountants No.32, Dewan Rama Road Purasawalkam, Chennai 600084
<b>Information Security Assurance Services</b>	M/s. C V Ramaswamy & Co., Chartered Accountants No.1, Vidwan Sundaram Street Nungambakkam, Chennai 600034
<b>Secretarial Auditors</b>	M/s. M Damodaran & Associates LLP New No.6, Old No.12 Appavoo Gramni 1 <sup>st</sup> Street Mandaveli, Chennai 600 028
<b>Registrar And Share Transfer Agents (RTA)</b>	Cameo Corporate Services Limited No. 1, Club House Road Chennai 600 002 Tel: 044 2846 0390
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited Universal Insurance Building Ground Floor, Sir P.M Road Fort, Mumbai 400 001 Tel: 022 4080 7000

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## BOARD'S REPORT TO THE SHAREHOLDERS

The Board of Directors of your company are pleased to present the twenty fourth (24<sup>th</sup>) Annual Report along with the audited financial statements for the financial year ended 31<sup>st</sup> March 2024. This report includes the management discussion and analysis.

### Economy and Industry Performance

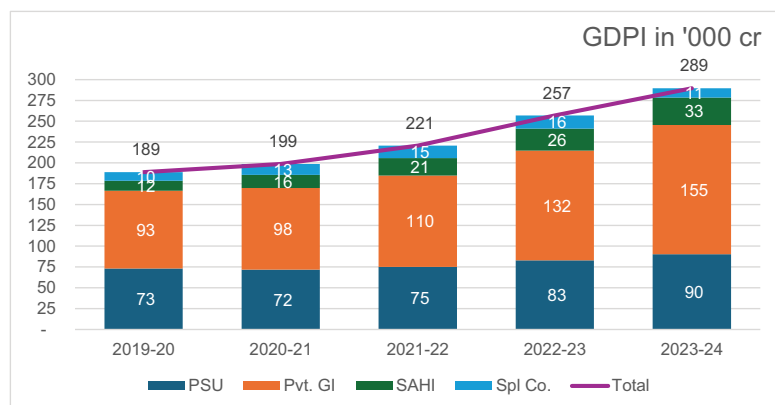
#### Macroeconomic overview

The global economy remained remarkably resilient with steady growth and inflation returning to target, thereby defying expectations of stagflation and global recession.

India's growth journey over the last decade was heartening due to the success story of digital economy, branching into niche and complex manufacturing sectors, and competitiveness through export. With a stable Government at the centre, the policy reforms and initiatives taken by them also fostered innovation by building the required infrastructure and ensuring responsiveness. Given the robustness observed in the industry section and strong private demand, the GDP growth rate projection for the fiscal year 2024-25 is expected to be around 7%.

#### Insurance Industry overview

##### The Gross Direct Premium of the non-life industry in the last 5 years:



Source : GIC segmental report

The general insurance industry registered a moderate growth of 13% in FY 2024 as compared to a 16% growth in FY 2023. The Gross Direct Premium Income (GDPI) of the Nonlife sector increased from ₹2,56,912 cr. to ₹2,89,699 cr. for the period ended 31<sup>st</sup> March 2024, propelled primarily by the Health and Motor Insurance segments, Private sector insurance companies continued with their strong growth as compared with the Public Sector Undertakings thereby increasing their market share.

Despite sectoral challenges, the General Insurance Industry is projected to grow at approximately 13-15 per cent on the back of favourable monsoon, higher infrastructure spending and regulatory initiatives. Intensified competition, uncertainties in the international geopolitical environment and inflationary pressures could pose challenges to this growth trajectory.

Shifts in climate, technology, workforce, and customer expectations combined with macroeconomic and geopolitical volatility are compelling enterprises across the globe to transform their tech infrastructure, products, services, business models and organizational culture to adapt not just to fuel profitability but to remain relevant and survive. The insurance industry is no exception. In fact, these colliding forces could potentially be the catalyst that sparks reinvention both in how the industry conducts its business and in its overall purpose and role in society. The rapid digitalisation of the insurance sector via Insure Tech remains the front runner in facilitating ease of distribution and customer service.

With the fundamental mission of Insurance for all by 2047, the Insurance Regulatory and Development Authority of India (IRDAI) has continuously taken several initiatives and liberalised many key regulations governing the insurance business to promote ease of doing business. This shift to a more customer-centric business model will likely require advanced technology adoption and modification of company culture to help increase penetration.

IRDAI has been pivotal in shaping the insurance industry, steering it towards growth, innovation and consumer protection. To uphold its commitment to safeguard policyholders' interests the regulator has introduced a slew of reforms. Bima Trinity underscores the IRDAI's vision of Insurance for All through strategic drivers – Bima Vahak, Bima Vistaar and Bima Sugam.

The State Insurance Plan (SIP) has been set-up for insurance proliferation in every nook and corner of the country. The regulator has also introduced Bima Manthan, a platform for periodic engagement with the industry to identify the opportunity and assess the impact of various initiatives. IRDAI is steering the sector towards Insurance 2.0 and the next set of reforms are expected in the areas of accounting, risk capital and capital supervision.

The health insurance claims settlement process in the country is mostly manual and non-digital as a result of which there is no proper data flow/administration in the system resulting in delays in claim processing. Further, the current claims processing lacks standardization across the ecosystem with processes varying significantly amongst Insurers, TPAs, and Health Care Providers. With an objective to address the above challenges and streamline the process of claims settlement, the National Health Claims Exchange (NHCE), along with other building blocks of Ayushman Bharat Digital Mission (ABDM), is expected to serve as a gateway for exchanging claims-related information among stakeholders in the health care and health insurance eco-system including Insurers, TPAs, claimants, beneficiaries, health care and wellness providers.

### Snapshot of the financial results

The highlights of the financial results of your company for the year 2023-24, are as follows:

Particulars	(₹in cr.)	
	2023-24	2022-23
Gross Direct Premium	3,637	3,380
Net Written Premium	2,949	2,702
Net Earned Premium	2,822	2,440
Net Incurred Claims	2,190	1,879
Net Commission Outgo/(Income)	686	161
Expenses of Management	412	768
Other Income	(61)	(34)
Underwriting Profit/(Loss)	(406)	(368)
Investment Income – Policyholders	516	440
General Insurance Results Profit/(Loss)	110	71
Investment Income – Shareholders	117	106
Other Income/(Outgo)	(74)	(15)
Profit Before Tax	153	162
Provision for taxation	39	41
Profit/(Loss) After Tax	114	121



## Analysis of performance and financial results for 2023-24

Your company achieved a Gross Direct Premium (GDP) of ₹3,637 cr., during 2023-24 (₹3,380 cr., in 2022-23) reflecting a growth rate of 9% but lower than the market growth of 13%. The market share of your company was around 1.6% during the year.

Your company continues to pursue its growth journey through improved performance from all channels and retain renewal business, without compromising on quality of risk and minimum profitability benchmarks. Through robust and meticulous underwriting practices, your company aims to generate positive cash flows through optimal retention of premium and prudent investment.

The Underwriting results (loss of ₹406 cr) was higher compared to the previous year loss of ₹368 cr. This was mainly due to deteriorating loss ratios in the ageing health insurance business and a few major losses in the commercial insurance business on account of Natcat events including the impact of 'Michaung' cyclone which offset improvements in the motor loss ratio.

Your company sold around 28 lakh policies during 2023-24 as compared to about 29 lakhs during the previous financial year. The number of claims reported was 4.11 lakhs as against 4.02 lakhs reported during 2022-23.

### Commercial Insurance

During 2023-24, your company's commercial insurance business recorded a GWP of ₹975 cr., (₹767 cr. in 2022-23), registering a strong growth of 27%, up from 21% during FY 2023.

In the commercial motor segment, your company underwrote a premium of ₹1282 cr. as against ₹1036 cr., reflecting a growth rate of 24%.

Continued focus on prudence in underwriting, effective risk selection and management helped your company to grow the commercial business and commercial motor segments profitably. With continued emphasis in developing the infrastructure and capacity building, we are confident that the commercial business will continue its growth in the coming years. Your company is also focussing on improving its exposure in the fast growing Small and Medium Enterprises (SME) segments.

### Personal Insurance

Under personal insurance, your company underwrote a GWP of ₹1544 cr., for 2023-24

Increased awareness amongst the masses about the need for health insurance continued to drive the health insurance business in India. Your company introduced new health insurance products like Multiplier Health Insurance, Advance Top-up and Family Plus to cater to the growing demands and needs of the market. The liberalised product filing guidelines introduced by the Regulator will help the company to come out with more innovative products in future. All these developments augur well for a strong growth in the health segment.

### Crop Insurance

The company continued its stance of not participating in any new crop insurance tenders and has not underwritten any fresh crop insurance business. However, the company will continue to closely watch the developments in this line of business to assess the opportune time for re-entry into the portfolio.

### Investments

The Investment strategy of your company is framed considering the business liquidity requirements, preservation of invested capital and generating superior risk-adjusted returns. The Investments are well-diversified with a focus on maintaining healthy asset quality. The company follows a dynamic asset allocation strategy by investing in government securities, high quality corporate bonds, equities and alternative investments to capitalise on market opportunities and achieve the desired

investment objectives. The management of investment assets is guided by IRDAI regulations, internal guidelines and a robust governance framework, to ensure safety of capital for the investment assets.

The size of the Investment portfolio of your company as of 31<sup>st</sup> March 2024, stood at ₹8559 cr., (₹7649 cr., on 31<sup>st</sup> March 2023) with an accretion of ₹910 cr. The net investment income for financial year 2023-24 amounted to ₹618 cr. (₹536 cr. in 2022-23).

The portfolio yield based on net investment income was at 7.5% (2022-23 - 7.2%). Your company has complied with the mandatory investment requirements and limits prescribed by IRDAI and the Investment Policy of the company, in respect of its investments as of 31<sup>st</sup> March 2024. The investments in Gilt and AAA rated and AAA equivalent instruments constituted 83% of the total investment portfolio. As at 31<sup>st</sup> March 2024, the company does not have any non-performing investments.

### Rural and Social Sector obligations

Your company continued to achieve and surpass its obligations in both the Rural and Social sectors. During the year, it achieved a premium of ₹380 cr., under Rural sector as against the regulatory requirement of ₹266 cr. (7% of the Gross Direct Premium). Further, in the social sector, it covered 4,34,056 lives as against the regulatory requirement of 1,78,248 lives.

### Network

As at 31<sup>st</sup> March 2024, your company had 161 offices. There is a good distribution of branches across all regions with a branch spread of 42% in South, 26% in West and the remaining 32% emanating from East and North.

### Peer Review of Actuarial Valuation

The company, as required under the regulations, had engaged the services of a qualified consulting actuary for conducting the peer review of the Actuarial Statutory Valuation as at 31<sup>st</sup> March 2024. The scope included check on data credibility, review of methodology and assumptions and reasonableness of the results. The peer reviewer has confirmed the sufficiency and adequacy of the IBNR/IBNER held by the company as per the certification of the Appointed Actuary of the company.

### Information Technology

Insurance companies will increasingly have to adopt new technologies, including generative AI, to harvest actionable insights from any new data at the industry's disposal. Advanced technology capabilities can help achieve operational targets such as improved underwriting for more accurate pricing and risk selection, bolstering claims management to limit loss costs, and improving efficiency by streamlining operations. Your company has always been at the forefront of technology and innovation. By adopting emerging technologies and leveraging data as part of its core strategy, the company is continuing as an agile and customer centric insurer, delivering a superior and enhanced customer experience.

We strongly believe that the evolving tech practices around digital innovation, data science, cloud and web technologies combined with our deep technical expertise and domain knowledge will accelerate innovation and give us a distinct competitive edge in the years ahead.

We continue to operate on our "Fit to Purpose" philosophy thereby optimizing the investments in the areas of technology. Our intermediaries and employees continue to be our focus areas for process improvements and application enhancements. Your company has supported them through various technological solutions to conduct their activities securely from any location. The company is working continuously on cloud adoption, implementation of newer technology solutions including AI based smart bots, solutions for enhancing process efficiency and servicing capability including empowerment of customers and intermediaries for self fulfilment across various channels.

### Business continuity management

Your company has a Business Continuity Management Policy (BCMP) and an exhaustive Business Continuity Plan (BCP) to mitigate business continuity risk. Your company has in place a BCP Core Committee and Crisis Management Team with

regional coordinators. A detailed Disaster Recovery (DR) plan covers critical processes, strategies adopted for DR invocation and recovery, which eventually helps in minimising financial impact to the organisation, continue to serve customers and mitigate the negative effects of disruptions that could affect your company's brand, operations and market position. Your company maintains the availability of critical IT applications, with defined Recovery Time Objectives and Recovery Point Objectives monitored with DR drill conducted periodically and test results effectively documented. DR servers for critical applications are integrated in security incident and event management (SIEM) tool which supports threat detection, compliance and security incident management through real time collection and analysis of security events. Based on the defined business continuity strategy, your company has successfully handled the continuity of business during the recent pandemic situation with no operational disruption, maintaining business as usual.

### 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. The company has implemented necessary policies and procedures to detect, mitigate and prevent cyber threats.

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

- (i) Board approved Information and Cyber Security Policy in line with IRDAI guidelines and Risk Mitigation Management Plan.
- (ii) Information Security Committee (ISC) to oversee governance, implementation of the security controls and adherence to the Information and Cyber Security policy.
- (iii) Enterprise-wide information security architecture and defence mechanism to address security concerns at various levels.
- (iv) Awareness program for employees such as awareness mailers, simulation exercises, classroom trainings, etc., and
- (v) Vulnerability Assessment and Penetration Testing exercise on a periodic basis.

The company has had an independent assessment done for information & cyber security processes to benchmark its practices.

Pursuant to IRDAI's Guidelines on Information and Cyber Security, your company undertakes an annual information system audit of information and cyber security through an external CERT-in empanelled audit firm. During FY 2023-24, the aforesaid audit was carried out covering critical business applications of the company and areas including access control, business continuity management, information security in supplier relationships, information security incident management, cloud security, system acquisition, development and maintenance. There were no major observations arising out of the aforesaid audit.

### 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 risks, insurance risk, financial risk and operational risks, credit risks, market risks and liquidity risks and information & cyber security risks.

The objective of the risk management framework of the company is to ensure that various risks are identified, measured and mitigated, and that policies, procedures and standards are established to address these risks for systemic response and adherence, aligned with our overarching objective of creating long-term value for all our stakeholders. Our RMF supports the achievement of the company's strategy by upholding an efficient and effective risk-based control environment and helps protect capital, liquidity and earnings.

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

As part of the enterprise risk management framework, critical risks along with the detailed mitigation plan are presented to the risk management committee on a quarterly basis. The risk mitigation plans are monitored regularly to ensure their timely and appropriate execution. The company measures each of the risk items against a set of predefined tolerance levels. The risks are monitored on a quarterly basis by using a heat map based on likelihood and impact. The company has a risk appetite framework with thresholds defined for Solvency, Earnings and Liquidity dimensions. The company also has defined risk indicators and alert levels for various risk types which are monitored, and exceptions are reported to the Risk Committee on a quarterly basis.

Your company has in place a risk retention reinsurance philosophy, which defines the product-wise retention limits on a per-risk basis as well as a retention limit on a per event basis. The underwriting policy also defines product wise approval limits for various underwriters while our investment policy lays down the asset allocation strategy to ensure financial liquidity, security, and diversification. The company has a well-balanced reinsurance program with proportional/surplus and risk excess of loss insurance contracts. The company has adequate catastrophic reinsurance based on the risk retention policy and uses modelling techniques to periodically assess the exposure and aims to keep exposure well diversified across geographies and product lines.

The company has well-defined underwriting policy and guidelines which define the approach towards product offering and selection, the evaluation of risks, pricing, underwriting limits, risk appetite and the delegation of underwriting authority.

Your company periodically updates its business continuity management/planning (BCP) framework for mitigating risks arising from any potential disruption to business.

To manage the reserving risk, the company uses proprietary and commercially available actuarial models, as well as historical loss development patterns, to assist in the establishment of appropriate claim reserves. In addition, the adequacy of reserves is reviewed on a periodical basis.

Your company's investments approach is in accordance with prudential norms prescribed by the IRDAI. The company invests a high proportion of its fixed income portfolio in sovereign or AAA PSU and Corporate bonds and within the defined limits for Equity and AIFs. The company allocates a certain portion of investment assets to money market instruments to meet sudden obligations and additionally, the reinsurance contracts provide us with an option to draw on "cash calls" from reinsurers in the event of a large claim, thereby mitigating liquidity risk.

In addition to monitoring of the credit ratings of its fixed income exposures, the company has formalized fixed income portfolio (credit/default) risk review parameters (early warning indicator) for periodic reporting to the Investment Committee.

The company has established a dedicated function for prevention, detection, correction of internal and external frauds, that supports the claims team with loss minimisation efforts.

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

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

## Registration

Your company had paid to the IRDAI the annual fees for the year 2023-24 as required by the IRDAI (Registration of Indian Insurance Companies) Regulations, 2000.

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

## Human Resources

People are key to formulating strategy and ensuring its systematic planning & execution which helps us meet our organisation goals. In addition, our continuous investment in our people's growth and development for capitalising on growth opportunities creates an edge which makes our human resources a source of strength and sustainable competitive advantage.

As on 31<sup>st</sup> March 2024, your company had a headcount of 2348. Your company continues to attach a lot of importance to employee engagement, employee wellbeing, overall learning, professional development and employee satisfaction.

Our Performance Management system is revamped to emphasize continuous feedback and professional development. Our new "Fireside Chats" with key leaders aim to foster transparent communication and strengthen connections across all levels of the company. This was followed up with Roadshows by Key leaders emphasising the new vision statement that Royal Sundaram will live by and our priorities for the years to come.

With an aim to become competitive and an employer of choice, we are focused on improving our Gender Diversity so as to make Royal Sundaram a more comfortable workplace for women employees. In line with this, we have launched initiatives around Gender Diversity and education around the same, ensuring women understand how to manage their personal finances, collaborate better with each other within the organisation and relook at the growth opportunities with increased confidence. We hope to promote an inclusive and equitable workforce through these steps. We have revamped our engagement programs to enable more employee participation and with a focus on Mental and Physical Health. Initiatives like "Health Hour", Marathons and other fitness activities, Yoga camps, employee fun collaborations are as testament to our commitment to foster a healthier and happier workforce.

Our Learning programs and journeys have undergone a transformation with clear objectives and expected outcomes laid out for any learning interventions launched. We have also ensured learning journeys encompass the aspects of Knowledge, Skills and Behaviour which forms the base of all competencies required for an employee to excel and stay relevant. The Introduction of programs as per employee levels, functions with an aim to align them to the business objectives have ensured effective and targeted skill development.

Continuous upskilling & knowledge enhancement is imperative for any business that aspires to capitalise on market opportunities. Aligned with the business strategy, the capability gaps of business and functions are assessed & interventions to strengthen knowledge, business enablers and skills are driven; thus, underpinning organisational performance and productivity.

## Capital and Solvency Position

Your company's authorised capital is ₹500 cr., and its paid-up capital is ₹449 cr. During the year, the company has not issued any equity shares. The net worth of the company as at 31<sup>st</sup> March 2024 was ₹1637 cr.

The company's solvency ratio as at 31<sup>st</sup> March 2024 was 2.42 times as against the mandated threshold of 1.50 times.

## Debentures

As at 31<sup>st</sup> March 2024, the total outstanding debt by way of NCDs is ₹126 cr. The said NCDs are listed on National Stock Exchange of India Limited (NSE).

The company continues to service its interest obligations on due dates to its debenture holders. Both the credit rating agencies, viz., ICRA and CARE, have reaffirmed their credit rating of AA+ with a stable outlook for the sub-debt programme.

## Dividend

Your directors have pleasure in declaring a dividend of ₹0.70/- per equity share of face value of ₹10/- each, for the financial year ended 31<sup>st</sup> March 2024 which is payable on obtaining the Shareholders' approval at the 24<sup>th</sup> Annual General Meeting.

## Public Deposits

Your company has not accepted any deposits from public under the relevant provisions of the Companies Act, 2013.

## Transfer of Unclaimed Dividend to Investor Education and Protection Fund

There was no unpaid/unclaimed Dividend lying with your company and hence the provisions of Section 125 of the Companies Act, 2013 do not apply.

## Loans, Guarantees and Investments

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

The investments of the company are following the norms prescribed by IRDAI, the Guidelines and Circulars issued by IRDAI from time to time and the Investment Policy of the company. The particulars of Investment Assets are provided in Management Discussion and Analysis Report section.

## Material changes and commitments affecting the financial position

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

## Transfer to Reserves

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

## Adoption of Indian Accounting Standards (Ind AS)

IRDAI is yet to issue directions for the implementation of the Indian Accounting Standards (Ind AS) for insurance companies. However, your company has been gearing up to implement these Standards as and when implemented by the Regulatory Authority.

## Environment, Social and Governance (ESG)

IRDAI has issued Corporate Governance Regulations for Insurance Companies eff. 1<sup>st</sup> April 2024, which mandates every insurer to have a board approved Environmental, Social and Governance (ESG) framework. The activities under ESG are to be monitored by the Board. The company is reviewing the best practices under the ESG and will be implementing the same in future in a time bound manner.

## Maintenance of Cost Records

Pursuant to Section 148 of the Companies Act, 2013 and the Rules made thereunder, the company is not required to maintain cost records.

## Significant and Material Orders Passed by the Regulators/Courts

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

## Corporate Governance

For the year 2023-24, your company has complied with the Guidelines on Corporate Governance for Insurance Companies issued in May 2016 by the Insurance Regulatory and Development Authority of India (IRDAI). A detailed report on our compliance for the year ended 31<sup>st</sup> March 2024 is attached as part of this Report.

### Board of Directors

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

The following changes took place in the composition of the Board during this Financial Year:

- Mr. M S Sreedhar relinquished his position as the Managing Director consequent to his attaining superannuation, on 31<sup>st</sup> May 2023.
- Mr. Amit S Ganorkar was appointed as the Managing Director effective 1<sup>st</sup> June 2023.
- Ms. Sudha Suresh was appointed as an Independent Director effective 3<sup>rd</sup> November 2023.
- Ms. Radha Unni, Independent Director had stepped down from the Board effective 30<sup>th</sup> November 2023.

### Retirement by rotation

As per the requirements of Section 152, the Independent Directors of your company have been excluded from the total number of Directors for determining the number of Directors whose period of office will be liable to retirement by rotation.

Based on the above, at the ensuing Annual General Meeting, Mr. T T Srinivasaraghavan and Mr. Gary Lee Crist, Directors, retire by rotation and are eligible for re-appointment. Necessary resolutions are being placed at the ensuing AGM for the approval of the Shareholders.

### Declaration by Directors

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 Corporate Governance Guidelines issued by IRDAI vide circular dated 18<sup>th</sup> May 2016 ('Guidelines').

### Common Directorships

Section 48A of the Insurance Act, 1938 prescribes conditions for appointment/continuation of appointment of common directors between insurance companies and insurance agent, intermediary or insurance intermediaries. Your company as on 31<sup>st</sup> March 2024, had three (3) Directors, falling within the criteria of common Directors viz. Mr. S Viji, Mr. T T Srinivasaraghavan and Mr. Harsha Viji.

The company is in compliance with the applicable provisions of the Insurance Act, 1938, other circulars and notifications/clarification issued by IRDAI in connection with the appointment/continuation of Common Directors.

### Independent Directors

Your company currently has four (4) Independent Directors, viz., Mr. M S Sundara Rajan, Mr. S Prasad, Mr. A V Girijakumar and Ms. Sudha Suresh who are not liable to retire by rotation.

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

### Declaration by Independent Directors

All our Independent Directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149(6) and 149 (7) of the Companies Act, 2013, read with Companies (Appointment and qualifications of Directors) Rules, 2014. There has been no change in the circumstances affecting their status as Independent Directors of the company.

### Key Managerial Personnel (KMP)

In terms of Section 203 of the Companies Act, 2013, Mr. Amit S Ganorkar, Managing Director, Mr. Vaibhav Kabra, Chief Financial Officer and Mr. S R Balachandher, Company Secretary are the Key Managerial Personnel of your company as at 31<sup>st</sup> March 2024.

### Appointed Actuary

Mr. A V Ramanan is the Appointed Actuary of your company.

### Performance evaluation of the Board, its Committees, Chairperson and individual Directors

As per the provisions of Section 134, Schedule IV and the rules made thereunder of the Companies Act, 2013, the Board has carried out an annual evaluation of its own performance, the directors' individual performance comprising both self and peer evaluation and the evaluation of various Committees. Your company had accordingly carried out an evaluation and the same has been explained as part of the Corporate Governance Report.

### Board Training and Induction

At the time of appointment of a director on the Board of the company, the incumbent director is provided with a directors' handbook comprising the compendium of the role, powers, duties and responsibilities of a director including code of conduct of the company, the compliance obligations and disclosure requirements from the Director under the Companies Act, IRDAI Regulations and other relevant applicable regulations. A formal letter of appointment is given to Independent Directors at the time of appointment which lays the role and duties of Independent Director. The terms and conditions of appointment of Independent Directors are posted on the website of the company. With a dynamic regulatory scenario, regulatory changes impacting the company are briefed at every meeting on a quarterly basis.

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

The remuneration policy for Directors, Key Managerial Personnel and other employees of the company framed in line with the requirements of the Companies Act, 2013, was reviewed during the year considering these guidelines. The policy is annexed vide "Annexure A".

The Nomination and Remuneration Committee screens the profile of the Directors and Key Managerial Personnel prior to their Appointment and recommends the proposal for the consideration of the Board of Directors.

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

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

During the year, the Board had recommended payment of commission to the Independent Directors. The commission will be paid at a rate computed in accordance with the provision of the Companies Act, 2013, read with relevant IRDAI guidelines. The commission to be paid will be restricted to a fixed sum within the above limit annually.

### Particulars of employees

Particulars of employees pursuant to provisions of Rule 5(2) of the Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 under the provisions of the Companies Act, 2013, the particulars of employees are set out



in the annexure to the Directors' Report. The Board's Report is being sent to all the Shareholders of your company excluding the said information. The annexure is available for inspection by any Shareholder during business hours on working days up to the date of ensuing Annual General Meeting. Any Shareholder interested in obtaining a copy of the same, may write to the company Secretary of the company.

### Corporate Social Responsibility (CSR) Committee and Policy

The Corporate Social Responsibility Committee comprises of Mr. Harsha Viji (Chairman), Mr. AV Girijakumar (Independent Director), Mr. Gary Lee Crist and Mr. Amit S Ganorkar.

In terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended ("CSR Rules") and in accordance with the CSR Policy, during the year 2024, your company has spent the required two percent of the average net profits of your company during the three immediately preceding financial years.

Your company has always responded to the growing needs of the society. Several enriching and enabling activities that contribute to the community in the areas of health, education, environment and road safety have been taken up, as part of our CSR projects during the year.

The Annual Report on company's CSR activities in the prescribed format is attached vide "Annexure B" and forms part of this report .

### Details of Meetings of the Board/Committees held during the financial year

During the year the Board met 7 times. The mandatory Committees as per the Corporate Governance Guidelines issued by IRDAI viz., Audit Committee, Investment Committee, Risk Management Committee & Policyholders' Protection Committee met at least 4 times. Details are hereunder:

Particulars	Meeting dates	No.of Meetings
Board	19.4.2023, 5.5.2023, 18.5.2023, 28.7.2023, 3.11.2023, 31.1.2024, 22.3.2024	7
Audit Committee	4.5.2023, 28.7.2023, 3.11.2023, 30.1.2024, 22.3.2024	5
Investment Committee	5.5.2023, 28.7.2023, 31.10.2023, 31.1.2024	4
Risk Management Committee	4.5.2023, 27.7.2023, 3.11.2023, 31.1.2024	4
Policyholders' Protection Committee	5.5.2023, 28.7.2023, 3.11.2023, 30.1.2024	4
Nomination & Remuneration Committee	19.4.2023, 18.5.2023, 3.11.2023, 31.1.2024	4
Corporate Social Responsibility Committee	5.5.2023	1

### Auditors

#### Internal Auditors

Your company has an in-house Internal Audit Team. They carry out an effective internal audit control and risk management measures, highlight areas that require attention and report their main findings and recommendations to the Audit Committee of the Board.

At the beginning of each financial year, an internal audit plan is rolled out after the same has been approved by Audit Committee. The internal audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and procedures, compliance with laws and regulations. Based on the reports of internal audit function, process owners undertake corrective and preventive actions in their respective areas. All the significant audit observations and actions thereon are presented to the Audit Committee of Board. The Audit Committee regularly reviews the audit findings and management actions thereon, as well as the adequacy and effectiveness of the internal systems and controls. More details on the Audit Committee in terms of its composition and functioning are given in the Corporate Governance Report.

### Statutory Auditors

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

Necessary resolutions for ratifications of appointment of Auditors will be placed before the Shareholders at the ensuing Annual General Meeting.

### Concurrent Auditors for Investment

M/s T Selvaraj & Co., Chartered Accountants, Chennai, appointed as concurrent auditors carried out the concurrent audit of the investment transactions, investment management systems, processes and transactions of your company for the year 2023-24.

### Information Security Assurance Services Auditors

Your company's operations are highly automated, in line with the ever-evolving advancements in modern information technology. M/s C V Ramaswamy and Co., Chartered Accountant, Chennai, provided the required information security assurance services to your company. The company has been building several additional safeguards in operational and IT security related areas.

### Secretarial Auditors' Report

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

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

### Secretarial Standards

The company is following the applicable Secretarial Standards issued by the Institute of company Secretaries of India with respect to Board and General Meetings. The same has also been confirmed by the Secretarial Auditor of the company. The company has also devised necessary systems to ensure compliance with the provisions of all applicable Secretarial Standards.

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

### Related Party Transactions

As per Section 177 of the Act, the Audit Committee of the Board of Directors approves the estimated related party transactions of the company at the beginning of every financial year. Related party transactions entered during the year under review were in the ordinary course of business and at an arm's length basis. Further there were no materially significant transactions with the KMPs or their relatives that have a potential conflict with the interest of the company at large. Thus, no instance occurred during the year, requiring prior approval of the Board or the shareholders for any Related Party Transactions. Also, there were no material contracts or arrangements or transactions at arm's length basis that needed to be disclosed. Form AOC 2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, is attached as part of this report vide "Annexure D".

As per Accounting Standard (AS) 18 on 'Related Party Disclosures', the details of related party transactions entered by the company are included in the Notes to Accounts. The Audit Committee and the Board monitors and approves the said transactions on a periodical basis.

### Establishment of vigil mechanism

Financial fraud poses a serious risk to all segments of the financial sector. The company adopts a Zero-Tolerance approach to fraud and does not accept any dishonest or fraudulent act committed by internal or external stakeholders. Your company has an Anti-Fraud Policy and a Whistle Blower Policy for reporting and mitigation of frauds.

The Whistle Blower Policy provides employees and other stakeholders a platform to communicate instances of frauds/misconducts that they have come across. 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 or any other act with an intention of unethical personal gain that may cause damage to the company or its employees. A Committee has been constituted to investigate complaints of any suspected or confirmed incident of fraud/misconduct reported. The Audit Committee reviews the cases referred under the Whistle Blower Policy at its quarterly meetings.

There have been no instances of offences involving fraud against the company by officers or employees that are required to be reported by the Auditors under section 143(12) and 134(3)(ca) of the Companies Act, 2013 and Rule 13 of the Companies (Audit and Auditors Rules), 2014 and amendments thereunder.

### 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.

Your 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 31<sup>st</sup> March 2024. As a result of the evaluation, the Management has concluded that the company's internal control over financial reporting was effective as of 31<sup>st</sup> March 2024 with no significant deficiency.

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

Your company has zero tolerance towards sexual harassment and is committed to provide a safe environment for all, through well-established mechanism for redressal of complaints reported.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, provides protection against sexual harassment of women at workplace and lays down the guidelines and timelines for the prevention and redressal of complaints pertaining to sexual harassment. Accordingly, your company has in place the policy and guidelines on prevention of Sexual Harassment at Workplace and a formal process for dealing with complaints of sexual harassment, in compliance with aforesaid Act. The company ensures that all such complaints are resolved within defined timelines.

Necessary Committee has been internally constituted to consider and redress complaints as and when received from the employees. During the year under review, the company has not received any complaint covered under this policy.

## Management Report

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

## Information relating to particulars regarding Conservation of Energy, Technology Absorption, Foreign exchange earnings and outgo

Since your 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.

Your company had foreign exchange earnings equivalent to ₹0.38 cr. and the outgo amounted to ₹62.42 cr. for the year ended 31<sup>st</sup> March 2024.

## Extract of the Annual Return

As required under Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the annual return in E-form MGT-7 is available on the website of the company at <https://www.royalsundaram.in>.

## Subsidiaries, Joint Ventures and Associate Companies

Your company does not have any Subsidiary or Joint Venture Companies.

As per Section 2(6) of the Companies Act, 2013, your company is considered as an "Associate" company (Joint Venture) of Sundaram Finance Limited, by virtue of 50% of your company's total paid up equity capital being held by them.

## Shares

### a. Buy Back of Securities

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

### b. Sweat Equity

Your company has not issued any Sweat Equity Shares during the year under review.

### c. Bonus Shares

No Bonus Shares were issued during the year under review.

### d. Employees Stock Option Plan

Your company currently has no Stock Option Scheme for its employees.

## Corporate Identity Number (CIN)

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

## Means of Communication

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

The financial results of the company, approved by the Board of Directors on a quarterly basis, are generally published in at least one English national daily newspaper circulating in the whole or substantially the whole of India. In accordance with the IRDAI requirements, half-yearly financial results of the company were also published in print media. The financial statements included the information required pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in addition to the IRDAI requirements. The quarterly, half-yearly and annual financial results and related information are sent to the stock exchanges and are also available on the website of your company.

Further, periodical and other compliances with respect to Non-Convertible Debentures of the company as prescribed under the SEBI Regulations are filed electronically with stock exchange where Non-Convertible Debentures of the company is listed.

The company has implemented a separate dedicated section website of the company where all the information related to the Debt Securities of the company are available. The said section provides comprehensive information on the stock exchange filings, all statutory policies, information to debenture holders, the financial results, etc. The company also has a dedicated email ID for assisting the debenture holders.

### **Registrar and Transfer Agents**

Your company has appointed M/s. Cameo Corporate Services Limited as the Registrar and Transfer Agent for Equity Shares and Debentures.

All the paid-up equity shares and the Non-Convertible Debentures of your company are held in dematerialised form. Any Investor services related queries/requests/complaints be addressed to the Registrar and Transfer Agent by the Investors at the following address:

Cameo Corporate Services Limited  
"Subramanian Building"  
No. 1, Club House Road, Chennai 600 002.  
Ph : 044-2846 0390,  
E-mail: cameo@cameoindia.com

### **Directors' Responsibility Statement**

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

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2024, the applicable accounting standards, principles and policies have been followed, along with a proper explanation relating to material departures if any.
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating profit and the net profit of the company for the year ended 31<sup>st</sup> March 2024.
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 (4 of 1938)/Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis.
- e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) that an Internal Audit system, commensurate with the size and nature of the business, exists and is operating effectively.

### Acknowledgement

The Board wishes to express its sincere gratitude for the guidance and support extended by various authorities including the Insurance Regulatory and Development Authority of India, General Insurance Council, Ministry of Corporate Affairs and other Ministries of the Government of India, Depositories, Debenture Trustee and the Stock Exchange.

The Board acknowledges the continued patronage of its policyholders and is thankful to the other stakeholders such as the channel partners, intermediaries and reinsurers for their continued support, trust and cooperation. The Board takes this opportunity to thank the Promoters for providing their continued guidance, co-operation and support.

We extend our sincere appreciation to the Management and employees of your company for their continued commitment, teamwork and contribution, in steering the company in the right direction and delivering the results in a challenging business environment. The Directors wish to express their gratitude to the Members of the company for their continued trust and support.

For and on behalf of the Board

Place : Chennai  
Date : May 7, 2024

**S Viji**  
Chairman  
(DIN: 00139043)

## REPORT ON CORPORATE GOVERNANCE

### Company's philosophy on Corporate Governance

Corporate Governance is about establishing a framework that promotes integrity, fairness and transparency throughout the organisation contributing to its long-term success and sustainability.

Your company is committed to values and ethical business conduct. Key elements of Corporate Governance encompasses transparency, strong internal controls, efficient risk management and lucid internal and external communications. It is all about a company managing and balancing the interests and expectations of the various stakeholders namely, its Shareholders, Customers, Employees, Suppliers and Regulatory Authorities.

The company's governance framework comprises of not only regulatory and legal requirements but also several voluntary practices aimed at maximizing shareholders' value legally, ethically and on a sustainable basis.

The company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The governance framework encompasses not only regulatory and legal requirements but also several voluntary practices aimed at maximizing the stakeholders value ethically and on a sustainable basis.

Your company believes that for an effective and transparent operations, a strong Corporate Governance practice is essential. It has therefore imbibed the core values of its Promoters in terms of service excellence, discipline, prudence, fair play, honesty, integrity, humility and transparency in all dealings. And all these values, combined with a commitment to conduct our operations with highest business standards and ethics. The company's Corporate Governance architecture has been strengthened through various policies, frameworks and code of conduct adopted by the company. Your company continues to focus on the above core values to run its business based on the principles of good corporate governance.

Your Board of Directors has taken cognizance of various regulatory changes in the overall governance framework and remains committed to ensure that the spirit of governance permeates in all spheres of the company's business.

Your company has complied with the prescribed corporate governance guidelines, as applicable, for the Financial Year 2023-24 and a Report is furnished hereunder: -

### I. Governance Structure

Your company's Governance structure mainly comprises of the Board of Directors and the various Committees of the Board at the apex level, and the Management structure at the operational level.

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

### Board of Directors

The Board 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.

## Composition

The Board has been constituted in an appropriate manner comprising of a mix of Executive/Non-Executive and Independent Directors to ensure proper governance and management. All the members of the Board are eminent persons with considerable expertise and varied experience in the areas of insurance, finance, transport, automobile, engineering and banking. The company stands to immensely benefit by the range of experience and skills that the Directors bring to the Board.

As at March 31 2024, your Board consists of ten (10) Directors, of which nine (9) are Non-Executive Directors. A brief profile of the Directors is provided elsewhere in this annual report for the information of the shareholders. The Managing Director is the only Executive Director. The Board is chaired by Mr. S Viji, a Non-Executive Director, who has more than five decades of experience in the Banking, Finance, Insurance & Automotive Component Manufacturing Industries.

Mr. S Prasad, Mr. M S Sundara Rajan, Mr. A V Girijakumar and Ms. Sudha Suresh are the four (4) Independent Directors, and the composition of the Board is in conformity with the IRDAI guidelines on Corporate Governance. All the Independent Directors have confirmed that they satisfy the criteria laid down for an Independent Director. As required under Section 149(3) of the Companies Act, 2013, Ms. Sudha Suresh, complies with the requirements of a Woman Director on our Board.

The company has a process to familiarise the Independent Directors about their roles, rights and responsibilities in the Insurance industry at the time of their induction and also periodically thereafter. Further at every Board and Committee Meetings, the developments and changes on the Regulatory/statutory fronts are provided to the Directors to ensure that they are regularly updated about the happenings in the industry as well as in the market. All the Board Members including the Independent Directors periodically interact with the Management team.

The Directors have executed the Deed of Covenant and necessary Annual declarations as required by the Corporate Governance guidelines issued by IRDAI. All the Directors of the company fulfil the 'fit and proper criteria' as mentioned in the Corporate Governance Guidelines issued by IRDAI.

## Composition of the Board of Directors as at March 31, 2024

Name of the Director	Category	Qualification	Specialisation
Mr. S Viji (DIN: 00139043)	Chairman Non-Executive Director	B.Com, ACA, M.B.A	Banking, Finance, Insurance & Automotive Component Manufacturing Industry
Mr. T T Srinivasaraghavan (DIN: 00018247)	Non- Executive Director	B.Com, M.B.A	Banking and Financial Services
Mr. S Prasad (DIN: 00063667)	Non- Executive Independent Director	FCA	Finance and Audit
Mr. Harsha Viji (DIN: 00602484)	Non- Executive Director	B.Com, ACA, M.B.A	Finance and Strategy, JV negotiations and new business development
Mr. Gary Lee Crist (DIN: 00942109)	Non-Executive Director	B.A. MIM	General Insurance
Mr. Filip A L Coremans (DIN: 03178684)	Non-Executive Director	M.B.A, Actuarial	General Insurance
Mr. M S Sundara Rajan (DIN: 00169775)	Non- Executive Independent Director	ACS, M.A., CAIIB	Banking, Finance, Insurance and Capital Market
Mr. A V Girijakumar (DIN: 02921377)	Non- Executive Independent Director	B. Com, M.B.A	General Insurance
Ms. Sudha Suresh (DIN: 06480567)	Non-Executive Independent Women Director	B.Com, FCA, ACS, ICWA	Banking and Financial Services
Mr. Amit S Ganorkar (DIN: 07889158)	Managing Director	B.E (Production), M.B.A	General Insurance



## II. Meetings and Procedure

The Board of Directors are actively involved in formulating the broad business and operational policies and deliberating on 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.

The Board Meetings are scheduled in a timely manner with a gap, not exceeding one hundred and twenty days between any two meetings. All the meetings of the Board and Committees were conducted in compliance with the regulatory requirements prescribed under various statutes and regulations.

The Board and Committee Meetings are pre-scheduled, and an annual calendar of the meetings is circulated to the Directors well in advance to enable them to plan their schedule so as to ensure a meaningful participation in the Board and Committee Meetings. The company also provides an option to its Directors/Committee Members to attend the Board/Committee Meetings virtually through video conferencing mode to enable their participation in the proceedings of the meeting. The Directors are provided with appropriate information in the form of agenda notes and presentations in a timely manner, to enable them to deliberate on each agenda item and provide appropriate directions to the Management.

In order to address specific urgent needs, meetings are also convened at a shorter notice and in case of business exigencies or urgency of matters, resolutions are also passed by the Board/Committees through circulation. The resolutions passed by circulation are noted at the next meeting of the Board/Committees.

The members of the Board have access to all information of the company. As and when required members of Senior Management team are invited to attend the Board and Committee meetings so as to provide additional inputs on the subjects being discussed.

In order to ensure that the Board functions effectively, the summary of matters discussed in the Committee Meetings are briefed to the Board of Directors by the Chairperson of the respective Committee at the ensuing Board Meeting.

### Board Meetings

During the Financial Year under review, seven (7) meetings of the Board of Directors were held on 19.4.2023, 5.5.2023, 18.5.2023, 28.7.2023, 3.11.2023, 31.1.2024 and 22.3.2024. The time gap between any two meetings did not exceed 120 days. The details of attendance at Board Meetings held during the year and details of other Directorships, Committee Chairmanships/memberships held by the Directors are as follows:

Name of the Director	Board Meetings attended		Directorships in other Public Companies		Committees in which Chairman/Member of other Companies <sup>#</sup>	
	Held	Attended	Chairman	Director	Chairman	Member
S Viji	7	7	1	1	1	1
T T Srinivasaraghavan	7	6	2	4	-	-
Harsha Viji	7	6	3	2	-	1
Gary Lee Crist	7	7	-	-	-	-
Filip A L Coremans	7	6	1	-	-	-
S Prasad	7	6	-	5	4	2
M S Sundara Rajan	7	7	-	2	-	2
A V Girijakumar	7	7	-	1	-	2
Radha Unni <sup>^</sup>	5	4	-	6	1	6
Sudha Suresh <sup>^^</sup>	3	3	-	1	1	1
M S Sreedhar <sup>*</sup>	3	3	-	-	-	-
Amit S Ganorkar <sup>**</sup>	4	4	-	-	-	-

<sup>^</sup> Stepped down from Board w.e.f 30<sup>th</sup> November 2023, <sup>^^</sup> Appointed as an Independent Director w.e.f. 3<sup>rd</sup> November 2023.

<sup>\*</sup> Retired w.e.f 31<sup>st</sup> May 2023. <sup>\*\*</sup> Appointed as Managing Director w.e.f. 1<sup>st</sup> June 2023.

(# Foreign companies, private companies and companies under Section 8 of the Companies Act, 2013 are excluded for the above said purpose. Audit and Stakeholders' Relationship Committee considered.)

Mr. A V Ramanan, Appointed Actuary is a permanent invitee to the Board Meetings and other Committee Meetings as required.

### III. Committee of Directors

To enable better and more focused attention on the affairs of the company and as required under regulatory provisions, the Board has constituted the following Committees:

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

These Committees lay down the groundwork for decision-making and report to the Board. The terms of reference of the Committees are approved by the Board, which inter alia includes all the statutory and regulatory stipulations. Meetings of all Committees, except Nomination and Remuneration Committee (NRC) and Corporate Social Responsibility Committee (CSR) are held on a quarterly basis. The various recommendations of the Committees are submitted to the Board for its consideration and approval as required. The Minutes of the Meetings of all the Committees are also placed periodically before the Board for its information and noting the key deliberations. In addition, Members of the senior management team are invited to participate in the Committee meetings as and when necessary to provide their views on business and also on the developments in the marketplace.

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:

#### a. Audit Committee

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

##### Terms of Reference:

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

Periodical review of internal audit and internal controls are reviewed by the Committee.

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

##### Composition:

The Composition of the Audit Committee was in line with the requirements of the Companies Act, 2013 and the Corporate Governance guidelines issued by IRDAI. Mr. S Prasad, an Independent Director, is the Chairman of the Audit Committee. During the year under review, the Committee was reconstituted on 3<sup>rd</sup> November 2023 with the induction of Ms. Sudha Suresh as one of the members of the Committee.

The Head - Internal Audit, Statutory Auditors and their representatives, Managing Director and other senior officers of the company are invitees to the Audit Committee, as per requirement.

The Audit Committee during the Financial year 2023-24 met for 5 times. The details of the meetings held and the attendance of each member at the Audit Committee are given below:

Name of the Members & Nature of Directorship	Designation	No. of meetings attended		Meeting dates
		Held	Attended	
S Prasad, Independent Director	Chairman	5	5	4.5.2023,28.7.2023, 3.11.2023,30.1.2024, 22.3.2024 (5 meetings)
M S Sundara Rajan, Independent Director	Member	5	5	
T T Srinivasaraghavan, Non- Executive Director	Member	5	5	
Gary Lee Crist, Non- Executive Director	Member	5	5	
A V Girijakumar, Independent Director	Member	5	5	
Sudha Suresh,* Independent Director	Member	2	2	

\* Inducted as member eff. 3<sup>rd</sup> November 2023.

## b. Investment Committee

The company's Investment Committee is constituted in accordance with the IRDAI (Investment) Regulations and IRDAI (Corporate Governance) Guidelines.

### Terms of Reference:

The functions of the Committee include overseeing the implementation of the investment policy as approved by the Board, from time to time. Necessary modifications are made to the Investment policy to bring it in line with the regulatory requirements. The Committee also periodically reviews the investment operations and performance of the company and updates the Board, as required. The Committee has formulated an effective reporting system to ensure compliance with the policy. The Committee also approves the standard operating procedures of the investment operations of the company.

The Committee inter-alia reviews the report of the concurrent auditors on audit of investment transactions and related systems, the investments made by the company 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, 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.

### Composition:

The Committee is chaired by Mr. Harsha Viji. As required under the Corporate Governance Guidelines, the Managing Director, Chief Financial Officer, Chief Investment Officer, Appointed Actuary and Chief Risk Officer are also the members of the Investment Committee. Mr. Amit S Ganorkar - who was appointed as the Managing Director in the place of Mr. M S Sreedhar, Managing Director - was inducted as a Member of the Committee effective from 1<sup>st</sup> June 2023. The details of the meetings and the attendance of the members are as follows:

Name of the Members & Nature of Directorship	Designation	No. of meetings attended		Meeting dates
		Held	Attended	
Harsha Viji, Non- Executive Director	Chairman	4	4	5.5.2023, 28.7.2023, 31.10.2023,31.1.2024 (4 meetings)
Filip A L Coremans, Non- Executive Director	Member	4	4	
M S Sreedhar*	Managing Director	1	1	
Amit S Ganorkar**	Managing Director	3	3	
A V Ramanan	Appointed Actuary	4	3	
Vaibhav Kabra	Chief Financial Officer	4	4	
Ramu Govindan	Chief Investment Officer	4	4	
Jignesh Sangoi	Chief Risk Officer	4	4	

\* Ceased to be a member eff. 31<sup>st</sup> May 2023. \*\* Inducted as a member eff. 1<sup>st</sup> June 2023.

### c. Risk Management Committee

The Risk Management Committee is constituted in accordance with the Corporate Governance Guidelines issued by IRDAI for Insurance Companies. The Committee's role will be to develop a strong risk management system and mitigation strategies.

#### Terms of Reference:

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

The Committee ensures that the Risk Management functions have an appropriate and achievable mandate to replicate the company's risk management structure and to ensure compliance with the agreed policies and standards. The Committee also reviews and monitors the business continuity plan, solvency position, enterprise risk management, risk appetite and tolerance limits, status of implementation of the Information Security and asset liability management. The Committee advises the Board with regard to risk management decisions in relation to strategic and operational matters. A detailed Report on Committee's views/decisions are submitted to the Board, with such recommendations as the Committee may deem appropriate.

#### Composition:

The Committee is chaired by Mr. M S Sundara Rajan. Along with the other members of the Committee, the Chief Risk Officer, the Appointed Actuary and the Chief Compliance Officer take part in the Committee Meetings. Mr. Amit S Ganorkar was inducted as a member of the Committee in the place of Mr. M S Sreedhar.

The details of the meetings held and attendance of the members at the Committee Meetings are as follows:

Name of the Members & Nature of Directorship	Designation	No. of meetings attended		Meeting dates
		Held	Attended	
M S Sundara Rajan, Independent Director	Chairman	4	4	4.5.2023, 27.7.2023, 3.11.2023, 31.1.2024 (4 meetings)
T T Srinivasaraghavan, Non - Executive Director	Member	4	4	
Filip A L Coremans, Non- Executive Director	Member	4	4	
M S Sreedhar,* Managing Director	Member	1	1	
Amit S Ganorkar,** Managing Director	Member	3	3	
Jignesh Sangoi (Invitee)	Chief Risk Officer	4	4	

\* Ceased to be a member eff. 31<sup>st</sup> May 2023. \*\* Inducted as a member eff. 1<sup>st</sup> June 2023.

### d. Policyholders' Protection Committee

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

#### Terms of Reference:

The broad functions of the Committee include laying down proper procedures and mechanism to monitor and resolve complaints and grievances of policyholders. The Committee also reviews the status of complaints and awards relating to Ombudsman and Consumer Forum at quarterly intervals. The Committee further reviews initiatives taken by the company to improve the quality of Customer service and ensuring that the policyholders have access to redressal mechanisms for speedier resolution of their grievances.

### Composition:

The Committee is currently chaired by Mr. S Viji. Mr. Amit S Ganorkar was inducted as a member in the place of Mr. M S Sreedhar. Ms. Radha Unni also ceased to be a member of the Policyholders' Protection Committee effective 30<sup>th</sup> November 2023, consequent to her relinquishing her position on the Board. The composition of the Committee is given below along with the attendance of the members:

Name of the Members & Nature of Directorship	Designation	No. of meetings attended		Meeting dates
		Held	Attended	
S Viji, Non- Executive Director	Chairman	4	4	5.5.2023, 28.7.2023, 3.11.2023, 30.1.2024 (4 meetings)
Gary Lee Crist, Non- Executive Director	Member	4	4	
Radha Unni,^ Independent Director	Member	3	3	
M S Sreedhar,* Managing Director	Member	1	1	
Amit S Ganorkar,** Managing Director	Member	3	3	

^Ceased to be member eff. 30<sup>th</sup> November 2023. \*Ceased to be a member eff. 31<sup>st</sup> May 2023,

\*\*Inducted as a member eff. 1<sup>st</sup> June 2023.

### e. Nomination and Remuneration Committee

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

#### Terms of Reference:

The Committee formulates and periodically reviews the remuneration policy including any performance related pay schemes of employees and the ongoing appropriateness of the same in line with the changing market trends and other business requirements. Further, the Committee reviews the performance and evaluates the Directors. The Committee considers and recommends the appointment/reappointment and the remuneration payable to the Managing Director, to the Board.

The Committee also assists the Board in the identification of persons for appointment as Directors and as Key Managerial Personnel by carrying out the required due diligence to ensure that the applicant meets the "fit and proper" criteria. The Committee also broadly reviews the increment and performance pay payable to the employees including the Key Managerial Personnel of the company in addition to approving any policy changes.

The Nomination and Remuneration Committee ensures that:

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

## Composition:

The Nomination and Remuneration Committee comprises of four members post the reconstitution on 18<sup>th</sup> January 2024 with the induction of Ms. Sudha Suresh, Independent Director in the place of Ms. Radha Unni, Independent Director. The composition of the Committee and the attendance of the members are given below:

Name of the Members & Nature of Directorship	Designation	No. of meetings attended		Meeting dates
		Held	Attended	
M S Sundara Rajan, Independent Director	Chairman	4	4	19.4.2023, 18.5.2023, 3.11.2023, 31.1.2024 (4 meetings)
Harsha Viji ,Non- Executive Director	Member	4	4	
Gary Lee Crist, Non- Executive Director	Member	4	4	
Radha Unni, * Independent Director	Member	3	3	
Sudha Suresh, ** Independent Director	Member	1	1	

\* Ceased to be a member eff. 30<sup>th</sup> November 2023. \*\* Inducted as a member eff. 18<sup>th</sup> January 2024.

## f. Corporate Social Responsibility Committee

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

### Terms of Reference:

The terms of reference of the Corporate Social Responsibility (CSR) Committee is to formulate the CSR policy and monitor its implementation. It also recommends to the Board, the activities to be undertaken by the company and the amount of the expenditure to be incurred on such activities. The Committee regularly monitors projects and CSR initiatives undertaken by the company. It also provides annual report to the Board on the CSR activities undertaken.

### Composition:

The Corporate Social Responsibility Committee was reconstituted on 18<sup>th</sup> January 2024 with the induction of Mr. A V Girijakumar, Independent Director in the place of Ms. Radha Unni, Independent Director. The composition of the Committee and the attendance of the members are as follows:

Name of the Members & Nature of Directorship	Designation	No. of meetings attended		Meeting dates
		Held	Attended	
Harsha Viji, Non- Executive Director	Chairman	1	1	5.5.2023 (1 meeting)
Gary Lee Crist, Non- Executive Director	Member	1	1	
Radha Unni, ^ Independent Director	Member	-	1	
A V Girijakumar, ^^ Independent Director	Member	-	-	
M S Sreedhar, * Managing Director	Member	1	1	
Amit S Ganorkar, ** Managing Director	Member	-	-	

^ Ceased to be member eff. 30<sup>th</sup> November 2023. ^^ Inducted as a member eff. 18<sup>th</sup> January 2024.

\* Ceased to be a member eff. 31<sup>st</sup> May 2023. \*\* Inducted as a member eff. 1<sup>st</sup> June 2023.

## IV. Independent Directors' Meeting

Once in a year, the Independent Directors separately hold a meeting (without the presence of the Management) to evaluate the performance of the Whole-time Directors, Non-Independent Directors, Chairman of the Board, 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. They also provide suggestions for strengthening the succession planning in the organisation.

During the year under review, the Independent Directors met separately on March 16, 2024 which was attended by all the Independent Directors. The key details of their discussions were later presented to the Board.

#### Company Secretary:

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

### V. Annual General Meetings (AGM)

The following table shows the details of the last three Annual General Meetings:

Financial Year	Date of Meeting	Time	Venue
2022-23	28.07.2023	1.30 p.m.	Corporate Office of the Company
2021-22	29.07.2022	12.30 p.m	Through Virtual Mode
2020-21	27.07.2021	1.30 p.m	

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

### VI. Extraordinary General Meeting (EGM)

During the year, the company had conducted the following Extraordinary General Meetings. The details of which are as follows:

Sl No.	Date of the Meeting	Purpose of the Meeting
1	04.05.2023	For extending the tenure of Mr. M S Sreedhar, Managing Director for a period of 2 months, till 31 <sup>st</sup> May 2023.
2	20.09.2023	To Amend the Articles of Association of the Company by inserting/Substituting new Article – for increasing the number of Directors from 10 to 12.

### VII. Evaluation Mechanism

In line with the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Audit and the various other Committees. A structured questionnaire is usually prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and overall governance structure.

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

### VIII. Remuneration of Directors

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

The Independent Directors are paid sitting fees for attending meetings of the Board and Committees as detailed hereunder:

Sl No.	Name of the Independent Directors	Fee for attending Board/Committee Meetings
1	Mr. S Prasad	₹ 2.85 Lakhs
2	Mr. M S Sundara Rajan	₹ 5.10 lakhs
3	Ms. Radha Unni	₹ 2.50 lakhs
4	Mr. A V Girijakumar	₹ 3.10 lakhs
5	Ms. Sudha Suresh	₹ 1.60 lakhs
<b>Total</b>		₹ 15.15 lakhs

Apart from the sitting fees paid to the Independent Directors for Financial Year 2023-24, the Board had recommended payment of commission to them out of the profits of the company. The amount of Commission payable to each of the Independent Director is recommended taking into consideration various factors such as performance of the company and extent of responsibilities cast on the directors.

#### IX. Internal Control

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

##### Internal Financial Controls

There is a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure:

- (a) the orderly and efficient conduct of business, including adherence to policies
- (b) safeguarding of assets
- (c) prevention and detection of frauds/errors
- (d) accuracy and completeness of the accounting records, and
- (e) timely preparation of reliable financial information.

##### Internal Audit Framework

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

Internal Audit Department's key audit findings, recommendations and compliance status of the previous key audit findings are reported to the Audit Committee regularly. The Audit Committee actively monitors the implementation of its recommendations and follows up on the completion of the scope document. The Chairman of the Audit Committee briefs the Board on deliberations taking place at the Audit Committee Meetings in relation to the key audit findings.

##### Risk Management structure

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

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



## Code of Conduct

The company is committed to conduct its business with highest standards of ethics and adhering to compliance. The company has in place Employees' Code of Conduct ("the Code") to summarize the standards of business conduct that must guide the actions of the employees including all Directors of the company at all times. The Code aims that all employees of the company observe highest standard of integrity, honesty, fairness, discipline, decorum and ethical conduct while working for the company as well as while representing the company.

The company has also a well-formulated "Code of conduct for dealing in securities" applicable

to officers involved in investment activities of the company to ensure that their personal trading does not conflict with their duties and responsibilities and to prevent them from taking advantage of any price sensitive information pertaining to listed securities.

The company has also adopted the Code of Conduct in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. As per the said Regulations, Designated Persons are barred from trading in the securities of the company, without the prior approval.

## Details of Claims

As required under the IRDAI Corporate Governance Guidelines, 2016, the details of claims paid and outstanding at the end of the year have been disclosed under Schedule 16 -Notes to Accounts forming part of Financial Statements.

## X. Compliance Officer

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

The company complies with the Corporate Governance Guidelines issued by IRDAI vide its circular dated 18<sup>th</sup> May 2016 and currently in force and a certificate to this effect, as provided to the Authority on an annual basis, is provided below.

For and on behalf of the Board

Place : Chennai

Date : May 7, 2024

S Viji  
Chairman  
(DIN: 00139043)

### Certification of compliance of the Corporate Governance Guidelines for 2023-24

I, S R Balachandher, Company Secretary & Chief Compliance Officer of Royal Sundaram General Insurance Co. Limited, hereby certify that the Company has complied with the Corporate Governance Guidelines as stated above, for insurance companies for 2023-24, as amended from time to time, and nothing has been concealed or suppressed.

Place : Chennai

Date : May 7, 2024

S R Balachandher

Company Secretary & Chief Compliance Officer

Annexure A

## REMUNERATION POLICY

### Objective

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

### Philosophy

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

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

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

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

### How Is Competitive Pay Determined

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

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

### The Salary Administration Programme

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

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

### How Value is Measured

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

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

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

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

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

## Salary Ranges

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

## Salary Grades

The salary grades have been spread within a four-level structure. The job levels are four but salary grades are 15 to factor in the progression needs of the employees. All employees within a level will have comparable profiles.

The four job levels are as follows:

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

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

- a. Officer – SG01-SG04
- b. Manager – SG05-SG07
- c. General Manager – SG08-SG11
- d. Vice President – SG12-SG14
- e. Executive Vice President – SG15

## Remuneration policy for NEDs

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

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

## Age limit and tenure of NEDs

In line with the IRDAI (Remuneration of NEDs of Insurers) Guidelines 2023, the maximum age limit for NEDs including the chairperson of the Board, shall be 75 years and after attaining the age of 75 years, no person shall continue on the Board of an insurer. Provided that in cases where the Chairperson/NED has already attained the age of 75 years as on the date of issue of the above said guidelines, a new incumbent shall be appointed within a period of 1 year.

## Appointment and remuneration of MD/CEO/WTD

The Managing Director (MD)/Chief Executive Officer (CEO)/Whole Time Directors (WTD’s) are appointed for a fixed tenure as approved by the Board, Shareholders and the Insurance Regulatory and Development Authority of India (IRDAI). Reappointment for further tenure is also subject to necessary approvals as may be required.

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

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

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

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

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

### **Variable Pay Composition of MD and other KMPs/Senior Management Team**

"Key Management Person" (KMP) shall include members of the core management team of an insurer or applicant including all whole-time directors or Managing Directors or Chief Executive Officer and the functional heads one level below the Managing Director or Chief Executive Officer, including the Chief Financial Officer, Appointed Actuary, Chief Investment Officer, Chief Risk Officer, Chief Compliance Officer and the Company Secretary.

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

The variable pay for the Management team including the KMPs, shall be fixed at such proportion as mandated by the Insurance Regulatory and Development Authority of India (IRDAI) guidelines on Managerial Remuneration issued in June 2023 including amendments made, if any, from time to time. The variable pay shall not be less than 50% of the fixed pay for the corresponding period and shall not exceed 300% of the fixed pay. Where variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay shall be paid via non-cash instruments such as Employee Stock Option Schemes (ESOPs) or such other schemes. The same limit would be 70% in case the variable pay is above 200% of the fixed pay. The non-cash component of the variable pay shall be paid on a pro rata basis and deferred over a period of minimum 3 years. The first such vesting shall accrue after 1 year from the commencement of the deferral period. However, as per the current remuneration guidelines in force, no deferment of variable pay shall be required for an amount of up to ₹25 lakhs for a particular year.

In case of inadequate performance or the concerned employee not meeting the financial and other performance related parameters during the financial year, the variable pay already granted may be reduced or withdrawn/drawn back as per decision of the NRC.

### **Annual Increments**

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

- Topline and bottom-line targets of the company achieved.
- Deliverables on key strategies and operational efficiencies.

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

#### **ESOP**

ESOPs granted of the Insurance company or that of the Promoter/Group/Associate Companies, if any, to be in line with the guidelines issued by the Authority, from time to time.

#### **LTIPs/SARs/Phantom stocks**

The company may provide Long-term incentive plans (LTIPs) to its employees as per the scheme prepared by the HR and approved by the NRC.

#### **Retirement/Resignation**

In case of retirement/resignation of the employee, the deferred portion of the variable pay (which is already earned by him) can be released for the unexpired years.

Similarly, for KMPs who are retiring from service, the LTIPs/ESOPs can be permitted to be exercised by them at the end of the allotted period.

However, employees who resign from the services of the company, will forfeit their rights to the unexpired portion of the LTIPs/ESOPs granted to them.

The Managing Director and Head (HR) can decide on the modalities of the same.

#### **Malus and Claw-back**

Where variable pay is deferred, the unpaid portion may be subject to malus and claw back provisions in case the performance of the company is not in line with the parameters defined by the NRC/Board. In case of deferred remuneration in the event of any negative trends in the defined parameters in any year during the vesting period, the unvested unpaid portion of the deferred variable pay shall be reduced or cancelled as per the assessment. However, the decision of NRC/Board shall be after due consideration of the actual/realized performance of the company considering any unforeseen or special circumstances

#### **Disclosures**

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

#### **Review**

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

Annexure B

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

**1. A brief outline on CSR policy of the Company:**

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

In line with its objectives, the areas that have been shortlisted for the CSR roadmap are health care, road safety, education, skill development and other areas such as disaster relief mitigation.

**2. Composition of the CSR Committee:**

Mr. Harsha Viji, Director acts as the Chairman of the Committee. The Composition of the Committee and attendance of the members at the Committee Meetings held during the year are given hereunder:

Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	Meeting date
Harsha Viji (DIN:00602484)	Chairman	1	1	5.5.2023 (1 meeting)
	Non-executive Director	1	1	
Gary Lee Crist (DIN: 00942109)	Member	1	1	
	Non-executive Director			
Radha Unni <sup>^</sup> (DIN: 03242769)	Member	1	-	
	Independent Director			
A V Girijakumar <sup>^^</sup> (DIN: 02921377)	Member	-	-	
	Independent Director			
M S Sreedhar* (DIN: 07153983)	Member	1	1	
	Managing Director			
Amit S Ganorkar** (DIN: 07889158)	Member	-	-	
	Managing Director			

<sup>^</sup> Ceased to be a member eff. 30<sup>th</sup> November 2023. <sup>^^</sup> Inducted as a member eff. 18<sup>th</sup> January 2024.

\* Ceased to be a member eff. 31<sup>st</sup> May 2023. \*\* Inducted as a member eff. 1<sup>st</sup> June 2023.

3. 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 at <https://www.royalsundaram.in>.
4. The executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8: Not Applicable
5. (a) Average net profit of the company as per Section 135(5): ₹179 Cr.  
 (b) Two percent of average net profit of the company as per Section 135(5): ₹3.60 Cr.  
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil  
 (d) Amount required to be set-off for the Financial Year: Nil  
 (e) Total CSR obligation for the Financial Year [(b)+(c) -(d)]: ₹3.60 Cr.

6. (a) Amount spent on CSR projects (both Ongoing Project and other than Ongoing Project) : ₹3.45 Cr. Details of the projects are provided in the Appendix to the CSR report.
- (b) Amount spent in Administrative Overheads: ₹17.96 Lakhs
- (c) Amount spent on Impact Assessment, if applicable: Not Applicable
- (d) Total amount spent for the Financial Year: [(a) +(b) +(c)]: ₹3.63 Cr.
- (e) 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)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
3,62,96,615/-	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Not applicable		Not applicable		

- (f) Excess amount for set-off: Not applicable

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years	-
(v)	Amount available for set-off in succeeding Financial Years [(iii)-(iv)]	-

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

Sl. No.	Preceding Financial Years	Amount transferred to unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under 135(6) (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5)		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency
					Amount (in ₹)	Date of transfer		
Not Applicable								

Financial Years: Not Applicable

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in Financial Year: Yes/No

If Yes, enter the number of Capital assets created/acquired: Not Applicable

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

Sl. No	Short particulars of the property or asset	Pin code of the property or asset	Date of creation	CSR amount spent	CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
						CSR Registration Number, if applicable	Name	Registered address
Not Applicable								

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):  
Not Applicable

Place : Chennai  
Date : May 7, 2024

**Amit S Ganorkar**  
Managing Director  
(DIN: 07889158)

**Harsha Viji**  
CSR Committee Chairman  
(DIN: 00602484)

### APPENDIX TO THE CSR REPORT

#### Details of CSR amount spent against other than ongoing projects for the Financial Year 2023-24

Sl. No	Name of the CSR project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Specify the State and district where projects was undertaken	Amount spent on the Projects (₹ In lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation-Through Implementing Agency	
							Name	CSR registration number
1	Health care activity contribution	Health	Yes	Tamilnadu-Chennai	120.00	No	Sundaram Medical Foundation	CSR00018426
2			Yes	Tamilnadu-Chennai	5.00	No	Tanker Foundation	CSR00001422
3	Promoting education including special education & employment enhancing vocational skills by providing financial assistance to deserving & meritorious students/ educational institutions	Education	Yes	Tamil Nadu Chennai	100.00	No	Laxmi Charities	CSR00005940
4			Yes	Tamil Nadu Madurai	25.00	No	Lakshmi Vidya Sangam	CSR00023619
5			Yes	Tamil Nadu Madurai	35.00	No	Arogya Welfare Trust	CSR00001641
6			Yes	Tamil Nadu Madurai	50.00	No	Velammal Education Trust	CSR00040925
7		Special Education	Yes	Tamilnadu-Chennai	10.00	No	Amenity Lifeline Emergency Response Team (ALERT)	CSR00003321
<b>Total</b>					<b>345.00</b>			



Annexure C

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31.03.2024**

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

To,

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

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on **March 31, 2024** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, and as applicable to company in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on **March 31, 2024** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Insurance Act, 1938, together with Amendments as notified, and Insurance Regulatory and Development Authority of India Act, 1999 and the Rules framed there under including the various circulars, guidelines, directions and Regulations issued from time to time, as may applicable to the company.
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under FEMA during the year under review and hence, the question of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;
- (vi) The company has listed its debt securities in the National Stock Exchange of India Limited and the following provisions are applicable:
  - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR); to the extent applicable

- b) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- c) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- e) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

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

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

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

**I further report that**

- (i) The Board of Directors of the company is duly constituted with proper balance of Executive, 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.
- (ii) Adequate notice is given to all directors to schedule the Board & Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors/Committee Members and there were no dissenting Directors/Members views recorded in the minutes.

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

**I further report that** the Board of Directors of the company at its meeting held on 3<sup>rd</sup> November, 2023 had, subject to the approval of the Shareholders, appointed Ms. Sudha Suresh as an Independent Director (Additional Director) of the company with effect from 3<sup>rd</sup> November, 2023 to hold office for a term of 5 (Five) consecutive years, till 2<sup>nd</sup> November, 2028.

**I further report that** during the audit period Ms. Radha Unni, Independent Director of the company, had resigned from her directorship from the Board of the company with effect from 30<sup>th</sup> November, 2023.

**I further report that** during the audit period the shareholders of the company, *inter alia*, had;

- a. passed an Ordinary Resolution at the Extra-ordinary General Meeting held on 4<sup>th</sup> May, 2023, to approve the extension of the tenure of Mr. M S Sreedhar, Managing Director of the company, till 31<sup>st</sup> May, 2023, in accordance with the applicable provisions of the Companies Act, 2013 and based on the approval obtained vide letter dated 17<sup>th</sup> February 2023 from the Insurance Regulatory and Development Authority of India (IRDAI) under Section 34A of the Insurance Act, 1938.
- b. passed an Ordinary Resolution at the Annual General Meeting held on 28<sup>th</sup> July, 2023, to approve the appointment of Mr. Amit Shriniwas Ganorkar (DIN: 07889158), as the Managing Director of the company for a period of 5 years, with effect from 1<sup>st</sup> June, 2023, that in accordance with the applicable provisions of the Companies Act, 2013 and subject to the approvals of the IRDAI under Section 34A of the Insurance Act, 1938.

- c. passed the Special Resolution at the Extra-ordinary General Meeting held on 20<sup>th</sup> September, 2023, for amending the Articles of Association of the company, in accordance with the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013.

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN  
Managing Partner  
Membership No.: 5837  
COP. No.: 5081  
FRN: L2019TN006000  
PR 3847/2023  
ICSI UDIN: F005837F000321691

Place : Chennai  
Date : May 7, 2024

(This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report)

### Disclaimer Certificate

To,

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

My Secretarial Audit Report of even date is to be read along with this letter.

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

For M DAMODARAN & ASSOCIATES LLP

M. DAMODARAN  
Managing Partner  
Membership No.: 5837  
COP. No.: 5081  
FRN: L2019TN006000  
PR 3847/2023  
ICSI UDIN: F005837F000321691

Place : Chennai  
Date : May 7, 2024

## Annexure D

### Form No. AOC-2

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

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

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

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

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

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

Place : Chennai

Date : May 7, 2024

S Viji  
Chairman  
(DIN: 00139043)

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

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

## INDEPENDENT AUDITORS' REPORT

To the members of Royal Sundaram General Insurance Co. Limited

Report on the Audit of Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and Revenue Accounts, the Profit and Loss Account and Receipts and Payments Account of the Company for the year ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In accordance with the provisions of Section 11 of the Insurance Act, 1938 ("the Insurance Act") read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and the provision of section 129 of the Companies Act 2013 ("the Act"), the Balance Sheet, the Revenue Accounts and the Profit and Loss Account are not required to be, and are not, drawn up in accordance with Schedule III of The Act. The Balance Sheet, the Revenue Accounts, the Profit and Loss Account and Receipts and Payments Account are, therefore, drawn up in conformity with the Regulations.
3. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements are prepared in accordance with the requirements of the Insurance Act, 1938, The Insurance Regulatory and Development Act, 1999 and The Companies Act, 2013 to the extent applicable and give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2024;
  - b) in the case of Revenue Accounts, of the operating profit for the year ended on that date;
  - c) in the case of Profit and Loss Account, of the profit for the year ended on that date;
  - d) in the case of Receipts and Payments Statement, of the receipts and payments for the year ended on that date.
  - e) The Accounting policies selected by the insurer are appropriate and are in compliance with the applicable Accounting Standards and with the Accounting Principles, as prescribed in the regulations or any order or direction issued by the Authority in this behalf.

### Basis for Opinion

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

## Key Audit Matters

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

Sl. No.	Key Audit Matter	Our audit procedures related to Key Audit Matter
1.	<p><b>Contingent Liabilities &amp; Disputed Tax Matters</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes. Hence, we consider this as a Key Audit Matter.</p> <p>Total tax contingent liabilities as at March 31, 2024 is ₹ 174,456 thousand.</p> <p>Refer Note No.2(a) of Schedule 17 of the standalone financial statements.</p>	<ul style="list-style-type: none"> <li>• Obtained from the management of the company a list of litigation cases and the changes therein as compared to previous year; also undertaken a detailed understanding of the disputes as well as reviewed the conclusions arrived by the management along with assumptions required under AS 29.</li> <li>• We reviewed the details of pending tax demands as at March 31, 2024.</li> <li>• We involved our internal experts to consider legal precedence and other ruling in evaluating the company's position on these uncertain tax positions.</li> <li>• We also reviewed Company's correspondences with tax authorities, legal counsels, grounds of appeal filed with various appellate authorities and industry position on various tax disputes.</li> <li>• Reviewed the minutes of board meetings, including the sub-committees.</li> </ul> <p>Based on the legal opinion and other audit evidences obtained, while noting the inherent uncertainty with such legal, regulatory and tax litigations we have verified the tax provisions and disclosures made in respect of contingent liabilities as at March 31, 2024.</p>

Sl. No.	Key Audit Matter	Our audit procedures related to Key Audit Matter
2.	<p><b>Valuation of investment</b></p> <p>We have considered Investment and its valuation as a Key Audit Matter since the carrying value of investments as at March 31, 2024, was ₹ 8,55,89,242 thousand which is approximately 89.36% of the assets of the company. The management's assessment of the value of investment as on the reporting date involves management judgement which can materially impact the impairment loss, if any and the carrying value of investment.</p> <p>Please refer Note No.9 to Schedule 16, Accounting policy for investments and Schedule 8 and 8A on Investments. Also refer to Note No. 5 to Schedule 17 on write off/provision for diminution of in value of investments.</p>	<p>With regard to investments and its valuation, we have:</p> <ul style="list-style-type: none"> <li>Reviewed the accounting policies used by the Company for accounting and disclosing Investments together with the process followed for valuation of investments for compliance with the accounting framework/IRDAI regulation.</li> <li>Assessed the adequacy of internal controls and tested the operating effectiveness of such controls for initial recognition, measurement, subsequent valuation and disclosure of investments as on the reporting date as per applicable regulations.</li> <li>Verified the investment position at the year-end using direct third-party confirmation, bank statements and other substantive procedure and also independently re-performed the valuation check on a sample basis to confirm their appropriateness as well as compliance with IRDA Prudential Norms.</li> <li>Based on the outcome of the audit procedures carried out by us as stated above, investments and its valuation as at the year-end is ensured.</li> </ul>
3.	<p><b>Valuation of outstanding claims ("OC") including claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER)</b></p> <p>We considered this as a key audit matter because the valuation of OC including IBNR and IBNER are significant in magnitude and requires use of judgements and estimates. OC including IBNR/IBNER are estimates for settlement of claims in future which are impacted by number of factors which includes the trends in nature of historical claims, severity of historical claims, frequency of historical claims, any change in the assumptions and IRDAI regulations.</p> <p>Please refer Point No. 19 of Schedule 17 of standalone financial statements.</p>	<p>In relation to this, our audit response included the following:</p> <ul style="list-style-type: none"> <li>We have reviewed and tested the operating effectiveness of key controls relating to the claims handling and reserving process of the claim estimates recorded;</li> <li>Substantive tests were performed on the amounts recorded for a sample of OC, to ensure whether claims are appropriately estimated and recorded;</li> <li>We have reviewed the certificate given by the Appointed Actuary and we had detailed discussions with the Actuary about the assumptions used for their valuations and accordingly relied on the certificate given by the Actuary.</li> </ul> <p>We reviewed the adequacy of Company's related disclosures by reference to relevant accounting standards and IRDAI Regulations.</p>



## Other Information

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

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

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

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

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

10. As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated 07<sup>th</sup> May, 2024, certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations. As required under provisions of Section 143(3) of The Companies Act, 2013 and IRDAI regulations, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Revenue Accounts, Profit and Loss Account, and Receipts and Payments Account dealt with by this Report are in agreement with the books of account.

- d) The financial accounting system of the Company is centralized and therefore accounting returns are not required to be submitted by branches.
- e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Accounting Standards) Amendment Rules, 2016, to the extent applicable and read together with IRDAI Regulations/Circulars/Orders.
- f) The estimate of claims Incurred But Not Reported [IBNR] and claims Incurred But Not Enough Reported [IBNER] has been certified by the Company's Appointed Actuary. The Appointed Actuary has certified to the Company that the assumptions used for such valuation are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority of India [IRDAI] and the Institute of Actuaries of India in concurrence with IRDAI. We have relied on the Appointed Actuary's certificate in this regard.
- g) Investments of the Company have been valued in accordance with the Provisions of the Insurance Act and the Regulations.
- h) On the basis of written representations received from the Directors as on March 31, 2024, and taken on record by the Board of Directors, none of the Directors is are disqualified as on March 31, 2024, from being appointed as a Director in terms of sub-section (2) of Section 164 of the Act.
- i) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure (A).
- j) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/payable by the Company to its Managing Director during the year is in accordance with Section 34A of the Insurance Act. As the company is an insurance company, the provisions contained in Section 197 of the Companies Act, 2013 are not applicable.
- k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in Note No. 2 (a) of Schedule 17 to the standalone financial statements.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any outstanding long term derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv) Since the information required under Additional Regulatory Information in Y(xiv) of Division I of Schedule III to the Act, is not applicable to the Company, being Insurance Company, the Company has not disclosed the same.
    - a) However, the Management has represented to us that to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) Further, the Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"),

with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- c) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub-clause (a) and (b) above, contain any material misstatement.
- v) a) As stated in Note 31 to standalone financial statements, the final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, to the extent applicable.
- b) As stated in Note 31 of Schedule 17 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. . The amount of dividend proposed is in accordance with section 123 of the Act, to the extent applicable.
- vi) Based on our examination, which included test checks and based on the information and explanations given to us, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the software. During the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- However, the audit trail feature of a few setup tables (reportedly not used for financial transactions) in one software module, did not operate in a particular month during the year. Accordingly, we are unable to comment on the audit trail feature in this software and if it was tampered with.
- vii) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

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

**V Chandrasekaran**  
Partner  
Membership No. 024844  
UDIN: 24024844BKCD4914

**P Babu**  
Partner  
Membership No. 203358  
UDIN: 24203358BKAI0F3782

Place : Chennai  
Date : May 7, 2024

## **ANNEXURE (A) (Referred to in paragraph (i) under 'Report on Other Legal and Regulatory Requirements' of our report of even date**

### **TO THE MEMBERS OF ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED**

We have audited the Internal Financial Controls over financial reporting of ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 financial statements

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**V Chandrasekaran**  
Partner  
Membership No. 024844  
UDIN: 24024844bkcdaw4914

**P Babu**  
Partner  
Membership No. 203358  
UDIN: 24203358BKAI0F3782

Place : Chennai  
Date : May 7, 2024

**N. C. Rajagopal & Co.**  
 Chartered Accountants  
 22, Krishnaswamy Avenue  
 Luz Church Road, Mylapore  
 Chennai- 600004.

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

## INDEPENDENT AUDITORS' CERTIFICATE

### To the Members of Royal Sundaram General Insurance Co. Limited

(Referred to in our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated 07<sup>th</sup> May, 2024)

#### 1. Management's Responsibility for the statement

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

#### 2. Auditor's Responsibility

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

#### 3. Opinion

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED (the 'Company') for the year ended March 31, 2024, we certify that:

- We have reviewed the Management Report attached to the financial statements for the financial year ended March 31, 2024 and there is no apparent mistake or material inconsistency therein with the financial statements.
- The Company has complied with the terms and conditions of registration stipulated by IRDAI vide their letter dated October 23, 2000.
- We have physically verified the cash balances at the corporate office of the Company as at March 31, 2024 and verified the cash/cheque deposit slips submitted to the banks by all the offices of the Company. Further, we have also relied upon the Management's certificate for cash/cheque balances at various offices of the company as at March 31, 2024. In respect of the investments held by the Company as at March 31, 2024, we have verified confirmations received from the custodian and/or depository participants appointed by the Company, as the case may be.
- The Company is not a trustee of any trust.
- No part of the assets of the policyholders' funds have been directly or indirectly applied in contravention of the provisions of the Insurance Act relating to application and investment of policyholders' funds.
- All expenses of management in respect of Fire, Marine and Miscellaneous Insurance Business have been fully debited to the respective Revenue Accounts.

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

**V Chandrasekaran**  
 Partner  
 Membership No. 024844  
 UDIN: 24024844bkcdaw4914

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

**P Babu**  
 Partner  
 Membership No. 203358  
 UDIN: 24203358BKAIOF3782

Place : Chennai  
 Date : May 7, 2024

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024 (FIRE BUSINESS)

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

			(₹ '000)	
Particulars	Schedule	March 31, 2024	March 31, 2023	
1 Premiums earned (net)	1A	6,83,851	6,93,433	
2 Profit/(Loss) on sale/redemption of investments		15,587	13,486	
3 Others				
- Coinsurance admin income		6,150	8,615	
- Investment income - Terrorism pool		95,425	57,788	
- Miscellaneous Income		111	-	
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 1,16,900 thousand (Previous Year: ₹ 92,937 thousand)] (Refer note 17 of Schedule 17)		1,12,015	86,778	
<b>Total (A)</b>		<b>9,13,139</b>	<b>8,60,100</b>	
1 Claims incurred (net)	2A	5,59,761	2,37,101	
2 Commission	3A	1,07,224	(3,09,868)	
3 Operating expenses related to insurance business	4	3,26,955	3,95,062	
4 Premium deficiency		-	-	
<b>Total (B)</b>		<b>9,93,940</b>	<b>3,22,295</b>	
<b>Operating Profit/(Loss) C = (A-B)</b>		<b>(80,801)</b>	<b>5,37,805</b>	
<b>Appropriations</b>				
Transfer to Shareholders' Account		(80,801)	5,37,805	
Transfer to Catastrophe Reserve		-	-	
Transfer to Other Reserves		-	-	
<b>Total (C)</b>		<b>(80,801)</b>	<b>5,37,805</b>	
Significant accounting policies	16			
Notes to financial statements	17			

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

As per our report of even date attached

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

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

For and on behalf of the Board of Directors

S Viji  
Chairman  
(DIN:00139043)

Amit S Ganorkar  
Managing Director  
(DIN:07889158)

V Chandrasekaran  
Partner  
Membership No. 024844

P Babu  
Partner  
Membership No. 203358

Gary Lee Crist  
Director  
(DIN: 00942109)

S Prasad  
Director  
(DIN:00063667)

Place : Chennai  
Date : May 7, 2024

Vaibhav Kabra  
Chief Financial Officer

S R Balachandher  
Company Secretary



## Form B - RA

### REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024 (MARINE BUSINESS)

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

		(₹ '000)	
Particulars	Schedule	March 31, 2024	March 31, 2023
1 Premiums earned (net)	1B & 1C	3,28,899	2,54,231
2 Profit/(Loss) on sale/redemption of investments		3,489	3,008
3 Others			
- Coinsurance admin income		707	260
- Contribution from Shareholders Account towards Excess EOM		9,611	-
- Miscellaneous Income		25	-
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 26,165 thousand (Previous Year: ₹ 20,728 thousand)] (Refer note 17 of Schedule 17)		25,071	19,354
<b>Total (A)</b>		<b>3,67,802</b>	<b>2,76,853</b>
1 Claims incurred (net)	2B & 2C	2,34,187	1,59,994
2 Commission	3B & 3C	1,24,431	40,533
3 Operating expenses related to insurance business	4	74,788	59,379
4 Premium deficiency		-	-
<b>Total (B)</b>		<b>4,33,406</b>	<b>2,59,906</b>
<b>Operating Profit/(Loss) C = (A-B)</b>		<b>(65,604)</b>	<b>16,947</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		(65,604)	16,947
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>(65,604)</b>	<b>16,947</b>
Significant accounting policies	16		
Notes to financial statements	17		

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

As per our report of even date attached

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

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

**V Chandrasekaran**  
Partner  
Membership No. 024844

**P Babu**  
Partner  
Membership No. 203358

For and on behalf of the Board of Directors

**S Viji**  
Chairman  
(DIN:00139043)

**Amit S Ganorkar**  
Managing Director  
(DIN:07889158)

**Gary Lee Crist**  
Director  
(DIN: 00942109)

**S Prasad**  
Director  
(DIN:00063667)

Place : Chennai  
Date : May 7, 2024

**Vaibhav Kabra**  
Chief Financial Officer

**S R Balachandher**  
Company Secretary

Form B - RA

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024 (MISCELLANEOUS BUSINESS)

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

(₹ '000)

Particulars	Schedule	March 31, 2024	March 31, 2023
1 Premiums earned (net)	1D	2,72,02,489	2,34,51,846
2 Profit/(Loss) on sale/redemption of investments		5,96,397	5,64,986
3 Others			
- Transfer fee and duplicate fee/Coinsurance admin income		7,620	5,802
- Investment income - Terrorism pool		23,856	14,447
- Contribution from Shareholders Account towards Excess EOM		5,83,337	3,23,550
- Miscellaneous Income		4,264	-
4 Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 44,72,921 thousand (Previous Year: ₹ 38,93,673 thousand)] (Refer note 17 of Schedule 17)		42,85,986	36,35,625
<b>Total (A)</b>		<b>3,27,03,949</b>	<b>2,79,96,256</b>
1 Claims incurred (net)	2D	2,11,07,712	1,83,89,128
2 Commission	3D	66,24,261	18,81,529
3 Operating expenses related to insurance business	4	37,22,750	72,28,722
4 Premium deficiency		-	-
<b>Total (B)</b>		<b>3,14,54,723</b>	<b>2,74,99,379</b>
<b>Operating Profit/(Loss) C = (A-B)</b>		<b>12,49,226</b>	<b>4,96,877</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		12,49,226	4,96,877
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>12,49,226</b>	<b>4,96,877</b>
Significant accounting policies	16		
Notes to financial statements	17		

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

As per our report of even date attached

For and on behalf of the Board of Directors

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

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

S Viji  
Chairman  
(DIN:00139043)

Amit S Ganorkar  
Managing Director  
(DIN:07889158)

V Chandrasekaran  
Partner  
Membership No. 024844

P Babu  
Partner  
Membership No. 203358

Gary Lee Crist  
Director  
(DIN: 00942109)

S Prasad  
Director  
(DIN:00063667)

Place : Chennai  
Date : May 7, 2024

Vaibhav Kabra  
Chief Financial Officer

S R Balachandher  
Company Secretary

**Form B - PL**
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024**

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

		(₹ '000)	
Particulars	Schedule	March 31, 2024	March 31, 2023
1 OPERATING PROFIT/(LOSS)			
a) Fire Insurance		(80,801)	5,37,805
b) Marine Insurance		(65,604)	16,947
c) Miscellaneous Insurance		12,49,226	4,96,877
2 INCOME FROM INVESTMENTS			
a) Interest, Dividend and Rent [Net of amortisation] [Gross Interest and Dividend ₹ 10,74,648 thousand (Previous Year: ₹ 9,87,329 thousand)] (Refer note 17 of Schedule 17)		10,29,748	9,21,895
b) Profit on sale of investments		1,85,144	1,66,555
Less: Loss on sale of investments		(41,854)	(23,290)
3 OTHER INCOME			
a) Profit/(Loss) on sale of assets		(432)	831
b) Other income		2,006	459
c) Miscellaneous income		1,024	-
<b>Total (A)</b>		<b>22,78,457</b>	<b>21,18,079</b>
4 PROVISIONS (Other than taxation)			
a) For diminution in the value of investments		-	-
b) For doubtful debts		-	(6,869)
5 OTHER EXPENSES			
Expenses other than those related to insurance business			
a) Employees' remuneration and welfare benefits (Refer note 13 of Schedule 17)		7,688	28,314
b) Expenses of investment		6,006	6,001
c) CSR contribution & donations (Refer note 30 of Schedule 17)		37,297	29,135
d) Expenses related to Borrowings		617	711
e) Bad debts written off - Others (Refer note 36 of Schedule 17)		708	11,955
f) Interest on Income Tax		-	530
g) Interest on borrowings (Refer note 28 of Schedule 17)		99,910	99,910
h) Contribution to Policyholders Account towards excess EoM		5,92,948	3,23,550
<b>Total (B)</b>		<b>7,45,174</b>	<b>4,93,237</b>
<b>Profit/(Loss) before tax (A - B)</b>		<b>15,33,283</b>	<b>16,24,842</b>
Provision for taxation			
a) Current tax		4,00,808	4,26,582
b) Deferred tax		(9,073)	(14,811)
<b>Profit/(Loss) after tax</b>		<b>11,41,548</b>	<b>12,13,071</b>
<b>Appropriations</b>			
a) Interim dividends paid during the year		-	-
b) Final dividend paid		3,14,300	2,69,400
c) Dividend distribution tax		-	-
d) Transfer to any Reserves or Other Accounts		-	-
Balance of Profit/(Loss) brought forward from last year		82,74,055	73,30,384
<b>Balance carried forward to Balance Sheet</b>		<b>91,01,303</b>	<b>82,74,055</b>
Significant accounting policies	16		
Notes to financial statements	17		
Earning per share (Basic and Diluted)		2.54	2.70

As per our report of even date attached

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

**V Chandrasekaran**  
 Partner  
 Membership No. 024844

 Place : Chennai  
 Date : May 7, 2024

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

**P Babu**  
 Partner  
 Membership No. 203358

For and on behalf of the Board of Directors

**S Viji**  
 Chairman  
 (DIN:00139043)

**Gary Lee Crist**  
 Director  
 (DIN: 00942109)

**Vaibhav Kabra**  
 Chief Financial Officer

**Amit S Ganorkar**  
 Managing Director  
 (DIN:07889158)

**S Prasad**  
 Director  
 (DIN:00063667)

**S R Balachandher**  
 Company Secretary

Form B - BS

**BALANCE SHEET AS AT MARCH 31, 2024**

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

(₹ '000)

Particulars	Schedule	March 31, 2024	March 31, 2023
<b>SOURCES OF FUNDS</b>			
Share capital	5	44,90,000	44,90,000
Reserves and surplus	6	1,18,77,303	1,10,50,055
Fair value change account			
- Shareholder funds		1,28,347	21,395
- Policyholder funds		7,19,750	1,19,421
Borrowings	7	12,60,000	12,60,000
<b>Total</b>		<b>1,84,75,400</b>	<b>1,69,40,871</b>
<b>APPLICATION OF FUNDS</b>			
Investments - Shareholders	8	1,29,52,662	1,16,22,206
Investments - Policyholders	8A	7,26,36,580	6,48,72,447
Loans	9	-	-
Fixed assets	10	4,12,580	3,53,061
Deferred tax asset - Net (Refer note 7 of Schedule 17)		4,48,751	4,39,679
Current assets			
- Cash and bank balances	11	12,35,905	10,24,166
- Advances and other assets	12	80,95,138	94,30,431
<b>Sub-Total (A)</b>		<b>93,31,043</b>	<b>1,04,54,597</b>
Current liabilities	13	6,07,96,990	5,55,74,415
Provisions	14	1,65,09,226	1,52,26,704
<b>Sub-Total (B)</b>		<b>7,73,06,216</b>	<b>7,08,01,119</b>
<b>Net current assets (C)=(A-B)</b>		<b>(6,79,75,173)</b>	<b>(6,03,46,522)</b>
Miscellaneous expenditure (to the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		-	-
<b>Total</b>		<b>1,84,75,400</b>	<b>1,69,40,871</b>
Significant accounting policies	16		
Notes to financial statements	17		

As per our report of even date attached

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

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

**V Chandrasekaran**  
Partner  
Membership No. 024844

**P Babu**  
Partner  
Membership No. 203358

Place : Chennai  
Date : May 7, 2024

For and on behalf of the Board of Directors

**S Viji**  
Chairman  
(DIN:00139043)

**Gary Lee Crist**  
Director  
(DIN: 00942109)

**Vaibhav Kabra**  
Chief Financial Officer

**Amit S Ganorkar**  
Managing Director  
(DIN:07889158)

**S Prasad**  
Director  
(DIN:00063667)

**S R Balachandher**  
Company Secretary

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 1A</b>		
<b>PREMIUM EARNED (NET) - FIRE BUSINESS</b>		
Premium from direct business written	30,11,062	29,49,084
Add: Premium on reinsurance accepted	14,25,595	11,08,207
Less: Premium on reinsurance ceded	(38,12,866)	(32,83,193)
Net Premium	6,23,791	7,74,098
Adjustment for change in reserve for unexpired risks	60,060	(80,665)
<b>Total Premium Earned (Net)</b>	<b>6,83,851</b>	<b>6,93,433</b>
<b>SCHEDULE 1B</b>		
<b>PREMIUM EARNED (NET) - MARINE CARGO BUSINESS</b>		
Premium from direct business written	5,42,973	5,16,398
Add: Premium on reinsurance accepted	4,773	1,186
Less: Premium on reinsurance ceded	(1,47,435)	(2,59,779)
Net Premium	4,00,311	2,57,805
Adjustment for change in reserve for unexpired risks	(71,420)	(3,574)
<b>Total Premium Earned (Net)</b>	<b>3,28,891</b>	<b>2,54,231</b>
<b>SCHEDULE 1C</b>		
<b>PREMIUM EARNED (NET) - MARINE HULL BUSINESS</b>		
Premium from direct business written	228	211
Add: Premium on reinsurance accepted	-	-
Less: Premium on reinsurance ceded	(214)	(198)
Net Premium	14	13
Adjustment for change in reserve for unexpired risks	(6)	(13)
<b>Total Premium Earned (Net)</b>	<b>8</b>	<b>-</b>
<b>SCHEDULE 1D</b>		
<b>PREMIUM EARNED (NET) - MISCELLANEOUS BUSINESS</b>		
Premium from direct business written	3,28,16,728	3,03,31,832
Add: Premium on reinsurance accepted	4,43,955	2,65,505
Less: Premium on reinsurance ceded	(47,98,678)	(46,06,283)
Net Premium	2,84,62,005	2,59,91,054
Adjustment for change in reserve for unexpired risks	(12,59,516)	(25,39,208)
<b>Total Premium Earned (Net)</b>	<b>2,72,02,489</b>	<b>2,34,51,846</b>

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 2A</b>		
<b>CLAIMS INCURRED (NET) - FIRE BUSINESS</b>		
Claims paid		
Direct	10,16,755	6,46,034
Add: Reinsurance accepted	1,92,140	1,37,280
Less: Reinsurance ceded	(10,04,761)	(6,21,253)
Net Claims paid	2,04,134	1,62,061
Add: Claims outstanding at the end of the year	7,28,615	3,72,988
Less: Claims outstanding at the beginning of the year	(3,72,988)	(2,97,948)
<b>Total Claims Incurred</b>	<b>5,59,761</b>	<b>2,37,101</b>
<b>SCHEDULE 2B</b>		
<b>CLAIMS INCURRED (NET) - MARINE CARGO BUSINESS</b>		
Claims paid		
Direct	3,00,373	3,32,714
Add: Reinsurance accepted	13	29
Less: Reinsurance ceded	(1,18,265)	(1,59,356)
Net Claims paid	1,82,121	1,73,387
Add: Claims outstanding at the end of the year	2,01,555	1,49,489
Less: Claims outstanding at the beginning of the year	(1,49,489)	(1,62,882)
<b>Total Claims Incurred</b>	<b>2,34,187</b>	<b>1,59,994</b>
<b>SCHEDULE 2C</b>		
<b>CLAIMS INCURRED (NET) - MARINE HULL BUSINESS</b>		
Claims paid		
Direct	-	-
Add: Reinsurance accepted	-	-
Less: Reinsurance ceded	-	-
Net Claims paid	-	-
Add: Claims outstanding at the end of the year	-	-
Less: Claims outstanding at the beginning of the year	-	-
<b>Total Claims Incurred</b>	<b>-</b>	<b>-</b>
<b>SCHEDULE 2D</b>		
<b>CLAIMS INCURRED (NET) - MISCELLANEOUS BUSINESS</b>		
Claims paid		
Direct	1,94,69,072	1,91,83,628
Add: Reinsurance accepted	3,22,772	1,70,214
Less: Reinsurance ceded	(35,51,103)	(34,35,713)
Net Claims paid	1,62,40,741	1,59,18,129
Add: Claims outstanding at the end of the year	5,12,16,496	4,63,49,525
Less: Claims outstanding at the beginning of the year	(4,63,49,525)	(4,38,78,526)
<b>Total Claims Incurred</b>	<b>2,11,07,712</b>	<b>1,83,89,128</b>

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

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 3A</b>		
<b>COMMISSION - FIRE BUSINESS</b>		
Commission paid		
Direct	4,59,499	3,56,464
<b>Total</b>	<b>4,59,499</b>	<b>3,56,464</b>
Add: Commission on reinsurance accepted	1,77,871	1,38,205
Less: Commission on reinsurance ceded	(5,30,146)	(8,04,537)
<b>Net Commission</b>	<b>1,07,224</b>	<b>(3,09,868)</b>
<b>Break-up of the expenses (Gross) incurred to procure business:</b>		
Agents	62,461	34,437
Brokers	3,70,762	3,15,667
Corporate Agency	26,060	6,269
Referral	-	-
Others	216	91
<b>Total</b>	<b>4,59,499</b>	<b>3,56,464</b>
<b>SCHEDULE 3B</b>		
<b>COMMISSION - MARINE CARGO BUSINESS</b>		
Commission paid		
Direct	1,33,211	81,814
<b>Total</b>	<b>1,33,211</b>	<b>81,814</b>
Add: Commission on reinsurance accepted	389	53
Less: Commission on reinsurance ceded	(9,124)	(41,357)
<b>Net Commission</b>	<b>1,24,476</b>	<b>40,510</b>
<b>Break-up of the expenses (Gross) incurred to procure business:</b>		
Agents	35,320	27,460
Brokers	97,861	54,295
Corporate Agency	29	59
Referral	-	-
Others	1	-
<b>Total</b>	<b>1,33,211</b>	<b>81,814</b>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 3C</b>		
<b>COMMISSION - MARINE HULL BUSINESS</b>		
Commission paid		
Direct	28	26
<b>Total</b>	<b>28</b>	<b>26</b>
Add: Commission on reinsurance accepted	-	-
Less: Commission on reinsurance ceded	(73)	(3)
<b>Net Commission</b>	<b>(45)</b>	<b>23</b>
<b>Break-up of the expenses (Gross) incurred to procure business:</b>		
Agents	-	-
Brokers	28	26
Corporate Agency	-	-
Referral	-	-
Others	-	-
<b>Total</b>	<b>28</b>	<b>26</b>
<b>SCHEDULE 3D</b>		
<b>COMMISSION - MISCELLANEOUS BUSINESS</b>		
Commission paid		
Direct	72,70,540	28,61,927
<b>Total</b>	<b>72,70,540</b>	<b>28,61,927</b>
Add: Commission on reinsurance accepted	74,081	28,877
Less: Commission on reinsurance ceded	(7,20,360)	(10,09,275)
<b>Net Commission</b>	<b>66,24,261</b>	<b>18,81,529</b>
<b>Break-up of the expenses (Gross) incurred to procure business:</b>		
Agents	7,06,031	4,21,791
Brokers	44,63,884	16,93,935
Corporate Agency	4,56,861	2,82,693
Referral	-	-
Others	16,43,764	4,63,508
<b>Total</b>	<b>72,70,540</b>	<b>28,61,927</b>





SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 4</b>		
<b>OPERATING EXPENSES RELATED TO INSURANCE BUSINESS</b>		
1 Employees' remuneration and welfare benefits	24,67,169	21,86,809
2 Travel, conveyance and vehicle running expenses	83,766	77,785
3 Training expenses	15,829	10,745
4 Rents, rates and taxes	2,28,757	2,60,049
5 Repairs and maintenance	80,507	76,257
6 Printing and stationery	30,911	43,817
7 Communication	77,942	70,519
8 Legal and professional charges	81,922	19,809
9 Auditors' fees and expenses:		
(a) as auditors	4,200	3,600
(b) as adviser or in any other capacity, in respect of:		
(i) Taxation matters	400	360
(ii) Insurance matters	-	-
(iii) Management services	-	-
(c) in any other capacity - certification	1,721	1,655
(d) out of pocket expenses	66	255
10 Advertisement and publicity	43,785	20,52,751
11 Bank charges	1,09,185	1,03,379
12 Others:		
(a) Data processing and outsourcing expenses	86,767	4,26,516
(b) Marketing and related expenses	96,354	16,91,052
(c) Software and hardware maintenance charges	4,44,793	4,07,563
(d) Policy stamp expenses	2,581	3,063
(e) Directors sitting fees and commission (Refer note 12 of Schedule 17)	4,015	3,675
(f) Miscellaneous expenses	1,06,602	1,05,262
13 Depreciation	1,49,860	1,36,315
14 Goods and services tax on premium (Net)	7,361	1,927
<b>Total</b>	<b>41,24,493</b>	<b>76,83,163</b>
<b>Allocation of expenses</b>		
Revenue account - Fire business	3,26,955	3,95,062
Revenue account - Marine business	74,788	59,379
Revenue account - Miscellaneous business	37,22,750	72,28,722
<b>Total</b>	<b>41,24,493</b>	<b>76,83,163</b>

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	(₹ '000)	
	March 31, 2024	March 31, 2023
<b>SCHEDULE 5</b>		
<b>SHARE CAPITAL</b>		
1 Authorised Capital 50,00,00,000 (March 31, 2023- 50,00,00,000) Equity shares of ₹ 10/- each	50,00,000	50,00,000
2 Issued Capital 44,90,00,000 (March 31, 2023- 44,90,00,000) Equity shares of ₹ 10/- each, fully paid up	44,90,000	44,90,000
3 Subscribed Capital 44,90,00,000 (March 31, 2023- 44,90,00,000) Equity shares of ₹ 10/- each, fully paid up	44,90,000	44,90,000
4 Called-up Capital 44,90,00,000 (March 31, 2023- 44,90,00,000) Equity shares of ₹ 10/- each, fully paid up Less: Calls unpaid Add: Equity Shares forfeited (Amount originally paid-up) Less: Par value of equity shares bought back Less: Preliminary expenses (to the extent not written off)	44,90,000 - - - -	44,90,000 - - - -
<b>Total</b>	<b>44,90,000</b>	<b>44,90,000</b>

**SCHEDULE 5A**

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

Particulars	March 31, 2024		March 31, 2023	
	Number of Shares	% of holding	Number of Shares	% of holding
<b>Shareholder</b>				
Promoters				
Indian	26,94,00,000	60%	26,94,00,000	60%
Foreign	17,96,00,000	40%	17,96,00,000	40%
	44,90,00,000	100%	44,90,00,000	100%
Others	-	-	-	-
<b>Total</b>	<b>44,90,00,000</b>	<b>100%</b>	<b>44,90,00,000</b>	<b>100%</b>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(₹ '000)	
	March 31, 2024	March 31, 2023
<b>SCHEDULE 6</b>		
<b>RESERVES AND SURPLUS</b>		
1 Capital reserve	-	-
2 Capital redemption reserve	-	-
3 Share premium	25,50,000	25,50,000
4 General reserves		
Opening Balance	1,00,000	1,00,000
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
Add: Transfer from Debenture redemption reserve	-	-
<b>Closing Balance</b>	<b>1,00,000</b>	<b>1,00,000</b>
5 Catastrophe reserve	-	-
6 Debenture Redemption Reserve		
Opening Balance	1,26,000	1,26,000
Add: Appropriation from Profit & Loss Account	-	-
Less: Transfer to General reserve	-	-
<b>Closing Balance</b>	<b>1,26,000</b>	<b>1,26,000</b>
7 Balance of profit in Profit & Loss Account	91,01,303	82,74,055
<b>Total</b>	<b>1,18,77,303</b>	<b>1,10,50,055</b>
<b>SCHEDULE 7</b>		
<b>BORROWINGS</b>		
1 Debentures/Bonds (Refer note 28 of Schedule 17)	12,60,000	12,60,000
2 Banks	-	-
3 Financial institutions	-	-
4 Others	-	-
<b>Total</b>	<b>12,60,000</b>	<b>12,60,000</b>

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 8</b>		
<b>INVESTMENTS - SHAREHOLDERS</b>		
<b>LONG TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including treasury bills	60,82,430	47,21,114
2 Other approved securities	-	-
3 Other approved investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	26,64,387	27,01,488
(e) Other securities	-	-
(f) Subsidiaries	-	-
(g) Investment in properties - Real estate	-	-
(h) Fixed deposits with banks	-	-
4 Investments in infrastructure and social sector	14,21,788	17,68,785
5 Other investments - Corporate debentures/Alternative investment funds	5,96,992	3,21,059
<b>SHORT TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including treasury bills	30,467	1,41,007
2 Other approved securities	-	-
3 Other approved investments		
(a) Shares		
(aa) Equity	6,84,584	6,51,386
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	7,05,315	4,85,915
(e) Other securities - TREP/CP/CD	1,86,042	1,55,705
(f) Subsidiaries	-	-
(g) Investment in properties - Real estate	-	-
(h) Fixed deposits with banks	-	-
4 Investments in infrastructure and social sector	3,46,399	4,29,426
5 Other investments - Corporate debentures/Alternative Investment Funds/Equity	2,34,258	2,46,321
<b>Total</b>	<b>1,29,52,662</b>	<b>1,16,22,206</b>
Aggregate market value of quoted investments other than equity shares and AIF	1,13,97,310	1,00,67,259
Aggregate book value of quoted investments other than equity shares and AIF	1,15,10,053	1,03,08,477
Historical cost of equity shares valued on fair value basis	7,94,941	8,71,172
Historical cost of AIFs valued on fair value basis	3,33,279	2,65,458
Aggregate book value of unquoted investments	1,86,042	1,55,705

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 8A</b>		
<b>INVESTMENTS - POLICYHOLDERS</b>		
<b>LONG TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including treasury bills	3,41,09,351	2,63,52,155
2 Other approved securities	-	-
3 Other approved investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	1,49,41,477	1,50,79,075
(e) Other securities	-	-
(f) Subsidiaries	-	-
(g) Investment in properties - Real estate	-	-
(h) Fixed deposits with banks	-	-
4 Investments in infrastructure and social sector	79,73,171	98,72,947
5 Other investments - Corporate debentures/Alternative investment funds	33,47,842	17,92,076
<b>SHORT TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including treasury bills	1,70,856	7,87,067
2 Other approved securities	-	-
3 Other approved investments		
(a) Shares		
(aa) Equity	38,39,046	36,35,887
(bb) Preference	-	-
(b) Mutual funds	-	-
(c) Derivative instruments	-	-
(d) Debentures/Bonds	39,55,302	27,12,271
(e) Other securities - TREP/CP/CD	10,43,298	8,69,111
(f) Subsidiaries	-	-
(g) Investment in properties - Real estate	-	-
(h) Fixed deposits with banks	-	-
4 Investments in infrastructure and social sector	19,42,555	23,96,953
5 Other investments - Corporate debentures/Alternative Investment Funds/Equity	13,13,682	13,74,905
<b>Total</b>	<b>7,26,36,580</b>	<b>6,48,72,447</b>
Aggregate market value of quoted investments other than equity shares and AIF	6,39,14,402	5,61,93,091
Aggregate book value of quoted investments other than equity shares and AIF	6,45,46,645	5,75,39,510
Historical cost of equity shares valued on fair value basis	44,57,909	48,62,678
Historical cost of AIFs valued on fair value basis	18,68,978	14,81,727
Aggregate book value of unquoted investments	10,43,298	8,69,111

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 9</b>		
<b>LOANS</b>		
1 Security-wise classification		
Secured		
(a) On mortgage of property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Government securities	-	-
(c) Others	-	-
Unsecured	-	-
<b>Total</b>	-	-
2 Borrower-wise classification		
(a) Central and State Governments	-	-
(b) Banks and financial institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial undertakings	-	-
(e) Others	-	-
<b>Total</b>	-	-
3 Performance-wise classification		
(a) Loans classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	-	-
4 Maturity-wise classification		
(a) Short-term	-	-
(b) Long-term	-	-
<b>Total</b>	-	-

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 10

FIXED ASSETS

(₹ '000)

Particulars	Cost/Gross Block			Depreciation				Net Block		
	Opening as at April 01, 2023	Additions	Deductions	Closing as at March 31, 2024	Upto March 31, 2023	For the period	On sales	Upto March 31, 2024	As at March 31, 2024	As at March 31, 2023
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles- Information technology software	5,60,089	1,65,132	-	7,25,221	3,84,033	86,270	-	4,70,303	2,54,918	1,76,056
Furniture and fittings	27,210	189	210	27,189	21,445	1,781	164	23,062	4,127	5,765
Improvements to leased premises	2,76,205	15,295	2,050	2,89,450	2,40,686	13,762	1,650	2,52,798	36,652	35,519
Information technology equipment- Server	1,66,463	15,128	3,023	1,78,568	97,234	22,574	3,023	1,16,785	61,783	69,229
Information technology equipment- Others	1,44,298	23,038	341	1,66,995	1,07,472	19,620	195	1,26,897	40,098	36,826
Vehicles	6,274	4,254	2,058	8,470	3,319	1,060	482	3,897	4,573	2,955
Office equipment	66,721	3,324	836	69,209	55,984	4,793	808	59,969	9,240	10,737
<b>TOTAL</b>	<b>12,47,260</b>	<b>2,26,360</b>	<b>8,518</b>	<b>14,65,102</b>	<b>9,10,173</b>	<b>1,49,860</b>	<b>6,322</b>	<b>10,53,711</b>	<b>4,11,391</b>	<b>3,37,087</b>
Work in progress	15,974	96,693	1,11,478	1,189	-	-	-	-	1,189	15,974
<b>Grand Total</b>	<b>12,63,234</b>	<b>3,23,053</b>	<b>1,19,996</b>	<b>14,66,291</b>	<b>9,10,173</b>	<b>1,49,860</b>	<b>6,322</b>	<b>10,53,711</b>	<b>4,12,580</b>	<b>3,53,061</b>
As at March 31, 2023	11,86,090	2,60,055	1,82,911	12,63,234	9,05,829	1,36,315	1,31,971	9,10,173	3,53,061	



**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	(₹ '000)	
Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 11</b>		
<b>CASH AND BANK BALANCES</b>		
1 Cash (including cheques, drafts and stamps)	1,28,745	57,044
2 Bank balances		
(a) Deposit accounts		
(aa) Short-term (due within 12 months)	-	-
(bb) Others (Refer note 1 of Schedule 17)	2,500	2,500
(b) Current accounts	11,04,660	9,64,622
(c) Others	-	-
3 Money at call and short notice		
(a) With banks	-	-
(b) With other institutions	-	-
4 Others	-	-
<b>Total</b>	<b>12,35,905</b>	<b>10,24,166</b>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	(₹ '000)	
Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 12</b>		
<b>ADVANCES AND OTHER ASSETS</b>		
<b>ADVANCES</b>		
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	1,50,659	1,53,616
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source (net of provision for tax) [Net of provision for tax amounting to ₹ 43,51,185 thousand (Previous Year: ₹ 39,50,377 thousand)]	22,69,260	22,49,166
6 Others		
- Deposits for premises	1,03,920	99,887
- Goods & service tax unutilised credit/Advance payments	11,35,632	9,10,896
- Other advances	22,322	20,761
<b>Total (A)</b>	<b>36,81,793</b>	<b>34,34,326</b>
<b>OTHER ASSETS</b>		
1 Income accrued on investments	18,86,895	18,22,962
2 Outstanding premiums	57,240	21,79,212
3 Agents' balances	-	-
4 Foreign agencies balances	-	-
5 Due from other entities carrying on insurance business (including reinsurers)	5,15,855	3,41,591
6 Due from Subsidiaries/Holding company	-	-
7 Deposit with Reserve Bank of India [Pursuant to section 7 of the Insurance Act, 1938]	-	-
8 Others		
- Balance with terrorism pool	18,71,229	15,74,595
- Unclaimed amount of policyholders - Assets	58,725	60,978
- Investment Income accruing on unclaimed amount of policyholders	21,201	16,767
- Investment related receivables	2,200	-
<b>Total (B)</b>	<b>44,13,345</b>	<b>59,96,105</b>
<b>Total (A+B)</b>	<b>80,95,138</b>	<b>94,30,431</b>

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	(₹ '000)	
Particulars	March 31, 2024	March 31, 2023
<b>SCHEDULE 13</b>		
<b>CURRENT LIABILITIES</b>		
1 Agents' balances	9,56,435	4,02,220
2 Balances due to other insurance companies (including reinsurers)	17,33,457	31,25,960
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	20,18,296	22,01,596
5 Unallocated premium	1,00,125	88,012
6 Sundry creditors	27,58,585	23,16,169
7 Unclaimed amount of policyholders	58,771	61,125
8 Investment Income accruing on unclaimed amount	21,201	16,767
9 Due to Subsidiaries/Holding company	-	-
10 Claims outstanding	5,21,46,667	4,68,72,002
11 Due to Officers/Directors	-	-
12 Others		
- Goods & service tax payable	1,74,799	1,12,009
- Claims approved under settlement	8,28,654	3,78,555
<b>Total</b>	<b>6,07,96,990</b>	<b>5,55,74,415</b>
<b>SCHEDULE 14</b>		
<b>PROVISIONS</b>		
1 Reserve for unexpired risk	1,64,86,949	1,52,16,067
2 For taxation (less advance tax paid and taxes deducted at source)	-	-
3 For proposed dividends	-	-
4 For dividend distribution tax	-	-
5 Others		
- Employee benefits - Gratuity	10,609	-
- Leave compensated absence	11,668	10,637
<b>Total</b>	<b>1,65,09,226</b>	<b>1,52,26,704</b>
<b>SCHEDULE 15</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
1 Discount allowed in issue of shares/debentures	-	-
2 Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## SCHEDULE 16

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Background

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

#### 2. Basis of preparation of financial statements

- a) The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting practices and accounting requirements prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Accounting Regulations') and amendments if any, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999, Orders/Circulars/Notifications issued by IRDAI from time to time, the Accounting Standards issued by the Institute of Chartered Accountants of India under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and the other requirements of the said Act, to the extent applicable.
- b) The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates, and any changes arising there from are accounted for prospectively.
- c) The Company follows the mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

#### 3. Revenue recognition for insurance business

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

#### 4. Claims

- a) Claims paid include claims settlement costs, comprising survey, legal and other directly attributable expenses.
- b) Estimated liability for outstanding claims is provided on the basis of claims reported till the end of the year.
- c) Estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER') is based on available statistical data and is as certified by the Appointed Actuary.
- d) Premium deficiency, if any, is calculated based on actuarial valuation duly certified by the Appointed Actuary.
- e) Salvage is accounted for, on realisable basis.

## SIGNIFICANT ACCOUNTING POLICIES

### 5. Acquisition cost

Acquisition costs, defined as costs that vary with, and are primarily related to, the acquisition of new and renewal of insurance contracts viz., commission and rewards, which are charged to profit or loss for the year in which they are incurred. In case of new long term motor insurance policies, commission is charged off on the basis of premium allocated for each year.

### 6. Reinsurance

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

### 7. Indian Market Terrorism Risk Insurance Pool

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

### 8. Marine cargo pool for excluded territories

- a) The Company has participated to a pool created by Indian non-life insurers for insurance of Marine cargo risk insured in the excluded territories and War/SRCC risk (excluding war zone as per GIC notification to market). In terms of the marine pool agreement, the Company shall retain its share on insurances underwritten by it and reinsures the balance amount with all the member and GIC Re.
- b) Accordingly, based on statements received from the marine pool manager up to the date of financial statements, the Company combines its proportionate retrocession share of the marine pool's income and expenses with similar items in its financial statements, on a line-by-line basis.
- c) A reserve for unexpired risks is recorded at 50 per cent of the net premium retroceded to the company from the marine pool manager during the period.

### 9. Investments

- a) Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority of India (Investment) Regulations, 2016 as amended from time to time.
- b) Investments maturing within or intended to be held for a period of less than twelve months from the Balance Sheet date are classified as 'Short term investments' while those maturing beyond or intended to be held for a period of twelve months or above are classified as 'Long term investments'.
- c) Investments are recorded at cost including acquisition charges (such as brokerage, transfer stamps etc), if any, and exclude interest paid on purchase.

## SIGNIFICANT ACCOUNTING POLICIES

- d) Investments are not separately earmarked, but notionally allocated between the Policyholders' funds and Shareholders' funds at the end of the year as prescribed by IRDAI.
- e) Debt securities & Preference shares:
- i. Debt securities, which include government securities are considered as 'held-to-maturity' and are measured at historical cost. The premium/discount, if any, on purchase of debt securities is amortised over the period to maturity based on their intrinsic yield.
  - ii. The net realised gains or losses on debt securities are the differences between the net sale consideration and the amortized cost, which is computed on a weighted average basis.
  - iii. The difference between the acquisition price and the maturity value of money market instruments are recognized as income in the Revenue accounts or the Profit and Loss account, as the case may be, over the remaining term of these instruments on a yield to maturity basis.
  - iv. At each Balance Sheet date, the Company assesses, whether any impairment by way of diminution, other than temporary in value of its investments has occurred, and recognizes the resultant impairment as an expenses in the Profit and Loss account respectively.
- f) Equity securities that are traded in active markets:
- i. Measured at each Balance Sheet date at the fair value, being the last quoted closing prices available on the National Stock Exchange.
  - ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair value change account – Shareholders' funds" and "Fair value change account - Policyholders' funds" as the case may be and carried to the Balance Sheet.
  - iii. Profit/loss on actual sale of a particular security shall include the accumulated fair value change thereof and is recycled to the Revenue accounts and Profit and Loss account as the case may be.
  - iv. At each Balance Sheet date, the Company assesses impairment if any in the value, by examining if the investee company has been making losses continuously for the last three years and also its net worth is eroded and recognizes the resultant impairment as an expense in the Profit and Loss account.
- g) Mutual funds – Liquid Funds/Gilts/Debt Funds:
- i. Measured at each Balance Sheet date at the fair value, being the realisable Net Asset Value.
  - ii. Any unrealised gains or losses arising due to changes in the fair value at each Balance Sheet date are accounted in "Fair value change account – Shareholders' funds" and "Fair value change account - Policyholders' funds" as the case may be and carried to the Balance Sheet.
  - iii. Profit/Loss on actual sale of units of a particular mutual fund shall include the accumulated fair value change thereof and is recycled to the Revenue accounts and Profit and Loss account as the case may be.
  - iv. At each Balance Sheet date, the Company assesses impairment if any in the value, by examining if the realisable net asset value of each mutual fund is lower than the weighted average cost thereof, and recognizes such impairment as an expense in the Profit and Loss account.
- h) Alternative Investment Funds:
- i. Investments in Alternative Investment Funds (AIFs) are valued at the latest available Net Asset Value.
  - ii. Unrealised gains or losses arising due to change in the fair value of AIFs are recognized in the Balance Sheet under "Fair value change account – Shareholders' funds" and "Fair value change account - Policyholders' funds" as the case may be.

## SIGNIFICANT ACCOUNTING POLICIES

### 10. Investment income

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

### 11. Borrowing cost

Borrowing costs represents interest and other charges which are charged to Profit and Loss Account in the year in which they are incurred.

### 12. Fixed assets and depreciation

- Depreciation on tangible assets is provided on straight line method over the useful lives of assets estimated by the management. The management estimates the useful lives of assets as under.
- Useful Life and Depreciation:

Asset	Method of Depreciation	Useful Life* (in years)	Rate per annum
Furniture and Fittings	Straight Line Method	10	10%
Improvements to leased premises	Straight Line Method	Equally over the maximum period of the lease initially agreed upon and in case of Improvement to existing leased premises, over the balance lease period.	
Information Technology Software	Straight Line Method	3	33.33%
Information Technology Equipment-Servers	Straight Line Method	6	16.67%
Information Technology Equipment-Other Hardware	Straight Line Method	3	33.33%
Vehicles	Straight Line Method	4	25% on 90% of the cost
Office Equipment	Straight Line Method	5	20.00%

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

- Capital work in progress:  
Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.
- Assets costing up to ₹5000 (per unit), are not capitalized and charged as expenses in books of accounts in the same period.

### 13. Impairment of assets other than investments

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

## SIGNIFICANT ACCOUNTING POLICIES

### 14. Operating expenses

- a) Operating expenses in the nature of acquisition costs, are expensed as incurred.
- b) Operating expenses relating to insurance business are allocated/apportioned to respective business segments as follows:
  - i. Direct expenses attributed to Channels/Strategic Business Units (SBUs) are allocated to the Business Segments by suitable drivers of apportionment (gross written premium and time allocation).
  - ii. Direct expenses relating to Functions (Underwriting, claims, actuarial, product development team, etc.) are allocated to business segments based on suitable drivers of apportionment (including gross written premium, net written premium, number of policies, time allocation, etc.).
  - iii. All expenses other than the above will be allocated to different business segments based on GWP or NWP.

### 15. Operating leases

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made towards assets/premises taken on operating lease are recognised as an expense in the Revenue accounts over the lease term on straight-line basis. Initial direct costs incurred specifically for an operating lease are charged to the Revenue accounts.

### 16. Employee benefits

- a) Defined contribution plans - superannuation, employee state insurance and provident fund contributions are charged to as expenses on accrual.
- b) Defined benefit plans- Retirement gratuity liability is funded with an insurance company through contributions to an approved gratuity trust. Liability therefore at each Balance Sheet date is arrived at by external actuarial valuation by the fund manager using the projected unit credit method. Differential liability is recognized in the accounts each year.
- c) Costs of the Company's accumulating compensated absence plans are valued and accounted for based on actuarial assumptions at each Balance Sheet date.
- d) Actuarial gains/losses are recognized in the Revenue accounts.

### 17. Income-tax

- a) Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income-tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- b) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized on carried forward unabsorbed depreciation and tax losses only if there is a virtual certainty that such deferred tax assets can be realised against future taxable profits. Other deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which, such deferred tax assets can be realised.

### 18. Goods and Service Tax

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



## 19. Transactions in foreign exchange

- a) Transactions in foreign currency are recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate of exchange at the period-end.
- b) Exchange differences arising on foreign currency transactions are recognized as income or expense in the year in which they arise.

## 20. Provision for contingencies

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

## 21. Earnings per share

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

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**SCHEDULE 17**

**NOTES TO FINANCIAL STATEMENTS**

1. The assets of the Company are free from encumbrances except term deposits of ₹2,500 thousand (Previous Year ₹2,500 thousand) placed for obtaining bank guarantee to avail Aadhar Authentication services from Unique Identification Authority of India (UIDAI)

2. a) **Contingent liabilities:**

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
Partly Paid Investments	Nil	Nil
Underwriting commitments relating to investment activities	Nil	Nil
Claims, other than those under policies, not acknowledged as debts	Nil	Nil
Guarantees given by or issued on behalf of the Company (Refer Schedule 17 Note -1)	2,500	2,500
Statutory demands/liabilities in dispute, not provided for:		
- Disputed Income Tax Liability*	1,66,857	1,66,857
- Disputed Service tax/GST Liability **	7,599	7,599
Reinsurance obligations, to the extent not provided for in the accounts	Nil	Nil
Others***	6,853	6,853

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

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

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

\*\* (a) Based on the Show Cause Notice issued by Directorate General of Central Excise Intelligence (DGCEI), the Commissioner – Service Tax LTU Chennai has disallowed certain input credits availed by the Company for earlier years and raised demand of ₹ 16,96,964 thousands (tax and penalty) and interest. During the year, the CESTAT pronounced the matter with difference of opinion and referred it to third CESTAT member for further hearing. The Company's writ against such reference is pending with Hon'ble Madras High Court.

\*\* (b) The company has received orders from GST authority on coinsurance premium and reinsurance commission demanding ₹ 20,53,116 thousand against which the company has preferred writ with madras high court and got stay, subject to payment of ₹ 10 Cr as pre deposit. The Company has preferred writ against the order passed for pre-deposit which is pending for further hearing before Madras High Court.

\*\* (c) The company has received orders from GST authorities without appropriately considering the written submissions made by the Company during assessments demanding ₹ 24,79,396 thousand (includes orders for ₹ 10,14,873 thousands received post March 31, 2024) in respect of discrepancies alleged in GST returns for various financial years against which the company has preferred appeals/in the process of filing appeals.

The company has not considered the above demands as contingent liability since in its opinion, the demands are not sustainable and the likelihood of outflow of resources is remote and similar decisions of jurisdictional court/appellate authorities are in favor of the assesseees. The Company's views have been supported by expert legal advice.

## NOTES TO FINANCIAL STATEMENTS

\*\*\* The company is of the view that retrospective payment of bonus is not appropriate and accordingly for bonus computation such retrospective amendment has not been taken into consideration. The additional liability on account of retrospective amendment is ₹6,853 thousand. The retrospective amendment is being challenged by various parties in the High court and based on the final outcome on determination of court cases would be accounted for on that date.

### b) Commitments made for Investments and Fixed Assets: (₹ '000)

Particulars	March 31, 2024	March 31, 2023
Commitments made and outstanding for Loans and Investments	5,58,224	9,35,883
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,120	57,388

c) Service tax advance payments under "Advances and Other Assets" (Schedule 12) includes ₹24,200 thousand (Previous Year ₹24,200 thousand) of cenvat credit reversed & held under protest with service tax authorities. Pending finality on this matter, the said amount is considered good & recoverable based on the legal opinion obtained by the Company.

d) The company has paid a sum of ₹1,70,000 thousand under protest in the Previous Year's pursuant to DGGI Delhi GST investigation on account of input tax credit availed on motor claims during the period from July 2017 to March 2022. The company during the year has paid ₹40,000 thousand in addition to ₹2,40,000 thousand paid in FY 22-23 under protest pursuant to a DGGI Maharashtra GST enquiry in respect of input tax credit on certain expenses. In respect of these matter, the Company is of the opinion that its eligibility to claim input credit is eligible and legally valid and not liable to reverse the same. Hence, the payments made under protest have been included in "Advances and Other Assets" (Schedule 12) as at March 31, 2024

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

Particulars	March 31, 2024	March 31, 2023
Lease payments debited to the Profit and Loss Account	2,05,269	2,17,980
Future minimum lease payments		
- Not later than one year	1,87,200	1,82,221
- Later than 1 year but not later than 5 years	3,74,184	4,66,765
- Later than 5 years	84,148	1,11,179

### 4. Ageing of gross outstanding claims: (₹ '000)

Particulars	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
Claims outstanding for a period exceeding six months	22,592	1,75,86,960	21,178	1,56,63,443
Other Claims (less than 6 months)	15,097	57,09,038	14,150	40,20,679
Grand Total	37,689	2,32,95,998	35,328	1,96,84,122

The claims were outstanding predominantly due to non-submission of essential documents by the insured and in respect of motor third party claims, these are due to legal process not concluded. As at the year-end March 31, 2024, there are Nil claims (Previous Year – Nil claims) outstanding for a period exceeding six months from the date when settlement has been approved.

NOTES TO FINANCIAL STATEMENTS

5. Investments: (₹ '000)

Particulars	March 31, 2024	March 31, 2023
Contracts for sales where payments are overdue	Nil	Nil
Contracts for purchases due for delivery	Nil	Nil
Non-Performing Investment	Nil	Nil

6. A) Employee Benefits - Gratuity:

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

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

Particulars	March 31, 2024	March 31, 2023
Present value of obligations as at the end of the year	2,88,616	2,43,715
Fair value of plan assets as at the end of the year	2,78,006	2,77,816
Unrecognized past service cost	-	-
Funded status Asset/(Liability)	(10,610)	34,101
<b>Net Asset/(Liability) recognized in the Balance Sheet</b>	<b>(10,610)</b>	<b>34,101</b>

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

Particulars	March 31, 2024	March 31, 2023
Current Service cost	26,528	27,910
Past Service cost	17,086	-
Interest Cost	17,603	14,861
Expected return on plan assets	(17,410)	(17,563)
Net Actuarial loss/(gain) recognized in the year	15,055	(12,385)
<b>Expenses included in Employee Benefit Expense</b>	<b>58,862</b>	<b>12,821</b>

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

Changes in present value of obligations	March 31, 2024	March 31, 2023
Present value of obligations as at the beginning of the year	2,43,715	2,31,693
Interest cost	17,603	14,861
Current Service Cost	26,528	27,910
Past Service Cost	17,086	-
Liabilities assumed on acquisition/(Settled on divestiture)	(182)	-
Benefits Paid	(30,912)	(18,107)
Actuarial (gain)/loss on obligation	14,778	(12,642)
<b>Present value of obligations as at the end of the year</b>	<b>2,88,616</b>	<b>2,43,715</b>

(₹ '000)

Changes in the fair value of plan assets – LIC Fund	March 31, 2024	March 31, 2023
Fair value of plan assets at the beginning of the year	2,77,816	2,62,740
Expected return on plan assets	17,410	17,563
Contributions	14,152	15,876
Asset Acquired on Acquisition/(Distributed on Divestiture)	(182)	-
Benefits paid	(30,912)	(18,107)
Actuarial gain/(loss) on plan assets	(277)	(257)
<b>Fair value of plan assets at the end of the year</b>	<b>2,78,007</b>	<b>2,77,816</b>

## NOTES TO FINANCIAL STATEMENTS

d) Asset information: (₹ '000)

Category of Assets (% Allocation)	Year Ended			
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	%	%	(₹'000)	(₹'000)
Government of India Securities	-	-	-	-
Corporate Bonds	-	-	-	-
Special Deposit Scheme	-	-	-	-
Equity Shares of Listed Companies	-	-	-	-
Property	-	-	-	-
Insurer Managed Funds	100	100	2,78,007	2,77,816
Others	-	-	-	-
<b>Grand Total</b>	<b>100</b>	<b>100</b>	<b>2,78,007</b>	<b>2,77,816</b>

e) Experience Adjustments of five years is given below: (₹ '000)

Particulars	Year Ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Defined benefit Obligation	1,78,379	2,09,419	2,31,693	2,43,715	2,88,616
Plan Assets	1,77,643	2,19,911	2,62,740	2,77,816	2,78,007
Surplus/(Deficit)	(736)	10,492	31,047	34,101	(10,610)
Exp. Adj. on Plan Liabilities	1,263	3,676	(4,771)	2,746	11,207
Exp. Adj. on Plan Assets	(1,913)	(1,088)	1,244	(257)	(277)

f) Assumptions:

Particulars	March 31, 2024	March 31, 2023
i) Discount rate	7.15%	7.30%
ii) Salary escalation	7.00%	7.00%
iii) Expected return on plan assets	7.00%	7.00%
iv) Retirement Age		
v) Mortality has been considered as per the published rates under the Indian Assured Lives Mortality (2012-14) Ult table	60 Years	60 Years
vi) Rates of leaving service has been assumed as under for the year		

Age (Years)	Rates (p.a.)
21-30	39.43%
31-40	23.85%
41-50	14.48%
51-59	10.81%

NOTES TO FINANCIAL STATEMENTS

B) Employee Benefits – Compensated absence:

The present value of obligations towards compensated absences as at March 31, 2024 as per Actuarial Certificate is ₹11,668 thousand (Previous Year: ₹10,637 thousand) and is provided for in the books of Accounts. The basis of provision for compensated absences is as follows:

	(₹ '000)	
Changes in present value of obligations	March 31, 2024	March 31, 2023
Present value of obligations as at the beginning of the year	10,637	11,205
Interest cost	-	-
Current Service Cost	1,031	(568)
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	-	-
<b>Present value of obligations as at the end of the year</b>	<b>11,668</b>	<b>10,637</b>

Assumptions

Particulars	March 31, 2024	March 31, 2023
Discount rate	7.15%	7.30%
Salary Escalation	7.00%	7.00%
Earned leave	As per Company rules	
Retirement age	60 Years	60 Years
Mortality rate table	IALM (2012-2014)	IALM (2012-2014)

7. Deferred tax

	(₹ '000)	
Particulars	March 31, 2024	March 31, 2023
Reserve for unexpired risk	4,00,019	3,91,161
Depreciation	24,019	28,301
Accumulating compensated absence	2,937	2,678
Provision for doubtful debts	13,160	9,730
Others	8,616	7,809
<b>Net Deferred tax Asset</b>	<b>4,48,751</b>	<b>4,39,679</b>

## NOTES TO FINANCIAL STATEMENTS

### 8. Participation in Indian Terrorism Risk Insurance Pool:

The Company has accounted for the retro cession for four quarters up to December 2023 during the year.

Particulars	(₹ '000)	
	March 31, 2024	March 31, 2023
Due from the Pool Manager, beginning of the year	15,74,595	12,93,811
Premium on reinsurance accepted	2,29,349	2,50,748
Investment Income	1,19,281	72,235
Premium on reinsurance ceded	(18,210)	(6,229)
Claims paid on reinsurance accepted	(433)	(292)
Commission/Brokerage paid on reinsurance accepted	(31,059)	(33,170)
Operating expenses related to insurance business	(2,294)	(2,508)
Profit Commission on XL	Nil	Nil
Due from the Pool Manager, end of the year	18,71,229	15,74,595
Claims outstanding, end of the year	(38)	(30)
Reserve for Unexpired risk, end of the year	(2,11,138)	(2,44,519)
Reserve for Unexpired risk, beginning of the year	(2,44,519)	1,65,464

### 9. Solatium Fund:

(₹ '000)

Particulars	(₹ '000)	
	March 31, 2024	March 31, 2023
Contribution to the Solatium Fund @ 0.1% of the Gross Written Premium of Motor Third Party Business	16,002	14,381

### 10. The Sector-wise Gross Direct Premium:

Rural Sector		(₹ '000)			
Particulars	March 31, 2024		March 31, 2023		
	Amount	%	Amount	%	
Rural Sector	38,02,274	10.45	33,62,673	9.95	
Other Sectors	3,25,68,717	89.55	3,04,34,852	90.05	
<b>Total Gross Direct Premium</b>	<b>3,63,70,991</b>	<b>100.00</b>	<b>3,37,97,525</b>	<b>100.00</b>	

#### Social Sector

Particulars	(₹ '000)	
	March 31, 2024	March 31, 2023
No. of Lives Covered	4,34,056	9,29,857
No. of Policies Issued	13,292	11,516

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

### 11. a) Premium Recognition on Varying Risk Pattern:

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

### b) Risk retention/reinsurance:

Particulars	(₹ '000)	
	March 31, 2024	March 31, 2023
Risk retained (%)	77	77
Risk reinsured (%)	23	23

### 12. Disclosure requirements as prescribed in the IRDAI (Remuneration of Non-Executive Directors) Guidelines, 2023

#### Remuneration to Non-Executive Directors:

(₹ '000)

Particulars	(₹ '000)	
	March 31, 2024	March 31, 2023
Sitting fees	1,515	1,375
Commission	2,500	2,300

13. Disclosure requirements as prescribed in the IRDAI (Remuneration of Key Managerial Persons of India) Guidelines, 2023

a) Qualitative Disclosures

i. Information relating to the composition and mandate of the Nomination and Remuneration committee

The composition of the NRC is in line with the regulatory requirements. The information relating to the composition of the Nomination and Remuneration committee is provided in the Corporate Governance Report which forms part of the Director's Report. The Committee reviews the remuneration policy including any performance related pay schemes of employees and the ongoing appropriateness of the same in line with the changing market trends and other business requirements. The Committee evaluates the fit and proper criteria of Directors and the appointment/reappointments and the remuneration payable to the Managing Director and recommends the same for approval of the Board. The Committee also approves the appointment of Key Managerial Personnel by carrying out a due diligence process. The Committee also broadly reviews the increment and performance pay payable to the other employees including the Key Managerial Personnel in the company in addition to approving any policy changes.

ii. Information relating to the design and structure of remuneration policy and the key features and objectives of remuneration policy

The objective of the Remuneration policy is to put in place a framework for the remuneration payable to the employees of the Company including the Key Management Personnel (KMPs), Executive and Non-Executive Directors, including Independent Directors. The policy also ensures that the remuneration structure and the quantum payable besides being in compliance with the applicable regulatory requirements should also be competitive in the insurance industry. For new appointment and severance pay, the policy sets out all aspects of the remuneration structure including level and components of remuneration, risk adjustment, malus and claw back.

iii. Description of the ways in which current and future risks are taken into account in the remuneration policy.

The remuneration structure is generally based on regulatory requirements where applicable. In general, the remuneration structure consists of fixed pay, variable pay and other perquisites. The proportion of fixed and variable pay in the total remuneration is reasonable and in adherence to regulatory requirements. Variable pay can be in the form of cash and non-cash components and the non-cash portion will include ESOPs, ESARs, Phantom stocks etc. Salary levels prevailing amongst other relevant and comparable companies are considered. Benchmarking is undertaken periodically in order to arrive at an optimum compensation so as to attract and retain the best talent. The size and complexity of the Company's business and overall operational set up is also given due consideration.

iv. Description of the ways in which the insurer seeks to link performance, during a performance measurement period, with levels of remuneration.

The remuneration process considers the current and future risk factors in terms of setting the KRAs and evaluation criteria. Performance parameters based on quantitative as well as qualitative risk factors are agreed with appropriate weightages based on annual plan. The annual increment including fixed and variable pay would be considered at the end of the relevant financial years based on the performance parameters set by the NRC, which majorly include the performance of the company, deliverables on key strategies and operational efficiencies, adherence to various compliance and applicable laws. The Nomination and Remuneration Committee can consider malus and/or clawback of any paid/unpaid variable remuneration.



b) Quantitative Disclosures

i. Details of Remuneration to Managing Director (For the year ended March 31, 2024)

(₹ '000)

Sl. No.	Name of the MD/CEO/ WTO	Designation	Fixed Pay			Variable Pay			Total of fixed and Variable Pay (c + f)	Amount Debited to revenue account	Amount Debited to Profit and Account	Value of Joining/ Sign on Bonus	Retirement Benefits like gratuity, pension, etc paid during the year	Amount of deferred remuneration of earlier years paid/settled during the year
			Pay and Allowances (a)	Perquisites, etc (b)	Total (c = a + b)	Cash Components (d)	Non-Cash Components (e)	Total (f = d + e)						
1	M S Sreedhar	Managing Director	3,314	246	3,561	-	-	3,561	3,781	-	-	220	-	
2	Amit S Ganorkar	Managing Director	19,987	1,345	21,331	*21,205	-	42,536	36,219	7,688	-	1,371	-	
	<b>Total</b>		<b>23,301</b>	<b>1,591</b>	<b>24,892</b>	<b>21,205</b>	<b>-</b>	<b>46,097</b>	<b>*40,000</b>	<b>7,688</b>	<b>-</b>	<b>1,591</b>	<b>-</b>	

\* Subject to Board approval

# Pursuant to IRDAI (Remuneration of Key Managerial Persons of Insurers) Guidelines, 2023, the amount debited to revenue account has been revised to ₹40,000 thousand (Previous Year: ₹15,000 thousand)

(For the year ended March 31, 2023)

(₹'000)

Sl. No.	Name of the MD/CEO/ WTO	Designation	Fixed Pay			Variable Pay			Total of fixed and Variable Pay (c + f)	Amount Debited to revenue account	Amount Debited to Profit and Account	Value of Joining/ Sign on Bonus	Retirement Benefits like gratuity, pension, etc paid during the year	Amount of deferred remuneration of earlier years paid/settled during the year
			Pay and Allowances (a)	Perquisites, etc (b)	Total (c = a + b)	Cash Components (d)	Non-Cash Components (e)	Total (f = d + e)						
1	M S Sreedhar	Managing Director	19,887	900	20,786	21,207	-	41,993	15,000	28,314	-	1,321	-	
	<b>Total</b>		<b>19,887</b>	<b>900</b>	<b>20,786</b>	<b>21,207</b>	<b>-</b>	<b>41,993</b>	<b>15,000</b>	<b>28,314</b>	<b>-</b>	<b>1,321</b>	<b>-</b>	

ii. Details of Outstanding Deferred Remuneration

Company does not have any outstanding Deferred Remuneration payable to MD/CEO/WTD.

NOTES TO FINANCIAL STATEMENTS

14. Related Party Transactions:

Nature of relationship

i. Entities having Joint control

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

ii. Holding Company of entity having a Joint Control

- a) Ageas SA/NV

iii. Key Management Personnel

- a) Mr. M S Sreedhar – Managing Director - till May 31, 2023  
 b) Mr. Amit S Ganorkar – Managing Director - effective from June 01, 2023

Transactions with related parties and balances:

(₹ '000)

Sl. No.	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions	2023-24	2022-23
1	Sundaram Finance Limited	Entity having Joint Control	<b>Income</b>		
			Insurance premium	14,260	12,973
			Interest on investment	1,23,584	73,442
			<b>Expenses</b>		
			Rent	9,297	9,140
			Payment for services	67,687	62,994
			Agency commission	2,40,898	1,59,812
			Insurance claims	2,904	5,090
			<b>Others</b>		
			Dividend paid	1,57,150	1,34,700
			<b>Assets</b>		
			Investment held	20,77,507	13,09,481
			Rental deposit	4,629	4,629
			Other receivable		
<b>Liabilities</b>					
Insurance deposit	26,047	32,901			
Other payable	30,913	21,686			
2	Ageas SA/NV	Holding Company of entity having Joint Control	<b>Income</b>		
			Claims on re-insurance	2,73,335	2,29,256
			Commission on re-insurance ceded	1,08,902	1,94,915
			<b>Expenses</b>		
			Re-insurance premium	2,43,766	6,64,734
			<b>Liabilities</b>		
Other payable	93,431	2,23,156			
3	Ageas Insurance International N.V.	Entity having Joint Control	<b>Others</b>		
			Dividend paid	1,25,720	1,07,760
4	Mr. M S Sreedhar & Mr. Amit S Ganorkar	Key Managerial Personnel	<b>Income</b>		
			Insurance premium	90	69
			<b>Expenses</b>		
			Remuneration	47,688	43,314
			<b>Liabilities</b>		
Other payable – Variable pay	*21,205	21,207			

\*Subject to Board approval.

## NOTES TO FINANCIAL STATEMENTS

### 15. Penal Actions by various statutory authorities:

(For the year ended March 31, 2024)

(₹ '000)

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

(For the year ended March 31, 2023)

(₹ '000)

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

### 16. Segment reporting:

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

**NOTES TO FINANCIAL STATEMENTS**

**17. Interest earned on investments is shown net of amortisation of premium/(discount) on securities. The details of such amortisation are as below:** (₹ '000)

Particulars	March 31, 2024	March 31, 2023
Revenue Account – Policyholders’ Funds		
Fire	4,885	6,159
Marine	1,093	1,374
Miscellaneous	1,86,927	2,58,049
Profit and Loss Account – Shareholders’ Funds	44,910	65,434
<b>Total</b>	<b>2,37,815</b>	<b>3,31,016</b>

**18. A summary of financial statements and Accounting Ratios:**

As per the formats prescribed by IRDAI in its master circular dated October 05, 2012 and subsequent clarifications thereon dated July 03, 2013, are provided in Annexure 2 and Annexure 3.

**19.** The liability of IBNR & IBNER for the year ending March 31, 2024 has been estimated by the Appointed Actuary, in compliance with the guidelines issued by the IRDAI.

**20. Disclosure on expenses:** (₹ '000)

Particulars	March 31, 2024	March 31, 2023
Data processing and outsourcing expenses	86,767	4,26,516
Marketing and related expenses	96,354	16,91,052
Advertising and brand building	3,520	20,25,365
Data centre service charges	55,020	49,746
Professional fees staff deputation	1,52,211	1,95,260
Others	15,015	15,810
<b>Total</b>	<b>4,08,887</b>	<b>44,03,749</b>

**21. Statement showing the age-wise analysis of the unclaimed amount of the Policyholders:**

(For the year ended March 31, 2024) (₹ '000)

Particulars	Total Amount	AGE-WISE ANALYSIS					
		4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36 months
Claims Settled but not paid to the policyholders	-	-	-	-	-	-	-
Excess Premium & Refunds (Due to the insured)	6,617	1,670	314	302	367	303	3,661
Cheque issued but not encashed by the policyholder/Insured	67,338	13,804	389	337	324	871	51,612

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

## NOTES TO FINANCIAL STATEMENTS

(For the year ended March 31, 2023)

(₹ '000)

Particulars	Total Amount	AGE-WISE ANALYSIS					
		4-12 months	13-18 months	19-24 months	25-30 months	31-36 months	Beyond 36
Claims Settled but not paid to the policyholders	-	-	-	-	-	-	-
Excess Premium & Refunds (Due to the insured)	7,841	3,511	366	303	367	312	2,982
Cheque issued but not encashed by the policyholder/Insured	63,433	7,287	331	889	1,836	1,479	51,611

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

Statement Showing movement of Unclaimed Amount of Policyholders due:

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	77,892	85,766
Add: Amount Transferred to Unclaimed amount	1,022	1,350
Add: Cheques issued out of the unclaimed amount but not encashed by the policy holders (To be included only when the cheques are Stale)	-	-
Add: Investment Income	5,584	4,534
Less: Paid during the year	4,526	13,758
Less: Amount transferred to SCWF (net of claims Paid in respect of amounts transferred earlier)	-	-
<b>Closing Balance of Unclaimed Amount</b>	<b>79,972</b>	<b>77,892</b>

22. In accordance with the regulatory guidelines, there is no premium deficiency to be recognized.

### 23. Earnings Per Share (EPS):

(Amount in ₹)

Particulars	March 31, 2024	March 31, 2023
Profit/(Loss) after tax: A	1,14,15,48,622	1,21,30,70,984
No. of shares	44,90,00,000	44,90,00,000
Weighted average no. of shares: B	44,90,00,000	44,90,00,000
EPS - Basic & Diluted: (A/B)	2.54	2.70

24. During the year foreign exchange gain/(loss) included in the Revenue account of the Company is ₹(3,561) thousand (Previous Year ₹(4,648) thousand).

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

Product Segment	March 31, 2024*		March 31, 2023*	
	Investment Expenses	Other Expenses	Investment Expenses	Other Expenses
Fire	653	58,840	565	68,862
Marine Cargo	146	15,678	126	35,062
Marine Hull	-	4	-	2
Miscellaneous	24,999	9,24,925	23,665	33,06,756
<b>Total</b>	<b>25,798</b>	<b>9,99,447</b>	<b>24,356</b>	<b>34,10,682</b>
*Basis of Allocation	Policy Holder Fund	Refer Policy 14 of Schedule 16	Policy Holder Fund	Refer Policy 14 of Schedule 16

During the year, the Company has apportioned certain indirect expenses on the basis of gross written premium which were hitherto based on Net Written Premium. The impact of such change is not material on the results of fire, marine and miscellaneous segments.

26. Pursuant to Corporate Governance guidelines issued by IRDAI dated May 18, 2016, the additional works (other than statutory audit) given to the auditors are detailed below: (₹ '000)

Name of the Audit Firm	Services Rendered	March 31, 2024	March 31, 2023
M/s. Brahmayya & Co.	Certification fees	765	575
M/s. N.C. Rajagopal & Co.	Certification fees	955	1,440

27. The provision for Free look period is ₹2,070 thousand (Previous Year ₹1,171 thousand), as certified by the Appointed Actuary.

28. The Company issued Unsecured Sub-ordinate redeemable non-convertible debentures of ₹7,60,000 thousand on September 27, 2021 at a coupon rate of 7.85% per annum and ₹5,00,000 thousand on March 15, 2022 at a coupon rate of 8.05% for the tenor of 10 years with interest payment on an annual basis, listed on National Stock Exchange (NSE). These debentures carry a call option available to the Company, exercisable after completion of 5 years from the date of issue, subject to regulatory compliances.

Due date for next interest payments are September 27, 2024 and March 15, 2025, respectively.

Pursuant to IRDAI Circular No. IRDA/F&A/OF/01/2014-15/115 dated August 4, 2017 and as required by Companies (Share Capital and Debentures) Rules, 2014, read with Notification E.No. 01/04/2013-CL-V Part-III dated August 16, 2019 issued by the Ministry of Corporate Affairs, the Company is holding Debenture Redemption Reserve of ₹1,26,000 thousand (Previous Year – ₹ 1,26,000 thousand) as at March 31, 2024.

Disclosure under SEBI Circular no. SEBI/HO/DDHS/CIR/P/2021/613 to be made by Large Corporate

Initial Disclosure (₹ '000)

S.no.	Particulars	Details
1	Name of the Company	Royal Sundaram General Insurance Co. Limited
2	CIN	U67200TN2000PLC045611
3	Outstanding borrowing of company as on March, 31 2024	12,60,000
4	Highest credit rating during the previous FY along with name of the CRA	ICRA AA+ (Stable) CARE AA+ (Stable)
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange (NSE)

We confirm that we are a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2021/613 updated as on April 13, 2022.

## Annual Disclosure

a) Name of the Company: Royal Sundaram General Insurance Co. Limited

b) CIN: U67200TN2000PLC045611

c) Report filed for Financial Year: 2024

d) Details of the Current block: (₹ '000)

S.no.	Particulars	Details
1	3 - year block period (Specify Financial Years)	FY 2024, FY 2025, FY 2026
2	Incremental borrowing done in FY 2024 (a)	-
3	Mandatory borrowing to be done through debt securities in FY 2023 (b) = (25% of a)	-
4	Actual borrowing done through debt securities in FY 2023 (c)	-
5	Shortfall in the borrowing through debt securities, if any, for FY carried forward to FY 2024 (d)	-
6	Quantum of (d), which has been met from (c)(e)	-
7	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2024 {after adjusting for any shortfall in borrowing for FY which was carried forward to FY 2024} (f)= (b)-[(c)-(e)] {If the calculated Value is zero or negative, write "nil"}	-

Details of penalty to be paid, if any, in respect to previous block: (₹ '000)

S.no.	Particulars	Details
1	3 - year Block period (Specify Financial Years)	FY 2022, FY 2023, FY 2024
2	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	-

29. a) Repo and reverse repo transactions: (₹ '000)

Particulars	March 31, 2024			
	Securities sold under repo (at cost)		Securities purchased under reverse repo (at cost)	
	Government Securities	Corporate Debt Securities	Government Securities	Corporate Debt Securities
Maximum outstanding during the year	-	-	-	-
Daily average outstanding during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-

Particulars	March 31, 2023			
	Securities sold under repo (at cost)		Securities purchased under reverse repo (at cost)	
	Government Securities	Corporate Debt Securities	Government Securities	Corporate Debt Securities
Maximum outstanding during the year	-	-	-	-
Daily average outstanding during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-

b) TREPS Lending/Borrowing transactions: (₹ '000)

Particulars	March 31, 2024			
	Securities sold under TREPS (at cost)		Securities purchased under TREPS (at cost)	
	Government Securities	Corporate Debt Securities	Government Securities	Corporate Debt Securities
Minimum outstanding during the year	-	-	1,30,476	-
Maximum outstanding during the year	-	-	17,21,204	-
Daily average outstanding during the year	-	-	8,80,218	-
Outstanding at the end of the year	-	-	12,29,341	-

Particulars	March 31, 2023			
	Securities sold under TREPS (at cost)		Securities purchased under TREPS (at cost)	
	Government Securities	Corporate Debt Securities	Government Securities	Corporate Debt Securities
Minimum outstanding during the year	-	-	95,460	-
Maximum outstanding during the year	-	-	14,61,905	-
Daily average outstanding during the year	-	-	5,39,400	-
Outstanding at the end of the year	-	-	3,84,786	-

30. During the year 2023-24, as per provisions of section 135 of Companies Act 2013, the Company was required to spend ₹35,932 thousand (Previous Year: ₹ 28,521 thousand) being 2% of average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The Company has spent ₹36,297 thousand (Previous Year: ₹29,135 thousand) towards Corporate Social Responsibility activities during the year.

31. The Company had paid a dividend of ₹ 0.70 per equity share of face value of ₹10/- each for the year ended March 31, 2023. This was accounted during the year ended March 31, 2024.

The Board of directors recommended a dividend of ₹0.70 per equity share of face value of ₹10/- each for the year ended March 31, 2024. The declaration and payment of the dividend is subject to shareholders' approval.

32. For the year ended March 31, 2024, there is no amount that needs to be transferred to the Investor Education and Protection Fund.

33. The Company has set up the steering committee in compliance with the IRDAI letter, which meets regularly to deliberate on the progress towards Ind AS implementation and the board has been updated on quarterly basis. The Steering committee in consultation with knowledge partner is in the process of completion of Financial Impact Assessment.



34. Based on, and to the extent of information received from the suppliers regarding their status under The Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is as follows.

(₹ '000)

Particulars	March 31, 2024	March 31, 2023
Principal amount due to suppliers under MSMED Act	32,444	19,455
Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

35. In accordance with the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2023, operating expenses in excess of limits prescribed in the regulation of ₹5,92,948 thousand is reported as income under Revenue Account (Marine and Miscellaneous Business) (Previous Year: ₹3,23,550 thousand is reported as income under Revenue Account Miscellaneous Business) under separate sub-line item to Others as "Contribution from Shareholders Funds towards Excess EOM" and reported as allowable expenses under Other Expenses in Profit & Loss Account under separate sub-line item as "Contribution to Policyholders Funds towards Excess EOM".

Further, the company has applied for forbearance in terms of Regulation 11(2) of aforesaid Regulation.

36. During the year the Company has provided/written off a sum of ₹708 thousand (Previous Year: ₹5,086 thousand) for doubtful recoveries on premium receivable from Government and Other receivables.
37. Rules under the Code on Social Security, 2020 are yet to be notified. The Company will carry out evaluation on such notification and will give appropriate impact in the financial statements in the period in which the related rules become effective.
38. Previous year figures have been reclassified/regrouped, wherever necessary, to conform with the current year's classification.

As per our report of even date attached

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

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

**V Chandrasekaran**  
Partner  
Membership No. 024844

**P Babu**  
Partner  
Membership No. 203358

Place : Chennai  
Date : May 7, 2024

For and on behalf of the Board of Directors

**S Viji**  
Chairman  
(DIN:00139043)

**Gary Lee Crist**  
Director  
(DIN: 00942109)

**Vaibhav Kabra**  
Chief Financial Officer

**Amit S Ganorkar**  
Managing Director  
(DIN:07889158)

**S Prasad**  
Director  
(DIN:00063667)

**S R Balachandher**  
Company Secretary

ANNEXURE TO THE FINANCIAL STATEMENTS

ANNEXURE 1

SEGMENT REPORTING

- The Company's business is organised on a National basis and caters to the non-life insurance business. Accordingly, the Company has provided primary segmental information, as per Accounting Standard 17 - 'Segment Reporting' issued by ICAI, read with the Accounting Regulations.
- Segment revenues are either directly attributed to or, in the case of bundled products, allocated to the individual segments. There are no inter segment revenues.
- Operating expenses are attributed to the business segments in line with accounting policy 14 in Schedule 16.
- Investments and other Assets and liabilities are identified with the respective segments in the ratio of Shareholders and Policyholder Funds as defined in Policy 10 of Schedule 16
- Since the business operations of the Company are entirely in India, the same is considered as one geographical segment.

For the year ended March 31, 2024

Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmens Compensation/ Employers Liability	Public/Product Liability	Engineering	Personal Accident	Health Insurance	Crop	Others	Investment of Shareholders funds	Total
Gross Direct Premium	30,11,062	5,42,973	228	97,15,975	1,60,02,369	2,57,18,344	81,069	75,894	6,71,860	5,45,528	55,54,319	-	1,69,714	-	3,63,70,991
Premium inward	14,25,595	4,773	-	-	-	-	-	528	1,18,630	3,24,792	-	5	-	-	18,74,323
Net Written Premium	6,23,791	4,00,311	14	73,10,540	1,52,63,227	2,25,73,767	72,416	32,209	1,00,827	5,01,606	51,48,758	-	32,422	-	2,94,86,121
Premium earned (net)	6,83,851	3,28,891	8	79,02,945	1,43,07,782	2,22,10,727	62,049	31,019	95,459	4,28,807	43,48,313	-	26,115	-	2,82,15,239
Profit/(Loss) on sale/redemption of investments	15,587	3,488	0	52,355	5,04,766	5,57,120	765	267	2,218	5,146	30,157	201	523	1,43,290	7,58,763
Others	6,150	707	-	2,487	-	2,487	24	709	957	94	3,286	-	64	-	14,477
Investment income-Terrorism pool	95,425	-	-	-	-	-	-	-	23,856	-	-	-	-	-	1,19,281
Contribution from Shareholders Funds towards Excess EOM	-	9,611	-	2,20,375	3,62,962	5,83,337	-	-	-	-	-	-	-	-	5,92,948
Interest (net of amortisation)	1,12,015	25,069	2	3,76,244	3,627,479	40,03,724	5,501	1,918	15,938	36,981	2,16,728	1,435	3,760	10,29,748	54,52,820
Miscellaneous Income	111	25	-	374	3,609	3,983	5	2	16	37	216	1	4	1,024	5,425
Total segmental revenue	9,13,139	3,67,791	11	85,54,781	1,88,06,597	2,73,61,378	68,346	33,915	1,38,444	4,71,065	45,98,699	1,638	30,466	11,74,063	3,51,58,932
Claims incurred (net)	(5,59,761)	(2,34,187)	-	(62,43,560)	(1,03,93,890)	(1,66,37,250)	(19,121)	(4,238)	(57,255)	(2,85,003)	(41,12,753)	8,807	(899)	-	(2,19,01,660)
Commission received/(paid), net	(1,07,224)	(1,24,476)	45	(20,77,401)	(38,51,000)	(59,28,401)	(13,192)	328	45,508	(1,20,394)	(6,22,469)	-	14,359	-	(68,55,916)
Operating expenses related to insurance business	(3,26,955)	(74,788)	-	(10,22,861)	(16,43,283)	(26,66,144)	(10,622)	(10,033)	(70,884)	(1,07,876)	(8,34,885)	(8)	(22,298)	-	(41,24,493)
Total segmental expenses	(9,93,940)	(4,33,451)	45	(93,43,622)	(1,58,88,173)	(2,52,31,795)	(42,935)	(13,943)	(82,631)	(5,13,273)	(55,70,107)	8,799	(8,838)	-	(3,28,82,069)
Segmental (loss)/profit	(80,801)	(65,660)	56	(7,88,841)	29,18,424	21,29,583	25,411	19,972	55,813	(42,208)	(9,71,408)	10,437	21,628	11,74,063	22,76,884
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	1,574	1,574
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,45,174)	(7,45,174)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,91,736)	(3,91,736)
Net profit/(Loss) for the year	(80,801)	(65,660)	56	(7,88,841)	29,18,424	21,29,583	25,411	19,972	55,813	(42,208)	(9,71,408)	10,437	21,628	38,727	11,41,548
Segment Assets	37,48,121	4,44,306	39	63,21,778	6,09,50,045	6,72,71,823	92,432	33,417	7,16,777	6,28,171	37,38,937	24,118	64,031	1,85,70,693	9,53,32,865
Segment Liabilities	24,49,596	4,95,322	58	62,79,585	6,04,43,983	6,67,23,568	1,00,930	36,586	3,30,579	6,92,013	42,25,846	-	1,06,332	21,45,385	7,73,06,216
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	3,23,053	3,23,053
Amortisation of premium & discount	4,885	1,093	0	16,409	1,58,205	1,74,614	240	84	695	1,613	9,452	62	164	44,911	2,37,814
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	1,49,860	1,49,860
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: Aviation Segment Business for 2023-24 - NIL

## ANNEXURE TO THE FINANCIAL STATEMENTS

Particulars	Fire	Marine Cargo	Marine Hull	Motor OD	Motor TP	Motor Total	Workmen Compensation/ Employers Liability	Public/ Product Liability	Engineering	Personal Accident	Health Insurance	Crop	Others	Investment of Shareholders funds	Total
Gross Direct Premium	29,49,084	5,16,398	211	1,03,28,727	1,43,80,650	2,47,09,377	63,184	81,421	5,95,060	4,55,580	43,04,209	-	1,23,001	-	3,37,97,525
Premium inward	11,08,207	1,186	-	-	-	-	-	68	1,11,053	1,54,147	-	-	237	-	13,74,898
Net Written Premium	7,74,098	2,57,805	13	78,01,181	1,37,57,836	2,15,59,017	56,816	27,318	1,07,271	3,99,426	38,16,873	-	24,333	-	2,70,22,970
Premium earned (net)	6,93,433	2,54,231	-	75,25,074	1,17,00,995	1,92,26,069	56,107	27,866	99,192	3,70,776	36,42,797	-	29,039	-	2,43,99,510
Profit/(Loss) on sale/redemption of investments	13,486	3,008	0	55,171	4,74,579	5,29,750	651	252	1,905	4,638	25,415	1,877	497	1,43,265	7,24,745
Others	8,615	260	-	3,594	-	3,594	25	1	583	14	1,252	-	334	-	14,677
Investment income-Terrorism pool	57,788	-	-	-	-	-	-	-	12,641	-	-	-	1,806	-	72,235
Contribution from Shareholders Funds towards Excess EOM	-	-	-	1,59,490	1,64,060	3,23,550	-	-	-	-	-	-	-	-	3,23,550
Interest (net of amortisation)	86,778	19,353	1	3,55,022	30,53,865	34,08,887	4,186	1,622	12,259	29,847	1,63,543	12,081	3,201	9,21,896	46,63,652
Total segmental revenue	8,60,099	2,76,852	1	80,98,351	1,53,93,499	2,34,91,850	60,969	29,741	1,26,580	4,05,275	38,33,007	13,958	34,877	10,65,161	3,01,98,369
Claims incurred (net)	(2,37,101)	(1,59,995)	0	(64,16,682)	(88,27,760)	(1,52,44,442)	(22,544)	(16,828)	(57,098)	(2,43,125)	(31,02,592)	3,09,458	(11,957)	-	(1,87,86,223)
Commission received/(paid), net	3,09,868	(40,510)	(23)	(14,04,503)	(2,75,049)	(16,79,552)	(6,733)	2,785	85,129	(19,337)	(3,70,033)	1,06,139	93	-	(16,12,194)
Operating expenses related to insurance business	(3,95,062)	(59,377)	(2)	(20,42,548)	(38,40,863)	(58,83,411)	(9,711)	(4,095)	(67,630)	(1,09,059)	(11,50,459)	(79)	(4,278)	-	(76,83,163)
Total segmental expenses	(3,22,295)	(2,59,882)	(25)	(98,63,733)	(1,29,43,672)	(2,28,07,405)	(39,008)	(18,138)	(39,599)	(3,71,521)	(46,23,084)	4,15,518	(16,142)	-	(2,80,81,580)
Segmental (loss)/profit	5,37,805	16,971	(24)	(17,65,382)	24,49,827	6,84,445	21,961	11,603	86,981	33,754	(7,90,077)	4,29,476	18,735	10,65,161	21,16,789
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	1,290	1,290
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,93,237)	(4,93,237)
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,11,771)	(4,11,771)
Net profit (loss) for the year	5,37,805	16,971	(24)	(17,65,382)	24,49,827	6,84,445	21,961	11,603	86,981	33,754	(7,90,077)	4,29,476	18,735	1,61,443	12,13,071
Segment Assets	31,05,780	3,57,164	16	63,09,227	5,42,71,401	6,05,80,628	74,394	29,784	5,77,001	5,32,202	29,42,243	23,35,280	57,087	1,67,10,732	8,73,02,311
Segment Liabilities	21,90,128	3,81,151	55	72,58,075	5,47,36,797	6,19,94,871	82,460	37,668	3,21,264	5,84,526	33,09,038	44,476	99,951	17,55,531	7,08,01,119
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	2,60,055	2,60,055
Amortisation of premium & discount	6,159	1,374	0	25,199	2,16,756	2,41,955	297	115	870	2,118	11,608	857	227	65,434	3,31,016
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	1,36,315	1,36,315
Non-Cash Expenditure other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note : Aviation Segment Business for 2022-23 - NIL

ANNEXURE TO THE FINANCIAL STATEMENTS

SUMMARY OF FINANCIAL STATEMENTS

ANNEXURE 2

(₹ Lakhs)

SI No	Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
	<b>OPERATING RESULTS</b>					
1	Gross premiums written-Direct	3,63,710	3,37,975	2,86,659	2,82,228	3,66,696
2	Net earned premium #	2,94,861	2,70,230	2,19,207	2,13,856	2,35,543
3	Income from investments (Net)@	51,578	43,955	43,401	38,733	33,739
4	Other income	6,118	3,382	139	93	59
5	<b>Total income</b>	<b>3,52,558</b>	<b>3,17,567</b>	<b>2,62,747</b>	<b>2,52,682</b>	<b>2,69,341</b>
6	Commissions (Net)	68,559	16,122	15,617	14,057	15,168
7	Operating expenses	41,245	76,832	55,680	49,644	46,230
8	Net incurred claims	2,19,017	1,87,862	1,82,839	1,70,064	1,93,887
9	Change in unexpired risk reserve	12,709	26,235	2,085	2,335	7,532
10	<b>Operating Profit/(Loss)</b>	<b>11,028</b>	<b>10,516</b>	<b>6,526</b>	<b>16,582</b>	<b>6,524</b>
	<b>NON OPERATING RESULT</b>					
11	Total income shareholders' account	4,305	5,732	11,005	4,538	(2,394)
12	Profit/(Loss) before tax	15,333	16,248	17,532	21,120	4,130
13	Provision for tax	(3,917)	(4,118)	(4,423)	(5,292)	(1,675)
14	Profit/(Loss) after tax	11,415	12,131	13,108	15,828	2,455
	<b>MISCELLANEOUS</b>					
15	Policyholders' Account:					
	Total funds	7,26,366	6,48,724	5,89,483	5,47,794	5,00,854
	Total investments	7,26,366	6,48,724	5,89,483	5,47,794	4,62,487
	Yield on investments	7.5%	7.2%	7.7%	7.5%	7.5%
16	Shareholders' Account:					
	Total funds	1,63,673	1,55,401	1,45,964	1,32,855	1,17,028
	Total investments	1,29,527	1,16,222	1,20,975	1,00,640	1,12,017
	Yield on investments	7.5%	7.2%	7.7%	7.5%	7.5%
17	Paid up equity capital	44,900	44,900	44,900	44,900	44,900
18	Net worth	1,63,673	1,55,401	1,45,964	1,32,855	1,17,028
19	Total assets	9,57,816	8,77,420	8,16,468	7,53,583	6,77,097
20	Yield on total investments	7.5%	7.2%	7.7%	7.5%	7.5%
21	Earnings per share (₹)*	2.54	2.70	2.92	3.53	0.55
22	Book value per share (₹)	36.45	34.61	32.51	29.59	26.06
23	Total dividend	3,143	2,694	-	-	-
24	Dividend per share (₹)	0.70	0.60	-	-	-
	Profit/(Loss) for the year	11,415	12,131	13,108	15,828	2,455
	Weighted average number of shares at the end of the year	44,90,00,000	44,90,00,000	44,90,00,000	44,90,00,000	44,90,00,000

# Net of reinsurance

@ Net of losses & includes investment income from terrorism pool

\* EPS has been calculated in accordance with AS-20 Basic & Diluted (Face Value ₹ 10/- each)

**Note:** (1) The Company determine the Policyholders' Fund and the Shareholders' Fund on the basis stipulated IRDAI Circular no. IRDA/F&A/CIR/CPM/010/01/2017 (Refer Policy 10 of Schedule 16 relating to Accounting Policy)

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

Sl. No	Performance Ratio	March 31, 2024	March 31, 2023
1	Gross premium growth rate (segment wise): (Gross premium for the current year divided by gross premium for the previous year) Refer Accounting Ratios Schedule 1	7.6%	17.9%
2	Gross premium to shareholders' fund ratio: (Gross premium for the current year divided by the paid up capital plus free reserves)	2.22	2.17
3	Growth rate of shareholders' funds: (Shareholders' funds as at the current balance sheet date divided by the shareholders' funds at the previous balance sheet date)	5.3%	6.5%
4	Net retention ratio: (Net premium divided by gross premium) Refer Accounting Ratios Schedule 2	77.1%	76.8%
5	Net commission ratio: (Commission net of reinsurance for a class of business divided by net premium) Refer Accounting Ratios Schedule 3	23.3%	6.0%
6	Expenses of Management to gross direct premium ratio: (Expenses of Management divided by the total gross direct premium)	33.0%	32.5%
7	Expenses of Management to Net Written Premium ratio: (Expenses of Management divided by the net written premium)	40.7%	40.6%
8	Net Incurred Claims to Net Earned Premium	77.6%	77.0%
9	Combined ratio: (Net Incurred Claims divided by Net Earned Premium plus Expenses of Management divided by Net Written Premium)	114.9%	111.4%
10	Technical reserves to net premium ratio: (Reserve for Unexpired Risks plus Premium Deficiency Reserve plus reserve for Outstanding Claims divided by Net Written Premium)	2.33	2.30
11	Underwriting balance ratio: (Underwriting profit divided by net premium for the respective class of business) Refer Accounting Ratios Schedule 4	-0.17	-0.15
12	Operating profit ratio: (Underwriting Profit plus Investment Income divided by Net Earned Premium)	3.9%	4.3%
13	Liquid assets to liabilities ratio: (Liquid assets of the insurer divided by the policy holders' liabilities)	0.23	0.24
14	Net earnings ratio: (Profit after tax divided by Net Written Premium)	3.9%	4.5%
15	Return on networth: (Profit after tax divided by net worth)	7.0%	7.8%
16	Available Solvency Margin(ASM) to Required Solvency Margin (RSM) Ratio	2.42	2.27
17	Gross NPA ratio	-	-
18	Net NPA ratio	-	-

ANNEXURE TO THE FINANCIAL STATEMENTS

ACCOUNTING RATIOS - SCHEDULE 1

GROSS PREMIUM GROWTH RATE

Segment	Growth (%)	
	2023-24	2022-23
Fire	2.1%	1.5%
Marine	5.1%	12.4%
Motor	4.1%	22.0%
Workmen's Compensation/ Employers Liability	28.3%	9.1%
Public/Product Liability	-6.8%	-10.7%
Engineering	12.9%	8.3%
Personal Accident	19.7%	-0.8%
Health Insurance	29.0%	13.3%
Others	38.0%	42.9%
<b>Total</b>	<b>7.6%</b>	<b>17.9%</b>

ACCOUNTING RATIOS - SCHEDULE 2

NET RETENTION RATIO

Segment	% to GWP	
	2023-24	2022-23
Fire	14.1%	19.1%
Marine	73.1%	49.8%
Motor	87.8%	87.3%
Workmen's Compensation/ Employers Liability	89.3%	89.9%
Public/Product Liability	42.1%	33.5%
Engineering	12.8%	15.2%
Personal Accident	57.6%	65.5%
Health Insurance	92.7%	88.7%
Others	19.1%	19.7%
<b>Total</b>	<b>77.1%</b>	<b>76.8%</b>

ACCOUNTING RATIOS - SCHEDULE 3

NET COMMISSION RATIO

Segment	% to NWP	
	2023-24	2022-23
Fire	17.2%	-40.0%
Marine	31.1%	15.7%
Motor	26.3%	7.8%
Workmen's Compensation/ Employers Liability	18.2%	11.9%
Public/Product Liability	-1.0%	-10.2%
Engineering	-45.1%	-79.4%
Personal Accident	24.0%	4.8%
Health Insurance	12.1%	9.7%
Others	-44.3%	-436.6%
<b>Total</b>	<b>23.3%</b>	<b>6.0%</b>

ACCOUNTING RATIOS - SCHEDULE 4

UNDERWRITING BALANCE RATIO

Segment	to NEP	
	2023-24	2022-23
Fire	-0.45	0.54
Marine	-0.32	-0.02
Motor	-0.14	-0.19
Workmen's Compensation/ Employers Liability	0.31	0.30
Public/Product Liability	0.55	0.35
Engineering	0.13	0.60
Personal Accident	-0.20	0.00
Health Insurance	-0.28	-0.27
Others	1.00	14.75
<b>Total</b>	<b>-0.17</b>	<b>-0.15</b>

## MANAGEMENT REPORT

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

1. We confirm that the Certificate of Registration granted by the Insurance Regulatory and Development Authority of India, to transact general insurance business, continues to be valid. The fee for renewal of the Certificate of Registration has been paid for the financial year 2023-24.
2. We certify that all dues payable to the Statutory Authorities have been duly paid.
3. We confirm that the shareholding pattern during the year ended March 31, 2024 has been in accordance with the Statutory/Regulatory requirements.
4. We declare that the funds of the holders of policies issued in India have not been directly or indirectly invested outside India.
5. The Company has maintained the required solvency margins.
6. The values of all the assets have been reviewed on the date of the Balance Sheet and in our belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the headings 'Investments', 'Interest, Dividends and Rents accruing but not due', 'Amounts due from other persons or Bodies carrying on insurance business', 'Cash' and the several items specified under 'Other Accounts', except debt securities which are shown at amortized cost and non-performing investments which are shown at amortized cost less provision.
7. The Company is exposed to a variety of risks such as quality of risks underwritten, fluctuations in the value of assets, operational risks and higher expenses.

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

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

During the year under report, the Company's expenses of management has exceeded the allowable limit prescribed in IRDAI (Expense of Management of Insurers transacting General or Health Insurance business) Regulations, 2023. The company has applied for forbearance in terms of Regulation 11(2) of aforesaid Regulation.

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

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

Ageing as on March 31, 2024

(₹ '000)

Line of Business	Up to 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 year		5 years and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	1,000	2,35,229	298	1,66,195	188	3,00,159	124	5,03,337	5	3,901	1,615	12,08,822
Marine Cargo	11,230	1,10,062	863	1,04,139	128	52,726	47	32,772	-	688	12,268	3,00,386
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,56,890	53,38,092	20,070	32,27,251	2,277	10,47,028	3,167	32,71,597	930	14,41,782	2,83,334	1,43,25,750
Workmen compensation	22	3,027	24	2,947	17	5,775	3	1,150	1	30	67	12,929
Liability	5	328	12	3,136	2	101	1	82	-	-	20	3,646
Engineering	628	34,193	316	61,309	105	64,761	43	96,548	5	2,949	1,097	2,59,760
Personal Accident	1,759	5,26,987	3	62,641	-	-	-	-	-	-	1,762	5,89,628
Health	75,968	31,68,361	45	12,55,406	-	-	-	-	-	-	76,013	44,23,768
Crop	1,492	1,37,983	1	99	-	11	-	-	-	-	1,493	1,38,093
Others	1,670	10,436	323	18,412	42	5,158	14	3,906	1	-	2,050	37,911
<b>Total</b>	<b>3,50,664</b>	<b>95,64,698</b>	<b>21,955</b>	<b>49,01,535</b>	<b>2,759</b>	<b>14,75,718</b>	<b>3,399</b>	<b>39,09,392</b>	<b>942</b>	<b>14,49,350</b>	<b>3,79,719</b>	<b>2,13,00,693</b>

Ageing as on March 31, 2023

(₹ '000)

Line of Business	Up to 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 years		5 years and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	1,241	1,19,578	404	1,22,198	262	1,88,697	272	3,48,939	8	3,880	2,187	7,83,292
Marine Cargo	10,352	81,690	1,716	1,42,502	182	68,175	69	38,016	2	2,359	12,321	3,32,743
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,63,280	51,33,214	23,083	35,24,823	2,435	12,44,303	5,205	38,86,739	1,122	11,14,652	2,95,125	1,49,03,731
Workmen compensation	16	466	20	4,383	10	3,910	12	3,673	-	790	58	13,221
Liability	3	0.71	13	3,770	1	2,46,935	1	36	1	739	19	2,51,481
Engineering	592	40,548	431	64,151	124	1,30,815	53	39,801	2	142	1,202	2,75,457
Personal Accident	1,628	3,10,128	36	81,061	-	-	-	-	-	-	1,664	3,91,189
Health	56,100	23,34,686	65	11,53,283	-	-	-	-	-	-	56,165	34,87,969
Crop	-	99	2	201	-	-	-	-	-	-	2	300
Others	1,391	7,371	734	13,782	69	4,259	10	4,802	1	10	2,205	30,224
<b>Total</b>	<b>3,34,603</b>	<b>80,27,781</b>	<b>26,504</b>	<b>51,10,155</b>	<b>3,083</b>	<b>18,87,093</b>	<b>5,622</b>	<b>43,22,006</b>	<b>1,136</b>	<b>11,22,572</b>	<b>3,70,948</b>	<b>2,04,69,607</b>



**Ageing as on March 31, 2022**

(₹ '000)

Line of Business	Upto 30 days		31 days to 6 months		6 months to 1 year		1 year to 5 years		5 years and above		Total	
	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt	No	Amt
Fire	2,692	1,29,530	518	2,10,089	263	3,44,475	199	4,11,411	1	3,019	3,673	10,98,525
Marine Cargo	6,771	86,006	2,239	1,00,527	159	51,914	217	43,829	7	10,073	9,393	2,92,349
Marine Hull	-	-	-	-	-	-	-	-	-	-	-	-
Motor	2,25,119	46,36,440	21,175	34,51,149	2,155	7,61,049	6,093	27,43,537	666	6,91,190	2,55,208	1,22,83,365
Workmen compensation	12	1,979	18	6,399	19	2,411	11	1,843	-	-	60	12,633
Liability	8	1,881	8	1,635	1	110	1	3,701	-	-	18	7,326
Engineering	934	20,393	557	65,546	248	44,307	87	1,09,346	-	350	1,826	2,39,942
Personal Accident	358	2,24,411	922	80,414	-	-	-	-	-	-	1,280	3,04,825
Health	34,143	24,16,806	18,490	11,61,718	-	-	-	-	-	-	52,633	35,78,525
Crop	39,342	3,10,692	-	-	-	-	-	-	-	-	39,342	3,10,692
Others	1,076	9,499	694	12,790	79	6,606	25	8,192	-	-	1,874	37,087
<b>Total</b>	<b>3,10,455</b>	<b>78,37,638</b>	<b>44,621</b>	<b>50,90,269</b>	<b>2,924</b>	<b>12,10,872</b>	<b>6,633</b>	<b>33,21,859</b>	<b>674</b>	<b>7,04,632</b>	<b>3,65,307</b>	<b>1,81,65,270</b>

**Ageing as on March 31, 2021**

(₹ '000)

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

Ageing as on March 31, 2020

(₹ '000)

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

10. We certify that:

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

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

The average yield on investments after considering the profit/loss on sale and amortization of costs of investments is 7.54%. All investments in our portfolio as at March 31, 2024 are performing investments.

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

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

- b) The Management has adopted accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the net profit of the Company for the year ended March 31, 2024.
- c) The Management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, (4 of 1938) as amended by the Insurance Law (amendment) Act 2015/Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Management has prepared the financial statements on a going concern basis.
- e) The Management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.
13. Particulars of payment made to individuals, firms, companies and organizations in whom/which the directors of the company are interested is as under.

(₹ '000)

Sl. No.	Entity in which Director is interested	Name of the Director(s)	Interested as	Nature of Payments	Amount
1	Sundaram Finance Limited	S. Viji T.T. Srinivasaraghavan S. Prasad Harsha Viji	Director	Rent Information Technology and Others Agency Commission Insurance Claims Other Services	9,297 65,416 2,40,898 2,904 2,271
2	Sundaram Home Finance Limited	T.T. Srinivasaraghavan Harsha Viji	Director	Insurance Claims Payment for Services Received	840 41
3	Sundaram Asset Management Company Limited	Harsha Viji	Director	Insurance Claims	40
4	Sundaram Finance Holdings Limited	S. Prasad Harsha Viji	Director	Payment for Services Received	9,778
5	T V Sundram Iyengar & Sons Private Limited	S. Viji	Director	Insurance Claims	2,395

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

For and on behalf of the Board of Directors

**S Viji**  
 Chairman  
 (DIN:00139043)

**Amit S Ganorkar**  
 Managing Director  
 (DIN:07889158)

**Gary Lee Crist**  
 Director  
 (DIN: 00942109)

**S Prasad**  
 Director  
 (DIN:00063667)

Place : Chennai  
 Date : May 7, 2024

**Vaibhav Kabra**  
 Chief Financial Officer

**S R Balachandher**  
 Company Secretary

**RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2024**

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

Particulars	(₹ '000)	
	March 31, 2024	March 31, 2023
<b>Cash flows from operating activities</b>		
Receipts from policyholders, including advance receipts & GST	4,68,06,920	4,22,69,687
Other receipts	21,908	15,136
Payments to the re-insurers, net of commissions and claims	(41,63,896)	(25,32,661)
Payments to co-insurers, net of claims recovery	(2,27,248)	(12,199)
Payments of claims	(2,06,66,819)	(2,04,95,166)
Payments of commission and brokerage	(74,94,131)	(33,02,162)
Payments of other operating expenses	(44,40,071)	(73,36,632)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	(3,003)	(8,196)
Income taxes paid (Net)	(3,28,230)	(3,58,303)
GST paid	(63,72,033)	(59,08,452)
Other payments	3,454	(1,644)
Cash flows before extraordinary items	-	-
Cash flow from extraordinary operations	-	-
<b>Net cash flow from operating activities</b>	<b>31,36,851</b>	<b>23,29,408</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(2,12,148)	(2,24,640)
Proceeds from sale of fixed assets	1,785	1,876
Purchases of investments	(3,55,65,816)	(2,34,25,912)
Loans disbursed	-	-
Sales of investments	2,79,04,020	1,61,85,745
Repayments received	-	-
Rents/Interests/Dividends received	55,98,867	49,04,140
Investments in money market instruments and in liquid mutual funds (Net)	(2,04,562)	11,36,904
Expenses related to investments	(31,805)	(30,357)
<b>Net cash flow from investing activities</b>	<b>(25,09,659)</b>	<b>(14,52,244)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	(4,14,210)	(3,70,480)
<b>Net cash flow from financing activities</b>	<b>(4,14,210)</b>	<b>(3,70,480)</b>
Effect of Foreign exchange rates on Cash and Cash Equivalents, net	(1,243)	(2,371)
Net increase in cash and cash equivalents:	2,11,739	5,04,313
Cash and Cash equivalents at the beginning of the year	10,24,166	5,19,853
<b>Cash and cash equivalents at the end of the year</b>	<b>12,35,905</b>	<b>10,24,166</b>

As per our report of even date attached

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

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

V Chandrasekaran  
Partner  
Membership No. 024844

P Babu  
Partner  
Membership No. 203358

Place : Chennai  
Date : May 7, 2024

For and on behalf of the Board of Directors

S Viji  
Chairman  
(DIN:00139043)

Gary Lee Crist  
Director  
(DIN: 00942109)

Vaibhav Kabra  
Chief Financial Officer

Amit S Ganorkar  
Managing Director  
(DIN:07889158)

S Prasad  
Director  
(DIN:00063667)

S R Balachandher  
Company Secretary

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

### 1. Registration Details:

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

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

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

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

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

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

Turnover	3	5	1	6	0	5	2	6
(Net Earned Premium, income from investments and other incomes)								
Total Expenditure	3	3	6	2	7	2	4	3
Profit before Tax		1	5	3	3	2	8	3
Profit after Tax		1	1	4	1	5	4	8
Earnings per share (₹)					2	.	5	4
Dividend Rate (%)					7	.	0	0

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

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

For and on behalf of the Board of Directors

**S Viji**  
 Chairman  
 (DIN:00139043)

**Amit S Ganorkar**  
 Managing Director  
 (DIN:07889158)

**Gary Lee Crist**  
 Director  
 (DIN: 00942109)

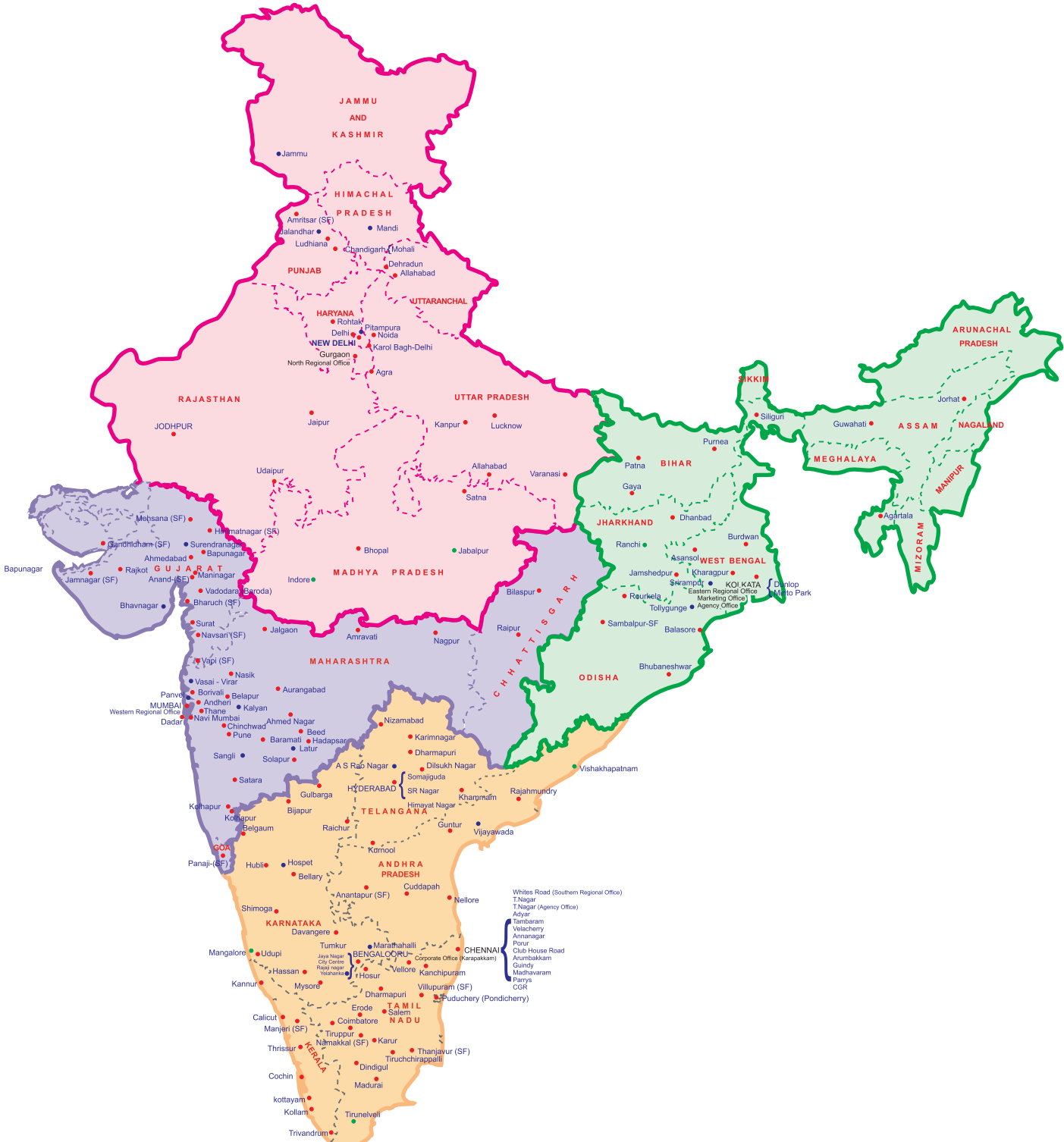
**S Prasad**  
 Director  
 (DIN:00063667)

**Vaibhav Kabra**  
 Chief Financial Officer

**S R Balachandher**  
 Company Secretary

Place : Chennai  
 Date : May 7, 2024

# Royal Sundaram Branch Network - 161 Branches





## Royal Sundaram General Insurance Co. Limited

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

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

### We Insure:



### Reach us:

