



Annual Report 2012-13

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Ab Health Hamesha

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of **Religare Health Insurance Company Limited** will be held on Friday, July 12, 2013 at 11.00 a.m. at the Registered Office of the Company at D3, P3B, District Centre, Saket, New Delhi - 110017, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Revenue Account, Profit & Loss Account for the year ended March 31, 2013 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Godhwani who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ravi Mehrotra who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s S. S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No. FRN 00756N) and M/s T. R. Chadha & Co., Chartered Accountants (Firm Registration No. 006711N) as Joint Statutory Auditors and to fix their remuneration."

SPECIAL BUSINESS

5. Appointment of Mr. Sham Lal Mohan as Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 including any other statutory modification(s) or re-enactment there-of, for the time being in force, Mr. Sham Lal Mohan, who was appointed as an Additional Director on October 29, 2012 and whose term of office expires at the commencement of this Annual General Meeting, pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. Appointment of Lt. Gen. (Retd.) S S Mehta as Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 including any other statutory modification(s) or re-enactment there-of, for the time being in force, Lt. Gen. (Retd.) S S Mehta, who was appointed as an Additional Director on October 29, 2012 and whose term of office expires at the commencement of this Annual General

Meeting, pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. Increase in Authorized Share Capital of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) divided into 200000000 (Twenty Crores) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 300,00,00,000/- (Rupees Three Hundred Crores only) divided into 300000000 (Thirty Crores) Equity Shares of Rs. 10/- (Rupees Ten) each by creation of additional 100000000 (Ten Crores) Equity Shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following new Clause V:

The Authorized Share Capital of the Company is Rs. 300,00,00,000 (Rupees Three Hundred Crores) divided into 300000000 (Thirty Crores) Equity Shares of Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to sign, execute and file all such forms, papers and documents with the Registrar of Companies, NCT of Delhi & Haryana and with other Statutory Authorities, as may be required and to do all such acts, deeds, things and matters including appointing attorney(s) or authorised representative(s), as may be considered necessary or expedient, to give effect to this Resolution."

8. Increase in remuneration of Mr. Anuj Gulati, Managing Director & CEO of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the recommendations of the Remuneration / Compensation Committee and pursuant to the provisions of Section(s) 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, (**"the Act"**) read with Schedule XIII to the said Act (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) and as per the Articles of Association of the Company and subject to the provisions of Section 34A of Insurance Act, 1938 and such other approval(s) or sanction(s) as may be required, approval of the shareholders of the Company be and is hereby accorded for increase in the fixed remuneration of Mr. Anuj Gulati, Managing Director & CEO of the Company to Rs. 1,86,00,000 per annum with effect from April 1, 2013 for the remaining period of his tenure i.e. upto April 25, 2015 on the following terms and conditions :

i) **Salary** : Rs. 6,20,000 per month

ii) **Allowances:** Following allowances shall be allowed:

1. House Rent Allowance: Rs. 3,10,000 per month
2. Additional Allowance: Rs. 4,92,900 per month
3. Education Allowance: Rs. 200 per month
4. Car Running Expenses: Rs. 45,000 per month

iii) **Contribution to Provident Fund:** Rs. 74,400 per month

iv) **Leave:** According to Rules of the Company.

v) **Perquisites:** Following perquisite shall be allowed as per the norms of the company:-

1. Leave Travel Assistance : Rs. 6,250 per month
2. Medical Reimbursement : Rs. 1,250 per month

In addition to the above, Mr. Anuj Gulati shall also be entitled to the facility of Car, to be used for Official Purposes.

In addition to the above, Mr. Anuj Gulati shall also be entitled to Bonus and such other incentives as may be determined by the Remuneration / Compensation Committee of the Company from time to time.

RESOLVED FURTHER THAT Board of Directors of the Company (including Remuneration / Compensation Committee) be and is authorised to vary the terms and conditions of the appointment and remuneration within the limits as approved by Shareholders of the Company and as may be stipulated by Insurance Regulatory and Development Authority from time to time in accordance with the applicable laws for the time being in force.

RESOLVED FURTHER THAT Board of Directors of the Company or as nominated by Board of Directors be and is hereby further authorized to sign, execute and file all such forms, returns, certificates, papers and documents as may be considered necessary or expedient with the Ministry of Corporate Affairs, Insurance Regulatory and Development Authority, Central Government or its delegated authority and to do all such acts, deeds, things and matters including but not limited to represent the Company before any authority and to appoint attorney(s) or authorized representative(s) to give effect to this Resolution."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to provisions of Section 163 of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of members together with the Index of members, the copies of annual returns, the copies of certificates and documents required to be annexed with the annual return under Section 160/161 of

the Companies Act, 1956 and/or any of the documents as required to be kept at the Registered office of the Company, at the office of Registrar and Transfer Agent, Karvy Computershare Private Limited situated at 305, New Delhi House, 27, Barakhamba Road, New Delhi 110 001 and at such places within Delhi where the Registrar and Transfer Agent may shift its office from time to time instead of the Registered Office of the Company at D3, P3B, District, Centre, Saket, New Delhi - 110017."

BY ORDER OF THE BOARD OF DIRECTORS

Place: New Delhi
Date: May 22, 2013

Sd/-
Priyanka Nautiyal
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Explanatory Statement in respect of Special Business, as required under Section 173(2) of the Companies Act, 1956, is annexed hereto.
3. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. The Annual Report for the year ended March 31, 2013 containing, inter-alia, the Directors' Report, Auditors' Report and the audited financial statements are enclosed.
5. Members / Proxies should fill in the attendance slip for attending the Meeting
6. The Register of Directors' Shareholding will be available for inspection at the meeting.
7. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 10:00 A.M. to 1:00 P.M. except on holidays, upto the date of the Annual General Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

**Place: New Delhi
Date: May 22, 2013**

**Sd/-
Priyanka Nautiyal
Company Secretary**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No 5 & 6

The Board of Directors of the Company ("The Board") in its meeting held on October 29, 2012, had pursuant to the provision of Section 260 of the Companies Act, 1956 (the Act), appointed Mr. Sham Lal Mohan and Lt. Gen. (Retd.) S S Mehta as Additional Directors of the Company to hold office till the conclusion of ensuing Annual General Meeting.

The Company is in receipt of Notice under Section 257 of the Companies Act, 1956 proposing their candidature as Directors of the Company.

The Directors proposed, if appointed, shall be liable to retire by rotation under the provisions of Section 256 of the Act.

The Board accordingly recommends the ordinary resolution set out at Item No. 5 & 6 of the accompanying Notice for the approval of the Members.

None of the other Directors of the Company are in any way concerned or interested in this Resolution, except Mr. Sham Lal Mohan and Lt. Gen. (Retd.) S S Mehta to the extent of his appointment.

Item No 7

As per Clause V of the Memorandum of Association of the Company, the Authorised Share Capital of the Company is Rs. 200 Crores (Rupees Two Hundred Crores only) divided into 20 Crores (Twenty Crores) Equity Shares of Rs. 10 (Rupees Ten only) each out of which the total paid-up share capital is Rs. 175,00,00,000 consisting of 17,50,00,000 equity shares of Rs. 10 each fully paid up.

The Members are aware that the business of the Company has expanded in last one year. Growth and expansion of the business has necessitated the infusion of capital.

Considering the above, the Board of Directors of the Company on May 22, 2013 proposed to increase the existing Authorised Share Capital of the Company to Rs. 300 Crores (Rupees Three Hundred Crores only) by creation of additional 10 Crores (Ten Crores) Equity Shares of Rs. 10 (Rupees Ten only) each, ranking pari-passu with the existing Equity Shares, in order to facilitate the further issue of equity shares of the Company as may be decided by the Board from time to time.

Consequent upon the proposed increase of existing Authorised Share Capital, Clause V of the Memorandum of Association of the Company will require corresponding alteration.

Your approval is sought in terms of the provisions of Sections 16, 94 of the Companies Act, 1956.

Your Directors recommend the resolution no. 7 for your approval as an Ordinary Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Item No 8

The Members are requested to note that Mr. Anuj Gulati was appointed as Managing Director & CEO of the Company for a period of three years in the Extra-Ordinary General Meeting of the Company held on March 19, 2012, subject to the approval of Insurance Regulatory Development Authority("IRDA").

IRDA, vide its letter dated May 23, 2012, approved the appointment of Mr. Anuj Gulati for a period of three years w.e.f April 26, 2012 to April 25, 2015.

Based on the recommendations of the Remuneration / Compensation Committee, the Board at its meeting held on May 22, 2013, approved the increase in remuneration payable to Mr. Anuj Gulati, as stated in the Resolution.

The proposed remuneration is subject to the provisions of Section 34A of the Insurance Act, 1938.

Statement pursuant to the provisions of Schedule XIII of the Companies Act, 1956 is given below:

I. GENERAL INFORMATION:**1. Nature of Industry:**

The Company was incorporated with the objective of carrying on Insurance Business.

2. Date or expected date of commencement of commercial production:

The Company is engaged in the Health Insurance Business.

The Company obtained R3 license from Insurance Regulatory and Development Authority on April 26, 2012. It commenced its operations in July 2012.

3. Expected date of commencement of activities as per project approved by financial institutions:

Not Applicable

4. Financial performance:

During the financial year 2012-13, total Gross Written Premium of the Company is Res. 38.8 crores and net loss (after tax)is Rs. 38.38 Crore.

5. Export performance and net foreign exchange collaborations:

During the financial year 2012-13, the Company has not earned any Foreign Exchange during the year under review. However there was foreign exchange outgo to the tune of Rs. 716,750/-, towards payment Reinsurance Premium to Scor.

6. Foreign Investments or collaborators:

None

II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details:

Mr. Anuj Gulati, aged 39 years, is a Graduate in Chemical Engineering from IIT, Delhi and also completed Post Graduate Diploma in Business Management from IIM, Bangalore.

Mr. Anuj Gulati has over 15 years of experience. Before joining the Company, he worked with ICICI Lombard General Insurance Company Limited as Director for Services and Business Development. Previously, he has been an entrepreneur and started his career as a financial analyst with Procter & Gamble India Ltd.

Mr. Anuj Gulati is responsible for setting up this business and working towards making Religare Health Insurance as one of the dominant players in the Indian Health Insurance industry. He has over 10 years of experience in the Insurance Industry.

Besides his qualifications, he is a person of outstanding caliber and possesses vast experience and capabilities for managing the increasing business activities of the Company.

2. Past Remuneration:

Mr. Anuj Gulati had drawn a remuneration of Rs. 4.92 Crore during the financial year 2012-13.

3. Recognition or Awards:

None

4. Job Profile and Suitability of the Appointee:

Mr. Anuj Gulati has over 10 years of experience in the Insurance Industry. Accordingly, Mr. Anuj Gulati, with his qualifications & experiences in the Insurance industry, is best suited to the said position.

5. Remuneration Proposed:

i) Salary : Rs. 6,20,000 per month

ii) Allowances: Following allowances shall be allowed:

1.	House Rent Allowance	:	Rs. 3,10,000 per month
2.	Additional Allowance	:	Rs. 4,92,900 per month
3.	Education Allowance	:	Rs. 200 per month
4.	Car Running Expenses	:	Rs. 45,000 per month

iii) Contribution to Provident Fund : Rs. 74,400 per month

iv) Leave: According to Rules of the Company.

v) Perquisites: Following perquisite shall be allowed as per the norms of the company:-

- | | | |
|----------------------------|---|---------------------|
| 1. Leave Travel Assistance | : | Rs. 6,250 per month |
| 2. Medical Reimbursement | : | Rs. 1,250 per month |

In addition to the above, Mr. Anuj Gulati shall also be entitled to the facility of Car, to be used for Official Purposes.

In addition to the above, Mr. Anuj Gulati shall also be entitled to Bonus and such other incentives as may be determined by the Remuneration / Compensation Committee of the Company from time to time.

6. Comparative remuneration profile with respect to the industry, size of the Company, profile of the position and person:

Taking into account the future growth plans of the Company, industry benchmark in general, profile, position, responsibilities, capabilities and invaluable contribution of Mr. Anuj Gulati in the setting up of the Company, the proposed remuneration to the appointee is reasonable and in line with the remuneration levels in the Industry, across the country and befits his position.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Except for the proposed remuneration, Mr. Anuj Gulati does not have any pecuniary relationship with the Company or with any managerial personnel except that Mr. Anuj Gulati holds 3,50,000 Employee Stock Options under Religare Employee Stock Option Scheme 2012 and 2000000 Employee Stock Options under Religare Health Insurance Employee Stock Option Scheme 2010 and may be allocated further Stock Options under Religare Employee Stock Option Scheme 2012 or any other similar scheme and Religare Health Insurance Employee Stock Option Scheme 2010.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits:

The Company was incorporated with the objective of carrying on Insurance Business and had applied with the Insurance Regulatory and Development Authority (IRDA) for registration as an insurance company.

Post registration with IRDA, the Company has started its operations in July 2012. However, insurance business being capital intensive in nature has long gestation period which necessitates huge investments and costs in the initial years to start the operations and thereby incur losses. However, once the Company reaches the critical level, it starts generating profits.

2. Steps taken or proposed to be taken for improvement:

N.A.

3. Expected increase in productivity and profits:

Since the Insurance business necessitates huge investments and costs in the initial years to start the operations, we are confident that the Company starts generating profits upon reaching the critical level.

Your Board recommends the Resolution for approval of the Shareholders by way of a Special Resolution.

None of the Directors of the Company, is in any way, are interested or concerned in the proposed Resolution except Mr. Anuj Gulati.

Item no. 9

Section 163 of the Companies Act 1956 provides that for keeping the register of members together with Index of members, the copies of annual returns, the copies of certificates and documents required to be annexed with the annual return u/s 160/161 of the Companies Act, 1956 at a place other than the registered office of the Company, approval of members by way of Special Resolution is required.

Since the register of members together with index of members, copies of certificates and documents required to be annexed with the annual return u/s 160/161 of the Companies Act, 1956 are kept with Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company, approval of the members is sought.

The Board commends the Resolution as set out at Item No. 9 of the Notice for your approval.

None of the Directors is concerned or interested in the resolution.

BY ORDER OF THE BOARD OF DIRECTORS

Place: New Delhi
Date: May 22, 2013

Sd/-
Priyanka Nautiyal
Company Secretary

DIRECTORS' REPORT

Dear Members,
Religare Health Insurance Company Limited

Your Directors have pleasure in presenting the Sixth Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2013.

FINANCIAL RESULTS

(In Rupees)

Particulars	2012-13	2011-12
Total Income	266,730,145	156,157,783
Total Expenditure	648,310,566	134,495,149
Profit / (Loss) Before Tax	(381,580,421)	21,662,634
Provision for Tax:		
Current Tax		43,977,972
Short Provision of the earlier year	2,222,756	-
Deferred Tax (Net)		-
Profit / (Loss) After Tax	(383,803,177)	(22,315,338)
Brought forward balance	(77,908,354)	(55,593,016)
Profit / (Loss) Carried to Balance Sheet	(461,711,531)	(77,908,354)

FUTURE OUTLOOK

In Financial year 2013-14, the industry is expected to grow at a steady pace in line with the growth seen in FY 2012-13. To achieve this, it plans to focus on increasing its distribution footprints and quality of service to all customers and stake holders.

SIGNIFICANT DEVELOPMENTS

Insurance Regulatory Development Authority ("IRDA") vide its letter no. 150/Religare Health/NL/R2/12-13 dated April 13, 2012 communicated the acceptance of R2 application and further vide letter no. 150/Religare Health/L/R3/12-13 dated April 26, 2012 granted Certificate of Registration (R3) under Registration No. 148 to the Company to commence business as standalone Health Insurance Company.

The Company commenced the operations in July 2012.

- During its first year of operations, your Company has focused on developing its people and management strength, customer-led processes, scalable infrastructure and distribution capabilities.

- With a bouquet of three products across retail, group health and personal accident and having a presence in 14 states through its 32 offices, your Company provided health insurance coverage to around 200,000 lives.
- During the first partial year of operations, your Company has under-written premium of Rs.38.8 Crores.
- Total employee strength of your Company as on March 2013 is more than 370.
- Your Company has tied up with more than 1,900 hospitals to facilitate cashless services to its customers.
- All retail claims are managed by in-house Claims team.
- Since the geographical spread of Group policies is vast, your Company has tied up with Third Party Administrators to service claims registered against selective Group policies.

RURAL & SOCIAL SECTOR OBLIGATION

Your Company has complied with the requirements of the IRDA regulations on Rural and Social Sector obligations.

INVESTMENTS

Your company has made Investments in compliance with IRDA Investment regulations and total Asset under management as on 31st March 13 stands at Rs. 161.3 crs (including deposit with banks amounting to Rs. 36 Crores).

SHARE CAPITAL

As on March 31, 2013, the paid up equity share capital of the Company is Rs. 175,00,00,000.

DIRECTORS

Mr. P. Rajaram Karanth was appointed as Corporation Bank Nominee Director with effect from January 04, 2012 for a period of six (6) months as per the rotational policy. He completed his tenure on July 4, 2012 and Mr. Vivek Mhatre was nominated by the Banks as their Nominee on the Board of the Company for a period of six months.

After the tenure of Mr. Vivek Mhatre was completed, during the year, Mr. B. N. Shenoy was appointed as Corporation Bank Nominee with effect from February 11, 2013.

During the year, Mr. Sham Lal Mohan and Lt. Gen. (Retd.) S. S. Mehta were appointed as additional director by the Board in the category of Independent Non-Executive. They shall hold office of the Additional Director up to the date of the ensuing Annual General Meeting. The Board proposes to regularize them as Directors in the forthcoming Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Sunil Godhwani and Mr. Ravi Mehrotra are liable to retire by rotation as Directors at the ensuing Annual General Meeting and are eligible for re-appointment and have offered themselves for re-appointment.

The Board recommends their re-appointment.

COMPOSITION

The composition of the Board of Directors of the Company is in conformity with the requirements of Corporate Governance Guidelines issued by IRDA. Currently, the Board of Directors of the Company consists of seven (7) Directors comprising one (1) Managing Director & CEO and remaining six (6) are Non-Executive Directors. The Non-Executive Directors comprises of two (2) independent directors and four (4) Non-Independent Directors.

COMMITTEES OF THE BOARD

The Company has constituted following mandatory Committees as required under the Corporate Governance Guidelines issued by Insurance Regulatory & Development Authority:

- Audit Committee;
- Investment Committee;
- Risk Management Committee; and
- Policyholders Protection Committee;

In addition, the Company has constituted following non-mandatory committees:

- Remuneration / Compensation Committee.
- Share Allotment Committee

All decisions pertaining to the constitution of the Board Committees, appointment of members and fixation of terms of reference of the Committees are taken by the Board of Directors.

MEETINGS OF THE BOARD AND ITS COMMITTEES

Details of the composition, qualification, field of specialization, status of Directorships, meetings held during the financial year 2012-13 and the attendance at each meeting of the Board and its Committees are as under:

A. BOARD OF DIRECTORS

Four (4) meetings of the Board were held on May 24, 2012, August 3, 2012, October 29, 2012 and February 11, 2013. The details are as under:

S No.	Name of the Director	Qualification	Field of specialization	Category	No. of meetings attended
1.	Mr. Sunil Godhwani	Graduate in Chemical Engg., M.B.A	Finance	Non-Executive Director	4
2	Mr. Ravi Mehrotra	B.Com. PGDBM	Finance & General Management	Non-Executive Director	3
3.	Dr. Amit Varma	MD MBBS	Healthcare	Non-Executive	4

				Director	
4.	Mr. Anuj Gulati	B. Tech, IIT Delhi, PGDBM, IIM Bangalore	Insurance Sector	Managing Director & CEO	4
5.	Mr. Sham Lal Mohan (w.e.f. October 29, 2012)	B.Sc Mechanical Engg. and AIII (General), Insurance Institute of India, Mumbai	Insurance Sector	Independent Director	2
6.	Lt. Gen. (Retd.) S S Mehta (w.e.f. October 29, 2012)	M. Sc. (Defense Studies)	Defense	Independent Director	2
7.	Mr. Vivek Mhatre (see note 1 below)	B.Com, LLB and CAIIB	Banking Sector	Bank Nominee Director	0
8.	Mr. B N Shenoy (see note 2 below)	B.Com CAIIB, certificate Course in Development Banking	Banking Sector	Bank Nominee Director	1
9.	P Rajaram Karanth (see note 3 below)	B.com	Banking Sector	Bank Nominee Director	1

Note 1: Mr. Mhatre completed his tenure as Bank Nominee Director on February 11, 2013

Note 2: Mr. B N Shenoy was appointed as Bank Nominee Director on February 11, 2013

Note 3: Mr. Rajaram Karanth completed his tenure as Bank Nominee Director on July 04, 2012.

Audit Committee

Four (4) meetings of the Committee were held on May 24, 2012, August 3, 2012, October 29, 2012 and February 11, 2013. The details are as under:

Sr. No.	Name of the member	No. of meetings attended
1	Mr. S. L. Mohan (appointed w.e.f. October 29, 2012)	1
2	Mr. Sunil Godhwani	3
3	Mr. Ravi Mehrotra (appointed w.e.f. October 29, 2012)	0
4	Lt. Gen. S. S. Mehta (w.e.f. October 29, 2012)	1
5	Mr. Anuj Gulati (upto October 29, 2012)	3
6	Dr. Amit Varma (upto October 29, 2012)	3

Remuneration /Compensation Committee

During the year, the Remuneration/Compensation Committee was re-constituted on October 29, 2012, comprising of Lt. Gen. S. S. Mehta, Mr. Sunil Godhwani, Mr. Ravi Mehrotra, Dr. Amit Varma, Directors of the Company as Members of the Committee.

Further as per Corporate Governance Guidelines for insurance companies issued by IRDA, every insurance company shall set up following mandatory committees:

1. Investment Committee
2. Risk Management Committee
3. Policyholders Protection Committee.

Accordingly, the abovementioned mandatory committees were constituted during the year.

Investment Committee

One (1) meeting of the Committee was held on February 11, 2013. The details are as under:

Sr. No.	Name of the member	No. of meetings attended
1	Mr. Ravi Mehrotra	0
2	Mr. B. N. Shenoy	1
3	Mr. Anuj Gulati	1
4	Mr. Pankaj Gupta	1
5	Mr. Nitin Katyal	1

Policyholders Protection Committee

One (1) meeting of the Committee was held on February 11, 2013. The details are as under:

Sr. No.	Name of the member	No. of meetings attended
1	Lt. Gen. S. S. Mehta	1
2	Mr. Sunil Godhwani	0
3	Dr. Amit Varma	0
4	Mr. Anuj Gulati	1

Risk Management Committee

One (1) meeting of the Committee was held on February 11, 2013. The details are as under:

Sr. No.	Name of the member	No. of meetings attended
1	Mr. S. L. Mohan	1
2	Mr. Ravi Mehrotra	0
3	Dr. Amit Varma	0
4	Mr. Anuj Gulati	1

DEPOSITS

Your Company has neither invited nor accepted any deposits from the public during the year under review with the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

As per revised guidelines for appointment of statutory auditors of insurance companies issued by IRDA, each insurance company will have two auditors on a joint audit.

According M/s S. S. Kothari Mehta & Co. and M/s T. R. Chadha & Co., Chartered Accountants, were appointed as Joint Statutory Auditors of the Company.

Joint Statutory Auditors retires at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Statutory Auditors, if re-appointed.

The Auditors have furnished a certificate of their eligibility for re-appointment under Section 224(1B) of the Companies Act, 1956 and in terms of IRDA Circular No. 36/F&A/EMPL/74/July05 dated July 25, 2005 and have indicated their willingness to hold the said office.

The Board recommends the re-appointment of M/s S. S. Kothari Mehta & Co. and M/s T. R. Chadha & Co., Chartered Accountants as Joint Statutory Auditor of the Company.

INTERNAL CONTROLS

The Company has adequate system of internal control in place. The internal audit is conducted to examine the adequacy, relevance and effectiveness of control systems, compliance with policies, plans and statutory requirements.

AUDITORS' REPORT

The observations of the Auditors in their report read together with the Notes on Accounts are self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby state and confirm that:

- (i) in the preparation of the annual accounts for the period ended on March 31, 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures, wherever applicable;
- (ii) such accounting policies have been selected and applied 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 period 2012-2013 and of the Loss of the Company for the year ended on that date;

- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts of the Company have been prepared on a 'going concern' basis.

CERTIFICATION UNDER IRDA CORPORATE GOVERNANCE GUIDELINES

As per Corporate Governance Guidelines for Insurance Companies- Amendment No. 1 dated January 29, 2010, Annual report of insurers will have a separate certification from the compliance officer in the prescribed format.

Accordingly, a Certificate for compliance of the Corporate Governance Guidelines is enclosed as **Annexure 'A'**.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company is not engaged in manufacturing activities and, therefore, the particulars as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies' (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding Conservation of Energy, Research and Development and Technology Absorption are not applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, there were no Foreign Exchange earnings. However, there was Foreign Exchange Outgo of Rs. 716,750/-, being payment Reinsurance Premium to Scor.

PARTICULARS OF EMPLOYEES

The information in respect of the Employees of the Company, who were in receipt of remuneration for the year ended March 31, 2013, which, in aggregate, was more than the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is appended herewith and forms an integral part of this report.

ACKNOWLEDGEMENT

The Board wishes to place on record its sincere appreciation for the continued assistance, support and co-operation extended to the Company by the Shareholders, Insurance regulatory and Development Authority, the auditors of the Company, Banks, other Government Authorities and Employees during the year under review and look forward to their continued support in the future.

**By order of the Board of Directors
For Religare Health Insurance Company Limited**

Place: New Delhi
Dated: May 22, 2013

Sd/-
Anuj Gulati
Managing Director & CEO

Sd/-
Sunil Godhwani
Director

Annexure - A

Certification for compliance of the Corporate Governance Guidelines

To,
The Members,
Religare Health Insurance Company Limited

I, Priyanka Nautiyal, hereby certify that the Company has complied with the corporate governance guidelines, as applicable for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Sd/-
Priyanka Nautiyal
Company Secretary

Place: New Delhi
Date: May 22, 2013

T. R. Chadha & Co.
Chartered Accountants
B-30, Connaught Place
New Delhi- 110001

S S Kothari Mehta & Co.
Chartered Accountants
146 - 149, Tribhuvan Complex
Ishwar Nagar, Mathura Road
New Delhi - 110 065

Religare Health Insurance Company Limited
Registration No. 148, Date of Registration with IRDA : April 26, 2012

**Independent Auditors' Report to the Members of Religare Health Insurance Company Limited on its
Financial Statements**

Report on the Financial Statements

1. We have audited the accompanying financial statements of Religare Health Insurance Company Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2013, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account of the Company for the year then ended and Notes to the Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Company in accordance with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956, provisions of Section 11 of the Insurance Act, 1938 read with the Insurance Regulatory and Development Authority (IRDA) Regulations/Guidelines/Circulars/orders. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to

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Chartered Accountants
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New Delhi- 110001

S S Kothari Mehta & Co.
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design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared and give the information required by the Insurance Act,1938, the Insurance Regulatory and Development Authority Act, 1999 read with the applicable provisions of the Companies Act,1956 and 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, 2013;
 - b) in the case of Revenue Account of the deficit for the year ended on that date;
 - c) in the case of Profit and Loss Account, of the loss for the year ended on that date; and
 - d) in the case of Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. We report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) in our opinion and to the best of our information and according to explanations given to us, 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) As the Company's accounts are centralized and maintained by the Corporate Office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
 - d) the Balance Sheet, the Revenue Account, Profit and Loss Account, and Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
 - e) In our opinion, the Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read together with IRDA Regulations/Circulars/Orders;

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New Delhi - 110 065

- f) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments statement have been drawn up in accordance with the Insurance Act 1938, the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the regulations') and the Companies Act, 1956;
 - g) 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 are appropriate and are in accordance with the requirements of the Insurance Regulatory and Development Authority [IRDA] and Actuarial Society of India in concurrence with IRDA. We have relied on the appointed Actuary's certificate in this regard;
 - h) Investments of the Company have been valued in accordance with the provisions of the Insurance Act, 1938 and the regulations;
 - i) The accounting policies selected by the Company are appropriate and are in compliance with the applicable accounting standards and with the accounting principles, as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 or any order or direction issued by the IRDA in this behalf;
 - j) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause(g) of sub-section(1) of section 274 of the Companies Act, 1956;
8. Further, according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:
- i. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2013 and there is no apparent mistake or material inconsistency therein with the financial statements;
 - ii. Based on the information and explanations received during the course of our audit, management representations by officers of the Company charged with compliance and compliance certificates issued by the management, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration. stipulated by IRDA vide their letter dated April 26, 2012.

T. R. Chadha & Co.
Chartered Accountants
B-30, Connaught Place
New Delhi- 110001

S S Kothari Mehta & Co.
Chartered Accountants
146 - 149, Tribhuvan Complex
Ishwar Nagar, Mathura Road
New Delhi - 110 065

9. As required by the Regulations, we set out in the Annexure a statement certifying the matters specified in paragraph 4 of schedule C to the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

For S S Kothari Mehta & Co.
Chartered Accountants
(Firm Registration No. 000756N)

For T.R. Chadha & Co.
Chartered Accountants
(Firm Registration No. 006711N)

Sd/-

Sd/-

K K Tulshan
Partner
Membership No.: 085033

Neena Goel
Partner
Membership No.: 057986

Place: New Delhi

Date: May 22, 2013

T. R. Chadha & Co.
Chartered Accountants
B-30, Connaught Place
New Delhi- 110001

S S Kothari Mehta & Co.
Chartered Accountants
146 - 149, Tribhuvan Complex
Ishwar Nagar, Mathura Road
New Delhi - 110 065

Religare Health Insurance Company Limited

Registration No. 148, Date of Registration with IRDA : April 26, 2012

Annexure

Auditors' Certificate

(Referred to in the Auditors' Report to the members of Religare Health Insurance Company Limited (the 'Company') on the financial statements for the year ended March 31, 2013)

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 and records maintained by Religare Health Insurance Company Limited for the year ended March 31, 2013, we certify that:

- a) We have verified the cash balances maintained by the Company, to the extent considered necessary. As regards the securities relating to the Company's investments, the same have been verified on the basis of the dematerialized statement/confirmations received from the custodian;
- b) The Company is not the trustee of any trust; and;
- c) No part of the assets of the policyholders' fund has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 relating to the application and investment of the policyholders' funds.

This certificate has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, ('the Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For S S Kothari Mehta & Co.
Chartered Accountants
(Firm Registration No. 000756N)

For T.R. Chadha & Co.
Chartered Accountants
(Firm Registration No. 006711N)

Sd/-

Sd/-

K K Tulshan

Neena Goel

Partner

Partner

Membership No.: 085033

Membership No.: 057986

Place: New Delhi

Date: May 22, 2013

FORM B-RA-REVENUE ACCOUNT FOR THE PERIOD ENDED 31st Mar, 2013

S. No	Particulars	Schedule	For the Year Ended March 31, 2013 (Rs.'000)	For the Year Ended March 31, 2012 (Rs.'000)
1	Premiums earned (Net)	1	130,796.6	-
2	Profit/ loss on sale/redemption of investments			
3	Others (to be specified)			
4	Interest, dividend & rent – Gross		8,417.9	-
	TOTAL (A)		139,214.5	-
1	Claims incurred (Net)	2	131,860.0	-
2	Commission	3	21,968.2	-
3	Operating expenses related to Insurance business	4	460,235.1	-
4	Premium deficiency			
	TOTAL (B)		614,063.3	-
	Operating profit/(loss) from Fire/Marine/Miscellaneous business C= (A - B)		(474,848.8)	-
	APPROPRIATIONS			
	Transfer to Shareholders' account			
	Transfer to catastrophe reserve			
	Transfer to other reserves			
	TOTAL (C)		(474,848.8)	-

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 16

Significant Accounting Policies and the accompanying notes are an integral part of the financial statements, as per our report of even date.

For T.R. Chadha & Co.
Chartered Accountants
Firm Regn No. : 006711N

For S.S. Kothari Mehta & Co
Chartered Accountants
Firm Regn. No. - 000756N

For and on behalf of the Board of Directors

Sd/-
Neena Goel
Partner
Membership No.: 057986

Sd/-
K.K. Tulshan
Partner
Membership No. 085033

Sd/-
Sunil Godhwani
Director
(DIN: 00174831)

Sd/-
Dr. Amit Varma
Director
(DIN: 02241746)

Sd/-
Anuj Gulati
Managing Director & CEO
(DIN: 00278955)

Sd/-
Pankaj Gupta
Chief Finance Officer

Place : New Delhi
Date : May 22, 2013

Sd/-
Priyanka Nautiyal
Company Secretary

FORM B-PL -PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st Mar, 2013

S. No	Particulars	Schedule	For the Year Ended March 31,2013	For the Year Ended March 31,2012
			(Rs.'000)	(Rs.'000)
1	OPERATING PROFIT/(LOSS)			
	(a) Fire Insurance			
	(b) Marine Insurance			
	(c) Miscellaneous Insurance		(474,848.8)	-
2	INCOME FROM INVESTMENTS			
	(a) Interest, Dividend & Rent – Gross		118,988.1	122,066.3
	(b) Profit on sale of investments		8,937.9	33,264.9
	Less: Loss on sale of investments		(433.0)	-
3	OTHER INCOME (To be specified)		22.8	826.6
	TOTAL (A)		(347,333.2)	156,157.8
4	PROVISIONS (Other than taxation)			
	(a) For diminution in the value of investments			
	(b) For doubtful debts			
	(c) Others (to be specified)			
5	OTHER EXPENSES			
	(a) Expenses other than those related to Insurance Business		34,247.3	134,495.2
	(b) Bad debts written off			
	(c) Others (To be specified)			
	TOTAL (B)		34,247.3	134,495.2
	Profit Before Tax		(381,580.4)	21,662.6
	Provision for Taxation*		2,222.8	43,978.0
	APPROPRIATIONS			
	(a) Interim dividends paid during the year			
	(b) Proposed final dividend			
	(c) Dividend distribution tax			
	(d) Transfer to any Reserves or Other Accounts			
	Balance of profit/ loss brought forward from last year		(77,908.4)	(55,593.0)
	Balance carried forward to Balance Sheet		(461,711.5)	(77,908.4)

* Additional provision for tax pertaining to previous financial years
The Schedules referred to above form an integral part of the Profit and Loss Account

For T.R. Chadha & Co.
Chartered Accountants
Firm Regn No. : 006711N

For S.S. Kothari Mehta & Co
Chartered Accountants
Firm Regn. No. - 000756N

For and on behalf of the Board of Directors

Sd/-
Sunil Godhwani
Director
(DIN: 00174831)

Sd/-
Dr. Amit Varma
Director
(DIN: 02241746)

Sd/-
Neena Goel
Partner
Membership No.: 057986

Sd/-
K.K. Tulshan
Partner
Membership No. 085033

Sd/-
Anuj Gulati
Managing Director & CEO
(DIN: 00278955)

Sd/-
Pankaj Gupta
Chief Finance Officer

Sd/-
Priyanka Nautiyal
Company Secretary

Place : New Delhi
Date : May 22, 2013

RECEIPT AND PAYMENTS ACCOUNT

Particulars	For the Year ended 31st Mar, 2013	For the Year ended 31st Mar, 2012
	(Rs.'000)	
Cash Flows from the Operating activities:		
Premium received from policyholders, including advance receipts	1,001,174.3	
Other receipts	4.3	500.6
Payments to the re-insurers, net of commissions and claims	(13,393.8)	
Payments to co-insurers, net of claims recovery	(1,065.1)	
Payments of claims	(76,296.6)	
Payments of commission and brokerage	(20,277.9)	
Payments of other operating expenses	(377,230.3)	
Preliminary and pre-operative expenses	-	
Deposits, advances and staff loans	(117.7)	
Income taxes paid (Net)	(385.2)	(48,138.3)
Service tax paid	(78,742.2)	
Other payments	-	(84,182.4)
Cash flows before extraordinary items	433,669.9	(131,820.1)
Cash flow from extraordinary operations		
Net cash flow from Operating activities	433,669.9	
Cash flows from Investing activities:		
Purchase of fixed assets (including capital advances)	(54,326.5)	(98,678.8)
Proceeds from sale of fixed assets	186.7	3,365.4
Purchases of investments	(1,622,807.7)	(868,819.5)
Loans disbursed	-	
Sales of investments	375,174.3	974,635.5
Repayments received	1,120,000.0	
Rents/Interests/ Dividends received	44,775.7	121,471.8
Investments in money market instruments and in liquid mutual funds (Net)*	385,206.8	
Expenses related to investments	-	
Net cash flow from Investing activities	248,209.4	131,974.4
Cash flows from Financing activities:		
Proceeds from issuance of share capital	-	
Proceeds from borrowing	-	
Repayments of borrowing	-	
Interest/dividends paid	-	
Net cash flow from Financing activities	-	
Effect of foreign exchange rates on cash and cash equivalents, net		
Net increase in cash and cash equivalents:	681,879.2	154.3
Cash and cash equivalents at the beginning of the year	274.8	120.5
Cash and cash equivalents at the end of the year	682,154.0	274.8

For T.R. Chadha & Co.
Chartered Accountants
Firm Regn No. : 006711N

For S.S. Kothari Mehta & Co
Chartered Accountants
Firm Regn. No. - 000756N

For and on behalf of the Board of Directors

Sd/-
Neena Goel
Partner
Membership No.: 057986

Sd/-
K.K. Tulshan
Partner
Membership No. 085033

Sd/-
Sunil Godhwani
Director
(DIN: 00174831)

Sd/-
Dr. Amit Varma
Director
(DIN: 02241746)

Sd/-
Anuj Gulati
Managing Director & CEO
(DIN: 00278955)

Sd/-
Pankaj Gupta
Chief Finance Officer

Place : New Delhi
Date : May 22, 2013

Sd/-
Priyanka Nautiyal
Company Secretary

FORM B-BS -BALANCE SHEET AS AT 31st Mar, 2013

	Schedule	As at March 31,2013	As at March 31,2012
		(Rs.'000)	(Rs.'000)
SOURCES OF FUNDS			
Share Capital	5	1,750,000.0	1,750,000.0
Share Application Money Pending Allotment			
Reserves And Surplus	6	-	-
Fair Value Change Account		2.0	-
Borrowings	7	-	-
TOTAL		1,750,002.0	1,750,000.0
APPLICATION OF FUNDS			
Investments	8	1,252,945.9	356,909.7
Loans	9	-	-
Fixed Assets	10	238,169.8	222,516.2
Deferred Tax Asset			
CURRENT ASSETS			
Cash and Bank Balances	11	682,154.0	274.8
Advances and Other Assets	12	77,529.2	1,138,082.2
Sub-Total (A)		759,683.2	1,138,356.9
Current Liabilities	13	738,402.7	40,673.4
Provisions	14	224,105.8	5,017.8
Deferred Tax Liability			
Sub-Total (B)		962,508.5	45,691.2
Net Current Assets (C) = (A - B)		(202,825.2)	1,092,665.7
Miscellaneous Expenditure (To The Extent Not Written Off or Adjusted)	15	-	-
Debit Balance In Profit And Loss Account		461,711.5	77,908.4
TOTAL		1,750,002.0	1,750,000.0

CONTINGENT LIABILITIES

Particulars	As at 31st Mar,2013	As at 31st Mar,2012
	(Rs.'000)	(Rs.'000)
Partly paid-up investments		
Claims, other than against policies, not acknowledged as debts by the company		
Underwriting commitments outstanding (in respect of shares and securities)		
Guarantees given by or on behalf of the Company		
Statutory demands/ liabilities in dispute, not provided for		
Reinsurance obligations to the extent not provided for in accounts		
Others (to be specified)		
TOTAL		

The Schedules referred to above form an integral part of the Balance Sheet

For T.R. Chadha & Co.
Chartered Accountants
Firm Regn No. : 006711N

For S.S. Kothari Mehta & Co
Chartered Accountants
Firm Regn. No. - 000756N

For and on behalf of the Board of Directors

Sd/-
Sunil Godhwani
Director
(DIN: 00174831)

Sd/-
Dr. Amit Varma
Director
(DIN: 02241746)

Sd/-
Neena Goel
Partner
Membership No.: 057986

Sd/-
K.K. Tulshan
Partner
Membership No. 085033

Sd/-
Anuj Gulati
Managing Director & CEO
(DIN: 00278955)

Sd/-
Pankaj Gupta
Chief Finance Officer

Place : New Delhi
Date : May 22, 2013

Sd/-
Priyanka Nautiyal
Company Secretary

Schedule -1

PREMIUM EARNED [NET]

Particulars	For the Year Ended	For the Year Ended
	March 31, 2013	March 31, 2012
	(Rs. '000)	(Rs. '000)
Premium from direct business written*	387,953.5	-
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	41,669.5	-
Net Premium	346,284.0	-
Adjustment for change in reserve for unexpired risks	215,487.4	-
Premium Earned (Net)	130,796.6	-

* Net of Service Tax

Schedule -2

CLAIMS INCURRED [NET]

Particulars	For the Year Ended	For the Year Ended
	March 31, 2013 (Rs. '000)	March 31, 2012 (Rs. '000)
Claims paid		
Direct claims	76,225.0	-
Add: Re-insurance accepted to direct claims	-	-
Less: Re-insurance Ceded to claims paid	10,278.9	-
Net Claims Paid	65,946.1	-
Add: Claims Outstanding at the end of the year	65,913.9	-
Less: Claims Outstanding at the beginning of the year	-	-
Total Claims Incurred	131,860.0	-

Schedule -3

Particulars	For the Year Ended March	For the Year Ended March
	31,2013	31,2012
	(Rs.'000)	(Rs.'000)
COMMISSION		
Commission paid		
Direct	26,523.8	-
Add: Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	4,555.6	-
Net Commission	21,968.2	-
BREAK- UP OF THE EXPENSES(GROSS) INCURRED TO PROCURE BUSINESS		
Agents	9,330.4	-
Brokers	14,193.7	-
Corporate Agency	2,999.6	-
Referral		
Others (pl. specify)		
TOTAL	26,523.8	-

Schedule -4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

S. No	Particulars	For the Year Ended March 31,2013	For the Year Ended March 31,2012
		(Rs.'000)	(Rs.'000)
1	Employees' remuneration & welfare benefits	239,797.8	-
2	Travel, conveyance and vehicle running expenses	14,717.5	-
3	Training expenses	24.3	-
4	Rents, rates & taxes	35,450.8	-
5	Repairs	8,139.6	-
6	Printing & stationery	9,015.2	-
7	Communication	7,554.2	-
8	Legal & professional charges	46,821.6	-
9	Auditors' fees, expenses etc	-	-
	(a) as auditor	665.0	-
	(b) as adviser or in any other capacity, in respect of	-	-
	(i) Taxation matters	-	-
	(ii) Insurance matters	-	-
	(iii) Management services; and	-	-
	(c) in any other capacity	-	-
10	Advertisement and publicity	46,423.4	-
11	Interest & bank charges	662.0	-
12	Others	-	-
	(a) Electricity and Water	4,145.0	-
	(b) Pre Policy Issuance Charges	6,593.8	-
	(c) Other	4,631.5	-
13	Depreciation	35,593.3	-
	TOTAL	460,235.1	-

Schedule -5

SHARE CAPITAL			As at 31st Mar, 2013	As at 31st Mar, 2012
S. No	Particulars	(Rs.'000)	(Rs.'000)	(Rs.'000)
1	Authorised Capital			
	200,000,000 Equity Shares of Rs 10 each (Previous Year)	2,000,000.0	2,000,000.0	2,000,000.0
	200,000,000 Equity Shares of Rs 10 each)			
2	Issued Capital			
	175,000,000 Equity Shares of Rs 10 each (Previous Year)	1,750,000.0	1,750,000.0	1,750,000.0
	175,000,000 Equity Shares of Rs 10 each)			
3	Subscribed Capital			
	175,000,000 Equity Shares of Rs 10 each (Previous Year)	1,750,000.0	1,750,000.0	1,750,000.0
	175,000,000 Equity Shares of Rs 10 each)			
4	Called-up Capital			
	175,000,000 Equity Shares of Rs 10 each (Previous Year)	1,750,000.0	1,750,000.0	1,750,000.0
	175,000,000 Equity Shares of Rs 10 each)			
	Less : Calls unpaid	-	-	-
	Add : Equity Shares forfeited (Amount originally paid up)	-	-	-
	Less : Par Value of Equity Shares bought back	-	-	-
	Less : Preliminary Expenses	-	-	-
	Less : Expenses including commission or brokerage on Underwriting or subscription of shares	-	-	-
	TOTAL	1,750,000.0	1,750,000.0	1,750,000.0

Notes:

Out of the above 157,500,000 Equity Shares of Rs. 10 each are held by Religare Enterprises Limited, the holding company along with its nominees

Schedule -5A
 SHARE CAPITAL

PATTERN OF SHAREHOLDING

[As certified by the Management]

Shareholder	As at 31st Mar, 2013		As at 31st Mar, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian	175,000,000.0	100%	175,000,000.0	100%
Foreign	-	-	-	-
Others				
TOTAL	175,000,000.0	100%	175,000,000.0	100%

Schedule -6

RESERVES AND SURPLUS

S. No	Particulars	As at 31st Mar,2013 (Rs.'000)	As at 31st Mar,2012 (Rs.'000)
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	-	-
4	General Reserves	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy-back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves (to be specified)	-	-
7	Balance of Profit in Profit & Loss Account	-	-
	TOTAL	-	-

Religare Health Insurance Company Limited
IRDA Registration number 148 dated 26 April, 2012

Schedule -7

BORROWINGS

S. No	Particulars	As at 31st Mar,2013 (Rs.'000)	As at 31st Mar,2012 (Rs.'000)
1	Debentures/ Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others (to be specified)	-	-
	TOTAL	-	-

Schedule -8

Investments

S. No	Particulars	As at 31st Mar,2013 (Rs.'000)	As at 31st Mar,2012 (Rs.'000)
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	433,354.2	-
2	Other Approved Securities	115,395.0	-
3	Other Investments		
	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/ Bonds	150,111.2	-
	(e) Other Securities (to be specified)		
	- Fixed Deposit	-	-
	(f) Subsidiaries		
	(g) Investment Properties-Real Estate		
4	Investments in Infrastructure and Social Sector		
	- Infrastructure Bonds	424,025.6	-
	- Housing Bonds	120,058.0	-
5	Other than Approved Investments		
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	-	-
2	Other Approved Securities		
3	Other Investments		
	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutual Funds	10,002.0	356,909.7
	(c) Derivative Instruments		
	(d) Debentures/ Bonds		
	(e) Other Securities (to be specified)		
	- Fixed Deposit	-	-
	- Certificate of Deposit	-	-
	(f) Subsidiaries		
	(g) Investment Properties-Real Estate		
4	Investments in Infrastructure and Social Sector		
5	Other than Approved Investments		
	TOTAL	1,252,945.9	356,909.7

a. Long Term Government securities include Deposits held under section 7 of Insurance Act 1938, having book value of Rs. 433,354.22 ('000)(Previous year NIL). Market value of such investments as at March 31st, 2013 is Rs. 438,140.01 ('000) (Previous year NIL)

b. Aggregate amount of Company's investments other than listed equity securities and derivative instruments is Rs. 1,252,945.97 ('000). (Previous year Rs. NIL). Market value of such investments as at Mar 31st, 2013 is Rs.1,272,488.01 ('000) (Previous year Rs. NIL)

Schedule -9

LOANS

S. No	Particulars	As at 31st Mar,2013 (Rs.'000)	As at 31st Mar,2012 (Rs.'000)
1	SECURITY-WISE CLASSIFICATION		
	Secured		
	(a) On mortgage of property		
	(aa) In India		
	(bb) Outside India		
	(b) On Shares, Bonds, Govt. Securities		
	(c) Others (to be specified)		
	Unsecured		
	TOTAL	-	-
2	BORROWER-WISE CLASSIFICATION		
	(a) Central and State Governments		
	(b) Banks and Financial Institutions		
	(c) Subsidiaries		
	(d) Industrial Undertakings		
	(e) Others (to be specified)		
	TOTAL	-	-
3	PERFORMANCE-WISE CLASSIFICATION		
	(a) Loans classified as standard		
	(aa) In India		
	(bb) Outside India		
	(b) Non-performing loans less provisions		
	(aa) in India		
	(bb) Outside India		
	TOTAL	-	-
4	MATURITY-WISE CLASSIFICATION		
	(a) Short Term		
	(b) Long Term		
	TOTAL	-	-

Schedule -10

Particulars	Cost/ Gross Block			Depreciation			Net Block			
	As at 01st April, 2012	Additions	Deductions	As at 31st Mar, 2013	Upto 01st April, 2012	For The Period	On Sales/adjustments	Upto 31st Mar, 2013	As at 31st Mar, 2013	As at 31st Mar, 2012
Goodwill										
Intangibles-Computer Software	4,195.7	214,807.7		219,003.3	2,174.5	26,493.9		28,668.4	190,334.9	2,021.1
Land-Freehold										
Leasehold Property	2,794.8	647.3		3,442.1	436.1	548.3		984.4	2,457.7	2,358.6
Buildings										
Furniture & Fittings	315.0	306.9	9.0	612.9	151.1	239.3	9.0	381.4	231.4	163.9
Information Technology Equipment	34,001.6	7,076.7		41,078.4	8,835.1	6,372.4		15,207.5	25,870.9	25,166.5
Vehicles	9,078.2	2,784.3		11,862.5	1,229.6	1,022.3		2,251.8	9,610.7	7,848.6
Office Equipment	1,036.2	3,343.1	36.0	4,343.2	195.3	917.2	3.9	1,108.6	3,234.6	840.9
Others										
TOTAL - Current Year	51,421.4	228,966.0	45.0	280,342.4	13,021.7	35,593.3	12.8	48,602.2	231,740.3	38,399.7
Previous Year	48,509.3	6,577.1	3,664.9	51,421.4	5,848.8	7,687.9	515.0	13,021.7		
Work in progress									6,429.5	184,116.5
Grand Total										
Current Year	51,421.4	228,966.0	45.0	280,342.4	13,021.7	35,593.3	12.8	48,602.2	238,169.8	
Previous Year	48,509.3	6,577.1	3,664.9	51,421.4	5,848.8	7,687.9	515.0	13,021.7		222,516.2

Note:

Lease hold property consists of civil and other improvements at premises taken on long term lease by company

Schedule -11

CASH AND BANK BALANCES

S. No	Particulars	As at 31st Mar,2013 (Rs.'000)	As at 31st Mar,2012 (Rs.'000)
1	Cash (including cheques, drafts and stamps)	12,394.0	29.4
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)*	310,500.0	-
	(bb) Others	50,000.0	-
	(b) Current Accounts	309,260.0	245.4
	(c) Others (to be specified)		
3	Money at Call and Short Notice		
	(a) With Banks		
	(b) With other Institutions		
4	Others (to be specified)		
	TOTAL	682,154.0	274.8
	Balances with non-scheduled banks included in 2 and 3 above		

* Includes deposit of Rs. 500('000) with Bank for providing guarantee to network hospitals

Schedule -12

ADVANCES AND OTHER ASSETS

S. No	Particulars	As at 31st Mar,2013	As at 31st Mar,2012
		(Rs.'000)	(Rs.'000)
	ADVANCES		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	2,386.9	876.1
4	Advances to directors/officers	65.6	-
5	Advance tax paid and taxes deducted at source(Net of provision for taxation)	3,804.3	2,827.7
6	Others		-
	(a) Advances to suppliers	6,957.7	-
	(b) Other Advances	-	1,122,124.1
	TOTAL (A)	13,214.6	1,125,827.9
			-
	OTHER ASSETS		
1	Income accrued on investments*	54,712.2	0.9
2	Outstanding premiums	-	-
3	Agents balances	-	-
4	Foreign agencies balances	-	-
5	Due from other entities carrying on insurance business(including re-insurers)	-	-
6	Due from subsidiaries/holding companies	30.2	-
7	Deposit with RBI(Pursuant to section 7 of Insurance Act, 1938)	-	-
8	Others		-
	(a) Rent Deposits & other assets	2,773.9	-
	(b) Service tax on input services (Net)	6,798.4	12,253.4
	TOTAL (B)	64,314.6	12,254.3
			-
	TOTAL (A+B)	77,529.2	1,138,082.2

*Income Accrued on Investments includes interest on Deposits also

Schedule -13

CURRENT LIABILITIES

S. No	Particulars	As at 31st Mar,2013
		(Rs.'000)
1	Agents' balances	7,362.1
2	Balance due to other insurance companies	12,604.6
3	Deposits held on re-insurance ceded	-
4	Premiums received in advance	-
5	Unallocated premium	508,544.1
6	Sundry creditors	135,827.1
7	Due to subsidiaries/holding company	463.8
8	Claims outstanding	65,913.9
9	Due to officers/directors	-
10	Others	-
	(a) Tax deducted payable	6,277.5
	(b) Other statutory dues	1,409.6
	TOTAL	738,402.7

Schedule -14

PROVISIONS

S. No	Particulars	As at 31st Mar,2013
		(Rs.'000)
1	Reserve for unexpired risk	215,487.4
2	For taxation(less advance tax paid and tax deducted at source)	-
3	For proposed dividends	-
4	For dividend distribution tax	-
5	Others	-
	(a) For employee benefits	8,618.4
	(b) For fringe benefit tax	-
	(c) For wealth tax	-
	(d) For doubtful loans and advances	-
	TOTAL	224,105.8

Religare Health Insurance Company Limited
IRDA Registration number 148 dated 26 April, 2012

Schedule -15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

S. No	Particulars	As at 31st Mar,2013
		(Rs.'000)
1	Discount allowed in issue of shares/ debentures	-
2	Others (to be specified)	-
	TOTAL	-

Schedule 16

Significant accounting policies forming part of the financial statements for the year ended March 31, 2013

1. Background

Religare Health Insurance Company Limited ("the Company") was incorporated on April 2, 2007 as a company under the Companies Act, 1956 ('the Act'). The Company is registered with Insurance Regulatory and Development Authority ('IRDA') and is in the business of underwriting general (health) insurance policies relating to Health segment. The IRDA gave the Company certificate of registration to sell general (health) insurance policies in India for the year 2012-13 on 20th April 2012 and has also obtained its certificate of renewal of registration with validity until March 31, 2014

2. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the generally accepted accounting principles unless otherwise specifically stated and in accordance the statutory requirements prescribed under the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('The Regulations') and orders and directions issued by the IRDA in this behalf, the Companies Act, 1956 ('The Act') to the extent applicable and comply with the applicable notified accounting standards issued by Companies (Accounting Standard) Rules, 2006 and current practices prevailing within the Insurance Industry in India.

3. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the Balance Sheet date.

The estimates and assumptions used in these financial statements are based on management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates is recognized prospectively in the current and future periods.

4. Significant accounting policies

4.1. Revenue recognition

Premium income

Premium income and cessation thereof are recognized over the contract period or period of risk whichever is appropriate, on a gross basis (net of service tax). Any subsequent revision of premium or cancellation of the policies is accounted for in the year in which they arise.

Income from reinsurance ceded

Commission on reinsurance ceded is adjusted/net off from commission expense.

Income earned on investments

Interest income on investments is recognized on accrual basis. Accretion of discount and amortization of premium relating to debt securities is recognized over the holding/maturity period on a straight-line basis. Realized gain/loss on securities, which is the difference between the sale consideration and the carrying value in the books of the Company, is recognized on the trade date. In determining the realized gain/loss, cost of securities is arrived at on 'Weighted average cost' basis. Further, in case of mutual funds, the profit or loss on sale also includes the accumulated changes in the fair value previously recognized in the fair value change account. Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

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

4.2. Premium received in advance

This represents premium received during the period, where the risk commences subsequent to the Balance Sheet date.

4.3. Reinsurance Premium

Insurance premium on ceding of the risk is recognised in the period in which the risk commences in accordance with reinsurance arrangements with the reinsurers. Any subsequent revision to premium ceded is recognised in the period of such revision. Adjustment to reinsurance premium arising on cancellation of policies is recognized in the period in which they are cancelled.

4.4. Premium Deficiency

Premium deficiency is recognised when the sum of expected claim costs and related expenses and maintenance costs exceed the reserve for unexpired risks and is computed based on actuarially determined ultimate loss ratios at a business segment level.

4.5. Reserve for unexpired risk

Reserve for unexpired risk represents premium written (net of reinsurance) that is attributable and to be allocated to succeeding accounting periods for risks to be borne by the Company under contractual obligations on a contract period basis or risk period basis, whichever is appropriate. It is calculated on a daily pro-rata basis subject to a minimum of 50% of the aggregate premium, written on policies during the twelve months preceding the Balance Sheet date, in accordance with section 64 V(1)(ii)(b) of the Insurance Act, 1938.

4.6. Claims

Claims are recognized as and when reported. Claims are recorded in the revenue account, net of claims recoverable from reinsurers / co-insurers to the extent there is a reasonable certainty of realization. These estimates are progressively revalued on the availability of further information.

Estimated liability in respect of claims is provided for the intimations received up to the year end, information/ estimates provided by the insured/ surveyors and judgment based on the past experience and other applicable laws and practices.

Claims Incurred but not reported (IBNR) represents that amount of claims that may have been incurred prior to the end of the current accounting year but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims Incurred but not enough reported (IBNER). IBNR and IBNER liabilities are provided based on actuarial principles and certified annually by the Appointed Actuary of the Company. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Appointed Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India and in concurrence with the IRDA.

4.7. Acquisition costs

Acquisition costs are those costs that vary with, and are primarily related to the acquisition of new and renewal of insurance contracts viz. commission, policy issue expenses, etc. These costs are expensed in the period in which they are incurred.

4.8. Investments

Investments are recorded at cost on trade date and include brokerage, transfer charges, stamps etc, if any, and exclude interest accrued up to the date of purchase.

Classification

Investments maturing within twelve months from Balance Sheet date and Investments made with the specific intention to dispose off within twelve months are classified as 'short term investments'. Investments other than 'short term investments' are classified as 'long term investments'.

Valuation

Investments are valued as follows:

- **Debt securities and Non – convertible preference shares**

All debt securities including government securities are considered as 'held to maturity' and accordingly stated at amortised cost determined after amortisation of premium or accretion of discount on a straight line basis over the holding/maturity period.

- **Mutual funds**

Mutual fund investments are stated at fair value, being the closing net asset value at Balance Sheet date.

- **Fair Value Change Account**

In accordance with the Regulations, unrealized gain/loss arising due to changes in fair value of listed equity shares and mutual fund investments are taken to the 'fair value change account'. This balance in the fair value change account is not available for distribution, pending realization. Investments other than mentioned above are valued at cost.

Impairment of Investments

The Company assesses at each Balance Sheet date whether there is any indication of investments being impaired. If any such indication exists, the carrying value of such investment is reduced to its recoverable amount and the impairment loss is recognized in the profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the investment is restated to that extent.

4.9. Employee Stock Option Scheme("ESOS")

The company follows the intrinsic method for computing the compensation cost, for options granted under the scheme(s). The difference if any, between the intrinsic value and the grant price, being the compensation cost is amortised over the vesting period of options.

4.10. Fixed assets, Intangibles and Impairments

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use.

Immovable assets at the leased premises including civil works, electrical items are capitalized as leasehold improvements and are amortized over the primary period of lease subject to maximum of 6 years.

Depreciation is provided on Straight Line Method, at the rates specified in Schedule XIV of the Companies Act, 1956 or the rates based on useful lives of the assets as estimated by the management, whichever are higher. Depreciation is provided for on a pro-rata basis on the assets acquired, sold or disposed off during the year/period.

Due to pace of change in technology, change in business dynamics and operations forcing the Company to apply new tools and technologies and discard old ones and degrading in product quality, the Company had decided in the financial year ended 31st March 2012 to revise estimated life of all assets purchased and put to use after October 1, 2011. Consequently the rate of depreciation charged on assets are as under:-

Assets Description	Depreciation Rate (%)pa (put to use upto September 30, 2011)	Depreciation Rate (%)pa (put to use after October 1, 2011)	Depreciation Rate (%)pa (As per Schedule XIV of the Companies Act, 1956)
Computers	16.21%	Between 16.21% to 50%	16.21%
Office Equipments	Between 10% to 20%	Between 10% to 20% *	4.75%
Furniture and Fixtures	6.33%	20.00%	6.33%
Vehicles	9.50%	16.00%	9.50%

*Blackberry and Mobile Phones are depreciated at the rate of 50% p.a.

Intangibles Assets

Intangible assets comprising computer software are stated at cost less amortization, over the management's estimate of the useful life of such intangibles. Management estimates for useful life of intangibles is 6 years and hence the same are amortized at 16.21% pa.

All assets including intangibles individually costing up to Rs. 5,000 are fully depreciated/amortized in the year in which they are acquired.

Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the impairment loss is recognized in the profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

4.11. Operating Lease

Operating Lease payments of assets/premises taken on operating lease are recognised as an expense in the revenue (s) and profit and loss account.

4.12. Employee benefits

Provident fund

This is a defined contribution scheme and contributions payable to the Regional Provident Fund Authority is provided on the basis of prescribed percentage of salary and is charged to revenue account(s) and profit and loss account.

Gratuity

Gratuity, which is a defined benefit scheme, is provided on the basis of actuarial valuation including actuarial gains/losses at the Balance Sheet date and is recognized in the revenue accounts and profit and loss account.

Accrued leave

Compensated absences are provided based on actuarial valuation including actuarial gains/losses at the Balance sheet date and are recognized in the revenue accounts and profit and loss account.

4.13. Taxation

Current Tax is determined as the amount of tax payable in respect of estimated taxable income for the year and in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized using the enacted tax rates and laws as on the Balance Sheet date, subject to the consideration of prudence in respect of deferred tax assets on all timing differences, between taxable income and accounting income that originate in one period and are capable of reversal in one of more subsequent periods.

4.14. Earnings per share

The basic earnings per share is calculated by dividing the Net profit after tax by weighted average number of equity shares outstanding during the reporting period. Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic Earnings per share and also weighted average number equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

4.15. Provisions and Contingencies

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent losses arising from claims other than insurance claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. A disclosure for a contingent liability other than those under policies is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

4.16. Cash and Cash Equivalent

Cash and cash equivalent for the purpose of accounting standards, (AS)-3, cash flow statement comprises of cash and bank balances only.

5. Segment Reporting

5.1. Allocation of Income and Expenses

5.1.1. Allocation of Investment income

Investment income has been allocated between Revenue account and profit and loss account on the basis of allocation of investment between policyholder and shareholder funds

Further investment income across segments within the revenue account has been allocated on the basis of claims and other allocable liabilities for the respective segments.

5.1.2. Allocation of Expenses

5.1.2.1. Expense that are directly identified to the business class are allocated on actuals

5.1.2.2. Other expenses that are not directly identifiable, are broadly allocated on reasonable basis

5.1.3. Segment assets and liabilities have been allocated to various segments to the extent possible

5.1.4. The company has only one separate reportable geographical (India) segment as specified in Accounting Standard (AS-17) on "Segment Reporting"

Schedules forming part of financial statements

NOTES FORMING PART OF ACCOUNTS

1 Contingent Liabilities		(RS. ' 000)	
Particulars	As at 31.03.2013	As at 31.03.2012	
Partly paid up Investments	-	-	
Claims, other than against Policies, not acknowledged as debts by the Insurer	-	-	
Underwriting commitments outstanding	-	-	
Guarantees given by or on behalf of the Insurer	-	-	
Statutory demands / liabilities in dispute, not provided for	-	-	
Reinsurance obligations to the extent not provided for in Accounts	-	-	
Others	-	-	

2 **Actuarial Assumptions**

The Company's Appointed Actuary has determined valuation assumptions in respect of 'Reserve for Unexpired Risk' and 'Claims Incurred But Not Reported' (IBNR) that conform with Regulations issued by the IRDA and professional guidance notes issued by the Institute of Actuaries of India.

3 **Encumbrances**

The assets of the Company are free from all encumbrances (Also refer Note * on Schedule 11). The Company has all assets within India.

4 Estimated Amount of Commitments made and Outstanding for		(RS. ' 000)	
Particulars	As at 31.03.2013	As at 31.03.2012	
Loans			
Investments			
Fixed Assets (Net of advances)	8,439.5	740.8	

5 Claims less Reinsurance paid to Claimants		(RS. ' 000)	
Class of Business	Health		
	As at 31.03.2013	As at 31.03.2012	
Class of Business in India	69,099.5	-	
Class of Business Outside India	-	-	

6 Age-wise Breakup of Claims Outstanding*		(RS. ' 000)	
Class of Business	Health		
	As at 31.03.2013	As at 31.03.2012	
Class of Business Outstanding for more than six months	-	-	
Class of Business Outstanding for six months or less	21,426.7	-	

*Excluding IBNR provisions, amounts payable to service providers and third party administrator.

7 **Claims settled and remaining unpaid for more than six months is Rs. NIL(Previous year : Rs. NIL)**

Schedules forming part of financial statements

8 (a) Premium less Reinsurance Written During the Year (RS. '000)

Class of Business	In India		Outside India	
	For the Year ended 31.03.2013	For the Year ended 31.03.2012	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Health	346,284			

(b) No premium income is recognized on "Varying Risk Pattern" basis.

9 Extent of Risk Retained and Reinsured (RS. '000)

Class of Business	Risk Retained		Risk Reinsured	
	For the Year ended 31.03.2013	For the Year ended 31.03.2012	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Health	89.3%		10.7%	

10 Value of Contacts in relation to Investments (RS. '000)

Particulars	As at 31.03.2013	As at 31.03.2012
	Purchase where deliveries are pending	-
Sales where payments are overdue	-	-

11 Age-wise Analysis of the Unclaimed Amount of the Policyholders (Pursuant to IRDA Circular No. IRDA/F&I/CIR/CMP/174/11/2010 dated November 04, 2010)

Particulars	Total Amount	Age-wise Analysis (in months)						
		1 - 6	7 - 12	13 - 18	19 - 24	25 - 30	31 - 36	>36
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured /policyholders	-	-	-	-	-	-	-	-
Sum due to the insured /policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
Excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	379.1	379.1	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/insured	3,054.8	3,022.9	31.9	-	-	-	-	-

12 Reserve for Unexpired Risk (URR)

The Company has created the Reserve for Unexpired Risk (URR) as at the end of the Accounting period based on the 1/365 method in the health segment as per IRDA Circular No. IRDA/F&I/CIR/015/02/2011 dated February 02, 2011. Further URR on the basis of 1/365 method is higher than the URR based on Section 64V(1)(ii)(b) of the Act.

13 All the investments are made in accordance with Insurance Act, 1938 and IRDA (Investment) Regulations, 2000 and are performing assets.

14 The Company does not have any investment in Real Estate as at March 31, 2013 or March 31, 2012.

15 The historical cost of investments in Mutual funds which have been valued on fair value basis is Rs. 10,000.00 thousand

16 Segment Information

a) Business Segments

The Company's primary reportable segments are identified in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002. The operating expenses and investment and other income have been allocated to various segments as per accounting policies disclosed above. However, due to the nature of the business, segment assets and liabilities have been allocated to various segments to the extent possible.

Segment	Health		Personal Accident	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Health Segment				
Segmental Revenue	383,914.3	-	4,039.2	-
Segmental Result	(472,047.2)	-	(2,801.6)	-
Segmental Liabilities	956,829.7	-	5,678.8	-
Segment Assets	302,504.9	-	1,795.4	-

b) Geographical Segment

Since the Company's entire business is conducted within India, there is no reportable Geographical Segmentation for the year.

Schedules forming part of financial statements

17 Investments made pursuant to Section 7 of Insurance Act 1938, are as follows: (RS. '000)

Particulars	As at 31.03.2013	As at 31.03.2012
8.30% GOI CG 31-12-2042 (Face Value :15,000)	15,201.0	-
8.83% GOI CG 12-12-2041(Face Value :10,630)	10,984.9	-
8.28% GOI CG 15-2-2032 (Face Value : 5,000)	4,883.2	-

These investments are held in the Constituent Subsidiary General Ledger account with Axis Bank Limited.

18 Details of Managerial Remuneration as per terms of appointment are as under: (RS. '000)

Particulars	As at 31.03.2013	As at 31.03.2012
Salaries & Allowances	48,503.3	26,007.7
Contribution to Provident and other funds	744.0	744.0
Perquisites	-	-
Total	49,247.3	26,751.7

19 Chief Executive Officer's Remuneration

During financial year 2012-13, the Company got approval from IRDA towards appointment of Mr. Anuj Gulati as the Managing Director and Chief Executive Officer of the Company in terms of section 34A of the Insurance Act, 1938. In view of the aforesaid, complete compensation during financial year 2012-2013 to Mr. Anuj Gulati in the form of salary, allowances, perquisites, bonus and contribution to provident & other funds amounted to Rs. 49,247.3 thousand.

20 Expenditure in Foreign Currency (On accrual basis) (RS. '000)

Particulars	Year ended 31.03.13	Year ended 31.03.12
Travelling	-	-
Remuneration	-	-
Software License Fees	-	-
Purchase of Fixed Assets	-	-
Professional fees	-	-
Others (Re insurance payments)	716.75	-
Total	-	-

21 Operating Lease Commitments

The Company has taken on lease office premises under various agreements with various expiration dates extending from 3 years upto 9 Years. The lease rental charged under non cancellable operating leases during the current year and maximum obligation on such leases at the balance sheet date are as follows:

Particulars	Year ended 31.03.13	Year ended 31.03.12
Payable not later than one year	156	-
Payable later than one year but not later than five years	-	-
Payable later than five years	-	-
Total	156	-

22 Foreign Currency Exposures

Foreign currency exposures which are not hedged as at the Balance Sheet date are: (RS. '000)

Particulars	Year ended 31.03.13	Year ended 31.03.12
Payable in Indian Rupee	-	-
Payable in USD	-	-

Schedules forming part of financial statements

23

Detailed list of Related parties
(As per AS-18 issued by ICAI)

S.No	Nature of Relationship	Name of party
1	Holding Company	Religare Enterprises Limited
2	Subsidiaries of immediate Holding Companies	Religare Finvest Limited REL Infrafacilities Limited(formerly Religare Realty Limited) Religare Securities Limited Religare Finance Limited Religare Capital Markets Limited Religare Arts Initiative Limited Religare Financial Consultancy Services Limited(formerly Religare Insurance Broking Limited) Vistaar Religare Capital Advisors Limited Religare Capital Markets (India) Limited RGAM Corporation Private Limited (formerly Religare Global Asset Management Company Private Limited) Religare Commodity Broking Private Limited (formerly Shreyas Advisory Services Private Limited)
3	Subsidiaries of fellow Subsidiaries	Religare Arts Investment Management Limited Religare Asset Management Company Private Limited(formerly Religare Asset Management Company Limited) Religare Trustee Company Private Limited(formerly Religare Trustee Company Limited) Religare Capital Markets International (Mauritius) Limited Religare Capital Markets International (UK) Limited Religare Capital Markets (Europe) Limited Hichens, Harrison (Middle East) Limited Hichens, Harrison (Ventures) Limited Religare Capital Markets (UK) Limited Religare Capital Markets (Pty) Ltd Religare Capital Markets Corporate Finance Pte Limited (formerly Religare Capital Markets Advisors Pte Limited) Religare Capital Markets Inc. (RCM Inc.) London Wall Nominees Limited Charterpace Limited HH1803.com Limited ARM Corporate Finance Limited Religare Capital Markets (HK) Limited Tobler (Mauritius) Limited Tobler UK Limited Religare Advisory Services Limited Religare Global Asset Management Japan Co. Limited Religare Investment Holdings (UK) Ltd Religare Commodities Limited Religare Bullion Limited Religare Securities Australia Pty Limited(formerly Relsec Australia Pty. Ltd) Religare Share Brokers Limited Bartleet Religare Securities (Private) limited(formerlyBartleet Mollory Stock Brokers (Pvt) Ltd) Bartleet Asset Management (Private) Limited Relsec Nominees No.1 Pty Limited Relsec Nominees No.2 Pty Limited Northgate Capital LLC Northgate Capital LP Kyte Management Limited (KML) Religare Capital Markets (Hong Kong) Limited (formerly Central Joint Enterprises Limited, Hong Kong) Religare Capital Markets (Singapore) Pte Limited (formerly Central Joint Enterprises Pte Limited, Singapore) Religare Capital Markets (USA) LLC (formerly Barnard Jacobs Mellet (USA) LLC)A LLC incorporated under the laws of USA) Religare Housing Development Finance Corporation Limited Northgate Capital Asia (India) Limited Religare Investment Advisors Limited Religare Venture Capital Limited Religare Global Asset Management Inc Religare Health Trust Trustee Manager Pte Ltd. Religare Capital Markets (Beijing) Limited
4	Individuals owning, directly or indirectly, interest in the voting power that gives them control	Mr. Malvinder Mohan Singh Mr. Shivinder Mohan Singh
5	Key management personnel and relatives	Mr. Anuj Gulati
6	Enterprises over which key(4) and (6) are able to exercise significant influence with whom transactions have taken place	Religare Corporate Services Limited RHC Holding Private Limited Religare Technologies Limited Religare Travels Limited Dion Global Solutions Ltd. Escorts Hospitals and Research Centre Escorts Heart Centre Escorts Heart Institute & Research Centre Fortis Clinical Research Ltd. Aegon Religare Life Insurance Company limited Fortis Clinical Research Ltd. Fortis Health Management North Limited Fortis Hospitals Ltd Hiranandani Healthcare Private Limited Religare Infotech Ltd. Religare Macquarie Wealth Management Limited Religare Wellness Limited SRT Limited

Schedules forming part of financial statements

23 a Summary of significant related party transactions
(As per AS-18 issued by ICAI)

RELATED PARTY TRANSACTIONS					(RS. '000)	
S. No	Name of the Related Party	Nature of Relationship with the Company	Description of Transactions / Categories	Year ended 31.03.13	Year ended 31.03.12	
1	Religare Enterprises Limited	Holding Company	Expenses Reimbursement by Religare Enterprises Limited	853.9	609.6	
			Expenses Reimbursement to Religare Enterprises Limited	1,692.0	1,720.2	
			Receivable as on 31-Mar-12	-	470.0	
			Payables as on 31-Mar-13	2.3	-	
			Premium	63,990.2	-	
2	Religare Finvest Limited	Fellow Subsidiary	Inter Corporate Deposits Received back	1,120,000.0	-	
			Interest Income on Inter Corporate Deposits	28,051.5	122,064.7	
			Sale of IFCI Bonds	-	90,698.3	
			Sale of Fixed Assets	-	2,968.9	
			Expenses Reimbursement to Religare Finvest Limited	85.4	726.1	
			Expenses Reimbursement by Religare Finvest Limited	-	270.4	
			Advance to employee by Group company transferred	-	287.0	
			Payment of recovery from employee	280.0	2,535.0	
			Inter Corporate Deposits Receivables	-	1,120,000.0	
			Other Receivables as on 31 Mar 2012	-	0.9	
Other Payables as on 31 Mar 2012	-	63.5				
3	REL Infracilities Limited	Fellow Subsidiary	Expenses Reimbursement by REL Infracilities Limited	1,187.1	995.4	
			Expenses Reimbursement to REL Infracilities Limited	45,726.4	40,544.1	
			Sale of Fixed Assets	-	39.7	
			Payables as on 31-Mar-13 (31-Mar-12 for PY)	460.3	235.2	
4	Religare Securities Limited	Fellow Subsidiary	Expenses Reimbursement by Religare Securities Limited	280.6	230.0	
			Expenses Reimbursement to Religare Securities Limited	-	806.7	
			Commission	2,996.9	-	
			Sale of Fixed Assets	-	317.2	
			Receivables as on 31-Mar-13 (31-Mar-12 for PY)	31.0	23.1	
			Commission Payable	638.2	-	
			Payables as on 31-Mar-13	-	-	
5	Religare Housing Development Finance Corporation Limited	Subsidiary of Fellow Subsidiary	Payment of recovery from employee	29.2	1,545.0	
				-	-	
6	Religare Financial Consultancy Services Limited (Ceased to be subsidiary of Religare Enterprises Limited w.e.f. March 26, 2013.)	Fellow Subsidiary	Purchase of Fixed Assets	16.3	-	
			Expenses Reimbursement by Religare Financial Consultancy Services Limited	-	46.3	
			Expenses Reimbursement to Religare Financial Consultancy Services Limited	-	464.0	
			Payables as on 31st Mar 2012	-	10.9	
7	Religare Corporate Services Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Expenses Reimbursement by Religare Corporate Services Limited	44.4	42.5	
			Allocation Of Expenses By Religare Corporate Services Limited	18,647.7	-	
			Sale of Fixed Assets	-	119.0	
			Payables as on 31-Mar-2013	0.9	-	
			Receivables as on 31-Mar-2012	-	119.0	
Premium	10,121.8	-				
8	Religare Advisory Services Limited	Fellow Subsidiary	Expenses Reimbursement by Religare Advisory Services Limited	214.1	-	
			Purchase of Fixed Assets	11.5	-	
			Receivables	-	-	
9	Religare Invesco Asset Management Company Private Limited	Fellow Subsidiary	Expenses Reimbursement to Religare Invesco Asset Management Company Limited	216.0	-	
			Expenses Reimbursement by Religare Invesco Asset Management Company Limited	-	19.8	
			Payables as on 31-Mar-2013	201.4	-	
10	RHC Holding Private Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Branding Expenses	800.0	-	
			Payables as on 31-Mar-2013	898.9	-	
11	Religare Bullion Limited	Subsidiary of Fellow Subsidiary	Purchase of bullion	28.1	-	
12	Religare Arts Initiative Limited	Fellow Subsidiary	Sale of fixed Assets	-	30.7	
13	Religare Commodities Limited	Subsidiary of Fellow Subsidiary	Expenses Reimbursement by Religare Commodities Limited	-	0.3	
			Expenses Reimbursement to Religare Commodities Limited	-	12.0	
			Payables as on 31-Mar-2012	-	2.2	

14	Religare Capital Markets Limited	Fellow Subsidiary	Expenses Reimbursement to Religare Capital Markets Limited Payables as on 31-Mar-2012	58.6 4.9	
15	Religare Venture Capital Limited	Subsidiary of Fellow Subsidiary	Expenses Reimbursement to Religare Venture Capital Limited	40.3	
16	Religare Technologies Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Annual Maintenance Charges Advance for Software development Purchase of Fixed Assets Payables as on 31-Mar-2013 (31-Mar-12 for PY) Technical and Professional Fees Annual Maintenance Charges HR Support Charges Subscription Expenses Premium	213.8 959.8 2,233.1 67.5 150.0 365.6 130.3 29.4 4,969.4	9,227.6 1,409.7 10.0 801.1 365.6 130.3 29.4
17	Religare Travels Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Travelling Expenses	6,677.8	1,542.2
18	Dion Global Solutions Ltd.	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Premium Software Development Expenses	5,312.5 17.7	
19	Escorts Hospitals and Research Centre	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Claims Payment	850.3	
20	Escorts Heart Centre	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Claims Payment	5.8	
21	Escorts Heart Institute & Research Centre	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Claims Payment	176.3	
22	Fortis Clinical Research Ltd.	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Premium	2,404.6	
23	Aegon Religare Life Insurance Company limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Premium Claims Payment	15,668.6 29.2	
24	Fortis Clinical Research Ltd.	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Claims Payment	95.6	
25	Fortis Health Management North Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Claims Payment	1,006.5	
26	Fortis Hospitals Ltd	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Claims Payment	1,227.0	
27	Hiramandani Healthcare Private Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Claims Payment	99.0	
28	Religare Infotech Ltd.	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Premium	460.4	
29	Religare Macquarie Wealth Management Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Premium Purchase of Fixed Assets Expenses Reimbursement to Religare Macquarie Wealth Management Limited	4,824.9 45.0	2.8
30	Religare Wellness Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Premium	3,365.4	
31	SRL Limited	Enterprises over which Key Management Personnel / Relatives thereof are having Significant Influence	Premium Claims Payment Payables 31-3-2013 Medical Charges	16,786.4 69.1 22.3 173.3	
32	Mr. Anuj Gulati	Key Management Personnel	Remuneration	49,247.3	26,751.7

Schedules forming part of financial statements

24 Employee Benefits

Employee's Benefits – Gratuity and Leave Encashment

The following tables summarize the components of the net employee benefit expenses recognized in the Profit and Loss Account, the fund status and amount recognized in the balance sheet for the gratuity and leave encashment.

(Amount in Rs.)

Disclosures relating to actuarial valuation of Leave encashment and gratuity liability:

I	Assumptions	Leave Encashment		Gratuity	
		2012-13	2011-12	2012-13	2011-12
	Mortality	Indian Assured Lives Mortality (1994-96) Modified Ultimate*	Indian Assured Lives Mortality (1994-96) Modified Ultimate*	Indian Assured Lives Mortality (1994-96) Modified Ultimate*	Indian Assured Lives Mortality (1994-96) Modified Ultimate*
	Discount Rate	7.9%	8.2%	7.9%	8.2%
	Rate of increase in compensation	6%	6%	6%	6%
	Rate of return(expected) on plan assets	NA	NA	8%	8%
	Withdrawal rates	18-35: 65% p.a., 36-45: 45% p.a., 46 and above: 25% p.a. and for CFO + 10% all ages	18-35: 67% p.a., 36-45: 38% p.a., 46 and above: 24% p.a.	18-35: 65% p.a., 36-45: 45% p.a., 46 and above: 25% p.a.	18-35: 67% p.a., 36-45: 38% p.a., 46 and above: 24% p.a.
	Expected average remaining working lives of employees	1.8	1.88	1.8	1.88
II	Changes in present value of obligations				
	PBO at beginning of year	3,641,778	1,899,717	3,223,459	1,946,743
	Interest Cost	219,033	185,363	210,531	192,957
	Current Service Cost	759,753	1,302,409	444,444	837,031
	Benefits Paid	1,212,314	534,908	-	-
	Actuarial gain/(loss) on obligation	(4,006,316)	(789,197)	(844,632)	(246,728)
	PBO at end of year	7,414,566	3,641,778	4,723,066	3,223,459
III	Changes in fair value of plan assets				
	Fair Value of Plan Assets at beginning of year			1,847,438	1,946,000
	Expected Return of Plan Assets			95,313	138,001
	Contributions made	N.A	N.A	1,376,021	-
	Benefits paid			-	-
	Actuarial gain / (loss) on plan assets			(200,461)	236,563
	Fair Value of Plan Assets at end of year			3,519,233	1,847,438
IV	Fair Value of Plan Assets				
	Fair Value of Plan Assets at beginning of year			1,847,438	1,946,000
	Actual Return of plan assets			295,774	(98,562)
	Contributions made			1,376,021	-
	Benefit paid			-	-
	Fair Value of Plan Assets at end of year			3,519,233	1,847,438
	Funded Status	7,414,566	3,641,779	1,203,833	1,376,021
	Excess of actual over estimated return on Plan Assets			200,461	(236,563)
V	Actuarial Gain/(loss) Recognised				
	Actuarial Gain/(loss) for the year (Obligation)	(4,006,316)	(789,197)	(844,632)	(246,728)
	Actuarial Gain/(loss) for the year (Plan Assets)	N.A	N.A	200,461	(236,563)
	Total Gain/(Loss) for the year	(4,006,316)	(789,197)	(644,171)	(483,291)
	Actuarial Gain/(loss) Recognised for the year	(4,006,316)	(789,197)	(644,171)	(483,291)
	Unrecognised Actuarial Gain /(Loss) at the end of year	NIL	NIL	NIL	NIL
VI	Amounts to be recognised in the balance sheet				
	PBO at the end of year	7,414,566	3,641,778	4,723,066	3,223,459
	Fair Value of Plan Assets at end of year	N.A	N.A	3,519,233	1,847,438
	Funded Status deficit/(surplus)	7,414,566	3,641,779	1,203,833	1,376,021
	Unrecognised Actuarial Gain /(Loss)	NIL	NIL	NIL	NIL
	Net (Asset)/Liability recognised in the balance sheet	7,414,566	3,641,778	1,203,833	1,376,021
VII	Expense Recognised				
	Current Service Cost	759,753	1,302,409	444,444	837,031
	Interest Cost	219,033	185,363	210,531	192,957
	Expected Return on Plan Assets	N.A	N.A	95,313	138,001
	Net Actuarial Gain /(Loss) recognised for the year	(4,006,316)	(789,197)	(644,171)	(483,291)
	Expense recognised in the statement of P&L A/c	4,985,102	2,276,969	1,203,833	1,375,278
VIII	Movements in the liability recognised in Balance Sheet				
	Opening Net Liability	3,641,778	1,899,717	1,376,021	743
	Expenses as above	4,985,102	2,276,969	1,203,833	1,375,278
	Benefits paid/Contribution made	1,212,314	534,908	1,376,021	-
	Closing Net Liability	7,414,566	3,641,778	1,203,833	1,376,021
IX	Current liability	3,908,593	1,941,283	1,203,833	-
	Non current liability	3,505,973	1,700,496	-	1,376,021
	Closing Net Liability	7,414,566	3,641,779	1,203,833	1,376,021

* Previously called LIC (1994-1996) mortality table

Schedules forming part of financial statements

A Employee's Benefits – Gratuity Experience Adjustment (Amount in Rs.)

	Financial Year Ending 31.03.2009	Financial Year Ending 31.03.2010	Financial Year Ending 31.03.2011	Financial Year Ending 31.03.2012	Financial Year Ending 31.03.2013
Benefit obligation	3,199	609,165	1,946,743	3,223,459	4,723,066
Fair Value of Plan Assets	-	-	1,946,000	1,847,438	3,519,233
Funded Status Deficit / (Surplus)	3,199	609,165	743	1,376,021	1,203,833
Experience Adjustment on plan liabilities (loss)	Not Available	Not Available	863,506	686,393	457,107
% of plan liabilities	Not Available	Not Available	44.36%	21.29%	9.68%
Experience Adjustment on plan Assets (loss)	NA	NA	NA	(236,563)	200,461
% of plan Assets	NA	NA	NA	12.80%	5.70%

B Employee's Benefits – Leave Encashment Experience Adjustment (Amount in Rs.)

	Financial Year Ending 31.03.2009	Financial Year Ending 31.03.2010	Financial Year Ending 31.03.2011	Financial Year Ending 31.03.2012	Financial Year Ending 31.03.2013
Benefit obligation	8639	899996	1899717	3641779	7414567
Fair Value of Plan Assets	0	0	0	0	0
Funded Status Deficit / (Surplus)	8639	899996	1899717	3641779	7414567
Experience Adjustment on plan liabilities (loss)	Not Available	Not Available	561990	499304	-2980024
% of plan liabilities	Not Available	Not Available	29.58%	13.71%	-40.19%
Experience Adjustment on plan Assets (loss)	NA	NA	NA	NA	NA
% of plan Assets	NA	NA	NA	NA	NA

C Contribution to Provident Fund

Employee Provident Fund for all eligible employees is contributed by the Company to the Regional Provident Fund Commissioner in line with the Provident Fund and Miscellaneous Provisions Act, 1952. The funds are managed by the Regional Provident Fund Commissioner and the benefits vests immediately on rendering of the services by the employee/member with Regional Provident Fund Commission.

25 Deferred Tax

The Company has accumulated losses which though is available for set off against profits in future years, is not considered for creation of deferred tax asset (DTA) as a matter of prudence.

26 Earnings Per Share

Basic earnings per equity share have been computed by dividing net profit (loss) after tax by the weighted average number of equity shares outstanding for the year.

(RS. '000)

	Particulars	Units	Year ended 31.03.13	Year ended 31.03.12
a	Net profit/(loss) after tax	Rs. In '000s	(383,803.2)	(22,315.3)
	Weighted average of number of equity shares used in computing basic earnings per share			
b	No. of shares in	No. of Shares in '000s	175,000.0	175,000.0
c	Basic/Diluted earnings per share (a/b)	Rs.	(2.19)	(0.13)

27 In pursuant to circular 067 dated 28th March, 2008 issued by IRDA, following operating expenses are separately disclosed

(RS. '000)

Operating expenses	Year ended 31.03.13	Year ended 31.03.12
Electricity and Water	4,145.0	-
Medical Charges-Policy Issuance	6,593.8	-

28 Expenses of Management

As per the IRDA's Order No.: IRDA/F&A/ORD/EMT/042/03/2013 dated 04-Mar-2013, the Company has been exempted for necessary compliances required u/s 40C(1) of the Insurance Act, 1938 read with Rule 17E of the Insurance Rules, 1939 for the first five years of its operations

Schedules forming part of financial statements

29 **Sector Wise Business**

Disclosure of Sector wise business based on Gross Direct Written Premium (GWP) as per Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations 2002 is as under:

Business Sector Year ended 31.03.2013	Year ended 31.03.13			Year ended 31.03.12		
	GWP (Rs. '000s)	No. of Lives	% of GWP	GWP (Rs. '000s)	No. of Lives	% of GWP
Rural	16,482.3	5,511.0	4.25%	-	-	-
Social	88.7	24,914.0	0.02%	-	-	-
Urban	371,382.5	178,438.0	95.73%	-	-	-

30 **Disclosure of Fire and Marine Revenue accounts:**

As the Company operates in single insurance business class viz. Health Insurance Business, the reporting requirements as prescribed by IRDA with respect to presentation of Fire and Marine Insurance revenue accounts are not applicable.

31 **Micro Small and Medium Enterprises**

There is no Micro, Small and Medium Enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2013 and March 31, 2012. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

32 **Penal Actions Details by Various Government Authorities**

IRDA circular no 005/IRDA/F&A/CIR/MAY-09 requires disclosure as per given format in respect of penal actions taken by various Government Authorities.

(RS. '000)

S.No.	Authority	Non-		
		Compliance/ Violation	Penalty Awarded	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	-	-	-
2	Service Tax Authorities	-	-	-
3	Income Tax Authorities	-	-	-
4	Any Other Tax Authorities	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	-	-	-
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	-	-	-
7	Penalty awarded by any Court/ tribunal for any matter including claim settlement but excluding Compensation	-	-	-
8	Securities and Exchange Board of India	-	-	-
9	Competition Commission of India	-	-	-
10	Any other Central/State/local Government/Statutory Authority	-	-	-

Schedules forming part of financial statements

33 Summary of Financial Statements prescribed by the IRDA in its circular dated 29th April 2003 is provided as under:

		(RS. ' 000)
S.No.	Particulars	2012-13
1	Gross Premium Written	387,953.5
2	Net Earned Premium Income	130,796.6
3	Income from Investments (net)	135,910.8
4	Other Income	22.8
5	Total Income	266,730.1
6	Commission (Net of Reinsurance)	21,968.2
7	Brokerage	-
8	Operating Expenses	494,482.4
9	Claims, increase in Unexpired Risk Reserve & Other Outgoes	131,860.0
10	Operating Profit/Loss	(381,580.4)
11	Total Income under Shareholders Account	(381,580.4)
12	Profit/(loss) before tax	(381,580.4)
13	Provision for Tax	(2,222.8)
14	Profit/(Loss) after tax	(383,803.2)
15	Miscellaneous	
16	Policyholder's Account:	
	a) Total funds	282,614.8
	b) Total Investments	
	c) Yield on Investments	
17	Shareholder's Account:	
	a) Total funds	1,330,329.2
	b) Total Investments	
	c) Yield on Investments	
18	Paid Up Equity Capital	1,750,000.0
19	Net Worth *	1,288,290.5
20	Total Assets(Net)	1,288,290.5
21	Yield on total investments	9.1%
22	Earning Per Share (Rs.)	(2.19)
23	Book value per Share (Rs.)	7.36
24	Total Dividend	-
25	Dividend Per share	-

* Including Fair Value Change Account

Schedules forming part of financial statements

34 Accounting Ratios prescribed by the IRDA in circular dated 29th April 2003 is provided as under:

Performance Ratios	2012-13 (In Times)
Gross Premium Growth Rate	NA
Gross Premium to Shareholders Funds Ratio	0.30
Growth Rate of Shareholders Funds	NA
Net Retention Ratio	0.89
Net Commission Ratio	0.06
Expenses of Management to Gross Direct Premium	1.25
Combined Ratio	1.77
Technical Reserves to Net Premium Ratio	2.15
Underwriting Balance Ratios	(3.69)
Operating Profit Ratio	(3.63)
Liquid Assets to Liability Ratio	2.46
Net Earning Ratio	(1.11)
Return on Net Worth	(0.30)
Reinsurance Ratio	0.11
Claims incurred	1.01

The Company had obtained the IRDA Certificate on 26th April, 2012, therefore figures for the previous financial year as required have not been disclosed.

35 Additional Disclosure for the status of Registration under Shop & Establishment Act of Leased Office Premises:-

S. No	State	Location	Status
1	Orissa	Bhubhaneshwar	Registered
2	Madhya Pradesh	Indore	Registered
3	Punjab	Ludhiana	Registered
4	Madhya Pradesh	Nagpur	Registered
5	Andhra Pradesh	Vijaywada	Expired
6	Karnataka	Bangalore	To be registered
7	Gujarat	Vadodra	Registered
8	Uttar Pradesh	Lucknow	Registered
9	Rajasthan	Jaipur	Registered
10	Punjab	Chandigarh	Registered
11	Maharashtra	Nasik	Registered
12	Tamilnadu	Chennai	Registered
13	Tamilnadu	Madurai	Registered
14	Andhra Pradesh	Hyderabad	To be registered
15	Karnataka	Mysore	Registered
16	Maharashtra	Pune	Registered
17	Delhi	Delhi-Nehru Place	Registered
18	Delhi	Delhi - II (Noida)	To be registered
19	Maharashtra	Mumbai	Registered
20	Maharashtra	Mumbai II - Thane	Registered
21	Karnataka	Hubli	Registered
22	Karnataka	Mangalore	Registered
23	Kerala	Cochin	Registered
24	Tamilnadu	Coimbatore	Registered
25	Hyderabad	Vishakhapatnam	Registered
26	Gujarat	Surat	To be registered
27	West Bengal	Kolkata	Registered
28	Gujarat	Rajkot	To be registered
29	Punjab	Amritsar	To be registered
30	Gujarat	Ahmedabad	To be registered
31	Delhi	New Delhi - Saket	Registered

36 Risk Management Architecture

In response to the dynamic business environment and compliance requirements, the Company has instituted a process and framework of enterprise wide risk management. A detailed policy documenting the approach for continuous identification of risks and review of risk mitigation plans is in place and is reviewed by the Risk Committee of the Board of Directors. We undertook an extensive exercise to identify, assess and develop mitigation plans for all major categories of risks. The ERM project also contributes by creating more active ownership of risk management activities throughout the company.

Key benefits comprise from ERM:

- Clear and concise view of risks;
- Protection against 'Risks That Matter';
- Meet compliance requirements (Clause 49 of the SEBI Act);
- Better understanding of risks across the diverse functions of the enterprise;
- Safeguard against earnings-related surprises;

RELIGARE HEALTH INSURANCE COMPANY LIMITED
IRDA Registration number 148 dated 26 April, 2012

Schedules forming part of financial statements

Employee Stock Option Plan issued by the Company

37 Type of Scheme	Employee Stock Option Scheme 2010		
	Series-I	Series-II	Series-II
Date of grant	December 29, 2010	March 14, 2011	August 5, 2011
Number Granted	1,856,250	12,368,750	1,300,000
Contractual Life	4 yrs	4 yrs	4 yrs
Vesting Conditions	20% on expiry of 12 months from grant date	20% on expiry of 12 months from grant date	20% on expiry of 12 months from grant date
	20% on expiry of 24 months from grant date	20% on expiry of 24 months from grant date	20% on expiry of 24 months from grant date
	20% on expiry of 36 months from grant date	20% on expiry of 36 months from grant date	20% on expiry of 36 months from grant date
	40% on expiry of 48 months from grant date	40% on expiry of 48 months from grant date	40% on expiry of 48 months from grant date
Method of Option Valuation	Black Scholes Option Pricing Method	Black Scholes Option Pricing Method	Black Scholes Option Pricing Method
Exercise Price per option	10	10	10
Estimated fair value of share	10	10	10

Scheme	Number of Options Outstanding as on April 1, 2012	Issued During the year	Cancellation of Options due to resignations	Options Exercised	Number of Options outstanding as on March 31, 2013	Exercisable as at March 31, 2013
ESOP Scheme						
- Series-I	1,856,250			-	1,856,250	742,500
- Series-II	11,968,750			-	11,968,750	2,393,750
- Series-III	1,300,000			-	1,300,000	260,000
TOTAL	15,125,000	-	-	-	15,125,000	3,396,250

As the fair value of the shares at the date of grant of options is equal to the exercise price no amount has been charged to the Profit and

39 **Previous Year Figures**

Since the IRDA gave the Company certificate of registration to sell general (health) insurance policies in India for the year 2012-13 in April, 2012 after which the company commenced its general (health) Insurance business, previous period/ previous year figures are not strictly comparable.

40 The figures have been rounded off to the nearest thousand.

RELIGARE HEALTH INSURANCE COMPANY LIMITED
IRDA Registration number 148 dated 26 April, 2012

Schedules forming part of financial statements

- 41 There is no other additional material information required to be disclosed pursuant to the provisions of the Companies Act, 1956, The Insurance Act 1938, the insurance Regulatory and Development Authority Act 1999 and applicable regulation / circular / Orders etc.

For T.R. Chadha & Co.
Chartered Accountants
Firm Regn No. : 006711N

Sd/-
Neena Goel
Partner
Membership No.: 057986

Place : New Delhi
Date: May 22, 2013

For S.S. Kothari Mehta & Co
Chartered Accountants
Firm Regn. No. - 000756N

Sd/-
K.K. Tulshan
Partner
Membership No. 085033

For and on behalf of the Board of Directors

Sd/-
Sunil Godhwani
Director

Sd/-
Anuj Gulati
Managing Director & CEO
(DIN: 00278955)

Sd/-
Priyanka Nautiyal
Company Secretary

Sd/-
Dr. Amit Varma
Director

Sd/-
Pankaj Gupta
Chief Finance Officer

Management Report

In accordance with the provisions of the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulation) Management Report is submitted for the year ended 31st March 2013 :

1. It is confirmed that the registration certificate granted by the Insurance Regulatory and Development Authority has been renewed and valid up to 31st March 2013.
2. It is certified that all the dues payable to the statutory authorities up to 31st March 2013 have been duly paid.
3. It is confirmed that the shareholding pattern during the year ended 31st March 2013 is in accordance with the statutory and regulatory requirements.
4. It is hereby declared that management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. The Company is maintaining the required solvency margins under the Insurance Act, 1938.
6. It is certified that the values of all the assets have been reviewed on the date of Balance Sheet and in management's 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 heading – "Loans", "Investments, (wherever applicable) "Agents Balances", "Outstanding Premiums", "Interest, Dividend and Rents Outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors ", "Bills Receivable", "Cash" and several items specified under "other Accounts".
7. The Investment Risk is managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of Investee companies. The Company has constituted an Investment Committee, which acts as the policy making body for the Investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The Investment Committee periodically discusses the Investment strategy, portfolio structures, performance of the portfolio and related issues. The Investment policy is reviewed regularly in order to align the same with the Company business plans.
8. It is confirmed that there were no operations of the Company outside India during the year ended 31st March 2013.
9. Ageing of claims outstanding and trends in settlement of claims are given below:-

FY : 2012-13		
	No. of Claims	Amount(Rs.'000)
1 month	576	19,459.1
1-3 months	61	2,016.1

10. As at 31st March 2013, the investments of the Company are mainly in Debt Securities, Bank Deposits, and Mutual Funds. As per the IRDA guidelines, all debt securities are considered as held to maturity and valued at historical cost subject to amortization and Mutual Funds investments are stated at their fair value, being the closing Net Asset Value as at balance sheet date and investments other than those mentioned above are valued at cost . Further, the market value for debt securities as at 31st March 2013 has been calculated as per guidelines issued by Fixed Income Money Market & Derivatives Association (FIMMDA).

11. Investments are in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000. Investment Portfolio consists of Government

Securities & State Government Securities (Sovereign Guarantee), State Govt. Guaranteed Loan, Infrastructure Bonds (AAA), Housing Sector Bonds (AAA), Debt Mutual Funds and Deposits with various Scheduled Banks. There is no Non Performing Asset as at 31st March 2013.

12. It is hereby confirmed:

- That the Financial Statements have been prepared in accordance with generally accepted accounting principles and policies, applicable accounting standards and current practices prevailing in the insurance industry and there are no material departures.
- That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating Profit or Loss of the Company for the year
- That 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) and Companies Act 1956 (1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the management has prepared the financial statements on a going concern basis.
- That the management has ensured that the internal audit system is in commensurate with the size and nature of business and is operating effectively.

13. Payments made to companies and organizations in which directors are interested are as under:

(Rs.'000)				
Name of the director	Entity in which director is interested	Interested as	Nature of Payment	Amount of payment during the financial year
Ravi Mehrotra	Religare Enterprises Limited	Director	Expenses Reimbursement	1,692
	Aegon Religare Life Insurance	Director	Claims Payment	29.2

For T.R. Chadha & Co.
Chartered Accountants
Firm Regn No. : 006711N

Sd/-
Neena Goel
Partner
Membership No.: 057986

For S.S. Kothari Mehta & Co
Chartered Accountants
Firm Regn. No. - 000756N

Sd/-
K.K. Tulshan
Partner
Membership No. 085033

For and on behalf of the Board of Directors

Sd/-
Sunil Godhwani
Director
(DIN: 00174831)

Sd/-
Dr. Amit Varma
Director
(DIN: 02241746)

Sd/-
Anuj Gulati
Managing Director & CEO
(DIN: 00278955)

Sd/-
Pankaj Gupta
Chief Finance Officer

Place: New Delhi
Date: May 22, 2013

Sd/-
Priyanka Nautiyal
Company Secretary



Religare Health Insurance Company Limited

D3, P3B, District Centre, Saket, New Delhi - 110017

