**Rajagopal & Badri Narayanan,**
**Chartered Accountants**
**38/23, Venkatesa Agraharam Road,**
**Mylapore,**
**Chennai – 600 004.**

**N.C. Rajagopal & Co.,**
**Chartered Accountants**
**22, V. Krishnaswamy Avenue,**
**Luz Church Road, Mylapore,**
**Chennai - 600 004.**

**Independent Auditors' Limited Review Report to the Board of Directors of Galaxy Health Insurance Company Limited on the Unaudited Condensed Interim Ind AS Financial Statements for the quarter ended June 30, 2026**

1. We have reviewed the accompanying Unaudited Condensed Interim Ind AS Financial Statements of **Galaxy Health Insurance Company Limited** ("the Company"), comprising the interim condensed Balance Sheet as at June 30, 2026; the interim condensed Statement of Profit and Loss (comprising of interim condensed Revenue Account, Profit and Loss Account and Other Comprehensive Income), interim condensed Statement of Changes in Equity and the interim condensed Receipts and Payments Account for the quarter ended June 30, 2026; and other statements including summary of material accounting policies and other explanatory notes (hereinafter referred to as "the Unaudited Condensed Interim Ind AS Financial Statements").

2. The Unaudited Condensed Interim Ind AS Financial Statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS"), in conformity with the Ind AS 34, "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other recognised accounting principles generally accepted in India, the provision of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 ("the IRDA Act"), the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024 ("the Financial Statements Regulations") read with the Master Circular on Actuarial, Finance and Investment Functions of Insurers Ref No. IRDAI/ ACTL/ CIR/ MISC/ 80/ 05/ 2024 dated May 17, 2024 ("the Master Circular"), as amended by the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) (Amendment) Regulations, 2026, read with Circular No. IRDAI/ IFRS/ CIR/ MISC/ 45/ 4/ 2026 dated April 01, 2026. The Unaudited Condensed Interim Ind AS Financial Statements are the responsibility of the Company's Management and have been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Unaudited Condensed Interim Ind AS Financial Statements based on our review.

3. We conducted our review of the Unaudited Condensed Interim Ind AS Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.






4. Based on our review conducted as above, read with paragraph 3, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Condensed Interim Financial Statements prepared in accordance with recognition and measurement principles laid down in Ind AS 34, "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting principles as prescribed in the relevant provisions of the Insurance Act, 1938 ("the Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 ("the IRDA Act") and the Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, Orders/Directions/Circulars issued by the Insurance Regulatory and Development Authority of India ("IRDAI"/"the Authority") as amended from time to time, to the extent applicable and other recognized accounting practices and policies, have not disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Rajagopal & Badri Narayanan**
**Chartered Accountants**
Firm Regn. No.003024S

**P S Prabhakar**
**Partner**
Membership No: 020909
UDIN: 26020909MBYLBO4417
Date: 24-09-2026

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

**V Chandrasekaran**
**Partner**
Membership No: 024844
UDIN: 26024844TAKNFF1151
Date: 24-09-2026

Form Ind AS - BS

GALAXY HEALTH INSURANCE COMPANY LIMITED

Registration No. and Date of Registration with the IRDAI : 167/20.03.2024

Balance Sheet as at June 30, 2026

Amounts in lakhs

| Particulars | As at June 30, 2026 | As at March 31, 2026 | As at April 01, 2025 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | 280 | 759 | 297 |
| Investments | 31,097 | 31,870 | 23,612 |
| Loans | - | - | - |
| Other Financial Assets | 1,023 | 907 | 766 |
| Investment property | - | - | - |
| Insurance contract assets | - | - | - |
| Reinsurance contract assets | 635 | 435 | 54 |
| Property, Plant and Equipment | 1,578 | 1,699 | 2,323 |
| Goodwill | - | - | - |
| Other Intangible Assets | 1,267 | 1,249 | 961 |
| Current tax assets | - | - | - |
| Deferred tax assets | - | - | - |
| Other assets | 463 | 589 | 774 |
| Assets classified as held for sale | - | - | - |
| **Total Assets** | **36,343** | **37,508** | **28,787** |
| | | | |
| **Liabilities** | | | |
| Insurance contract liabilities | 8,078 | 6,828 | 926 |
| Reinsurance contract liabilities | - | - | - |
| Investment contract liabilities (for life insurance business) | - | - | - |
| Borrowings | - | - | - |
| Other Financial liabilities | 3,593 | 3,365 | 2,575 |
| Current tax liabilities | - | - | - |
| Deferred tax liabilities | - | - | - |
| Other liabilities | 741 | 829 | 324 |
| Provisions | 237 | 215 | 86 |
| **Total Liabilities (A)** | **12,649** | **11,237** | **3,911** |
| | | | |
| **Equity** | | | |
| Equity | | | |
| Share Capital | 40,025 | 40,025 | 30,025 |
| Assigned Capital | - | - | - |
| Other Financial Instruments classified as Equity | - | - | - |
| Other Equity | (16,331) | (13,754) | (5,149) |
| **Total Equity (B)** | **23,694** | **26,271** | **24,876** |
| | | | |
| **Total Liabilities & Equity (C) = (A) + (B)** | **36,343** | **37,508** | **28,787** |
| | - | - | - |

**As Per Our Report of Even Date attached**
**For Rajagopal & Badrinarayanan**
**Chartered Accountants**
**Firm Reg No.: 003024S**

**P S Prabhakar**
**Partner**
**M.No.: 020909**
UDIN: 26020909NEYLB04417

**For N.C.Rajagopal & Co.,**
**Chartered Accountants**
**Firm Reg No.: 003398S**

**V Chandrasekaran**
**Partner**
**M.No.: 0024844**
UDIN: 26024844TAKNFF1151

**Place: Chennai**
**Date: Sep 24, 2026**

**For And On Behalf of Board of Directors**

| Dr. Sai Satish | G. Srinivasan | L. Ravi Sankar |
|---|---|---|
| Chairman | Managing Director and CEO | Director |
| DIN: 05203296 | DIN: 01876234 | DIN: 00185931 |

| N Hari Krishnan | Dharani |
|---|---|
| Chief Financial Officer | Company Secretary |

Form Ind AS - P&L

GALAXY HEALTH INSURANCE COMPANY LIMITED

Registration No. and Date of Registration with the IRDAI : 167/20.03.2024

Statement of Profit and Loss for the Quarter ended June 30, 2026

Amounts in lakhs

| Particulars | | For the Quarter ended June 30, 2026 | For the Quarter ended June 30, 2025 | For the year ended March 31, 2026 |
|---|---|---|---|---|
| | | Total | Total | Total |
| Insurance Revenue | | 4,216 | 554 | 6,318 |
| Insurance Service Expenses | | (5,912) | (1,787) | (10,670) |
| Net expenses/income from reinsurance contracts ** | | (42) | 45 | 96 |
| **Insurance Service Result** | (A) | **(1,738)** | **(1,188)** | **(4,256)** |
| Investment revenue on financial assets not measured at FVTPL | | 530 | 444 | 1,685 |
| Other Investment revenue | | 29 | 5 | 22 |
| Impairment loss on financial assets | | - | - | - |
| **Investment Income** | | **559** | **449** | **1,707** |
| Finance income/ expenses from insurance contracts (net) | | 1 | - | - |
| Finance income/ expenses from reinsurance contracts (net) | | 3 | - | 1 |
| **Insurance Finance Income/Expenses** | | **4** | **-** | **1** |
| Movement in investment contract liabilities | | - | - | - |
| **Net Finance Result** | (B) | **563** | **449** | **1,708** |
| Revenue from investment management services | | - | - | |
| Other income | | 5 | 4 | 17 |
| Other expenses | | (1,629) | (1,187) | (5,651) |
| Other finance costs | | (14) | (24) | (81) |
| **Other Revenue/expenses (net)** | (C) | **(1,638)** | **(1,207)** | **(5,715)** |
| **Profit /(Loss) before Exceptional Items** | (D) = (A)+(B)+(C) | **(2,813)** | **(1,946)** | **(8,263)** |
| Exceptional Items | | - | - | - |
| **Profit / (Loss) before tax** | | **(2,813)** | **(1,946)** | **(8,263)** |
| Current tax | | - | - | - |
| Deferred tax | | - | - | - |
| **Profit/ (Loss) from continuing operations** | | **(2,813)** | **(1,946)** | **(8,263)** |
| **Profit/ (Loss) from discontinued operations** | | - | - | - |
| Tax expense of discontinued operations | | - | - | - |
| **Profit / (Loss) from discontinued operations (after tax)** | | - | - | - |
| **Profit/(loss) for the period** | (E) | **(2,813)** | **(1,946)** | **(8,263)** |
| **Other Comprehensive Income** | | | | |
| 1 (i) Items that will not be reclassified to profit or loss (specify items and amounts) | | - | - | 30 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - | - |
| **Sub-total** | | **-** | **-** | **30** |
| 2 (i) Items that will be reclassified to profit or loss (specify items and amounts) | | 235 | 180 | (370) |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - | - |
| **Sub-total** | | **235** | **180** | **(370)** |
| **Total Other Comprehensive Income** | (F) | **235** | **180** | **(340)** |
| **Total Comprehensive Income** | (G) = (E)+(F) | **(2,578)** | **(1,766)** | **(8,603)** |
| **Transfer of profit** | | | | |
| Transfer to Retained Earnings | | (2,578) | (1,766) | (8,603) |
| Non-distributable Retained Earnings | | | | |
| Earnings per Equity Share (for continuing operations) | | | | |
| (1) Basic | | (0.64) | (0.59) | (2.85) |
| (2) Diluted | | (0.64) | (0.59) | (2.85) |
| Earnings per Equity Share (for discontinued operations) | | | | |
| (1) Basic | | | - | - |
| (2) Diluted | | | - | - |
| Earnings per Equity Share for profit/(loss) of the period (for discontinued and continuing operations) | | | | |
| (1) Basic | | (0.64) | (0.59) | (2.85) |
| (2) Diluted | | (0.64) | (0.59) | (2.85) |

**As Per Our Report of Even Date attached**
**For Rajagopal & Badrinarayanan**
**Chartered Accountants**
**Firm Reg No.: 003024S**

**P S Prabhakar**
**Partner**
**M.No.: 020909**
UDIN: 26020909HBYLB04417

**For N.C.Rajagopal & Co.,**
**Chartered Accountants**
**Firm Reg No.: 003398S**

**V Chandrasekaran**
**Partner**
**M.No.: 0024844**
**Place: Chennai**
**Date: Sep 24, 2026**

UDIN: 26024844TAKNFF1151

**For And On Behalf of Board of Directors**

**Dr. Sai Satish** — **Chairman** — **DIN: 05203296**

**G. Srinivasan** — **Managing Director and CEO** — **DIN: 01876234**

**L. Ravi Sankar** — **Director** — **DIN: 00185931**

**N Hari Krishnan**
**Chief Financial Officer**

**Dharani**
**Company Secretary**

Form Ind AS - SOCE

GALAXY HEALTH INSURANCE COMPANY LIMITED

Registration No. and Date of Registration with the IRDAI : 167/20.03.2024

Statement of Changes in Equity for the Quarter ended June 30, 2026

Amounts in lakhs

A. Equity

| Particulars | Balance at the beginning of the year | Changes during the year | Balance at the end of the year |
|---|---|---|---|
| Share Capital | 40,025 | - | 40,025 |
| Assigned Capital | | | |
| Other Financial Instruments classified as Equity | | | |

B. Other Equity

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | Debt Instruments through Other Comprehensive Income | Insurance Finance Reserve | Equity Instruments through Other Comprehensive Income | Effective Portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of foreign operation | Non-distributable Retained Earnings | Remeasurement impact of Gratuity provisions | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Capital Reserve | Securities Premium Account | Retained Earnings | Other Reserves | | | | | | | | | |
| **Balance at the beginning of the year** | - | - | - | - | (16,228) | - | - | - | - | - | - | - | - | - | (16,228) |
| Changes in accounting policy or prior period errors/ Adoption of Ind AS | - | - | - | - | 2,345 | - | 100 | - | - | - | - | - | - | 30 | 2,475 |
| Tax impact due to change in Accounting Policy/ Adoption of Ind AS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Restated balance at the beginning of the reportingperiod** | - | - | - | - | **(13,883)** | - | **100** | - | - | - | - | - | - | **30** | **(13,753)** |
| Profit for the year | - | - | - | - | (2,813) | - | - | - | - | - | - | - | - | - | (2,813) |
| Other Comprehensive Income for the year | - | - | - | - | - | - | 235 | - | - | - | - | - | - | - | 235 |
| **Total Comprehensive Income for the year** | - | - | - | - | **(2,813)** | - | **235** | - | - | - | - | - | - | - | **(2,578)** |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Retained Earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other changes: Movement in Revaluation Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Tax on Revaluation Reserves movement | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Others changes (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance at the end of the year** | - | - | - | - | **(16,696)** | - | **335** | - | - | - | - | - | - | **30** | **(16,331)** |

Statement of Changes in Equity for the Quarter ended June 30, 2025

A. Equity

| Particulars | Balance at the beginning of the year | Changes during the year | Balance at the end of the year |
|---|---|---|---|
| Share Capital | 30,025 | - | 30,025 |
| Assigned Capital | | | |
| Other Financial Instruments classified as Equity | | | |

B. Other Equity

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | Debt Instruments through Other Comprehensive Income | Insurance Finance Reserve | Equity Instruments through Other Comprehensive Income | Effective Portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of foreign operation | Non-distributable Retained Earnings | Remeasurement impact of Gratuity provisions | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Capital Reserve | Securities Premium Account | Retained Earnings | Other Reserves | | | | | | | | | |
| **Balance at the beginning of the year** | - | - | - | - | (5,903) | - | - | - | - | - | - | - | - | - | (5,903) |
| Changes in accounting policy or prior period errors/ Adoption of Ind AS | - | - | - | - | 282 | - | 470 | - | - | - | - | - | - | - | 752 |
| Tax impact due to change in Accounting Policy/ Adoption of Ind AS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Restated balance at the beginning of the reportingperiod** | - | - | - | - | **(5,621)** | - | **470** | - | - | - | - | - | - | - | **(5,151)** |
| Profit for the year | - | - | - | - | (1,946) | | - | - | - | - | - | - | - | - | (1,946) |
| Other Comprehensive Income for the year | - | - | - | - | - | - | 180 | - | - | - | - | - | - | - | 180 |
| **Total Comprehensive Income for the year** | - | - | - | - | **(1,946)** | - | **180** | - | - | - | - | - | - | - | **(1,766)** |
| Dividends | - | - | - | | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Retained Earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other changes: Movement in Revaluation Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Tax on Revaluation Reserves movement | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Others changes (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance at the end of the year** | - | - | - | - | **(7,567)** | - | **650** | - | - | - | - | - | - | - | **(6,917)** |

Statement of Changes in Equity for the year ended March 31, 2026

A. Equity

| Particulars | Balance at the beginning of the year | Changes during the year | Balance at the end of the year |
|---|---|---|---|
| Share Capital | 30,025 | 10,000 | 40,025 |
| Assigned Capital | | | |
| Other Financial Instruments classified as Equity | | | |

N.C. RAJAGOPAL & CO. Chartered Accountants No.22, Krishnaswamy Avenue, Mylapore Chennai-600004.

RAJAGOPAL & BADRI NARAYANAN Chartered Accountants ICAI Regn. 003024S Chennai 2461 2525

**B. Other Equity**

| Particulars | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus | | | | Debt Instruments through Other Comprehensive Income | Insurance Finance Reserve | Equity Instruments through Other Comprehensive Income | Effective Portion of Cash Flow Hedges | Revaluation Surplus | Exchange differences on translating the financial statements of foreign operation | Non-distributable Retained Earnings | Remeasurement impact of Gratuity provisions | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Capital Reserve | Securities Premium Account | Retained Earnings | Other Reserves | | | | | | | | | |
| **Balance at the beginning of the year** | - | - | - | - | (5,903) | - | | - | - | - | - | - | - | - | (5,903) |
| Changes in accounting policy or prior period errors/ Adoption of Ind AS | - | - | - | - | 282 | - | 470 | - | - | - | - | - | - | - | 752 |
| Tax impact due to change in Accounting Policy/ Adoption of Ind AS | - | - | - | - | | - | | - | - | - | - | - | - | - | - |
| **Restated balance at the beginning of the reportingperiod** | - | - | - | - | **(5,621)** | - | **470** | - | - | - | - | - | | - | **(5,151)** |
| Profit for the year | - | - | - | - | (8,263) | - | - | - | - | - | - | - | - | - | (8,263) |
| Other Comprehensive Income for the year | - | - | - | - | | - | (370) | - | - | - | - | - | - | 30 | (340) |
| **Total Comprehensive Income for the year** | - | - | - | - | **(8,263)** | - | **(370)** | - | - | - | - | - | | **30** | **(8,603)** |
| Dividends | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Retained Earnings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other changes: Movement in Revaluation Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Deferred Tax on Revaluation Reserves movement | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Others changes (to be specified) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Balance at the end of the year** | - | - | - | - | **(13,884)** | - | **100** | - | - | - | - | - | | **30** | **(13,754)** |

Note

1:Insurance Finance Reserve relates to disaggregation of insurance finance income and expenses where an entity chooses to present the same under Other Comprehensive Income in accordance with the requirements of Ind AS 117.

2: Remeasurement of defined benefit plans and the fair value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss (FVTPL) shall be recognised as a part of retained earnings with separate disclosure of such items along with the relevant amounts in the notes.

3. Non-distributable Retained Earnings - comprising of profits, net of deferred tax, which is wholly attributable to the shareholders. This amount is only distributable upon the actual transfer of surplus from the policyholders' fund to the shareholder's fund as recommended by the Appointed Actuary and approved by the Board of Directors of the Company






Form Ind AS - RA

**GALAXY HEALTH INSURANCE COMPANY LIMITED**

**Registration No. and Date of Registration with the IRDAI : 167/20.03.2024**

**Revenue Account for the Quarter ended June 30, 2026**

Amount in lakhs

| Particulars | For the Quarter ended June 30, 2026 | For the Quarter ended June 30, 2025 |
|---|---|---|
| Insurance Revenue | 4,216 | 554 |
| Insurance Service Expenses | (5,912) | (1,787) |
| Net expenses/income from reinsurance contracts ** | (42) | 45 |
| **Insurance Service Result** | **(1,738)** | **(1,188)** |
| Investment revenue on financial assets not measured at FVTPL | 198 | 39 |
| Other Investment revenue | 11 | - |
| Impairment loss on financial assets | - | - |
| **Investment Income** | **209** | **39** |
| Finance income/ expenses from insurance contracts (net) | 1 | - |
| Finance income/ expenses from reinsurance contracts (net) | 3 | - |
| **Insurance Finance Income/Expenses** | **4** | **-** |
| Movement in investment contract liabilities | - | - |
| **Net Finance Result** | **213** | **39** |
| Revenue from investment management services | | |
| Other income | 2 | - |
| Other expenses | - | - |
| Other finance costs | (5) | (2) |
| **Other Revenue/expenses (net)** | **(3)** | **(2)** |
| **Profit /(Loss) before Exceptional Items** | **(1,528)** | **(1,151)** |
| Exceptional Items | - | |
| **Profit / (Loss) before tax** | **(1,528)** | **(1,151)** |
| Current tax | - | - |
| Deferred tax | - | - |
| **Profit/ (Loss) from continuing operations** | **(1,528)** | **(1,151)** |
| **Profit/ (Loss) from discontinued operations** | - | - |
| Tax expense of discontinued operations | - | - |
| **Profit / (Loss) from discontinued operations (after tax)** | **-** | **-** |
| **Profit/(loss) for the period** | **(1,528)** | **(1,151)** |
| **Other Comprehensive Income** | | |
| 1 (i) Items that will not be reclassified to profit or loss (specify items and amounts) | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | - | - |
| **Sub-total** | - | - |
| 2 (i) Items that will be reclassified to profit or loss (specify items and amounts) | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | - | - |
| **Sub-total** | - | - |
| **Total Other Comprehensive Income** | - | - |
| **Total Comprehensive Income** | **(1,528)** | **(1,151)** |
| **Transfer of profit** | | |
| Transfer to Retained Earnings | **(1,528)** | **(1,151)** |
| Non-distributable Retained Earnings | | |

**As Per Our Report of Even Date attached**
**For Rajagopal & Badrinarayanan**
**Chartered Accountants**
**Firm Reg No.: 003024S**

**P S Prabhakar**
**Partner**
**M.No.: 020909**
UDIN: 26020909MBYL804417

**For N.C.Rajagopal & Co.,**
**Chartered Accountants**
**Firm Reg No.: 003398S**

**V Chandrasekaran**
**Partner**
**M.No.: 0024844**
UDIN: 26024844TAKNFF1151

**Place: Chennai**
**Date: Sep 24, 2026**

**For And On Behalf of Board of Directors**

**Dr. Sai Satish** — **Chairman** — **DIN: 05203296**

**G. Srinivasan** — **Managing Director and CEO** — **DIN: 01876234**

**L. Ravi Sankar** — **Director** — **DIN: 00185931**

**N Hari Krishnan**
**Chief Financial Officer**

**Dharani**
**Company Secretary**

**GALAXY HEALTH INSURANCE COMPANY LIMITED**
Registration No. and Date of Registration with the IRDAI : 167/20.03.2024

**Condensed Cash Flow Statement - IND AS**

**Amt Rs. in Lakhs**

| Condensed Cash Flow statement | For the quarter ended as on 30th June 2026 | For the quarter ended as on 30th June 2025 |
|---|---|---|
| Cash Flows from the operating activities: | (1,772.98) | (1,058.70) |
| Cash flows from investing activities: | 1,384.08 | 1,063.24 |
| Cash flows from financing activities: | (89.12) | (121.13) |
| Net increase/(decrease) in cash and cash equivalents | (478.02) | (116.59) |
| Cash and cash equivalents at the beginning of the Period | 758.16 | 297.11 |
| Cash and cash equivalents at the closing of the Period | 280.14 | 180.52 |

As Per Our Report of Even Date attached

For Rajagopal & Badrinarayanan
Chartered Accountants
Firm Reg No.: 003024S

P S Prabhakar
Partner
M.No.: 020909
UDIN: 26020909BAYLB04417

For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No.: 003398S

V Chandrasekaran
Partner
M.No.: 0024844
UDIN : 26024844TAKNFF1151

Place: Chennai
Date: Sep 24, 2026

For And On Behalf of Board of Directors

| Dr. Sai Satish | G. Srinivasan | L. Ravi Sankar |
|---|---|---|
| Chairman | Managing Director and CEO | Director |
| DIN: 05203296 | DIN: 01876234 | DIN: 00185931 |

| N Hari Krishnan | Dharani |
|---|---|
| Chief Financial Officer | Company Secretary |

**GALAXY HEALTH INSURANCE COMPANY LIMITED**
**Registration No. and Date of Registration with the IRDAI : 167/20.03.2024**
**Segmental Statement of Profit and Loss for the Quarter ended June 20,2026**

Amounts in lakhs

| Particulars | | For the quarter ended 30 June 2026 | | | | | For the quarter ended 30 June 2025 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health | Personal Accident | Total - Policyholders | Shareholders | Total | Health | Personal Accident | Total - Policyholders | Shareholders | Total |
| Insurance Revenue | (A) | 3,993 | 223 | 4,216 | | 4,216 | 522 | 32 | 554 | | 554 |
| Insurance Service Expenses | (B) | (5,690) | (222) | (5,912) | | (5,912) | (1,666) | (121) | (1,787) | | (1,787) |
| Net expenses/income from reinsurance contracts | (C) | (21) | (21) | (42) | | (42) | 37 | 8 | 45 | | 45 |
| **Insurance Service Result** | **(D)** | **(1,718)** | **(20)** | **(1,738)** | **-** | **(1,738)** | **(1,107)** | **(81)** | **(1,188)** | **-** | **(1,188)** |
| Investment revenue on financial assets not measured at FVTPL | | | | 198 | 332 | 530 | | | 39 | 405 | 444 |
| Other Investment revenue | | | | 11 | 18 | 29 | | | - | 5 | 5 |
| Impairment loss on financial assets | | | | - | - | - | | | - | - | - |
| **Investment Income** | **(E)** | **-** | **-** | **209** | **350** | **559** | **-** | **-** | **39** | **410** | **449** |
| Finance income/ expenses from insurance contracts (net) | | 1 | - | 1 | - | 1 | - | - | - | - | - |
| Finance income/ expenses from reinsurance contracts (net) | | 3 | - | 3 | - | 3 | - | - | - | - | - |
| **Insurance Finance Income/Expenses** | **(F)** | **4** | **-** | **4** | **-** | **4** | **-** | **-** | **-** | **-** | **-** |
| Movement in investment contract liabilities | **(G)** | - | - | - | - | - | - | - | - | - | - |
| **Net Finance Result** | **(H)** | **4** | **-** | **213** | **350** | **563** | **-** | **-** | **39** | **410** | **449** |
| Revenue from investment management services | | | | | | | | | | | |
| Other income | | | | 2 | 3 | 5 | | | - | 4 | 4 |
| Other expenses | | | | | (1,629) | (1,629) | | | | (1,187) | (1,187) |
| Other finance costs | | | | (5) | (9) | (14) | | | (2) | (22) | (24) |
| **Other Revenue/expenses (net)** | **(I)** | **-** | **-** | **(3)** | **(1,635)** | **(1,638)** | **-** | **-** | **(2)** | **(1,205)** | **(1,207)** |
| **Profit /(Loss) before Exceptional Items** | **(J)=(D)+(H)+(I)** | **(1,714)** | **(20)** | **(1,528)** | **(1,285)** | **(2,813)** | **(1,107)** | **(81)** | **(1,151)** | **(795)** | **(1,946)** |
| Exceptional Items | | | | | | | | | | | |
| **Profit / (Loss) before tax** | | **(1,714)** | **(20)** | **(1,528)** | **(1,285)** | **(2,813)** | **(1,107)** | **(81)** | **(1,151)** | **(795)** | **(1,946)** |
| Current tax | | - | - | - | - | - | - | - | - | - | - |
| Deferred tax | | - | - | - | - | - | - | - | - | - | - |
| **Profit/ (Loss) from continuing operations** | | **(1,714)** | **(20)** | **(1,528)** | **(1,285)** | **(2,813)** | **(1,107)** | **(81)** | **(1,151)** | **(795)** | **(1,946)** |
| **Profit/ (Loss) from discontinued operations** | | | | | | | | | | | |
| Tax expense of discontinued operations | | | | | | | | | | | |
| **Profit / (Loss) from discontinued operations (after tax)** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Profit/(loss) for the period** | | **(1,714)** | **(20)** | **(1,528)** | **(1,285)** | **(2,813)** | **(1,107)** | **(81)** | **(1,151)** | **(795)** | **(1,946)** |
| **Other Comprehensive Income** | | | | | | | | | | | |
| 1 (i) Items that will not be reclassified to profit or loss (specify items and amounts) | | | | | - | - | | | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | | | | - | - | | | | - | - |
| **Sub-total** | | - | - | - | - | - | - | - | - | - | - |
| 2 (i) Items that will be reclassified to profit or loss (specify items and amounts) | | | | | - | - | | | | 180 | 180 |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | | | | 235 | 235 | | | | - | - |
| **Sub-total** | | **-** | **-** | **-** | **235** | **235** | **-** | **-** | **-** | **180** | **180** |
| **Total Other Comprehensive Income** | | **-** | **-** | **-** | **235** | **235** | **-** | **-** | **-** | **180** | **180** |
| **Total Comprehensive Income** | | **(1,714)** | **(20)** | **(1,528)** | **(1,050)** | **(2,578)** | **(1,107)** | **(81)** | **(1,151)** | **(615)** | **(1,766)** |
| **Transfer of profit** | | | | | | | | | | | |
| Transfer to Retained Earnings | | (1,714) | (20) | (1,528) | (1,050) | (2,578) | (1,107) | (81) | (1,151) | (615) | (1,766) |
| Non-distributable Retained Earnings | | | | | | | | | | | |

N.C. RAJAGOPAL & CO. ★ No.22, Krishnaswamy Avenue, Mylapore Chennai-600004. ★ Chartered Accountants

RAJAGOPAL & BADRI NARAYANAN ★ ICAI Regn: 003024S Chennai 2461 2525 ★ Chartered Accountants

**GALAXY HEALTH INSURANCE COMPANY LIMITED**

**Registration No. and Date of Registration with the IRDAI : 167/20.03.2024**

**Schedule to Statement of Profit and Loss**

**Schedule 15:Insurance Revenue**

**Amounts in lakhs**

| Particulars | For the Quarter ended June 30,2026 | | | For the Quarter ended June 30,2025 | | |
|---|---|---|---|---|---|---|
| | Health | PA | Total | Health | PA | Total |
| **Contracts not measured under the PAA** | | | | | | |
| Amounts relating to changes in liabilities for remaining coverage: | | | | | | |
| i) CSM recognised for services provided | - | - | - | - | - | - |
| ii) Change in risk adjustment for non-financial risk | - | - | - | - | - | - |
| iii) Release of expected incurred claims and other insurance service expenses | - | - | - | - | - | - |
| Recovery of insurance acquisition cash flows | - | - | - | - | - | - |
| **Sub-total** | - | - | - | - | - | - |
| **Contracts measured under the PAA** | | | - | | | |
| Premium allocated for the period | 3,993 | 223 | 4,216 | 522 | 32 | 554 |
| Less: Acquisition costs | - | - | - | - | - | - |
| **Sub-Total** | **3,993** | **223** | **4,216** | **522** | **32** | **554** |
| **Total insurance revenue** | **3,993** | **223** | **4,216** | **522** | **32** | **554** |

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RAJAGOPAL & BADRI NARAYANAN ICAI Regn: 003024S Chennai 2461 2525 Chartered Accountants

**GALAXY HEALTH INSURANCE COMPANY LIMITED**

**Registration No. and Date of Registration with the IRDAI : 167/20.03.2024**

**Schedule to Statement of Profit and Loss**

**Schedule 16: Insurance Service and Other Expenses for other than life insurance business**

**Amounts in lakhs**

| Particulars | | For the Quarter ended June 30,2026 | | | | |
|---|---|---|---|---|---|---|
| | | Health | PA | Total - Policyholders | Total - Shareholders | Grand Total |
| a) | Incurred claims | 969 | 33 | 1,002 | - | 1,002 |
| b) | Losses and reversals on onerous contracts | 512 | 23 | 535 | - | 535 |
| c) | Adjustments to liabilities for incurred claims | 1,216 | 15 | 1,231 | - | 1,231 |
| d) | Employee benefit expenses | 1,829 | 95 | 1,924 | 551 | 2,475 |
| e) | Commission | 799 | 42 | 841 | | 841 |
| f) | **Other expenses** | | | | | |
| (i) | Travel & Conveyance | 47 | 2 | 49 | 9 | 58 |
| (ii) | Rent | 171 | 9 | 180 | (132) | 48 |
| (iii) | Rates & taxes | - | - | - | - | - |
| (iv) | Repairs & Maintenance | 32 | 2 | 34 | 21 | 55 |
| (v) | Energy Cost | - | - | - | - | - |
| (vi) | Printing & Stationery | 13 | 1 | 14 | 14 | 28 |
| (vii) | Communication expenses | - | - | - | 3 | 3 |
| (viii) | Legal & Professional fees | - | - | - | 18 | 18 |
| (ix) | Auditor Fees | - | - | - | 10 | 10 |
| (x) | Advertisement & Publicity | 33 | 2 | 35 | 265 | 300 |
| (xi) | Bank Charges | - | - | - | 21 | 21 |
| (xii) | Depreciation & Amortisation | 145 | 7 | 152 | 204 | 356 |
| (xiii) | Impairment losses (other than on financial assets) | - | - | - | - | - |
| (xiv) | Acquisition cost for financial instruments classified/ designated as FVTPL | - | - | - | - | - |
| (xv) | Business Development and Sales Promotion Expenses | 103 | 5 | 108 | 2 | 110 |
| (xvi) | Information Technology Expenses | 206 | 9 | 215 | 319 | 534 |
| (xvii) | Manpower Service charges | 97 | 4 | 101 | 38 | 139 |
| (xviii) | Membership and Subscription fees | - | - | - | 8 | 8 |
| (xix) | Insurance | - | - | - | - | - |
| (xx) | Directors Sitting Fees | - | - | - | 11 | 11 |
| (xxi) | Directors Remuneration | - | - | - | 13 | 13 |
| (xxii) | IRDAI registration and renewal fees | 5 | - | 5 | - | 5 |
| (xxiii) | Consultants Charges | 59 | 3 | 62 | 64 | 126 |
| (xxiv) | Training expenses | - | - | - | 19 | 19 |
| (xxv) | Miscellaneous expenses | 1 | - | 1 | 2 | 3 |
| (xxvi) | Goods and Services Tax (GST) | 90 | 5 | 95 | 169 | 264 |
| (xxvii) | Coinsurance Admin Fee | 9 | - | 9 | - | 9 |
| | **Adjusted for** | | | | | |
| (A) | Amounts attributed to insurance acquisition cash flows | (3,263) | (174) | (3,437) | - | (3,437) |
| (B) | Amortisation of insurance acquisition cash flows | 2,619 | 137 | 2,756 | - | 2,756 |
| (C) | Release of loss component on onerous contracts | - | - | - | - | - |
| (D) | Investment Component | - | - | - | - | - |
| (E) | Claims recognised through Investment contract liability | - | - | - | - | - |
| | **Total** | **5,692** | **220** | **5,912** | **1,629** | **7,541** |
| | **Represented by:** | | | | | |
| | -Insurance service expenses | 3,071 | 85 | 3,156 | | 3,156 |
| | -Allocated to acquisition expenses | 2,619 | 137 | 2,756 | | 2,756 |
| | -Costs not directly attributed to insurance contracts | - | - | - | 1,629 | 1,629 |
| | - Others | - | - | - | | - |
| | **Total** | **5,690** | **222** | **5,912** | **1,629** | **7,541** |

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RAJAGOPAL & BADRINARAYANAN ★ Chartered Accountants ★ ICAI Regn: 003024S Chennai 2461 2525

**Schedule 16: Insurance Service and Other Expenses for other than life insurance business**

Amounts in lakhs

| Particulars | | For the Quarter ended June 30,2025 | | | | |
|---|---|---|---|---|---|---|
| | | Health | PA | Total - Policyholders | Total - Shareholders | Grand Total |
| a) | Incurred claims | 54 | 4 | 58 | - | 58 |
| b) | Losses and reversals on onerous contracts | 729 | 57 | 786 | - | 786 |
| c) | Adjustments to liabilities for incurred claims | 83 | (1) | 82 | - | 82 |
| d) | Employee benefit expenses | 1,045 | 84 | 1,129 | 406 | 1,535 |
| e) | Commission | 234 | 10 | 244 | - | 244 |
| **f)** | **Other expenses** | | | | | |
| (i) | Travel & Conveyance | 37 | 3 | 40 | 17 | 57 |
| (ii) | Rent | 151 | 12 | 163 | (130) | 33 |
| (iii) | Rates & taxes | - | - | - | - | - |
| (iv) | Repairs & Maintenance | 34 | 3 | 37 | 18 | 55 |
| (v) | Energy Cost | - | - | - | - | - |
| (vi) | Printing & Stationery | - | - | - | 9 | 9 |
| (vii) | Communication expenses | - | - | - | 6 | 6 |
| (viii) | Legal & Professional fees | - | - | - | 29 | 29 |
| (ix) | Auditor Fees | - | - | - | 5 | 5 |
| (x) | Advertisement & Publicity | 49 | 4 | 53 | 144 | 197 |
| (xi) | Bank Charges | - | - | - | 7 | 7 |
| (xii) | Depreciation & Amortisation | 98 | 8 | 106 | 182 | 288 |
| (xiii) | Impairment losses (other than on financial assets) | - | - | - | - | - |
| (xiv) | Acquisition cost for financial instruments classified/ designated as FVTPL | - | - | - | - | - |
| (xv) | Business Development and Sales Promotion Expenses | - | - | - | 22 | 22 |
| (xvi) | Information Technology Expenses | 131 | 11 | 142 | 247 | 389 |
| (xvii) | Manpower Service charges | 184 | 16 | 200 | 96 | 296 |
| (xviii) | Membership and Subscription fees | - | - | - | 7 | 7 |
| (xix) | Insurance | - | - | - | - | - |
| (xx) | Directors Sitting Fees | - | - | - | 9 | 9 |
| (xxi) | Directors Remuneration | - | - | - | 10 | 10 |
| (xxii) | IRDAI registration and renewal fees | 4 | - | 4 | - | 4 |
| (xxiii) | Consultants Charges | 31 | 3 | 34 | 82 | 116 |
| (xxiv) | Training expenses | - | - | - | 15 | 15 |
| (xxv) | Miscellaneous expenses | - | - | - | 6 | 6 |
| (xxvi) | Goods and Services Tax (GST) | - | - | - | - | - |
| (xxvii) | Coinsurance Admin Fee | - | - | - | - | - |
| | **Adjusted for** | | | | | - |
| (A) | Amounts attributed to insurance acquisition cash flows | (1,738) | (127) | (1,865) | | (1,865) |
| (B) | Amortisation of insurance acquisition cash flows | 541 | 34 | 575 | | 575 |
| (C) | Release of loss component on onerous contracts | - | - | - | | - |
| (D) | Investment Component | - | - | - | | - |
| (E) | Claims recognised through Investment contract liability | - | - | - | | - |
| | **Total** | **1,667** | **121** | **1,787** | **1,187** | **2,974** |
| | **Represented by:** | | | | | |
| | -Insurance service expenses | 1,125 | 87 | 1,212 | | 1,212 |
| | -Allocated to acquisition expenses | 541 | 34 | 575 | | 575 |
| | -Costs not directly attributed to insurance contracts | - | - | - | 1,187 | 1,187 |
| | - Others | - | - | - | | - |
| | **Total** | **1,666** | **121** | **1,787** | **1,187** | **2,974** |






## SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 1. Corporate Information

Galaxy Health Insurance Company Limited ("the Company") ("GHIL") was incorporated on 6 December 2023 under the Companies Act 2013.

The Company received approval from Insurance Regulatory and Development Authority of India ("IRDAI") on 20 March 2024 to undertake health insurance business. Commercial operations commenced on 12 October 2024.

### 2. Basis of preparation

The interim financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) as amended from time to time and pursuant to IRDAI (Actuarial, Finance, and Investment Functions of Insurers), (Amendment) Regulations, 2026. The interim financial statements are consistent with the accounting principles as prescribed under the provisions of the Insurance Act, 1938, as amended from time to time, Insurance Regulatory and Development Authority Act, 1999 as amended from time to time, Insurance Regulatory and Development Authority of India (Actuarial, Finance and Investment Functions of Insurers) Regulations, 2024, ("the interim financial statements Regulations"), the Master Circular on Actuarial, Finance and Investment Functions of Insurers Ref No. IRDAI/Reg/2/216/2026 dated March 30, 2026, ('the Master Circular'), the regulations framed thereunder and various orders/directions/circulars issued by the IRDAI and the practices prevailing within the insurance industry in India.

The interim financial statements for the period ended 30 June 2026 is the first time the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 'First time adoption of Ind AS' for transition from Previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected previously reported financial position, financial performance of the Company is provided in Note. No. 6.6.2.

The interim financial statements are prepared on a going concern basis. The Company uses accrual basis and historical cost convention, except for the certain items of financial assets and financial liabilities which are measured at fair value, and other items in accordance with the relevant accounting standards.

### 3. Functional and presentation currency

The interim financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts are rounded to the nearest lakhs except when otherwise indicated.

### 4. Use of estimates

The preparation of the interim financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities at the reporting date. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised.

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## 5. Significant accounting policies

### 5.1 Insurance contracts

#### 5.1.1 Identification and scope of Ind AS 117

The Company issues contracts that transfer insurance risk. Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss. All references to insurance contracts in the interim financial statements apply to insurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

The Company does not write any investment contracts with discretionary participation features or insurance contracts with direct participation features.

#### 5.1.2 Combination of insurance contracts

A set or series of insurance contracts with the same or a related counterparty may achieve, or be designed to achieve, an overall commercial effect. In order to report the substance of such contracts, it may be necessary to treat the set or series of contracts as a whole.

Riders issued by the Company are highly interlinked to the base cover and hence do not qualify to be recognized as separate contracts and are to be combined with the base/underlying insurance contract.

#### 5.1.3 Separating components from an insurance contract

The components of insurance contracts are required to be separated between insurance components, embedded derivatives, investment components and service components. The Company has not issued insurance contracts that contains embedded derivates, investment components or service components which requires separation from the base contracts.

**Investment components**

Investment components are the amounts that an insurance contract requires the entity to repay to a policyholder even if an insured event does not occur. Investment components are separated from the host contract if it is distinct.

Investment components are distinct if and only if investment and insurance component are not highly interrelated and contract with equivalent terms is sold, or could be sold, separately in the same market or the same jurisdiction, either by entities that issue insurance contracts or by other parties.

Non-distinct investment components (NDIC) are not separated. However, they are excluded from insurance revenue and insurance service expenses.

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**Embedded Derivatives**

Embedded derivatives are separated from its host if and only if:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host insurance contract; and
- The embedded derivative would not be an insurance contract as a standalone instrument – i.e. a separate financial instrument with the same terms of embedded derivative would meet the definition of a derivative.
- The hybrid contract is not measured at fair value with the changes in fair value recognized in profit or loss (i.e. derivative that is embedded in a financial liability at fair value through profit or loss is not separated).

**Service components**

Some contracts meet the definition of an insurance contract, but their primary purpose is simply to provide services for a fixed fee. Such contracts are within the scope of Ind AS 117. However, an entity issuing such contracts may choose to apply Ind AS 115 to them if, and only if, all of the following conditions are met:

- setting a price of an individual customer does not reflect the entity's assessment of the risk specific to that customer.
- the contract compensates customers by providing a service, rather than by making cash payments to the customer.
- the insurance risk transferred by the contract arises primarily from the customer's use of services rather than from uncertainty over the cost of those services.

**5.1.4 Level of Aggregation**

The level of aggregation (LoA) determines the unit of account to be used when applying Ind AS 117. The same is required to be performed in a way that limits the offsetting of profitable contracts against onerous ones.

The Company determines the first level of aggregation at portfolio level i.e., group of contracts that are subject to similar risks and are managed together (homogenous risk groups).

The Company divides each portfolio into a minimum of:

- a group of contracts that are onerous on initial recognition
- a group of contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- a group of any remaining contracts in the portfolio

Further to this bifurcation, the Company applies annual cohorting (financial year) i.e., contracts issued more than one year apart are not a part of the same group.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The Company has split reinsurance contracts into portfolios based on the product lines which are covered by the reinsurance contract.

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Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held within a cohort into groups of:

• contracts for which there is a net gain at initial recognition, if any;

• contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and

• remaining contracts in the portfolio, if any.

This level of granularity determines sets of contracts. Significant judgement is used to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all reinsurance contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

For all reinsurance contracts net gain or net loss is assessed at a cohort level as this is the most granular level where profitability is available.

**5.1.5 Recognition**

Groups of insurance contracts issued are initially recognized from the earliest of the following:

- the beginning of the coverage period.
- the date when the first payment from the policyholder is due or received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

**5.1.6 Measurement of insurance contracts**

**(i) Fulfilment cash flows**

The fulfilment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts. As all contracts are measured under the PAA, unless the contracts are onerous, the FCF are only estimated for the measurement of the LIC.

The estimates of future cash flows:

- are based on a probability-weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of

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insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

**(ii) Discount rate**

The discount rate with respect to contractual cash flows that do not vary based on the returns on underlying items, is determined either a Bottom-up and Top-down approach. Under a bottom-up approach, the discount rate is based on a liquid risk-free yield curve then an addition is made to reflect the relative illiquidity of the insurance contracts. However, the top-down approach is based on yield-curve that reflects the current market rate of returns of a reference portfolio of assets adjusted to eliminate any factors that are not relevant to the insurance contracts (e.g., credit risk). The measurement of expected and unexpected credit risk in a Top-down approach is a complex area and requires significant judgement.

The Company has elected to adopt the bottom-up approach for deriving discount rates for liability valuation, using CCIL rates as the reference yield curve for determining discount rates, given its alignment with the characteristics of the underlying insurance contract cash flows and the principles prescribed under Ind AS 117.

The liability for remaining coverage shall not be discounted, provided that there is no significant financing component for contracts with duration more than one year.

Due to the short-term nature and cancellation characteristics of most of the products, long-term investment possibilities are not an attributable feature. Hence, illiquidity premium is not required to be added to the risk-free yield considered.

**(iii) Risk adjustment**

The Company's risk adjustment for non-financial risk reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The risk adjustment is calibrated at the 80th percentile confidence level and is computed using a statistical distribution approach based on the applicable QIS-II factors.

For proportional reinsurance contracts, risk adjustment has been derived by applying the underlying gross risk adjustment percentages to the ceded cash flows. For non-proportional (XoL) reinsurance contracts, as there are currently no expected reinsurance cash flows, the Company has determined risk adjustment using the applicable QIS-II factors.

**(iv) Contract boundary**

The Company uses the concept of contract boundary to determine the cash flows should and should not be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Company has substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when

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a) the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

b) both of the following criteria are satisfied:

i) the Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and

ii) pricing of the premiums does not take into account the risks that relate to periods after the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Cash flows outside the insurance contracts boundary relates to future insurance contracts and are recognized when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer.

**5.1.7 Onerous contracts**

A contract is onerous when a group of contracts' fulfilment cashflows (FCF) equate to a net outflow. A group of contracts that is onerous on initial recognition results in a loss being recognized immediately in the statement of profit or loss for the entire net cash outflow.

If facts and circumstances indicate that a group of insurance contracts measured under the Premium Allocation Approach (PAA) is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognized in insurance service expenses, and a loss component is established for the amount of the loss recognized. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component.

When a loss is recognized on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognized in profit or loss and a loss recovery component is established or adjusted for the amount of income recognized. The referred income is calculated by multiplying the loss recognized on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognized on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

**5.1.8 Premium allocation approach (PAA)**






**Initial and subsequent measurement of groups of contracts under PAA**

All products issued by the Company are assessed to be eligible for PAA based on the eligibility criteria prescribed under Ind AS 117.

For those contracts with coverage period greater than one year, the Company has assessed PAA eligibility by comparing the Liability for remaining coverage (LRC) for insurance contracts and Asset for remaining coverage (ARC) for reinsurance contracts held calculated using PAA against the LRC & ARC computed by applying the General Measurement Model (GMM).

For insurance contracts issued and measured under PAA, on initial recognition, the Company measures the Liability for Remaining Coverage (LRC) at the amount of premiums received, less any acquisition cash flows paid.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- Increased for premiums received in the period;
- Decreased for insurance acquisition cash flows paid in the period;
- Decreased for the amounts of expected premium receipts recognized as insurance revenue for the services provided in the period; and
- Increased for amortization of insurance acquisition cash flows in the period recognized as insurance service expenses.

The Company does not adjust the LRC for insurance contracts issued for the effect of the time value of money, because insurance premiums are due within a year of the coverage provided associated with each premium.

**Insurance revenue**

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

For groups of insurance contracts measured under the PAA, the Group recognizes insurance revenue based on the passage of time over the coverage period of a group of contracts.

**Insurance service expenses**

Insurance service expenses include the following:

- incurred claims (including risk adjustment) and benefits, excluding investment components;
- other incurred directly attributable insurance service expenses;
- insurance acquisition cash flows amortization;
- changes that relate to past service – changes in the FCF relating to the LIC;
- changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and

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Other expenses not meeting the above categories are included in other operating and administrative expenses in the consolidated statement of profit or loss.






### 5.1.9 Insurance acquisition cashflows

The Company defines acquisition cashflows as the costs of selling, underwriting and started issuing a group of insurance contracts as per Ind AS 117 requirements. The Company has defined acquisition cashflows as attributable to a contract (or group of contracts) if the cost is incurred to acquire a specific contract or group of contracts.

For contracts measured under the PAA, amortization of insurance acquisition cash flows is based on the passage of time.

The Company does not pay (or recognize liability, applying a standard other than Ind AS 117) directly attributable acquisition costs before a group of insurance contracts is recognized. As such, no pre-recognition acquisition cost assets have been established.

### 5.1.10 Reinsurance contracts held

**(i) Recognition**

Reinsurance contracts held are recognized as follows:

- A group of reinsurance contracts held that provide proportionate coverage is recognized at the later of the beginning of the coverage period of the group and the initial recognition of any underlying insurance contract; and
- All other groups of reinsurance contracts held are recognized from the beginning of the coverage period of the group of reinsurance contracts held; unless the Company enters into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognized prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognized at the same time as the group of underlying insurance contracts is recognized.

**(ii) Measurement**

A reinsurance contract held is to be accounted for separately from the underlying insurance contracts to which it relates. This is because an entity that holds a reinsurance contract does not normally have a right to reduce the amounts it owes to the underlying policyholder by amounts it expects to receive from the reinsurer.

For a group of reinsurance contracts held there is no unearned profit but instead a net cost or net gain on purchasing the reinsurance is recognized in the statement of profit or loss. Further, the reinsurance contracts are divided on the basis on net gain or loss at initial recognition.

Under the definition for reinsurance held, the risk adjustment for non-financial risk represents the amount of non-financial risk being transferred by the holder of a group of reinsurance contracts to the issuer(s) of those contracts.

For groups of reinsurance contracts held measured under the PAA, the Company recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- Increased for ceding premiums paid in the period;
- Decreased for the amounts of ceding premiums recognized as reinsurance expenses for the services received in the period.

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If ceding commissions are contingent on claims, a reinsurer accounts for such commissions as claims and these amounts would be recognized as part of insurance service expenses.

If ceding commissions are not contingent on claims, a reinsurer treats them as a reduction in premiums received and consequently reflected as part of insurance revenue.

The Company may present the income or expenses from a group of reinsurance contracts held, other than insurance finance income or expenses as a single amount, or present separately the amounts recovered from the reinsurer and an allocation of the premiums paid that together give a net amount equal to that single amount. The Company has opted to present income or expenses from a group of reinsurance contracts held as a single amount

**(iii) Premium allocation approach**

All reinsurance contracts held are measured under the PAA based on the eligibility criteria prescribed under Ind AS 117.

For groups of reinsurance contracts held,measured under the PAA, the Group recognizes reinsurance expenses based on the passage of time over the coverage period of a group of contracts

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses rather than revenue.

**5.1.11 Modification and derecognition**

The Company shall derecognize an insurance contract when, and only when:

a) the contract is extinguished, i.e., when the obligation specified in the insurance contract expires or is discharged or cancelled.

b) any of the conditions to be satisfied for derecognition of existing contracts and recognition of new contracts such as if the modified terms had been included at contract inception are met:

- the modified contract would have been excluded from the scope of Ind AS 117
- the modified contract would have had a substantially different contract boundary
- the modified contract would have been included in a different group of contracts
- The entity applied the premium allocation approach to the original contract, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

In all other cases, contract modifications will result in change in estimates of fulfillment cashflows.

**5.1.12 Insurance finance income and expenses**

Insurance finance income or expenses comprises the change in the carrying amount of the group of insurance contracts arising from:

(a) the effect of the time value of money and changes in the time value of money; and

(b) the effect of financial risk and changes in financial risk

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For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a) interest accreted on the LIC; and

b) the effect of changes in interest rates and other financial assumptions.

The Company has opted to not disaggregate finance income and expenses between profit and loss and Other Comprehensive Income (OCI).

**5.2. Risks arising from contracts within the scope of Ind AS 117, along with sensitivity analysis**

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. These policies define the Company's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the corporate goals, and specify reporting requirements.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Audit Committee and the Risk Committee of the Company oversee how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

**5.2.1 Insurance risk**

**Insurance contracts issued and reinsurance contracts held**

The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The insurance contracts issued by the Company for various risks are homogeneous.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur when the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability of the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Risks are accepted based on an evaluation of pricing and prior underwriting experience in accordance with underwriting guidelines that have been laid out for each line of business. Underwriting guidelines are constantly reviewed and updated to take account of market developments, performance and

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opportunities. Accumulation limits are set to control exposures to natural hazards and catastrophes. Various underwriting and approval limits are specified for accepting risks. The reinsurance strategy of the Company is designed to protect exposures to individual and event risks based on current risk exposures through cost effective reinsurance arrangements. The recoverable amounts from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts.

Even though the Company has reinsurance arrangements, the direct obligation to its policyholders is shown as a liability and thus to the extent the reinsurer is not able to meet its obligations under the reinsurance arrangement, a credit exposure exists. The management ensures that the Company's reinsurance placement is diversified within a range of reinsurers and is not concentrated or dependent on any single reinsurer.

**Sensitivities**

The estimated liability for claims that have occurred is influenced by the critical assumptions.. However, it has not been feasible to determine the effect of certain assumptions, such as changes in legislation or the inherent uncertainty in the estimation process. The sensitivity analysis illustrates the potential effects on gross and net liabilities, pretax profit, and shareholders' equity for changes in key assumptions that could reasonably occur, while all other assumptions remain unchanged. This is done using a stress testing approach. While the interplay between different assumptions can greatly affect the final outcomes, the analysis isolates the impact by varying each assumption individually to show its distinct effect. It is important to recognize that the responses to changes in these assumptions are not linear.

**5.2.2 Financial risk**

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset.

The Company's asset liability management policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

**Market risk**

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the fulfilment cash flows of insurance and reinsurance contracts as well as the fair value or future cash flows of financial instruments. Market risk comprises three types of risk: foreign exchange rates (currency risk); market interest rates (interest rate risk); and market prices (price risk). The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

The Company's asset liability management policy sets out the assessment and determination of what constitutes market risk for it. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk management committee. The policy is reviewed regularly for pertinence

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and for changes in the risk environment. Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains needed to meet the Company's contractual requirements.

**Currency risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates. The Company's principal transactions are carried out in INR and its exposure to foreign exchange risk is minimal as it does not issue policies denominated in foreign currency nor is its major expenses or insurance assets denominated in foreign currency. The Company's financial assets are primarily denominated in the same currencies as its insurance contract liabilities i.e. INR.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk. There is no direct contractual relationship between financial assets and insurance contracts.

**(ii) Price risk**

Price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and/or liabilities will fluctuate because of changes in market prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual instrument or contract, or by factors affecting all similar contracts or financial instruments traded in the market. The Company's price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices.

The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk

**(iii) Operational risk**

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education and assessment processes, including the use of internal audit.

Business risks such as changes in environment, technologv and the industrv are monitored through the Companv's strategic planning and budgeting process.

**Credit risk**

Credit risk is the risk that one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a party by failing to discharge an obligation.

The Company's asset liability management policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and

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breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. It is the Company's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments. Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of default. The nature of the Company's exposure to credit risk and its objectives, policies and processes used to manage and measure the risks have not changed from the previous period.

**5.3. Capital management objectives, policies and approach**

The Company is in the initial stages of operations and considering the company is in higher growth phase there will be timely infusion of Capital according to the business plan.

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. An important aspect of the Company's overall capital management process is the setting of target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Company is focused on the creation of value for shareholders.

The source of capital used by the Company is equity. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

**5.4. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

**5.4.1 Financial assets**

**Classification**

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not valued at fair value through profit or loss, are added to the fair value of underlying asset on initial recognition.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVTOCI) – debt investment; FVOCI – equity investment; or Fair value through profit or loss (FVTPL).

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Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company classifies its financial assets in the above-mentioned categories based on:

- the Company's business model for managing financial assets, and
- the contractual cash flow characteristics of the financial asset.

**Measurement**

**Financial assets measured at amortized cost**

A financial asset that is a debt instrument is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold the same in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Amortized cost of a financial asset means the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest rate method.

These assets are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. The effective interest rate amortization is included in finance income in profit or loss. The losses arising from impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

**Financial assets measured at FVTOCI**

A financial asset that is a debt instrument is measured at FVTOCI if both of the following conditions are met and is not designated as at FVTPL:

- the financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value are recognized in Other Comprehensive Income(OCI). On de-recognition, the cumulative gains or losses previously accumulated in OCI are reclassified to profit or loss. The transaction costs are amortized to profit or loss using the effective interest method. The losses arising from impairment are recognized in OCI and shall not reduce the carrying amount of the financial asset in the balance sheet.

**Financial assets measured at FVTPL**






A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVOCI. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as "accounting mismatch"). The transaction costs directly attributable to the acquisition of financial assets at FVTPL are immediately recognized in profit or loss. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers financial assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of such transferred assets, the transferred assets are not derecognized.

**5.4.2 Financial liabilities**

**Classification**

On initial recognition, financial liabilities are classified as measured at amortized cost or FVTPL.

**Measurement**

**Financial liabilities measured at amortized cost**

After initial measurement, financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the Statement of Profit and Loss. Any gain or loss on de-recognition is recognized in the Statement of Profit and Loss.

**Financial liabilities measured at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or derivative financial liabilities or financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Any gain or loss on de-recognition is recognized in the Statement of Profit and Loss. The Company has not designated any financial liability as fair value through profit and loss.

**Derecognition**

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Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**5.4.3 Impairment**

**Financial assets** - The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at FVTPL.

Expected credit losses are measured through a loss allowance at an amount equal to

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

**Non-financial assets** - Non-financial assets are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ("CGU") to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

**5.5. Leases**

The Company's lease asset classes primarily consist of leases for buildings. The Company as a lessee, at the inception of a contract, assesses whether the contract is a lease or not lease.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

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The Company recognizes right-of-use asset(ROU) and a lease liability at the lease commencement date except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The ROU asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset. ROU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. The Company applies Ind AS 36, Impairment of Assets to determine whether an ROU asset is impaired and accounts for any identified impairment loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments include fixed payments, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease lability is remeasured in this way, a corresponding adjustment is made to carrying amount of the ROU asset or is recorded in the Statement of Profit and Loss if the carrying value of the ROU asset has been reduced to zero.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the ROU asset, and finance cost for interest accrued on lease liability.

Leases, except short-term leases (12 months or less) and low-value asset leases, are recognized as right-of-use assets and lease liabilities at the present value of lease payments. The Company has adopted the full retrospective approach, with comparatives restated. Short-term and low-value leases are expensed as incurred.






**5.6. Operating expenses relating to insurance business: basis of allocation and apportionment of expenditure to various segments of business**

**Directly attributable - Acquisition Cashflows:**

The Company has applied a systematic and rational method to include insurance acquisition cash flows in the measurement of groups:

- if they are directly attributable to a group of contracts, then it allocates them to that group of insurance contracts; and
- if they are directly attributable to a portfolio of contracts, but not to a group of contracts or individual contracts, then it allocates them to existing groups within that portfolio.

**Other noteworthy points in the determination of insurance acquisition cash flows are as follows:**

- Such costs pertain to both successful and unsuccessful efforts.
- operating expenses (i.e., direct costs and indirect costs) that can be directly attributed to a portfolio of insurance contracts.
- Costs that are incurred as consequences of the sale of insurance contracts are not acquisition expenses.

**Directly attributable - Other fulfilment cash flows (non-acquisition cash flows):**

To the extent the directly attributable fulfilment cash flows are not allocated as acquisition cash flows, the Company has considered such cash flows 'other directly attributable maintenance cash flows'.

Such maintenance cash flows, outside of those associated with claims, are required to be systematically allocated to groups of insurance contracts.

**Non-directly attributable cash flows:**

Non-directly attributable cash flows include expenses which are not directly attributable at a group or portfolio level.

**5.7. Transition approach**

The Company adopted Ind AS 117, Insurance Contracts, with effect from 1 April 2026. The transition date for the purpose of applying Ind AS 117 is 1 April 2025, being the beginning of the comparative reporting period.

The Company has applied Ind AS 117 retrospectively using the full-retrospective approach as the Company has started its commercial operations from October 2024 onwards. The cumulative effect of adopting Ind AS 117 was recognized in opening equity as at 1 April 2025.

**5.8. Taxation including impact due to change in Accounting Policy/ Adoption of Ind AS**

The Company has recognised Deferred Tax Assets ("DTA") on carried forward tax losses and unabsorbed depreciation to the extent of Deferred Tax Liabilities arising from taxable temporary differences, in accordance with the applicable requirements under the Indian GAAP accounting standards and Ind AS. No DTA has been recognised in excess of such DTL, as recognition of DTA relating to tax losses is subject to the availability of virtual certainty supported by convincing evidence under Indian GAAP and probable future taxable profits under Ind AS against which such losses can be utilised. Accordingly, on transition to Ind AS as at April 2025 and as at March 31, 2026, the Company

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has continued to restrict recognition of DTA on carried forward losses to the extent supported by the corresponding DTL, with no additional DTA recognised in the absence of sufficient convincing evidence/probable future taxable profits.

**5.9. Any departure from the accounting policies required by Ind AS shall be separately disclosed with reasons for such departure**

The Company has complied with all applicable accounting policies prescribed under Ind AS. Accordingly, there have been no departures requiring separate disclosure during the reporting period.

**5.10. Any changes in the assumptions from the previous Ind AS Financial Statements shall be specified along with the justification and its financial impact**

The Company has prepared its first Ind AS financial statements from the current reporting period. Hence, this is not applicable.

**5.11. Significant judgements and estimates**

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is stated below:

i) Classification of financial assets: Assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest (SPPI) on the principal amount outstanding

ii) Classification of insurance, reinsurance and investment contracts: Assessing whether the contract transfers significant insurance risk.

iii) Level of aggregation of insurance and reinsurance contracts: Identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently

iv) Whether the arrangement contains lease; determination of lease term, reasonable certainty of the option to exercise the renewal option and lease classification.

v) Measurement of insurance and reinsurance contracts: Determining the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract

**Estimates**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included is stated below:

i) Useful lives of PPE

ii) Determination of effective interest rate for discounting of security deposits

iii) Determination of effective interest rate for fair valuation of employee loan

iv) Impairment of financial assets: The ECL has been computed using Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).






PD is determined based on the rating of the underlying instruments as published in CRISIL Default and rating transition study. Considering the nature of the investment assets, the Company has adopted LGD assumptions aligned with RBI prudential guidelines. RBI-aligned benchmarks provide a conservative and widely accepted regulatory basis reflecting expected recoverability. Therefore, a minimum LGD of 65% prescribed for unsecured exposure has been considered. EAD represents the exposure expected to be outstanding at the time of default. For investment instruments, EAD has been considered as the gross carrying amount as at the reporting date, given the absence of undrawn commitments or off-balance-sheet exposures. The carrying value of the investment is therefore used as EAD.

The ECL recognized represents a prudent and Ind AS 109 compliant estimates of expected credit losses. The assumptions and methodology adopted represent the credit risk of underlying investments held by the Company.

The ECL methodology is consistent with Ind AS 109 requirements for probability-weighted estimation of expected credit losses using reasonable and supportable information.

v) measurement of the fair value of financial instruments

vi) Defined benefit plan - The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. The key assumptions pertain to discount rate, salary growth rate, attrition rate, mortality rate, normal retirement age, retirement age for employees aged above 60 years.

vii) Recognition of deferred tax assets: Availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be used; and

viii) Assumptions about claims development

ix) Assumptions about discount rates, including any illiquidity premiums

**5.12. Property plant and equipment**

**Recognition and measurement**

PPE are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use, and estimated costs of dismantling.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognized in the Statement of Profit and Loss as and when incurred.

**Depreciation**

Depreciation is calculated on the cost of item of PPE less their estimated residual value. Depreciation is recognized in Statement of Profit and Loss on a straight line method over the estimated useful life of an item of PPE. Depreciation of an asset begins when it is ready for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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The estimated useful life of items of PPE are reviewed and where appropriate are adjusted, annually. The estimated useful lives of items of PPE for the current and comparative period are as follows:

| Sl.No | Asset category | Management estimate of useful life in years |
|---|---|---|
| 1 | Furniture & Fittings | 3 |
| 2 | Information Technology Equipment | |
| a) | Server & Network | 5 |
| b) | Computers and Peripherals | 3 |
| c) | Others | 3 |
| 3 | Vehicles | 5 |
| 4 | Office Equipment | 3 |
| 5 | Improvement to Leasehold premises | 5 years or remaining lease period whichever is lower |

**Derecognition**

PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sale proceeds and the carrying amount of the asset as at the date of de-recognition and is recognized in the Statement of Profit and Loss.

**5.13. Intangible assets**

**Recognition and measurement**

The company's intangible assets consist of software and licenses Intangible assets are carried at cost of acquisition or development less accumulated amortization and/or accumulated impairment loss, if any.

**Amortization of intangible assets**

The Company amortized intangible assets over their estimated useful lives using the straight line method. Software is generally amortized on a straight line basis over a period of 3 years. Software licenses are amortized over license period or 5 years whichever is lower. Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**5.14. Capital work in progress**

Capital work-in progress (CWIP) comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period. CWIP is measured at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

The cost of CWIP shall be recognized as an asset only if the recognition criteria are met. CWIP is derecognized when the construction and installation are complete and the asset is ready for its intended use. CWIP is not depreciated until it is available for intended use.

**5.15. Income tax**

Income tax comprises current and deferred tax. Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income

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or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**Current tax:** Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 2025 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The Company offsets current tax assets and current tax liabilities when there is a legally enforceable right to set off the recognized amounts, and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**Deferred tax:** Deferred taxes reflect the impact of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date and are expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a ROU asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognizing deferred tax.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which such deferred tax assets can be used. The carrying amount of deferred tax assets is reviewed at each reporting date and is recognized and reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

**5.16. Employee benefits**

Employee benefits include Salaries, wages, bonus, incentives, contribution to provident fund, gratuity and leave encashment.

**Short-term employee benefits** - Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the year in which the employees render the related services. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**Defined contribution plans** - A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to separate fund and will have no further legal or constructive obligation once the contributions have been paid. The Company makes specified monthly

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contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the Statement of Profit and Loss in the year during which the related services are rendered by employees.

**Defined benefit plans -** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under the Company's Gratuity Scheme.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the Projected Unit Credit ("PUC") method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized in OCI. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.

**Other long-term employee benefits -** The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods or receive cash at retirement or termination of employment.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

**5.17. Foreign currency transactions**

Transactions in foreign currency are translated into the respective functional currency using the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign exchange gains and losses are recognized in the Statement of Profit and Loss and reported within foreign exchange gains/(losses), net under other income.

**5.18. Provisions (other than for employee benefits), contingent liabilities and contingent assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

**5.19. Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

**5.20. Segment information**

The Company operates Health segment business with further subsegments health, personal accident which are part of Health Segment.

There are no reportable geographical segments since the Company provides services only to the customers in the Indian market and does not distinguish any reportable regions within India.

**5.21. Fair value measurement**

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

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The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as investments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**5.22. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**5.23. Statement of cashflows**

Cash flows are reported using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed. The cash flows from operating, investing and financing activities of the Company are segregated.






## 6. Notes to accounts

### 6.1 Contingent liabilities

| Particulars | As At 30th June 2026 | As At 31st March 2026 |
|---|---|---|
| Partly paid-up investments | NIL | NIL |
| Underwriting commitments outstanding | NIL | NIL |
| Claims, other than those under policies, not acknowledged as debts | NIL | NIL |
| Statutory demands/liabilities in dispute, not provided for | NIL | NIL |
| Reinsurance obligations to the extent not provided for in accounts | NIL | NIL |

**Notes and other matters:**

### 6.2 Encumbrances to assets of the Company in and outside India

All the assets of the company are free from any encumbrances – NIL as at 30th Jun 2026 (NIL – as at 31st March 2026)

### 6.3 Commitments made and outstanding for Loans, Investments and Fixed Assets

| Particulars | As At 30th June 2026 | As At 31st March 2026 |
|---|---|---|
| Commitments made and outstanding for Loans and Investments | NIL | NIL |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 676.39 | 668.79 |

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**6.4 Investments**

**6.4. Classification and fair values of financial assets & liabilities**

**Financial assets as at 30 June 2026**

**Carrying value by measurement category and fair value hierarchy**

| Particulars | Carrying value | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| | FVTOCI equity instruments | FVTOCI – debt instruments | FVTPL equity instruments | FVTPL debt instruments | Amortiz -ed cost | Level 1 | Level 2 | Level 3 | Total fair value |
| Government securities | - | 15,462 | - | - | - | 15,462 | - | - | **15,462** |
| Debt securities | - | 1,993 | - | - | 4,457 | 1,993 | - | - | **1,993** |
| Equity instruments | 500 | - | - | - | - | - | - | 500 | **500** |
| Mutual funds | - | - | 646 | - | - | 646 | - | - | **646** |
| Investments in infrastructure and housing | - | 3,852 | - | - | 4,088 | 3,852 | - | - | **3,852** |
| TREPs | - | - | - | - | 100 | - | - | - | - |
| Fixed deposit | - | - | - | - | - | - | - | - | - |

**Financial assets as at 31 March 2026**

**Carrying value by measurement category and fair value hierarchy**

| Particulars | Carrying value | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|
| | FVTOCI equity instruments | FVTOCI – debt instruments | FVTPL equity instruments | FVTPL debt instruments | Amortiz -ed cost | Level 1 | Level 2 | Level 3 | Total fair value |
| Government securities | - | 14,954 | - | - | - | 14,954 | - | - | **14,954** |
| Debt securities | - | 1,096 | - | - | 4,512 | 1,096 | - | - | **1,096** |
| Equity instruments | 500 | - | - | - | - | - | - | 500 | **500** |
| Mutual funds | - | - | 1,680 | - | - | 1,680 | - | - | **1,680** |
| Investments in infrastructure and housing | - | 3,839 | - | - | 4,201 | 3,839 | - | - | **3,839** |
| TREPs | - | - | - | - | 265 | - | - | - | - |
| Fixed deposit | - | - | - | - | 825 | - | - | - | - |

**Note** – No other financial assets and financial liabilities of the Company are measured at fair value

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### 6.5 Earnings per share

| Particulars | As At 30th June 2026 | As At 31st March 2026 |
|---|---|---|
| Net Profit/ (Loss) Attributable to Equity Shareholders (Rs.in Lakhs) | (2,578) | (8,603) |
| Weighted Average No. of Equity Shares Issued for Basic EPS (in numbers) | 40,02,50,000 | 30,18,93,836 |
| Weighted Average No. of Equity Shares Issued for Diluted EPS (in numbers) | 40,02,50,000 | 30,18,93,836 |
| Basic Earnings Per Share (in Rs.) | (0.64) | (2.85) |
| Diluted Earnings Per Share (in Rs. | (0.64) | (2.85) |
| Nominal Value Per Share (in Rs.) | 10.00 | 10.00 |

### 6.6 First time adoption of Ind AS

#### 6.6.1 Transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2025, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 5 have been applied in preparing the financial statements for the quarter ended 30 June 2026 including the comparative information for the quarter ended 30 June 2025 and the opening Ind AS balance sheet on the date of transition i.e. 01 April 2025.

In preparing its Ind AS Balance Sheet as at 01 April 2025 and in presenting the comparative information for the quarter ended 30 June 2025, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

**Exemptions and exceptions availed**

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

**A) Ind AS optional exemptions availed**

**Property plant and equipment and intangible assets**

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets.

**Leases**

Leases except short-term leases (12 months or less) and low-value assets are recognized as right-of-use assets and lease liabilities at the present value of lease payments. As per Ind AS 101, on transition the Company has applied full retrospective approach with comparatives restated. Short-term and low-value assets are expenses as incurred.

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**B) Ind AS mandatory exceptions**

**Estimates**

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS and at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

i) Impairment of financial assets based on the expected credit loss model.
ii) Determination of the discounted value for financial instruments carried at amortized cost.

**Classification and measurement of financial assets**

The Company has classified financial assets as measured at amortized cost, FVTPL, FVTOCI based on the facts and circumstances existing at the date of transition. Further, the standard permits measurement of financial assets accounted for at amortized cost to be based on facts and circumstances existing at the date of transition where retrospective application of the effective interest method is impracticable. The Company has not availed of this impracticability exception; measurement of financial assets accounted for at amortized cost has been done retrospectively, using the effective interest method from the date of initial recognition of the respective financial assets.

**Fair value measurement of financial assets and financial liabilities at initial recognition**

As per Para D20 of Ind AS 101, an entity may apply the requirements in paragraph B5.1.2A (b) of Ind AS 109, Financial Instruments, prospectively to transactions entered into on or after the date of transition to Ind ASs.

**Derecognition of financial assets and liabilities**

As per Ind AS 101, an entity should apply the derecognition requirement in Ind AS 109, Financial Instruments, prospectively for transition occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirement retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

Accordingly, the Company has opted to apply derecognition requirement prospectively for transaction occurring on or after the date of transition.

**Impairment of financial assets**

Ind AS 101 requires impairment requirement as per Ind AS 109 to be applied retrospectively. If at the date of transition to Ind AS, the entity expects that it will incur undue costs and efforts in assessing credit risk, an amount equal to life-time credit loss should be recognized at each reporting date till derecognition of such asset.

Accordingly, the Company has determined to recognize impairment provision based on lifetime expected losses on the date of transition to Ind AS.

N.C. RAJAGOPAL & CO. No.22, Krishnaswamy Avenue, Mylapore Chennai-600004. Chartered Accountants

RAJAGOPAL & BADRINARAYANAN ICAI Regn: 003024S Chennai 2461 2525 Chartered Accountants

### 6.6.2 Transition to Ind AS - Reconciliations between previous GAAP and Ind AS.

As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under previous GAAP and Ind AS is as under:

Amount in Lacs

| Particulars | Quarter ended June 30, 2026 | Quarter ended June 30, 2025 | Year ended March 31, 2026 |
|---|---|---|---|
| **(Loss)/Income as per I GAAP Accounts** | (3,474) | (2,450) | (10,325) |
| **Add/Less:** | | | |
| IND AS 109 Adjustments | 5 | 1 | 2 |
| IND AS 116 Adjustments | 9 | (6) | (1) |
| IND AS 19 Adjustments | 8 | - | (98) |
| IND AS 117 Adjustments | 639 | 509 | 2,159 |
| **Total GAAP Adjustments** | 661 | 504 | 2,062 |
| **(Loss)/Income as per IND AS Financials** | **(2,813)** | **(1,946)** | **(8,263)** |






As required by paragraph 32 of Ind AS 101, equity reconciliation between the figures reported under previous GAAP and Ind AS is as under:

**Amount in Lacs**

| Particulars | As at 30 June, 2026 | As at 31 Mar, 2026 | As at 01 Apr,2025 |
|---|---|---|---|
| **Net Worth as per I GAAP Accounts** | 20,323 | 23,797 | 24,122 |
| **Add/Less:** | | | |
| IND AS 109 Adjustments | 355 | 115 | 484 |
| IND AS 116 Adjustments | (19) | (28) | (27) |
| IND AS 117 Adjustments | 3,095 | 2,455 | 297 |
| IND AS 19 Adjustments | (60) | (68) | - |
| **Total GAAP Adjustments** | 3,371 | 2,474 | 754 |
| **Net worth as per IND AS Financials** | **23,694** | **26,271** | **24,876** |

As per our report of even date attached
For Rajagopal & Badri Narayanan
Chartered Accountants
Firm Reg No. : 003024S

P S Prabhakar
Partner
M.No. : 020909
UDIN: 26020909MBYLB04417

For N.C.Rajagopal & Co.,
Chartered Accountants
Firm Reg No. : 003398S

V. Chandrasekaran
Partner
M.No. : 0024844
UDIN : 26024844TAKNFF1151

For And on Behalf of Board of Directors

Dr. Sai Satish
Chairman
DIN: 05203296

G. Srinivasan
MD&CEO
DIN: 01876234

L. Ravi Sankar
Director
DIN: 00185931

N. Hari Krishnan
Chief Financial Officer

Dharani
Company Secretary