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INDEPENDENT AUDITORS’ REPORT

To the Chief Executive Officer of Swiss Reinsurance Company Limited – India Branch

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Swiss Reinsurance Company Limited – India Branch** (“the Branch” or “the Entity”), which comprise the Balance Sheet as at 31 March 2023, the related Revenue Account, the related Profit and Loss Account, and the Receipt and Payments Account for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required in accordance with the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act 2015 (the “Insurance Act”), the Insurance Regulatory Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd’s) Regulations, 2015 (the “IRDA Indian Branch Regulation”), Insurance Regulatory and Development Act, 1999 (the “IRDA Act”), and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations 2002 (the “IRDA Financial Statements Regulations”), Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) (First Amendment) Regulations, 2021, the Orders/ Directions issued by the Insurance Regulatory and Development Authority of India (the “IRDAI”/ “Authority”) in this regard, and the Companies Act, 2013 (the “Act”), to the extent applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Branch as at 31 March 2023, its surplus, its profit and its receipts and payments for the year ended on that date.

Basis for Opinion

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

INDEPENDENT AUDITORS' REPORT *(Continued)*

Swiss Reinsurance Company Limited – India Branch

Emphasis of matter

We draw your attention to Schedule 16 – Note 25 to the financial statements, which describes the economic consequences the Branch is facing as a result of Covid-19 and which is impacting the financial and insurance markets. The extent to which the Covid-19 pandemic will have an impact on the Branch's financial performance is dependent on the future developments, which are highly uncertain.

We draw your attention to Schedule 16 – Note 32 to the financial statements, which describes the impact of circular issued by IRDA (relating to Accounting of Premium, claims and related expenses on estimation) on the financial statements (including consequent change in accounting policy) of the Branch for the year ended 31 March 2023.

Our opinion is not modified in respect of these matters

Other Information

The Branch's management and Executive Committee are responsible for the other information. The other information comprises of Management Report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Managements and Branch Executive Committees' Responsibility for the Financial Statements

The Management and Branch Executive Committee are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, net surplus, profit/loss and receipts and payments of the Branch in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, the IRDA Indian Branch Regulation, the IRDA Act, the IRDA Financial Statements Regulations, Order/ Directions issued by the IRDAI in this regard and the Accounting Standards specified under section 133 of the Act, to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Branch and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (*Continued*)

Swiss Reinsurance Company Limited – India Branch

In preparing the financial statements, the Management and Branch Executive Committee are responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

The Branch Executive Committee is also responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Branch has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and the Branch Executive Committee.
- Conclude on the appropriateness of the Management and Branch Executive Committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT (*Continued*)

Swiss Reinsurance Company Limited – India Branch

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

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

Other Matters

The actuarial valuation of non-life segment liabilities in respect Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) and actuarial valuation of life segment liabilities in respect of IBNR, IBNER and Unexpired Risk Reserve is the responsibility of the Branch's Signing Actuaries. The Branch's Signing Actuaries have duly certified the actuarial valuation of these liabilities as at 31 March 2023. The Branch's Signing Actuaries have also certified in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Actuarial Society of India in concurrence with IRDAI. We have relied on the Branch's Signing Actuaries certificates in this regard.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the IRDA Financial Statements Regulations, we give Annexure B dated 13 July 2023, a statement certifying the matters specified in paragraph 3 and 4 of Schedule C to IRDA Financial Statements Regulations.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the back-up of general ledger and core re-insurance transaction systems which form part of the 'books of account and other relevant books and papers in electronic mode' have not been maintained on the servers physically located in India. The Branch maintains the back up of its general ledger on a quarterly basis in India on servers physically located in India.
 - c) The Branch's financial account system is centralised and the Branch does not have any branches and other offices;
 - d) The Balance sheet, the Revenue Account, the Profit and Loss Account and the Receipt and Payment Account dealt with by this Report are in agreement with the books of account;

INDEPENDENT AUDITORS' REPORT *(Continued)*

Swiss Reinsurance Company Limited – India Branch

- e) The actuarial valuation of non-life segment liabilities in respect Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) and actuarial valuation of life segment liabilities in respect of IBNR, IBNER and Unexpired Risk Reserve is duly certified by the Branch's Signing Actuaries. The Branch's Signing Actuaries have also certified in their opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Actuarial Society of India in concurrence with IRDAI;
- f) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards referred to in Section 133 of the Act, to the extent they are not inconsistent with the accounting principles prescribed in IRDA Financial Statements Regulations and Orders / Directions issued by the IRDAI in this regard;
- g) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statement Regulations and orders / directions issued by IRDAI in this regard;
- h) In our opinion, the accounting policies selected by the Branch are appropriate and are in compliance with the Accounting Standards specified under section 133 of the Act, to the extent they are not inconsistent with the accounting principles prescribed in IRDA Financial Statements Regulations and Orders / Directions issued by the IRDAI in this regard;
- i) The requirements of Section 164(2) of the Act are not applicable considering the Entity is a Branch of Swiss Reinsurance Company Limited incorporated in Zurich.
- j) With respect to the adequacy of the internal financial controls with reference to financial statements of the Branch and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- k) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Branch does not have any pending litigations as at 31 March 2023 which would impact its financial position – Refer Schedule 16 Note 3 to the financial statements;
 - ii. The Branch has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Branch does not have any derivative contracts. Refer Schedule 16 Note 20 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Branch;

INDEPENDENT AUDITORS' REPORT *(Continued)*

Swiss Reinsurance Company Limited – India Branch

- iv. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Branch to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Branch; or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Branch from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Branch shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) contain any material misstatement.

- v. The requirements of declaring dividend or to pay dividend is not applicable considering the Entity is a Branch of Swiss Reinsurance Company Limited incorporated in Zurich.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable

INDEPENDENT AUDITORS' REPORT (*Continued*)

Swiss Reinsurance Company Limited – India Branch

3. With respect to the matters to be included in the Auditors' Report, in terms of requirements of section 197(16) of the Act, in our opinion and according to the information and explanation given to us, the managerial remuneration payable by the Branch to its Chief Executive Officer is governed by the provisions of Section 34A of the Insurance Act and requires approval of IRDAI. Accordingly, the managerial remuneration limits specified under section 197 of the Act, do not apply.

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

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Pranav Gune
Partner
Membership No: 121058
UDIN: 23121058BGZCXX1279

Mumbai
13 July 2023

For **M M Nissim & Co LLP**
Chartered Accountants
Firm Registration No: 107112W/W100672

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Varun P. Kothari
Partner
Membership No: 115089
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Mumbai
13 July 2023

Annexure A to the Independent Auditors' report on the financial statements of Swiss Reinsurance Company Limited- India Branch for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Swiss Reinsurance Company Limited- India Branch ("the Branch") as of 31 March 2023 in conjunction with our audit of the financial statements of the Branch for the year ended on that date.

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

Management's Responsibility for Internal Financial Controls

The Branch's management and Branch Executive Committee are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Branch considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Branch's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Branch's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Branch's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A Branch's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Branch's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Branch; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Branch are being made only in accordance with authorisations of management and Executive Committee of the Branch ; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Branch's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

Other Matter

The actuarial valuation of non-life segment liabilities in respect Claims Incurred But Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) and actuarial valuation of life segment liabilities in respect of IBNR, IBNER and Unexpired Risk Reserve is required to be certified by the Branch's Signing Actuaries, and has been relied upon by us, as mentioned in 'Other Matter' paragraph of our audit report on the financial statements for the year ended 31 March 2023. Accordingly, our opinion on the internal financial controls with reference to the financial statements does not include reporting on the operating effectiveness of the Branch Executive Committee's internal controls over the valuation and accuracy of the aforesaid actuarial valuation. Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

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Pranav Gune

Partner

Membership No: 121058

UDIN: 23121058BGZCXX1279

Mumbai

13 July 2023

For **M M Nissim & Co LLP**

Chartered Accountants

Firm Registration No: 107112W/W100672

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Varun P. Kothari

Partner

Membership No: 115089

UDIN: 23115089BGWKAQ1649

Mumbai

13 July 2023

Independent Auditor's Certificate

Annexure B to the Independent Auditors' Report

(Referred to in paragraph [1] under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Chief Executive Officer of Swiss Reinsurance Company Limited - India Branch)

To the Chief Executive Officer of Swiss Reinsurance Company Limited - India Branch

1. This certificate is issued in accordance with the terms of our joint engagement letter dated 17 January 2023 read with Addendum dated 19 June 2023 with Swiss Reinsurance Company Limited – India Branch (the “Branch”).
2. This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C read with regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the “IRDA Financial Statement Regulations”).

Management's Responsibility

3. The Branch's Executive Committee is responsible for complying with the provisions of The Insurance Act, 1938 (amended by Insurance Laws (Amendment) Act 2015) (the “Insurance Act”), the Insurance Regulatory Development Authority of India (Registration and Operations of Branch Offices of Foreign Reinsurers other than Lloyd's) Regulations, 2015 (the “IRDA Indian Branch Regulations”), the Insurance Regulatory and Development Authority Act, 1999 (the “IRDA Act”), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the “IRDA Financial Statements Regulations”), orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (the “IRDAI”) which includes preparation and maintenance of books of accounts and Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring the aforesaid and applying an appropriate basis of preparation that are reasonable in the circumstances and providing all relevant information to the IRDAI.

Auditor's Responsibility

4. Pursuant to the requirements of the IRDA Financial Statements Regulations, it is our responsibility to obtain reasonable assurance and form an opinion based on our audit and examination of books of accounts and other records maintained by the Branch as to whether the Branch has complied with the matters contained in paragraphs 3 and 4 of Schedule C read with Regulation 3 of IRDA Financial Statements Regulations as of and for the year ended 31 March 2023.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the ‘Guidance Note’) issued by the Institute of Chartered Accountants of India (the ‘ICAI’). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Independent Auditor's Certificate (continued)

Opinion

7. In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our joint audit and our examination of the books of account and other records maintained by the Branch for the year ended 31 March 2023, we certify that:
- We have reviewed the Management Report attached to the financial statements for year ended 31 March 2023, and on the basis of our review, there is no apparent mistake or material inconsistencies in the Management Report read with the financial statements;
 - Based on management representations related to the Branch complying with the conditions of registration and the same being noted by the Executive Committee, nothing has come to our attention that causes us to believe that the Branch has not complied with the terms and conditions of registration as stipulated by the IRDAI
 - We have verified the securities relating to the Branch's investments as at 31 March 2023, on the basis of confirmations received from the custodian appointed by the Branch. As at 31 March 2023, the Branch has no cash balances, loans, reversions and life interests;
 - The Branch is not the trustee of any trust; and
 - No part of the assets of the Policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' funds.

Restriction of use

This certificate is issued at the request of the Branch, solely to comply with the provisions of paragraphs 3 and 4 of Schedule C read with regulation 3 of the IRDA Financial Statements Regulations and is not intended to be and should not be used for any other purpose without our prior consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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Pranav Gune

Partner

Membership No: 121058

UDIN: 23121058BGZCXX1279

Mumbai

13 July 2023

For **M M Nissim & Co LLP**

Chartered Accountants

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Partner

Membership No: 115089

UDIN: 23115089BGWKAQ1649

Mumbai

13 July 2023

MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

In accordance with Part IV of Schedule B of the Insurance Regulatory and Development Authority ('IRDAI') (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted for the financial year ended March 31, 2023:

1. Certificate of Registration

The Certificate of Registration under Section 3 of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015) granted by IRDAI on December 21, 2016 is valid at March 31, 2023 and as on the date of this report.

2. Statutory Dues Payable

We hereby certify that all the statutory dues payable has generally been duly paid.

3. Shareholding Pattern

We are a branch of a foreign reinsurer; the said clause is not applicable to the Branch.

4. Investments outside India

We hereby declare that no investments, directly or indirectly have been made outside India from the funds of the holders of policies issued in India.

5. Solvency Margin

We hereby declare that the required solvency margin under the Insurance Act, 1938 has been maintained.

6. Valuation of Assets in Balance Sheet

We certify that the values of all assets have been reviewed on the date of the Balance Sheet and to best of our knowledge and belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings – “ Investments”, “Outstanding Premiums”, “Income accrued on interest”, “Due from other entities carrying on insurance business (including reinsurers)”, “ Cash and Bank balances” and the several items specified under “Advances recoverable”.

7. Risk Management

Swiss Re India Branch adopts and complies with Swiss Re Group Risk Policy and Group Risk Management Standards. Swiss Re India Branch also complies with corporate governance and risk management requirements stipulated by local regulations.

The Swiss Re Group operates within a clearly defined risk policy and risk control framework. The Risk Management Framework sets out how the Group organizes and applies its risk

management practices to ensure that all corporate activities are conducted according to the principles outlined in the Group Risk Policy.

The Group Risk Policy is defined by the Group Board and articulates Swiss Re's risk appetite framework (risk appetite and tolerance) as well as fundamental risk and capital structure principles. The Group Risk Management Standards outline how the Group organises and applies its risk management practices.

Risk Landscape

Swiss Re is exposed to a broad landscape of risks either via active risk taking as part of insurance or asset management operations or passively through its business operations. Swiss Re organises the universe of risks to which it is exposed in so called risk categories. The key risk categories include Property and Casualty, Life and Health, Financial, Liquidity, Operational and Regulatory risk. Additionally, there are some risks that Swiss Re identifies and manages across risk categories including Reputational risk, Emerging risk, and Strategy risk.

The Group Risk Management Standards are supplemented by specific risk category standards for the key risks that describe how risk practices are implemented for specific risk category.

Key Risk Management Principles

The Risk Management Framework of Swiss Re Group is designed to promote four key principles:

- Controlled risk-taking – Financial strength and sustainable value creation are central to Swiss Re's value proposition. The Group thus operates within a clearly defined risk policy and risk control framework.
- Clear accountability – Swiss Re's operations are based on the principle of delegated and clearly defined authority. Individuals are accountable for the risks they take on, and their incentives are aligned with Swiss Re's overall business objectives.
- Independent risk controlling – Dedicated units within Risk Management monitor risk-taking activities.
- Transparency – Risk transparency, knowledge sharing and responsiveness to change are integral to the risk control process. The central goal of risk transparency is to create culture of mutual trust and reduce the likelihood of surprises regarding the source and potential magnitude of losses.

These principles underpin a strong risk culture fostered and maintained by Swiss Re across the Group to promote risk awareness and support appropriate attitudes and behaviours towards risk taking and risk management.

Three lines of control

In line with the principle of independent risk controlling, Swiss Re organizes risk controlling along three lines, with progressive levels of independence. This approach is designed to achieve a strong, coherent, and Group-wide risk culture built on the principles of ownership and accountability.

- The first line comprises the day-to-day risk control activities performed by risk takers in the business as well as in corporate functions, including proactive identification of risks, as well as establishing and operating an effective control system.
- Independent oversight performed by the Risk Management and Compliance functions represents the second line of control.
- The third line consists of independent audits of processes and procedures carried out by Group Internal Audit or by external auditors.

Risk control framework

The risk control framework used across Swiss Re Group operationalizes the Group Risk Policy and defines key tasks, which are the core components of Swiss Re's risk management cycle and which apply to all risks that Swiss Re actively assumes or is exposed to through its operations. These are set out in the Group Risk Management Standards and include:

- Risk oversight of planning, to understand risk implications of the business plan and assumptions used;
- Risk identification, to ensure risks to which Swiss Re is exposed are transparent and so more controllable and manageable;
- Risk exposure control, including capital adequacy targets, risk capacity limits and clearly established authorities for taking risk;
- Risk measurement, to aggregate risk exposures and understand the magnitude of risk relative to limits;
- Risk reporting, to create internal risk transparency and meet external disclosure requirements;
- Model and tool assurance, to ensure use of these is based on sound concepts and produces accurate results given the stated purpose;
- Valuation assurance, to ensure appropriate valuation within price verification, reserve values and EVM reporting; and
- Business Risk Review, to identify improvements to the Risk Management Framework, and promote excellence, with respect to control activities for underwriting, costing/pricing, and claims management.

Risk Appetite Framework

The risk appetite framework establishes the overall approach through which Swiss Re practices controlled risk-taking throughout the Group. The framework is set out in the Group Risk Policy and consists of two interlinked components: risk appetite and risk tolerance. In

the context of business strategy and planning, the risk appetite statement facilitates discussions about where and how Swiss Re should deploy its capital, liquidity, and other resources under a risk-return view, while the risk tolerance sets clear boundaries to risk-taking.

Swiss Re India Branch fully adopts Group's principles and stated roles and responsibilities in relation to acceptable risks and key directions for risk taking and controlling as part of implementing Swiss Re's strategy.

Organization of Risk Management function

The Board of Directors of Swiss Re Group is ultimately responsible for Swiss Re's overall risk governance principles and policies. The Group Board of Directors has delegated various risk management responsibilities to the Group Chief Risk Officer (Group CRO) who leads independent Risk Management function which is responsible for risk oversight and control across Swiss Re. The Risk Management function forms an integral part of Swiss Re's business model and risk management framework. Risk management function activities are complemented by Swiss Re's Group Internal Audit and Compliance units.

Swiss Re's Risk Management function comprises central departments that provide specialised risk expertise and oversight, as well as business and legal entity level risk departments supported by dedicated CROs at business unit, legal entity, and branch level. While the Risk Management organization is closely aligned to Swiss Re's business structure, to ensure effective risk oversight, all embedded teams and CROs remain part of the Group Risk Management function under the Group CRO, thus ensuring their independence as well as a consistent Group-wide approach to overseeing and controlling risks.

8. Operations Abroad

We certify that the Branch does not operate in any other country.

9. Claims

The Branch being a reinsurer does not settle claims directly to the insured. The portion of the claims recoverable under the reinsurance obligations of the Branch are settled with the reinsured through periodical accounts statements. The position of outstanding claims is as disclosed in Schedule 2 and Schedule 2(A) of the Schedules forming part of Financial Statements.

10. Valuation of Investments

We certify that the values, as shown in the Balance Sheet, of the investment which consists of fixed income securities have been valued as per accounting policies prescribed by IRDAI. For fixed income securities, market value is based on procedure prescribed by Credit Rating Information Services of India Limited (CRISIL).

11. Review of asset quality and performance

The review of asset quality and performance is as mentioned below for Investments:

The Company's investments are in fixed income securities. The fixed income securities are approved Government securities and bonds rated AA and above. The primary aim while investing is to generate adequate return while minimizing risk. The emphasis is also on the liquidity of investments to ensure that the Company meets all its obligations related to Claims and other operations. The Company monitors the cash position on daily basis and seasonal liquidity needs are considered while planning maturities of investments in respect of all assets. None of the fixed income investments have had any delays in servicing of interest or principal amounts.

12. Payments made to parties in which Directors are interested

We certify that no payment has been made to individuals, firms, companies and organisations in which the Directors of the Branch are interested.

13. Management Responsibility Statement

We confirm that:

- a) In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed with no material departures.
- b) The management has adopted accounting policies and applied them consistently (including those specifically required by various IRDAI regulations) and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Branch at the end of the financial year and of the operating profit and net profit of the Branch for the year.
- c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and Companies Act, 2013, for safeguarding the assets of the Branch and for preventing and detecting fraud and other irregularities have been taken.
- d) The financial statements are prepared on a going concern basis.

The head office has its own group internal auditor which will extend its coverage to the India Branch as well.