

IN THE SECURITIES APPELLATE TRIBUNAL AT
MUMBAI

DATED THIS THE 11TH DAY OF SEPTEMBER, 2024

**CORAM: Justice P. S. Dinesh Kumar, Presiding Officer
Dr. Dheeraj Bhatnagar, Technical Member**

Appeal No. 05 of 2024

BETWEEN

Anmol Medicare Limited
(formerly, Anmol Medicare Insurance (TPA) Limited)
NBCC House, Opp Ahmedabad Stock Exchange,
Ambawadi,
Ahmedabad- 380 015, Gujarat ...Appellant

Mr. Abishek Venkataraman, Advocate with Mr. Robin Shah,
Advocate i/b Bodhi Legal for the Appellant.

AND

Insurance Regulatory and
Development Authority of India Limited
Sy. No. 115/1, Financial District,
Nanakramguda, Gachibowli,
Hyderabad ...Respondent

Mr. Pradeep Sancheti, Senior Advocate with Mr. Mihir Mody,
Mr. Yash Sutaria and Mr. Tushar Bansode, Advocates i/b. K
Ashar & Co. for the Respondent.

THIS APPEAL IS FILED UNDER SECTION 110 OF THE
INSURANCE ACT, 1938 ASSAILING THE ORDER DATED
JULY 04, 2024 PASSED BY THE RESPONDENT.

THIS APPEAL HAVING BEEN HEARD AND THE
TRIBUNAL MADE THE FOLLOWING:

ORDER

Per: Justice P. S. Dinesh Kumar, Presiding Officer (Oral)

Heard the learned Advocates for the parties.

2. This appeal has been filed with following prayers:
3. Brief facts of the case are, IRDAI¹ issued a show cause notice dated November 20, 2023 indicating therein certain deficiencies in compliance with the provisions of IRDAI (TPA Health Services) Regulations, 2016 by the appellant. Appellant replied to the show cause notice. After hearing the appellant, the impugned order has been passed, whereby the appellant's application for renewing TPA² license has been rejected.
4. Appellant was granted a certificate of TPA Registration on October 27, 2005. The respondent noted shortfalls during the financial year, 2021- 2022, 2022-2023 and 2023-2024 (six months), with regard to the target for the number of policies to be serviced by the appellant in terms of circular dated March 28, 2016 issued by the respondent.
5. The principal contention urged by the learned Advocate for the appellant is that in similar circumstance, in the case of *Alankit vs. IRDAI*³, this Tribunal has held that the circular dated March 28, 2016 is not mandatory but directory in nature.
6. Shri Sancheti, learned Senior Advocate adverting to the circular, pointed out that the said circular beneficially allows

¹ Insurance Regulatory & Development Authority of India Limited

² Third-Party-Administrator

³ Alankit Insurance TPA Ltd. vs. IRDAI (A.NO. 05, 2021 decided on 04.01.2022)

shortfall upto 20% target in a financial year as also provides for taking average of performance over more than one financial year. He further submitted that if an entity fails to meet with these conditions, as further relaxed by the above circular, such cases cannot be considered and hence TPA can not be renewed. He pointed out that in this case, the appellant has serviced 11,437 policies as against the target of 15000 for the 7th year, 5,725 policies as against the target of 7,500 for the 8th year. In both these two years, the deficit is more than 20%. Therefore, the appellant is not entitled for the beneficial provisions of the above circular.

7. In reply, Shri Venkataraman submitted that though admittedly, the deficit in respect of number of policies serviced is more than 20%, this Tribunal may consider the case, having regard to the fact that there is no allegation of fraud and that the appellant meets target of saving the number of lives in all the three financial years.

8. We have carefully considered the rival submissions and perused the records.

9. The renewal of certificate of registration is uniformly carried out as per the circular dated March 28, 2026. The relevant portion of the circular reads as under:

“15C Non-compliance with minimum business requirements

(6) Where a TPA does not fulfill the Minimum Business Requirement stipulated under Regulation 14 of these regulations, the Authority shall deal with the application for renewal of registration of the TPA in the following manner:

(a) Where the TPA has failed to fulfill the minimum business requirements in any of the parameters (Parameter-1) Number of policies serviced and Parameter-2 Number of lives serviced) by a margin of 20 per cent, but exceeded by a similar margin in respect of the other parameter in respect of the relevant financial year, the Authority may consider the renewal based on the reasons furnished by the TPA. For the purpose of these Regulations, any fraction shall be rounded off to the next higher integer:

***Provided** that the Authority may specify separate norms for those TPAs who are exclusively servicing the Group Health Insurance policies and the stipulation of Regulation 15(C)(6)(a) is not applicable for such TPAs.*

(b) Where a TPA has failed to fulfill the minimum business requirements in any of the parameters specified in one financial year, but has met with the norms on an average basis for the years under consideration the Authority may consider the renewal based on the reasons furnished by the TPA.

(c) Where a TPA has failed to comply with Reg. 15(C)(6)(a) or 15(C)(6)(b) of these regulations, the registration shall not be renewed.”

(Emphasis Supplied)

10. In the appellants’ case, the performance in respect of number of policies serviced and the number of lives serviced are as follows:

No. of financial year since 01-04-16	FY	No. of Policies Serviced (Parameter 1)			No. of Lives Serviced (Parameter 2)			Remarks
		Target	Actual	Status of fulfillment	Target	Actual	Status of fulfillment	
6 th year (2021-22)	2021-22	10,000	9,568	<u>No</u>	25,000	88,331	Yes	Deficit in fulfilling Parameter 1 is within 20%. However parameter 2 exceeds by more than 20%. Hence this is considered as compliance to MBR requirements for FY 21-22 as per reg. 15 (C) (6) (a).
7 th year (2022-23)	2022-23	15,000	11,437	<u>No</u>	50,000	87,991	Yes	Deficit in fulfilling Parameter 1 is more than 20%. Hence compliance to MBR requirements is not met for FY 22-23 as per reg. 15 (C) (6) (a).
8 th year (01.04.23 to 30.09.23)	2023-24 (6 months)	7,500*	5,725	<u>No</u>	25,000	39,168	Yes	Deficit in fulfilling Parameter 1 is more than 20%. Hence compliance to MBR requirements is not met for FY 23-24 as per reg. 15 (C) (6) (a).

11 The information in the above tabular form clearly shows that the deficit is more than 20% for 7th and 8th year. Clause 6(b) of the Circular read with Regulation 15(6) (a) & (b) extracted hereinabove is unambiguous to the effect that if an entity fails to fulfill the minimum business requirements in any of the parameters specified in one financial year, but has met with the norms on an average basis for the years under consideration, the Authority may consider the renewal based on the reasons furnished by the TPA. However, Clause (a) makes it clear that the deficit shall not be more than 20%. In the instant case, admittedly the deficit being more than 20% for 7 and 8th year, we

find no error in the impugned order. Therefore, appeal fails and it is accordingly dismissed. No costs.

Justice P. S. Dinesh Kumar
Presiding Officer

Dr. Dheeraj Bhatnagar
Technical Member

11.09.2024
PK