

# OUR VALUES ENABLE YOU TO PROTECT YOUR FAMILY'S HEALTH AND YOURS



Aditya Birla Health Insurance Co. Limited  
(A subsidiary of Aditya Birla Capital Ltd.)



ADITYA BIRLA  
CAPITAL

PROTECTING INVESTING FINANCING ADVISING

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# Scale. Coverage. Impact.

The three words: Scale, Coverage and Impact describe our journey so far in a rapidly growing health insurance sector in India. With a distinct go-to-market strategy that encourages all stakeholders to prioritise and embrace a healthier lifestyle, we have built a position of trust within a short span of time.

Our approach of caring for the health of our customers, employees, business partners and other stakeholders and providing health insurance as an enabler of better health has resonated well with them.

We are scaling rapidly to make further inroads into India's relatively under-tapped health insurance market. With our increased reach among Indians, we are playing an increasingly vital role in bringing more people within the ambit of health insurance. Additionally, we are also inspiring our key stakeholders to follow a healthier lifestyle. With this, we are confident of driving greater scale, coverage and creating value for all our stakeholders.



We provide our annual report online, which allows us to reduce the amount of paper we print and distribute.

## KEY HIGHLIGHTS OF FY 2019-20

▲ 76%  
**₹872 Crore**

Gross written premium

**46%**

of our retail customers started  
their health journey with us

**8.2 Million+**

Lives insured

**2,975**

Team members

**6,500+**

Hospital tie-ups

**24,900+**

Advisers



MESSAGE FROM THE CEO

# Expanding scale and outreach



**Mayank Bathwal**

Chief Executive Officer and Whole-time Director,  
Aditya Birla Health Insurance Co. Limited (ABHICL)



**Dear Stakeholders,**

Before I share my thoughts on our performance for the year and our future strategy, let me wish all of you and every member of your family the best of health and wellbeing. We are living through difficult times, as a global health crisis of unimaginable scale has taken a huge toll on our lives and livelihoods. Having said that, I will also emphasise that people have now become more aware of the importance of health and hygiene. This positive trend will go a long way in redefining the way common citizens of our nation look at health issues and the need to have health insurance.

It is my pleasure to present to you our performance for FY 2019-20. In a short span of just three years of operation, we have attained critical scale, are already providing protection to a large number of citizens, and are continuously seeking new growth territories. From lives covered to sales force and distribution network (across every channel), we have grown our reach significantly. Today, we have one of the largest third-party distribution capacities among health insurers.

## MESSAGE FROM THE CEO CONTINUED

### STEADY AND FOCUSED

Our razor-sharp focus on implementing our strategy, our endeavour to offer relevant and diverse solutions to our customers and a strong connect with our patrons were the key factors driving our growth during the year. Presence of robust processes, systems and people practices acted as strong pillars of support for our business.

It was another year of all-round growth for us. Our distinct approach of putting 'health first' in 'health insurance' and providing need-based solutions enabled us to nearly quadruple the total number of lives covered from 2.3 million in FY 2018-19 to about 8.3 million in FY 2019-20. The launch of several small ticket-size solutions also contributed towards this expansion in the number of lives covered.

A thriving distribution network enabled us to further enhance the reach and visibility of our brand. During the year, all our distribution channels functioned effectively and hence our reach grew more than three-fold from 800 cities in FY 2018-19 to over 2,000 cities in FY 2019-20. Retail premiums contributed ~72% to our total Gross Written Premium (GWP), up from 65% in the preceding year and helped further enhance the quality of our portfolio.

Overall, our emphasis on engaging with the customers, walking the long road with them and understanding their concerns continue to translate into encouraging outcomes.

During the year, we grew our GWP by 1.8 times to ₹872 Crore, up from ₹497 Crore in FY 2018-19. This fast-paced growth was accompanied by significant cost efficiencies – leading to the reduction in our combined ratio from 149% in FY 2018-19 to 134% in FY 2019-20. Consequently, our loss before tax fell to ₹241 Crore from ₹255 Crore in FY 2018-19. Overall, we are on track to achieve break-even by the last quarter of FY 2021-22.

### PARTNERING CUSTOMERS WITH EMPATHY

Our approach is to help our customers by understanding their needs and offering appropriate solutions that meet their specific needs. This helps us gain trust of our customers and lay the foundation for enduring relationships. We encourage our customers to lead a healthier life and provide them with comprehensive support (digital app, health coaching, access to a large health ecosystem and so on) for inculcating healthier practices in their daily lives. At present, nearly 46% of our retail customers have embarked on a wellness journey with us.

There is no denying that COVID-19 is still an unknown element for the future of all businesses globally. As a Company, we are fully conforming to the Government of India's safety protocols; and we also urge our customers and other stakeholders to do the same.

We have maintained our agility and responsiveness to the emerging trends and have periodically undertaken necessary changes in the way we run our operations.

To ensure availability of seamless services to policyholders, the regulator asked all insurers to maintain continuity of business operations through alternative communication modes such as telephonic and digital contact. At ABHICL, we ensured that our claims team, care managers and others worked from home in an uninterrupted manner and managed timely processing of claims. A part of our call centre team, too, worked from home to process cashless claims seamlessly.

We engaged continuously with our customers to check on their general wellbeing and offer our services, whenever required. We communicated to them that all our indemnity products, namely, Activ Health, Activ Assure and Activ Care offer hospitalisation covers, in-patient treatment, pre-hospitalisation, post-hospitalisation, and ambulance cover for COVID-19. Our Group Active Health and Group Active Secure – Hospital cash products also cover COVID-19 treatment on indemnity as well as on a fixed benefit basis. Further, we provided facilities such as 'Doctor on call', to enable seamless healthcare to our esteemed patrons during the lockdown. Thus, we remained true to our approach of being the reliable 'health partner' of our customers and continue to stand together with them during this unprecedented crisis.

### DELIVERING INDUSTRY-LEADING EXPERIENCE

Over the past three years, we have built a robust network of physical and digital channels to engage with our customers, keeping their convenience our top priority. We now service about 38% of our customers digitally (up from 20% in the preceding year). More than 90% of our sales are digitally-enabled. We provide our customers with a complete suite of digital offerings to ensure a smooth experience every time they connect with us.

We consistently strive to understand the evolving customer requirements and their aspirations and deliver bespoke solutions. During the year, we launched a new product – 'Activ Care' especially for senior citizens. This product is based on the concept of 'proactive care' instead of 'reactive care' to enable senior citizens to cope better with the uncertainties of life. We also created a new category of product in the form of a comprehensive ₹1 Crore indemnity product as a combination of a base plus super top up offerings. We looked at expanding the category to women, who are health custodians of their families and are independent, but are still not taking decisions so far as health insurance is concerned. We continue to develop other products for niche market segments, serve unique and unrecognised customer requirements and build on our solutions-focused approach. The response that we received across all our new offerings has been encouraging. Our existing products, too continued to perform well during the year.

We have adopted a 360-degree approach to motivate and enable our customers to put a health-first approach in their lives. This is also extended to our employees through the 'Vitalize' initiative. It is a platform to motivate employees to prioritise and improve their health. The philosophy of

‘Vitalize’ is based on the thought that ABHICL employees should be passionate about their own health and fitness levels and experience the differentiated proposition offered by the organisation themselves first to be able to influence consumers with conviction. Likewise, we encourage our distributors and their families to embrace a healthy lifestyle.

Despite challenges, we focused on operational excellence during the reporting year with tighter control on costs. This strategy has met with encouraging outcomes. While the overall claims ratio reduced to 59% in FY 2019-20 vis-à-vis 72% in FY 2018-19, the combined ratio dipped by 15 basis points to 134%. Cost rationalisation will continue to be a priority for us in the coming years, as it will help us enhance our liquidity buffer and strengthen our asset-light and agile business model.

We believe that our business strategies can translate into tangible outcomes only when our teams put in their determination, imagination and hard work to make that happen. This is exactly what our dedicated go-getters are doing consistently; and we continue to engage with them through various initiatives. The objective is to inculcate our culture and values in our people, so that they can energise our service spectrum.

One such initiative is ‘Teaspoon Talks’, where we have defined four groups – Young Brigade, Women, SMT members and New Joinees – who meet me over a cup of coffee, and share their thoughts and ideas on taking ABHICL to greater heights. Frankly speaking, I have been enlightened through my interactions with many teams and their insights have really helped us as a business to stay ahead of our game.

## BUILDING TEAMS AND LEADERSHIP

In this context, I would also like to mention that we have designed a ‘Millennial LT’ (LT stands for leadership team) programme to engage with a group of young, high-potential talent (35 years or below, preferably) for one year, with one representative from each function. The objective of ‘Millennial LT’ is to provide a platform for mutually benefiting interactions between the leadership team and the young millennial talent, to engage and have free-wheeling discussions with the young talent pool to understand the millennial mindset, their ideas on systems and processes, red flags as identified from their perspective, and their recommended solutions. The objective of the initiative is to build sensitivity around the larger leadership issues and concerns, and the relevant capabilities required to solve them, in addition to demonstrating new opportunities and challenges across teams.

Our teamwork is underpinned by our advanced technology capabilities, and that is a critical enabler of our growth trajectory. We have always believed that technology can take us and the entire financial services industry to the next horizon of innovation, customer outreach and service excellence. Agile and empathetic service with deep integration with healthcare service providers can be a game

changer in our industry. Our network of 6,800+ hospitals spans 800 cities; and we are relentlessly working with our healthcare providers to give customers a seamless, digitalised experience.

## PROGRESSING WITH OPTIMISM

Going forward, we will continue to strengthen our position in the micro-customer segments and launch products targeted at specific disease conditions, age profile (younger individuals), gender and so on. Also, we are planning to launch customised COVID-focused solutions to address the growing health crisis, impacting a large proportion of our population.

We will leverage our capabilities across health analytics and consumer data analytics to come out with distinct solutions that meet the needs of our customers. We endeavour to further enhance our network of agents, partner with more banks and microfinance institutions, while simultaneously maximising the potential of our existing distribution network. We are enthused to partner with the government in taking health insurance to the marginalised sections of the society by participating in schemes such as Ayushman Bharat.

Before concluding, I would like to extend my heartfelt gratitude to every member of Team ABHICL for their invaluable contribution. I am grateful to all our stakeholders, including customers, shareholders, our distribution and healthcare partners, regulator and society at large for believing in our vision and capabilities.

We are confident of maintaining our growth and leveraging our scale to expand the coverage of our operations and bring maximum impact in the lives of people across the country.

Best regards,

**Mayank Bathwal**

Chief Executive Officer and Whole-time Director,  
Aditya Birla Health Insurance Co. Limited

## AT A GLANCE

# Transforming health insurance in India

At Aditya Birla Health Insurance Company Limited (ABHICL), health of our stakeholders is at the core of whatever we do. This distinct approach has resonated extremely well with them and is helping us in transforming the face of India's health insurance sector.

Our focus is not limited to health insurance, as we serve as a catalyst to shift the mindset of Indians towards choosing healthier lifestyles.

We offer innovative health insurance products that cater to all segments of consumers. We also develop need-based products that provide our end users with a gamut of choices.

## OUR APPROACH

Putting health at the heart of health insurance for all stakeholders.



### Know Your Health

Understand your health through specially formulated online questionnaires and a series of clinical tests.



### Improve Your Health

Follow our Incentivised Wellness Programme and start becoming active.

Being active earns you Active Dayz™ which you can use to earn rewards.



### Get Rewarded

For every step you take to be healthy, we will reward you.



### Stay Protected

Comprehensive health insurance cover that ensures support for any medical event.

## LIVING OUR PURPOSE

Empowering and motivating families to prioritise their health and lead fulfilling lives.



### Our customers

Our offerings cover diverse physical and digital platforms and enable our customers to adopt a healthier life. The four broad buckets encapsulating these ways include:

- Know your health
- Improve your health
- Get rewarded
- Stay protected







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### **Our employees**

Our employee engagement programme, 'Vitalize', brings together our people to undertake varied health-oriented activities such as participation in marathons, walkathons, treks, Cricket, Football tournaments, among others.



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### **Our partners**

We conduct regular health check-up camps, professional fitness training workshops and sponsor the participation of our distributors and their families in local marathons and walkathons to direct them towards a healthy living.

## OUR PRODUCTS

# Diversified solutions

## INDEMNITY



### Activ Health: Platinum

The flagship product rewards policy holders through the HealthReturns™ programme

#### BENEFITS

- Comprehensive insurance plan
- Customers earn up to 30% of their annual policy premium as HealthReturns™. They can use the earned HealthReturns™ to pay renewal premium, or to pay for health medicines, diagnostic tests and more
- Flexibility in choice of rooms
- 527 day care procedures covered
- Day one cover for cost of medicines, diagnostic tests, and doctor consultation for chronic conditions like diabetes, hypertension, high cholesterol, and asthma under the Chronic Management Programme
- Cumulative bonus of 20% of sum insured for every claim free year. Maximum accumulation of 100% of sum insured

### Activ Care

A comprehensive plan for senior citizens providing pro-active care, when they are healthy, being treated or when they are recovering

#### BENEFITS

- Inpatient Hospitalisation Cover
- Personal health coach to monitor the wellbeing of senior citizen customers
- New to Indian market services such as nursing at home, equipment at home and hospitalisation at home



### Activ Assure: Diamond Plan

A health insurance indemnity product that incorporates ABHICL's unique HealthReturns™ programme

#### BENEFITS

- 150% reload of sum insured, for subsequent claims due to unrelated illness, maximum of ₹50 Lakh
- Covers 586 day care procedures even if hospitalisation is for less than 24 hours
- International/Domestic emergency assistance services (including air ambulance)
- Provides HealthReturns™ worth up to 30% of the premium for staying fit and healthy

### Global Health Secure

Cover for planned international hospitalisation for 16 major illnesses

#### BENEFITS

- Cashless coverage of accommodation and travel expenses
- VISA guidance and international second e-opinion covered
- Cashless hospitalisation cover in wide international network

### Super Health Plus Top-up

#### BENEFITS

An aggregate top-up offering high sum insured, along with deductible options to suit customer needs for hospitalisation at very affordable premiums

### Arogya Sanjeevani

#### BENEFITS

A standard product prescribed by the regulator to be launched by all industry players with basic hospitalisation benefits



**HIGHLIGHTS OF  
OUR PRODUCT PORTFOLIO**

**COVID cover**  
already embedded in our products

**40+ products**  
Modular/byte-sized/contextual offerings  
starting from ₹1

## FIXED BENEFITS

### Activ Secure

#### An umbrella retail fixed benefit plan

##### BENEFITS

##### Hospital Cash

##### Critical illness

- Complete protection against 20, 50 or 64 critical illnesses as per the chosen plan
- Sum insured options up to ₹1 Crore for enhanced protection
- Lump sum payout on detection
- Option to avail second e-opinion

##### Personal accident

- Complete protection for death and disability
- Protection against income loss
- Protection for hospitalisation related expenses
- Cumulative bonus leading to increased protection every year

##### Cancer secure

- Protection for all three stages of cancer, namely early, major and advanced
- Up to 150% of sum insured on detection of advanced stage cancer
- Cumulative bonus leading to increased protection every year
- Option to avail second e-opinion

## GROUP INSURANCE

### Group Insurance

#### A group hospitalisation cover with world-class features

##### BENEFITS

- Group Activ Health plan offers a comprehensive coverage with world-class features and several optional covers customised by way of features, limits and waivers of restrictions, along with facility for cashless claim settlement
- Group Activ Secure plan offers a lump sum benefit on the occurrence of health events under plans such as:
  - Group Personal Accident cover
  - Group Critical Illness cover
  - Group Hospital Cash benefit

### Group Protect

#### A completely customisable group product which fortifies existing group portfolio of ABHICL

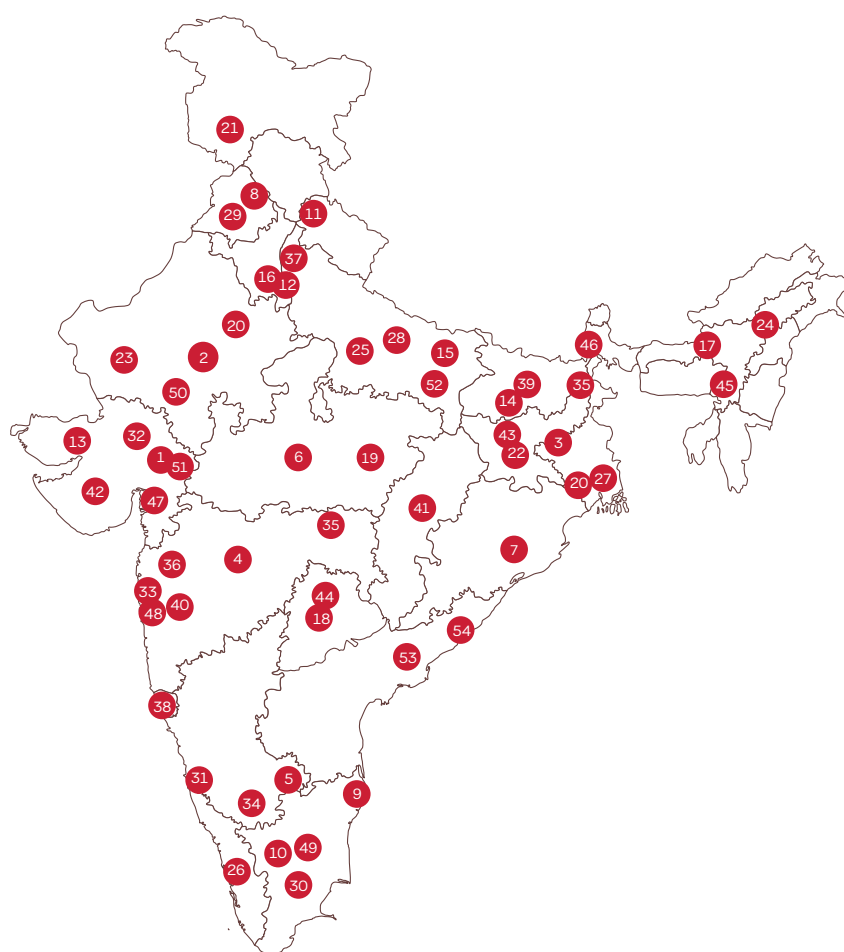
##### BENEFITS

Offers pioneering covers such as cancer, heart indemnity, cancer, heart fixed benefits, OPD and byte sized solutions which can be offered through new age digital platforms



## OUR FOOTPRINT

# Covering more locations



### Our geographic presence

- |                |                   |
|----------------|-------------------|
| 1. Ahmedabad   | 28. Lucknow       |
| 2. Ajmer       | 29. Ludhiana      |
| 3. Asansol     | 30. Madurai       |
| 4. Aurangabad  | 31. Mangalore     |
| 5. Bengaluru   | 32. Mehsana       |
| 6. Bhopal      | 33. Mumbai        |
| 7. Bhubaneswar | 34. Mysuru        |
| 8. Chandigarh  | 35. Nagpur        |
| 9. Chennai     | 36. Nashik        |
| 10. Coimbatore | 37. Noida         |
| 11. Dehradun   | 38. Panaji        |
| 12. Delhi      | 39. Patna         |
| 13. Gandhidham | 40. Pune          |
| 14. Gaya       | 41. Raipur        |
| 15. Gorakhpur  | 42. Rajkot        |
| 16. Gurugram   | 43. Ranchi        |
| 17. Guwahati   | 44. Secunderabad  |
| 18. Hyderabad  | 45. Silchar       |
| 19. Jabalpur   | 46. Siliguri      |
| 20. Jaipur     | 47. Surat         |
| 21. Jammu      | 48. Thane         |
| 22. Jamshedpur | 49. Trichy        |
| 23. Jodhpur    | 50. Udaipur       |
| 24. Jorhat     | 51. Vadodara      |
| 25. Kanpur     | 52. Varanasi      |
| 26. Kochi      | 53. Vijayawada    |
| 27. Kolkata    | 54. Visakhapatnam |

2,000+ cities through third-party distributors

### AGENCY

- 24,900+ Advisors as on March 31, 2020
- Presence in 54 cities with 76 branches

### BANK PARTNERS



### BROKER

- Focused on tie-up with top brokers across 100+ cities

### DIGITAL

- Presence across all digital channels
- Partnership with key online aggregators
- Presence through tele callers and direct sales team

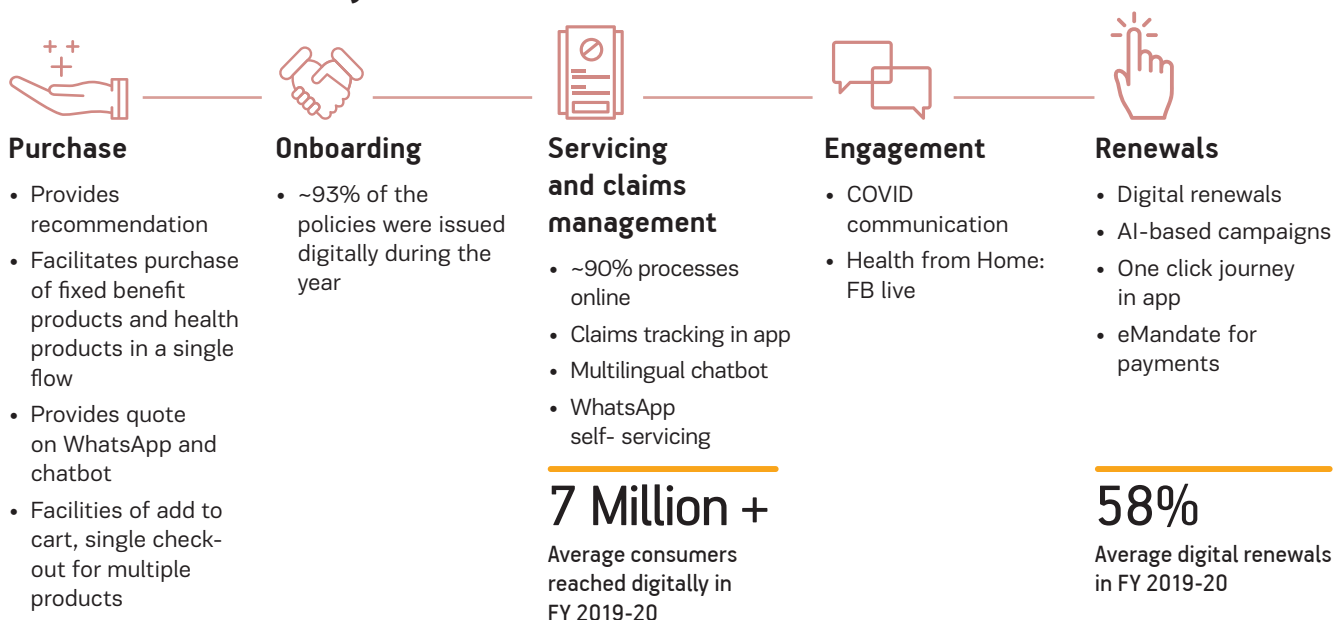


## DIGITALISATION

# Enabling digital growth

We are building a digital ecosystem to create value on multiple fronts. Besides providing convenient, quick and superior experience to our customers, our digital platforms and offerings enable us to improve efficiency and processes for our people and business partners alike. We are optimising digitalisation to facilitate reach and transform our business into a leaner organisation.

## CUSTOMERS' DIGITAL JOURNEY AT ABHICL



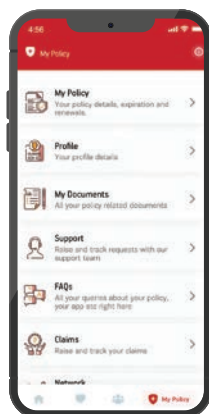
## OUR DIGITAL OFFERINGS

### Distributor enablement

- H-app-y app (Seller app)
- Banks/digital partners integration
- Knowledge management app

### Customer servicing and engagement

- Activ Health App
- Chatbot
- First health insurance company with WhatsApp
- Tech-enabled health and wellness ecosystem



## OTHER DIGITALISATION INITIATIVES

- Digital onboarding and training for advisors
- Our claim digitisation project deploys AI-enabled OCR technology to digitise claim data and ensure greater accuracy and efficiency
- Seamless transition from face-to-face to digital/remote selling modes in large banks

# 30+

Digital partners

## MARKETING AND BRANDING

# Communications that inspire

Our focus is on creating an expansive and agile brand that communicates effectively with our consumers through innovative marketing campaigns. Our brand communiqué reflects our go-to-market strategy of prioritising 'health' in 'health insurance', thereby enhancing our brand recall.



### #TAKEACTIVCARE CAMPAIGN

During the year, we launched 'Activ Care Health Insurance'. The product specifically caters to senior citizens with extended benefits that ensure their children receive regular updates on their health and nutrition. It allows people responsible for senior citizens to manage their lifestyle better.

We developed a series of captivating digital films that communicated the core benefits of this unique product, besides using a set of emotional radio spots that resonated with the younger generation.

---

5 Million

Impressions

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9 Million

Views across mediums



## #RAKHOPoorAKHAYAAL CAMPAIGN

This campaign was aimed at engaging and empowering women by changing their views on health as well as health insurance.

## Offline initiatives to promote this campaign included

- PVR - across 125 screens spanning 30 cities
- Engagement activities for women shoppers at Big Bazaar
- Nutrition and health check-up activity at residential colonies in 37 cities
- Total leads generated: 9,000+

## 26 Million

Consumers reached via digital and offline activation

## 27 Million views

Of the video released on online platforms

## 83%

Increase in proposers in FY 2019-20

## Momspresso

Campaign video posted on 100+ WhatsApp groups and 100+ Facebook pages



## MARKETING AND BRANDING CONTINUED



### #MOVEMENTAGAINSTHUNGER

This programme was launched with the purpose of making India healthy and creating a positive impact in society. It has become an annual property because of its runaway success with our bancassurance partners, HDFC Bank, DCB and Deutsche Bank.

**36,010**  
children

Provided meals versus 13,968 children in the previous year

**230%**

Increase in the number of policies (NoP) at HDFC Bank to 10,000 during the year

**50%**

Increase in business from Deutsche Bank during the year

Highest single month business of ₹65 Lakhs by DCB Bank in FY 2019-20

Only campaign ever done for creditor business

### JUMP FOR HEALTH: SEASON 3

This campaign motivates individuals to lead healthy lives. It also aims to provide equal opportunities for people through the donation of prosthetic legs (for every 10,000 jumps collected). The prosthetic legs are distributed in association with Sadhu Vaswani Foundation.

Jump for Health invites participants to make a video of jumping 10 times and share it on their social media handles, with the hashtag #jumpforhealth. We joined hands with India's youth sensation and one of the most popular dance icons in the country, Remo D'souza, as the brand ambassador of this campaign.

**10 Million+**

prosthetic legs were donated and we received over 1 million conversations around this campaign



## INNOVATION

## Developing solutions that delight

We create distinct and innovative products, along with customer reward programmes, designed to meet specific customer requirements. Our offerings are built on valuable customer insights, derived from our constant engagement with customers. Our solutions resonate with the target audience and have garnered overwhelming response from them.



One of our most prominent innovations undertaken during the year include:

### ACTIV CARE



#### 360° PROACTIVE CARE SOLUTIONS FOR SENIOR CITIZENS

We endeavour to prioritise 'proactive care' for senior citizens, instead of 'reactive care', by empowering them against various unforeseen uncertainties of life. We are cognisant of the fact that reactive care financially equips senior citizens during hospitalisation, whereas proactive care provides them essential support during all the three phases of their health journey: a) when they are healthy, b) when they are being treated and c) during recovery.

Our proactive care solution for senior citizens, Activ Care can be availed as an individual or as a family floater policy (self and spouse only) with a minimum sum insured of ₹3 Lakh, upto ₹ 25 Lakh, depending on one's requirement. This offering has a minimum entry age of 55 years and goes up to 80 years.

#### Key features of Activ Care

- Providing personal health coach to guide through one's health journey
- Additional 100% of sum insured as reload for unrelated illness
- Covers 586 listed day care procedures that require hospitalisation for less than 24 hours
- Post-hospitalisation coverage for nursing at home, lifestyle and portable listed medical equipment at home, if required post hospitalisation, ranging from oxygen cylinders to ventilator
- Covers treatments given under Ayurveda, Unani, Siddha, Yoga, Naturopathy and Homeopathy systems

## KEY PERFORMANCE INDICATORS

# Growing rapidly

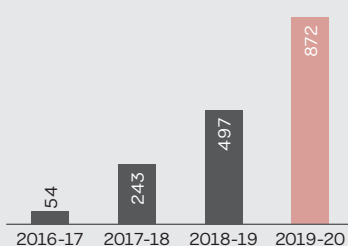
### FINANCIAL METRICS

#### GROSS WRITTEN PREMIUM

(in ₹ Crore)

153% ↑  
4-year CAGR

89% ↑  
3-year CAGR

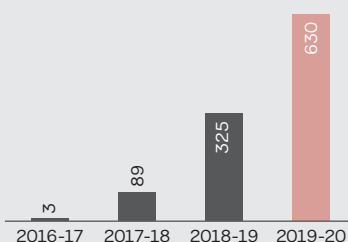


#### RETAIL GROSS WRITTEN PREMIUM

(in ₹ Crore)

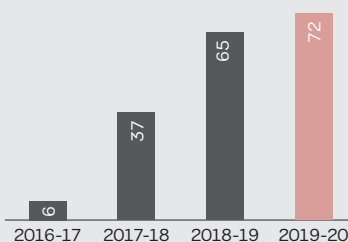
494% ↑  
4-year CAGR

166% ↑  
3-year CAGR



#### RETAIL MIX AS A % OF TOTAL GWP

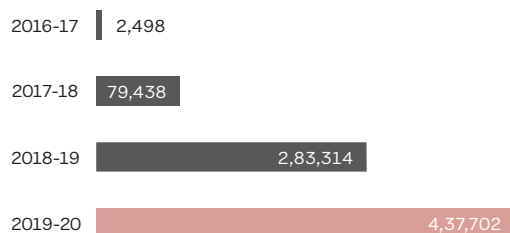
(in %)



### NON-FINANCIAL METRICS

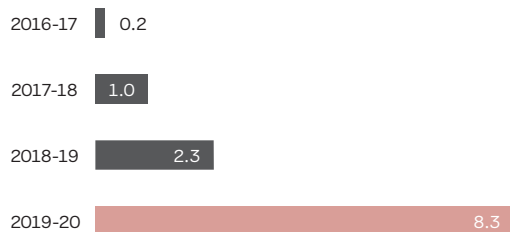
#### POLICIES

(Total number)



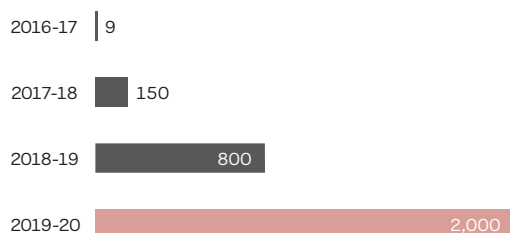
#### LIVES

(in Mn)



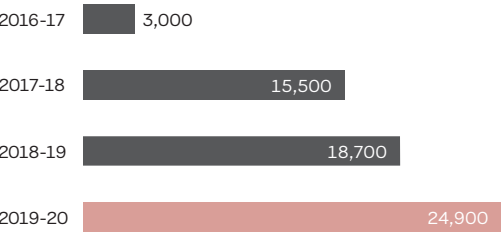
#### PRESENCE IN CITIES

(Total number)



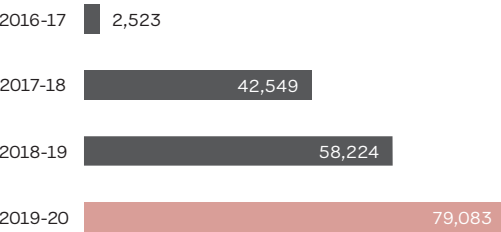
AGENTS

(Total number)



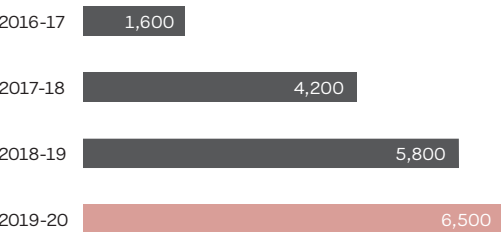
CLAIMS SETTLED

(Total number)



HOSPITALS

(Total number)



PEOPLE

## A health-focused workplace

Our people live our purpose of 'empowering and motivating families to prioritise their health and lead fulfilling lives'. They are our brand ambassadors.

At ABHICL, we have extended the health insurance to all our people and encourage them to adopt a healthier lifestyle. At the other end, we undertake all-rounded initiatives to provide our people with a rewarding, fair and balanced work culture.



### A VAST LANDSCAPE OF OPPORTUNITIES

We have made ABHICL a 'World of Opportunities' for our people with regular role movements that enable their aspirations towards professional enrichment and growth.

110

Role movements since inception

### TEASPOON TALKS

Under this initiative, we have defined four groups – Young Brigade, Women, SMT members and New Joinees – who meet the CEO over a cup of coffee, and share their thoughts and ideas on taking our enterprise to greater heights.



#### INAUGURATED A NEW-AGE WORKSPACE

During the year, we opened a new office space in MBC Park, Thane, which is uniquely designed to offer an interactive and enjoyable work ambience. The office has a seating capacity of 900 people and is spread across three floors (51,000 sq ft).





## VITALIZE

Vitalize is a unique platform that motivates Team ABHICL to prioritise and improve their health. Its architecture replicates our differentiated customer value proposition and is based on three key pillars:

01

### Know your health

Providing health assessment to be aware of one's own health on identified parameters (BMI, BP, Cholesterol and Sugar)

03

### Get rewarded

Incentivising employees for taking efforts to stay healthy

02

### Improve your health

Creating platforms for employees to manage their diet and physical fitness to stay healthy on the said parameters

## 2,224

Employees have downloaded and are using the AB Multiply App

## 600+

Employees completed the Health Assessment and 191 employees are part of the Vitalize Power Programme

## 323

Employees were competing to lose weight and lead a healthy lifestyle in November 2019, when we launched the weight loss competition 'Sabse Bada Looser'

## LEADERSHIP TEAM

# Expertise in action



**Mayank Bathwal**  
Chief Executive  
Officer and  
Whole-time Director

Mr. Mayank set up ABHICL in 2015, and under his expert leadership, ABHICL has grown into one of the recognised and fastest growing health insurance companies in India. He spearheaded a very well diversified strategy of entering the health insurance market with a differentiated 'health-first' business model, developing an efficient multi-channel distribution system by leveraging digital opportunities. He has 26+ years of leadership and corporate board experience across varied businesses and functions.



**Shikha Bagai**  
Chief Financial Officer

Ms. Bagai is a Chartered Accountant, Certified Public Accountant (USA) and an MBA from Indian School of Business. She oversees the entire finance, planning and reporting function at ABHICL. She has 23 years of work experience in financial services industry across infrastructure, capital markets, lending and insurance sectors.



**Anuradha Sriram**  
Chief Actuarial Officer

With 26 years of work experience, Ms. Sriram oversees different aspects of actuarial function, product function and product design. She has been instrumental in launching five retail and three group health insurance products within eighteen months of ABHICL's launch of operations. She works closely with relevant internal and external stakeholders in the Insure-tech/ fintech space to identify emerging trends that could be leveraged for product innovation/solution/ delivery efficiencies. She has played a contributing role to the success of the organisation so far.



**Mahesh Kumar  
Radhakrishnan**  
Head – Legal, Risk  
Compliance and  
Company Secretary

Mr. Radhakrishnan is a qualified Chartered Accountant and Company Secretary. He also holds a Post Graduate Degree in Financial Management from Jamnalal Bajaj Institute of Management Studies. He has over 23 years of experience in finance, compliance, legal, risk and audit. He has experience in finance, legal, compliance, risk control and secretarial functions.



**Varij Pujara**  
Chief Distribution  
Officer

Ms. Pujara is Post Graduate in Business Administration from T.A Pai Management Institute, Manipal. She also holds a Bachelor of Engineering degree in Instrumentation Technology from Bangalore Institute of Technology. An industry veteran, she has a career spanning nearly 23 years, including 18 years in the life insurance, general insurance and health insurance domain.





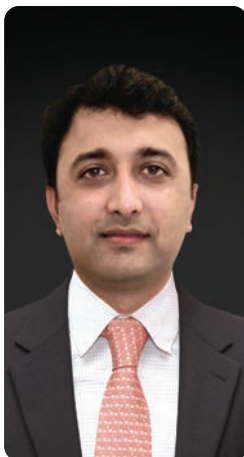
**Darshana Shah**  
**Head – Marketing & Digital**

Ms. Shah has completed her Bachelor's in Science from Mithibai College and a Post Graduate Diploma in Management Studies from NMIMS, along with a diploma in 'Early Child Care' education from Mumbai University. She has 21+ years of rich experience in marketing, brand & communication, customer experience, customer service, analytics digital marketing functions and CRM.



**Niren Srivastava**  
**Head – Human Resources, Training & Administration**

Mr. Srivastava has completed his Bachelors in Sociology & Political Science, MBA in Human Resources. He has a rich experience of more than 15 years in the domain of HR with focus on setting up HR systems and technology, HR operations, Business HR, HR Analytics, HR process management and sales compensation practices. He is responsible for the HR strategy, policy and the programme management.



**Siddharth Bhat**  
**Head – Information Technology**  
 (with effect from April 1, 2019)

Mr. Bhat has completed his B.E. in Electronics Engineering from Mumbai University. He has over 22 years of rich experience in financial services, such as retail banking, corporate banking, asset management and now, health insurance. He specialises in large-scale transformation projects, some of which were in the area of core banking change. He drives the entire vision for laying down the organisation's technology roadmap. He is also responsible for ensuring that the technology backbone supports business growth and delivers solutions with high speed to market.



**Anjali Makhija**  
**Chief Operating Officer**  
 (with effect from January 24, 2020)

Ms. Makhija is a Chartered Accountant with 21 years of rich experience across various roles in operations, finance, strategy, operations, treasury, accounts and tax. She is responsible for driving business operations, underwriting, claims, setting up of provider networks and driving health management initiatives for customers.

## BOARD OF DIRECTORS

# Govern to excel



**Mr. Ajay Srinivasan**  
**Non-Executive Director**

DIN 00121181

Mr. Srinivasan is a graduate (Honours) in Economics from St Stephens College, University of Delhi, and a management graduate from the Indian Institute of Management (IIM), Ahmedabad. His experience in the financial services industry in India and abroad spans over 3 decades and he has been a CEO for over two thirds of his working life. He has a track record of setting up and successfully scaling businesses, in both domestic and international markets. He joined the Aditya Birla Group (ABG) in 2007 and since then has successfully led and transformed Aditya Birla Capital Limited (ABCL) into a universal financial solutions provider focusing on the protecting, investing and financing needs of its customers.

He is the Chief Executive at ABCL, the holding Company for the financial services businesses of the Aditya Birla Group.

Before joining ABG, he was Chief Executive – Fund Management, at Prudential Corporation Asia based out of Hong Kong from where he oversaw a business managing \$ 70 Bn in assets that spanned 10 markets. Prior to his stint at Prudential, he was Deputy Chief Executive Officer and Chief Investment Officer for ITC Threadneedle Asset Management. He began his career with ICICI Ltd.

Currently, he is engaged with several bodies, including the Confederation of Indian Industry (CII) and is a member of the Advisory Board of the City of London.



**Mr. Sushil Agarwal**  
**Non-Executive Director**

DIN 00060017

Mr. Agarwal holds an M. Com and Chartered Accountant degree. He is associated with the Aditya Birla Group for more than 27 years, since the beginning of his career in 1989. Over the years, he has contributed in restructuring, mergers and acquisition initiatives of ABG with his widely acknowledged financial acumen and analytical skills. He has rich experience in multi business, multi sector and multi-cultural exposure, including cross-border, financial and commercial activities.

During his prolonged association with ABG, he has served in various positions. Prior to this, he was the Whole-time Director and Chief Financial Officer of Aditya Birla Nuvo Limited, a Group company.

In recognition of his significant contributions to the Group through his superior financial acumen, unmatched ability to lead complex business issues, ability to de-construct complexities and stimulate exceptional performance, he was conferred the Chairman's Outstanding Leader Award in 2013.





**Mr. Devajyoti Bhattacharya**  
Non-Executive Director

DIN 00868751

Mr. Bhattacharya has earned a Bachelor of Technology degree in mechanical engineering from NIT, Rourkela, and a postgraduate degree in industrial engineering from NITIE, Mumbai. He has over 28 years of experience encompassing manufacturing, finance, software and media industries and has had successful stints as an entrepreneur, management consultant and media producer during his career.

He is the Group Executive President and Business Head of Solar Power, E-commerce and New Ventures of ABG.

He oversees all future directions for the Group, Mergers and Acquisitions (M&A) as well as strategic initiatives of the Group in its existing and new businesses.

Joining as Vice President, Corporate Strategy and Business Development in 1996, he has played a pivotal role in acquisitions and joint ventures that have significantly broadened ABG's portfolio.



**Dr. Ajit Ranade**  
Non-Executive Director

DIN 00918651

Dr. Ranade is BE - IIT Mumbai, MBA - IIM Ahmedabad and Ph.D in Economics - Brown University, USA. He is the Group Executive President and Chief Economist with ABG.

He was with ABN Amro Bank; member of the Capital Account Convertibility Committee and the FEMA Review Committee of the Reserve Bank of India; a member of the Governing Council of the Banking Codes and Supervisory Board of India; and has served as a Board member of MCX, India's largest commodity exchange.

He is a Member of the National Executive Committee of the Federation of Indian

Chambers of Commerce and Industry; a Member of the Economic Policy Council of the Confederation of Indian Industry; Chairman of the Research Advisory Panel of the Indian Institute of Banking and Finance; the government's nominee on the Governing Board of Economic Research Institute for ASEAN and East Asia (ERIA) based in Jakarta, Indonesia; a Director on the Board of India International Exchange.

He received the Distinguished Alumnus Award from IIT Bombay in 2009, Scholar of the Year Award from Wadia Trust in 2010, and Dr. Ramchandra Parnerkar Economics Award in 2012.

## BOARD OF DIRECTORS CONTINUED



**Mr. Asokan Naidu**  
Non-Executive Director

DIN 07425396

Mr. Naidu is a South Africa qualified Chartered Accountant, CA (SA) and an MBA. He started his career in 1980s with Peat, Marwick and Mitchell (now KPMG). Over a career that spans 30+ years, he has filled many senior corporate executive roles in diverse industries, including building materials manufacturing, property, transport, decorative, paper manufacturing and financial services.

In 2004, he joined Momentum (now MMI Group Limited) as Group CFO and was appointed CEO of Momentum New Markets in 2008. New Markets was Momentum's first foray into the mass market in South

Africa. In 2011, he relocated to India to set up the Liaison Office, for MMI. He is currently the CEO of Liaison Office and is on the Executive Committee of MMI holdings International Division. During his time in India, he identified an opportunity in the health insurance industry and he was instrumental in establishing an exciting joint venture, on behalf of MMI with ABG. He has also served on the Boards of large South African corporates and held various leadership positions in different industry and community organisations, including being a past president of Rotary and a Paul Harris Fellow.



**Mr. Risto Sakari Ketola**  
Non-Executive Director

DIN 07980685

Mr. Ketola is CFA Charterholder, BSC Economics, BSC Stats, Fellow of the Institute of Actuaries (FIA: Life Insurance), Fellow of Actuarial Society of South Africa (ASSA). He has expertise in insurance analysis, equity research, strategic consultancy, derivatives, asset-liability modelling, actuary, investor relations and business performance management.

He is Group Chief Financial Officer at Momentum Metropolitan Holdings and is mainly responsible for all statutory reporting expected as a regulated entity

listed on the Johannesburg Stock Exchange and also oversees the balance sheet management function and capital management activities of the group.

Before associating with MMI Holdings, he has worked with Deutsche Bank and Standard Bank. Deutsche Bank and Standard Bank.



**Dr. Johannes Hendrik Viljoen**  
Non-Executive Director

DIN 08588761

Dr. Viljoen holds BChD, MChD (Public Health Care), DHA (Health Administration), Pretoria and MBL, Unisa. He has over three decades of expertise in the field of competitive health offering, health care risk, managed care, value chain including solution design, hospital networking, hospital risk management, business intelligence and finance.

He is accountable for competitive and sustainably growing full value chain Health Business for MMI Group. He also participated in MMI Merger of Momentum branded portion of business.



**Mr. Sethurathnam Ravi**  
Independent Director

DIN 00009790

Mr. S Ravi is a Post Graduate in Commerce and a practising Chartered Accountant having over 31 years of experience. He holds a diploma in Information System Audit (DISA) and is an Associate Member of Association of Certified Fraud Examiners (CFE), USA. He is also registered as an Insolvency Resolution Professional.

Being the promoter partner of Ravi Rajan & Co. LLP, a chartered accountancy firm, and having served on boards of various companies has given him a rich experience in the areas of Finance & Management, Turn around Strategies, Business Valuations, Brand and Share Valuation.

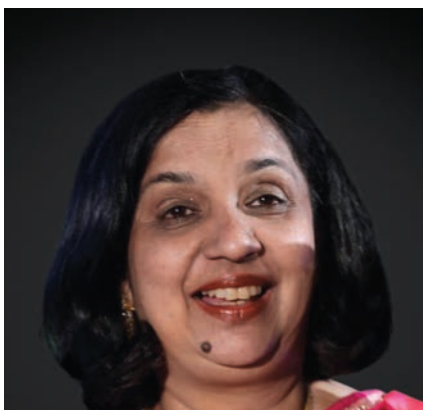
Mr. Ravi is the Chairman and Director of UTI Trustee Company Pvt Ltd. He is an independent director on the boards of Star Union Dai-chi Life Insurance Company Ltd., SBI Payment Services Pvt. Ltd. And Tourism Finance Corporation of India Ltd.

He has also served as the Chairman of BSE Ltd.

In the past, he has served on the boards of over 40 prestigious institutions including insurance companies, a number of public sector banks like IDBI Bank, UCO Bank, Corporation Bank and Union Bank, and public sector enterprises like BHEL, HAL and ONGC, to name a few. He has been a member of their Audit Committees, Risk Management Committees, etc. Also, he was appointed by Government of India and RBI as Chairman of the Technical Experts Committee for Punjab & Sind Bank's Strategic Turnaround.

He has also served as Chairman of PNB Mutual Fund and member of SEBI's Takeover Panel and SEBI's Mutual Fund Advisory Committee.

Mr. Ravi regularly contributes to various financial dailies and, is also, often invited by regulatory bodies, like ICAI, RBI and SEBI, and educational institutions to give talks, hold panel discussions, etc.



**Ms. Sukanya Kripalu**  
Independent Director

DIN 06994202

Ms. Kripalu is a graduate of St. Xavier's College, and an alumna of the IIM, Kolkata. With specialisation in the fields of marketing, strategy, advertising and market research, her experience includes working with leading corporates like Nestle India Limited, Cadbury India Limited and Kellogg's India. She was earlier the CEO of Quadra Advisory and is currently associated with Sukanya Consulting.

## BOARD OF DIRECTORS CONTINUED



**Mr. C.N. Ram**  
**Independent Director**

DIN 00211906

Mr. Ram is an IIT Chennai and IIM Ahmedabad alumni. He is an experienced IT professional with deep understanding of the financial services business, information security, payments technologies, manufacturing systems and ERP, and the challenges in a startup world.

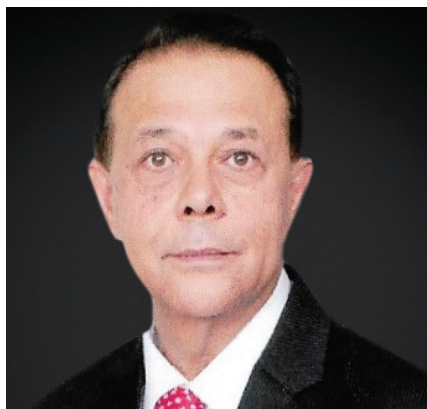
He is founder member of the CIO Angel Network (CAN), India, which funds startups in the technology space. He acts as an Advisor at Warburg Pincus LLC, India. He is an Independent Director on the Board of NSEIT and Financial Software & Systems Pvt. Ltd.

He joined Housing Development Finance Corp (HDFC) as their Head - IT and their 3rd employee spearheading efforts to

create the preferred banking destination for customers who were looking for the most convenient way to conduct their banking operations. Besides, as the first IT employee of Bank of America in India in 1982, he was responsible for all automation projects and for computerisation of their branches.

He also helped set up social venture, Rural Shores Business Services, that created 3,500 jobs for educated rural youth in India through 18 BPO centres in 10 states.

He has won three life-time awards from prestigious organisations in India for his exemplary performance as CIO in multiple organisations and for innovative use of technology in furthering business goals.



**Mr. Navin Puri**  
**Independent Director**

DIN 08493643

Mr. Puri is a Chartered Accountant and holds master's in business administration and ISC from Mayo College, Ajmer. He has in depth knowledge and understanding of the Indian Financial Retail Market.

He has over three decades of expertise in the Banking and Financial Services spanning HDFC Bank and ANZ Grindlays Bank. He was the catalyst in driving digitalisation and improving customer experience. He has considerable expertise in Regulatory/Legal Compliance. Due to his domain expertise, he was the convener

of Indian Banking Association (IBA) sub-committee from 2016-18 and finalised/recommended several modal policy on behalf of IBA.





**Mr. Mahendren Moodley**  
**Independent Director**

DIN 07628592

Mr. Moodley has B Com. (Honours), Post Graduate Degree in Advanced Banking, Chartered Institute of Management Accountants. He has over 15 years of investment banking experience with Rand Merchant Bank and the wider FirstRand Banking Group.

He has occupied many senior executive roles during his tenor at FirstRand., including CFO of FirstRand's Banking Group Treasury business, Head of RMB's International Global Markets Business in the UK as well as CEO of RMB and FirstRand Bank in India. He has extensive experience in the areas of investment banking, corporate finance and private equity. His stint at the bank afforded him the opportunity to develop deep insight and experience into formulation of

corporate strategy and the implementation thereof, sound corporate governance, strategic risk planning, stakeholder management and management of large and diverse fields. He has been a representative of FirstRand's at various BRICS business summits and was an active member of the SA/ India CEO's forum. He resigned from FirstRand in November 2015 to pursue a lifelong ambition to set up his own Private Equity fund.

Currently, he is the CEO of Ayurveda Investments and has also been a member of many industry bodies locally and abroad.



**Mr. Mayank Bathwal**  
**Chief Executive Officer &  
Whole-time Director**

DIN 06804440

Mr. Bathwal is a Fellow member of the Institute of Chartered Accountants of India and the Institute of Cost & Works Accountants of India and an Associate Member of the Institute of Company Secretaries of India. He has rich experience of nearly 20 years in the industry. He joined the Aditya Birla Group in early 1994 and has worked closely in various units and projects of the Group, including fertiliser and copper smelting units, financial services business and power projects.

Prior to holding this position, he was Deputy Chief Executive Officer with Aditya Birla Sun Life Insurance Company Limited (ABSLI). He was also felicitated at Annual CFO100 Roll of Honour (for the years 2012 and 2013) for his exceptional contribution to the area of Corporate Finance. He is also a member of CII CFO/Tax Committee and ICC Expert committee on Banking, Finance and Insurance.

He then moved to take charge as the Chief Financial Officer of Sun Life, Indonesia in June 2006. He moved back to India

in June 2007 as CFO at ABSLI with the objective of supporting ABSLI in its transformational phase after his yearlong successful stint in Indonesia. As the CFO & Head of Institutional Sales in FY 2011, in addition to the Finance operations he also took charge of the Institutional Sales teams which included Bancassurance, Corporate Agency & Broking channels of ABSLI.

He has set up the Company in 2015, and under his expert leadership, the Company has grown into one of the recognised and fastest growing health insurance company in India. He spearheaded a very well diversified strategy of entering the health insurance market with a differentiated 'healthfirst' business model, developing an efficient multi-channel distribution system by leveraging digital opportunities.

He has 26+ years of leadership and corporate board experience across varied businesses and functions.

BOARD OF DIRECTORS CONTINUED

## ABHICL's 1<sup>st</sup> International Board of Directors Meeting at our Joint Venture Partner's location Leveraging knowledge sharing and laying Standards of good Corporate Governance

With the focus of creating a positive experience for the Board of Directors and a mark towards excellence laying standards of good Corporate Governance, ABHICL conducted its 1st International Board of Directors meeting at Momentum Metropolitan Office, Centurion, South Africa on January 24, 2020.



**Standing (left to right):**

Mr. Anthon Swart, Ms. Shikha Bagai, Mr. Mayank Bathwal, Ms. Sukanya Kripalu, Mr. Mahesh Kumar Radhakrishnan, Mr. Mahendren Moodley, Dr. Johannes Hendrik Viljoen

**Sitting (left to right):**

Mr. C.N. Ram, Mr. Asokan Naidu, Dr. Ajit Ranade, Ms. Bhavita Nandu, Mr. Ajay Srinivasan, Mr. Navin Puri, Mr. Risto Sakari Ketola

## AWARDS AND RECOGNITION

# Excellence that stands out

DURING THE YEAR UNDER REVIEW, WE WERE FELICITATED WITH AWARDS AND RECOGNITIONS ACROSS VARIOUS FUNCTIONAL AREAS



**ICC Emerging Asia Awards**

## Awards for our company

- Received the Amiable award in Health Category for being the most amiable, friendly and approachable brand at Pexa, New Delhi
- Received an award in Health Insurance Products and Service Innovation category at Pexa, New Delhi
- Received Sales Champion award in Health Category at the prestigious The Economic Times Insurance 6th Annual Summit
- Recognised as the Health Insurer of the Year at
  - ET Now Business Leader of the Year Awards
  - India for the 2019 Insurance Asia News Awards for Excellence



**#Jumpforhealth IDMA awards – Gold, Silver and Bronze**

## Awards for our campaigns

- #JumpForHealth2019 Campaign won two awards at Smarties Awards 2019
  - Bronze - Mobile Social category
  - Silver - Social Impact category
- Won Bronze in BFSI Industry for #TakeActiveCare at The Economic Times – Brand Equity Digiplus Conclave
- Won Gold for #JumpForHealth and #TakeActiveCare campaigns at E4M Health Marcom 2020 Awards
- #JumpForHealth2019 Campaign bagged two awards at EMVIE 2019 for
  - Best Use of Influencer Marketing
  - Best Case Study Presentation
- #JumpForHealth2019 Campaign won Gold at SMARTIES

### 2019 India Awards under the Mobile Social Category

- #JumpForHealth2019 Campaign won two awards at E4M Indian Content Marketing Awards 2019:
  - Gold – Best Crowd Sourced (User Generated) Content
  - Silver – Best Content Marketing on Social Media platform

# Management Discussion and Analysis

## 1. OVERVIEW OF GLOBAL ECONOMY

### Economic Environment: FY20 and FY21

#### FY2020 – Pre pandemic

The fiscal year 2020 began on a positive note, supported primarily by private consumption and Government consumption. Real GDP growth for 1QFY20 was at 5.6%, 2QFY20 at 5.1% and 3QFY20 at 4.7%.

Agricultural growth improved from 2.8% in 1QFY20 to 3.5% in 3QFY20. Services growth also was near 7% in all three quarters. Industrial activity however declined towards 0.1% growth in 3QFY20 from 0.8% in 2QFY20 and 3.8% in 1QFY20.

After delivering 135 basis points of rate cuts, the central bank cited high inflation for pausing on rate in December 2019. RBI was expected to maintain its accommodative stance till Feb 2020 as Inflation was likely to ease back within the 2-6% target range, which should have opened up room for a rate cut in April 2020.

#### FY 2020 – Post pandemic

India had imposed lockdown from March 23, 2020. Data collection for items in CPI basket was suspended from March 19, 2020 as post lockdown mobility suffered. March CPI number was released with some assessments at 5.91% revised 5.84%. April CPI number was not released due to data collection challenges, though in the food basket prices pressures were visible through the limited data release.

The bigger impact was seen in the March IIP numbers though, which plunged to (-)16.7%, due a sharp falls in manufacturing momentum led by motor vehicles, electronics, computer products and chemicals. Not a single sector registered positive manufacturing growth in March. Electricity growth contracted while mining growth was flat.

Given above scenario GDP growth for FY2020 will likely be revised downwards from earlier estimates of 5%.

#### FY2021 – Way forward and Outlook

Real GDP growth for FY2021 is being estimated in negative numbers, due to the 45-day lockdown. It could range from (-)2% to (-)4%. Large parts of non-farm activity hubs are in the hotspots and social distancing measures will prolong the industrial downturn. Labor availability could also pose a challenge. Consumption and investment demand was already weak going into the pandemic; hence, immediate recovery could see a challenge.

As consumption is slower and fuel prices on the lower side, CPI inflation poses little threat in the current environment. Structural factors and current transient ones will keep inflation under check.

RBI has delivered a series of rate cuts and now the reverse repo rate stands at 3.75%, while the repo rate is at 4.40%. Liquidity in the system is ample and support of RBI is visible to financial markets. Interest rates in the current environment are likely to remain on the softer side. Although market borrowing has been increased by ₹4.2tn for FY2021, market remains hopeful of RBI support moving forward. We expect 10-year G-sec yield to remain in a range of 5.90%-6.30% in the near term and drift lower over medium term.

## 2. INDUSTRY OVERVIEW

### 2.1. Industry performance

The health insurance segment in India is one of the fastest growing segments in the financial services sector. The health insurance industry registered premium of ₹ 56,792 Crore in FY 2019-20 which translates into growth of 12% YoY. Standalone Health Insurers (SAHI) have outperformed the industry and grew at 27% in FY 2019-20, with gain in market share of 3.2% (CY Market Share 25.5% vs. LY 22.3%). SAHI have grown at CAGR of 37% p.a. in last 5 years.

**TABLE1: INDUSTRY PERFORMANCE AND GROWTH (₹ CRORE)**

Key metrics	FY18	FY19	FY20
Total GWP	42,300	50,922	56,792
GWP – Group & Government	22,085	27,161	30,960
GWP – Retail*	20,215	23,761	25,832
Overall YoY growth	22%	20%	12%
SAHI growth	42%	37%	27%

Source: IRDA / GIC Segment report / \*Retail GWP includes Health Retail and PA GWP

The Covid-19 Lockdown in Mar'20, led to a temporary impact on business operations across the Industry, as health insurance involves face to face selling across various channels. However, Health Insurance Industry was part of essential services, as defined by Ministry of Health and Family Welfare (MoHFW), and was allowed to run operations with minimal staff. While it is too early to assess the overall impact of Covid-19 pandemic on Industry performance going forward, it is our assessment that the long-term growth opportunity remains intact and the industry will benefit from increased health insurance awareness due to this crisis.

### 2.2. Industry Structure

Health insurance companies can be broadly divided into 3 categories i.e. 1) Four PSU Insurers with about 46% market share; 2) Private multi-line Insurers with market share of 29% including players such as ICICI Lombard, HDFC Ergo and Bajaj Allianz focusing on Health vertical and 3) Standalone Health Insurers (SAHI): HDFC Ergo Health Insurance (previously Apollo Munich), Star Health, Max Bupa, Religare Health, Aditya Birla Health Insurance and Manipal Cigna with a market share of 25%. This segment has registered a growth of 27% in FY 20, the fastest among all segments as shown below.



**Figure 1: Industry Market size and Market share of Category of Insurers**

Industry Total	% Market Share		YoY Growth	3 year CAGR
	50,922	56,792		
PSU Insurers	50%	46%	3%	6%
Private Multiline	28%	29%	15%	24%
SAHI	22%	25%	27%	32%
	FY 19	FY 20		

Source: IRDA / GIC Segment report

Health Insurance has 3 broad customer segments namely 1) Group segment for Corporates with around 41% of the market dominated by PSU insurers; 2) Retail segment with around 49% of the market which has seen relatively higher growth and 3) Government segment which forms around 10% of the industry.

For FY 2019-20, the Company's market share stood at ~1.5% (~6.0% among Stand-alone health insurers) which is in line with management expectations. SAHI players are expected to grow faster than the industry average for the next 3-4 years. The Company, driven by its 'Health First' business model backed by a strong brand, unique Customer Value Proposition (CVP), diversified distribution network, digital ecosystem & capabilities is well placed to capitalise on the growth opportunity in health insurance.

### 2.3. Industry outlook and opportunity

Healthcare has become one of India's largest sectors both in terms of revenue and employment. It is growing at a remarkable pace owing to its increased digital adoption, wide coverage, increasing variety of services and increasing expenditure by public as well as private players. While progress has been made in the healthcare system in India, significant gaps still remain. The country is experiencing a rapid health transition with a rising burden of Non-Communicable Diseases (NCDs), which are emerging as the leading cause of deaths in India. Rising healthcare costs are a major concern for India, with high proportion of health care expenditures being out-of-pocket, which is much higher than in other developing economies.

The growth prospects of health insurance remain robust, led by the following key demand drivers:

- Significant opportunity to increase retail customer penetration: Only 3% of the total population are covered through retail health insurance (excluding Government & Group businesses) in FY19
- Out of Pocket expenditures remain high coupled with increasing healthcare inflation:
  - Average retail healthcare inflation for India was 7.14% for 2018-19, witnessing a steep rise from 4.39% in the previous fiscal and is increasing at double the rate of overall retail inflation
  - Around 70% of healthcare spending is out of pocket today vs just around 8% in South Africa and 11% in the US.
- Rising incomes: Indian middle class is estimated to increase by a CAGR of nearly 7% p.a. for the five-year period ending 2021 and the rising prosperity is prompting demand for retail health insurance
- Evolving models of Insurers such as 1) Focus on Tier III cities, 2) offerings with customised covers rather than standard one-size-fits all product, 3) hassle-free buying & renewing experience fueled by internet and digital journeys
- Increasing awareness supported by Government policies and health insurance schemes, e.g. Ayushman Bharat etc.

In spite of near-term uncertainty due to COVID-19 across the globe, the structural demand drivers are expected to continue supporting the long-term and sustainable growth of health insurance.

### 3. COMPANY PERFORMANCE

#### 3.1. Overall performance during FY 19-20

The strength of the Company's business model was evident by its strong performance across financial and non-financial parameters this year. The Company continues to be the fastest growing Health Insurer having registered Gross Written Premium (GWP) of ₹ 872 crores in FY 20, growing by 76% YoY covering 8.3 Mn. lives translating to a growth of 3.6x YoY in lives covered. Retail business grew by 94% and contributed to 72% of total GWP in FY 20 against 65% in FY19.

The Company's purpose is to "Empower & motivate families to prioritize their health and live fulfilling lives". In order to fulfill the said purpose, the Company has created a differentiated 'health first' business model by moving from the traditional 'buy and forget' to 'buy and engage', thus serving as an enabler and influencer of customer health in addition to fulfilling the traditional role of funding healthcare expenses. Additionally, its differentiated health and wellness framework also emphasizes a holistic health management approach, focusing on disease prevention and wellness management.

The Company, from the beginning, has followed a multi-channel distribution model complemented by robust digital strategy. Its bancassurance mix increased from 53% in FY19 to 64% in FY20

The Company's differentiated business model of continuous engagement driving health outcomes is proven with 46% of its customers initiating their health journey with the company including health check-ups and incentivised wellness journeys. This is a significant achievement, which has led to increased customer stickiness and consequent improvement in persistency.

In terms of its service delivery model, the Company has built a robust platform & tech-enabled Health & Wellness ecosystem for providing a seamless experience throughout the customer journey, from sales to servicing. It has empaneled 6,500+ hospitals to enable cashless services across 750+ cities.

The Company has proactively taken several measures during COVID-19 and our priority will always be the health and well-being of our staff, employees, agents, their families, its customers and other stakeholders. While the overall impact of COVID-19 on our business operations and growth plans is not fully known at this point, it is our assessment that it is unlikely to cause any significant change to our long-term strategy, growth plans and differentiated business model. The Company will be taking initiatives to manage the short-term impact and prepare to execute our long-term business strategy, including the opportunities that will emerge from increased awareness for need of health insurance.

#### 3.2 Distribution Channels Performance

Since inception, the Company has followed a multi-channel distribution model across agency, broking, bancassurance, digital and direct marketing channels. The Company's multi-channel distribution strategy and extensive network of industry-leading strategic partners significantly broadens our access to potential new customers. The Company expanded its footprint from 800+ locations in FY19 to 2,000+ locations in FY20.

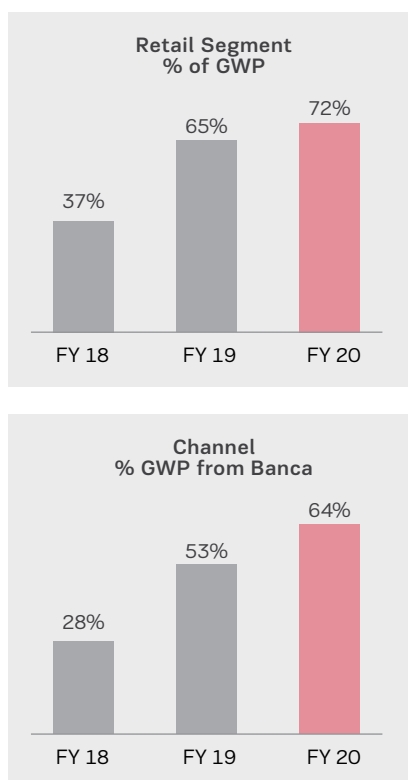
The Company's Agency network consists of around 24,900+ Advisors spread across 41 locations through 76 branches. Quality hiring is a critical pillar of the Company's Agency strategy. An important strategic priority for the Company is to further enhance the sales manager productivity, through the use of technology. The Company continues to invest in digital technology that provides simple and effective support for our agents and sales managers across all of their key activities including sales, servicing, training and recruitment.

The Company's bancassurance channel with 9 bank partners delivered strong growth in FY 20 contributing to 64% of retail GWP. A key strategic priority for bancassurance distribution is to execute a digital transformation of our business model through deeper systems integration with our strategic bancassurance partners.

Partnerships with Corporate Agents and Brokers have also become stronger over the years. Building long-term strategic partnerships with key brokers has been our priority and the Company will continue to look at new tie-ups in the third party distribution segment. The Company has also made deep inroads with 30+ digital platforms to reach more customers, by showcasing our contextual and byte-size products on various digital platforms.

In the Group segment, the Company has diversified its Group portfolio through SME and Creditor business. The Company is leveraging new client segments including Large corporates and SMEs for business.

**Figure 2: Key Distribution indicators- Segment, Channel and Geography**



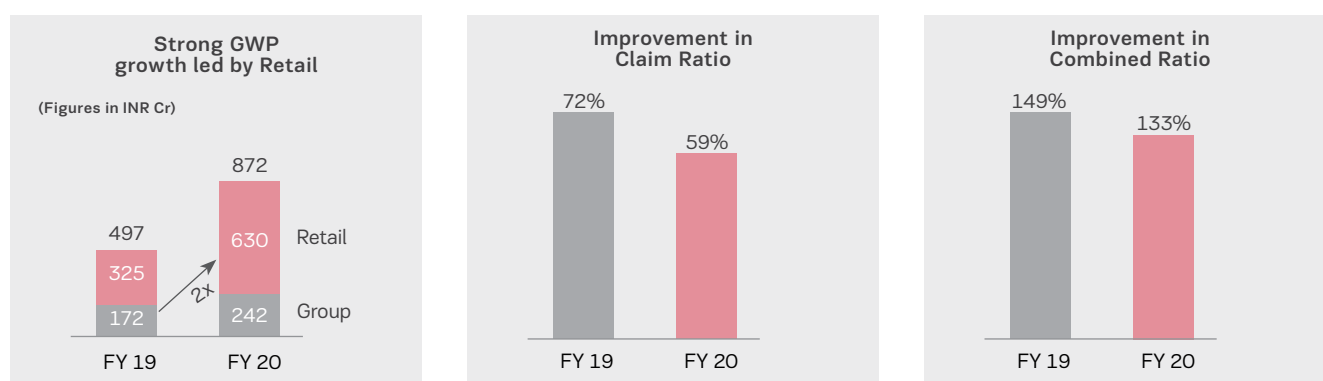
To summarize, the Company's focus for the coming year would be to leverage the existing distribution capabilities to achieve maximum productivity from the available capacity. The Company has broad-based its channel mix, with sizeable GWP contribution from all channels and will continue to create sustainable distribution capacities.

The Company from the beginning has had a robust digital strategy and has various applications and digital assets and journeys in place, for distributors and customers for sales and servicing. Due to Covid-19, the Company has also undertaken a slew of measures including enabling remote access and ensuring most of our sales and operations are enabled digitally. The Company is encouraging greater utilisation of its digital assets and has also initiated training for distributors to sell digitally. Additionally, the Company has run campaigns for renewal to encourage digital payment modes to minimize the impact on revenue.

### 3.4. Financial Analysis

#### 3.4.1. Key Summary of financial Indicators at Glance

The Company ended its third full operating year on a strong note having registered ₹ 872 Crore of Gross Written premium. .



The increase in retail business contribution was on the back of our multi-channel distribution network, achieved by leveraging Bancassurance channel, improving Agency channel productivity and by driving our innovative CVP. The Company has recorded resilient performance demonstrating the strength and quality of our diversified and high-quality portfolio of businesses:

- GWP of ₹ 872 Crore in FY 2019-20 from ₹ 497 Crore in FY 2018-19, translating into growth of 76%;
- The Company has broad-based its Channel mix with sizeable GWP contribution from all channels with banks contributing to more than 60%;
- Number of lives covered at 8.3 million as of 31st Mar, 2020 as against 2.3 million as of 31st March, 2019, translating to growth of above 3.6x;
- Increasing retail business forming 72% of the total GWP as against 65% in previous year;

### 3.3. Product Performance

The Company has enhanced its retail product suite and is focused on diversifying it, to capture the market currently untapped by the industry. It has a comprehensive product suite, which includes Activ Care, Group Activ Health, Retail Activ Health, Retail Activ Assure, Retail Activ Secure, Group Activ Secure & Group Health Secure. The international critical illness plan – Global Health Secure – launched this year is a first of its kind product. Super Health-Plus Top-Up, launched through online partners, gained success by increasing the Company's mind-share amongst distributors.

Over 40 byte-sized, contextual products were launched through digital online alliances and have also contributed significantly to its customer base. The Company is constantly working towards segmentation and mapping of customers and distributors with the right product offerings.

- Total capital infused including share premium at ₹ 356 Crore in the current year taking the total capital to ₹ 1,061 Crore;
- Solvency margin at 1.81 for FY 2019-20 against the regulatory requirement of 1.5
- Net Loss of ₹ 241.2 Crore for FY 2019-20 primarily attributable to funding new business growth, distribution network creation and IT system revamp.
- The combined ratio witnessed a decline from 149% in FY 2018-19 to 133% in FY 2019-20.

#### 3.4.2. GROSS PREMIUM INCOME

Gross Written Premium and Net earned premium witnessed strong growth of 76% and 68% respectively on the back of strong inflows from Retail business coupled with stable Group business inflows. The Company continued the momentum in the retail segment with stellar growth in retail premium of about 2x over previous year.

The table below summarizes the performance of the Company over the year:

**Table2: Gross written premium and Net Earned premium (₹ Crore)**

Particulars (INR Crore)	FY 20	FY 19	% Growth
Gross written premium	872	497	76%
Less: Reinsurance Ceded	(177)	(28)	-
Net written premium	695	469	-
Less: Change in UPR	(109)	(121)	-
Net earned premium	585	348	68%

### 3.4.3. OPERATING EXPENSES

The Company has always recognised expense management and cost efficiency as a key driver to profitable growth. Operating expenses as percentage of total gross written premium was 61% compared to 73% in the previous year. Salary as a percentage of operating expenditure has declined from 53% in previous year to 50% in the reporting period. The Company is continuously reviewing its operating model to optimise costs and improve its expense ratios further, by improving productivity and performing a strategic review of value chain including claims, provider management and technology. The Company continues to drive profitable growth by undertaking measures to enhance efficiency, improve productivity and optimise costs.

### 3.4.4. INCURRED CLAIMS

Claims incurred (net of reinsurance) are the total claims incurred by the Company during the year including paid, outstanding and incurred but not reported reserves (IBNR) reserves. The Company has been prudently managing the Claims through robust underwriting and risk selection, provider and tariff management, effective treatment and case management. Incurred Claims ratio has gone down from 72% in FY19 to 59% in FY20 on account of better claims management and improved sourcing of group business.

The table below summarizes the performance of Claims incurred over the year:

**Table3: Net Incurred Claims (₹ Crore) and Claims Ratio (%)**

Particulars (₹ Crore)	FY 20	FY 19	% Incr
Net Claims Paid	258	176	-
Add: Claims Outstanding at the end of the period	80	51	
Less: Claims Outstanding at the beginning of the period	51	22	
Net Incurred Claims	287	205	40%
Claims Ratio% (NEP as per n/365 method)	59%	72%	

### 3.4.5. PROFITABILITY / NET INCOME

The net loss for the year at ₹ 241 Cr has reduced by ₹13 Cr from last year. The overall financial performance improved with declining combined ratio and incurred claims ratio.

The highlights of the Financial Results are as under:

Particulars	(₹ Crore)	
	Financial Year	
	2019-20	2018-19
Gross Written Premium	872.0	496.8
Net Written Premium	694.6	468.9
Net Earned Premium	585.4	348.2
Investment Income – Policyholders	34.8	18.5
Investment Income – Shareholders	17.3	8.8
<b>Total Revenue</b>	<b>637.5</b>	<b>375.5</b>
Net Incurred Claims	287.3	204.1
Net Commission (Income) / Expenses	51.5	54.0
Expenses of Management	539.8	371.9
Premium Deficiency Reserve	0	0
<b>Total Claims &amp; Expenses</b>	<b>878.6</b>	<b>630.0</b>
Profit before Tax	(241.1)	(254.5)
Credit balance in P & L account at the year end	(786.8)	(545.6)

### 4. FINANCIAL CONDITION & STRENGTH

The Company is currently capitalised at ₹ 1,061 Crore, an increase of ₹ 356 Crore over the previous year. This capital infusion translates into a solid financial base and is a reflection of the long term commitment of the shareholders. Solvency refers to the minimum surplus that an insurance Company needs to keep aside in the form of additional capital to meet any unprecedented increase in claims and to meet any adverse losses. IRDA prescribes that each insurance Company must have free assets equal to 1.5 times of its liabilities. Our solvency margin is in excess of 1.81 and is well above the regulatory requirement of 1.5.

### 5. INITIATIVES AROUND CUSTOMER MANAGEMENT & CUSTOMER EXPERIENCE

The Company has focused on Customer experience by creating 1) suite of digital assets with end-to-end customer journeys across touchpoints; 2) Enabling digital self-servicing for 90% of the processes and 3) Digital engagement through incentivised wellness and holistic health management. The Company's health management program provides hyper-personalised engagement in the form of recommendations, by leveraging the health ecosystem created thus far, to improve customer health outcomes.

#### 5.1. DIGITAL ENABLEMENT TO IMPROVE CUSTOMER EXPERIENCE

Helping our millions of customers know and improve their health is good for customers, good for the society and good for shareholders and aligned to the Company's purpose. The Company has devised a robust platform and a tech-enabled Health & Wellness ecosystem to provide a seamless experience



throughout the customer journeys. The Company has built a strong portfolio of digital assets with investments in technology including Customer app & portal, self-servicing modules, chat-bot, Distributor app and Knowledge Management and training portals. 93% of our policies were issued digitally through best-in-class digital platforms in FY20.

The Company has embarked on a mission to provide its customers best in class service experience and it is in this direction that the Company has set out its Digital and Automation journey, through a combination of Robotic Process Automation, Artificial Intelligence and Six sigma implementation. The Company has not only been able to deliver phenomenal improvement in Customer led metrics but also empowered Customers to have easy access to information and services using a range of Digital self-servicing options provided through app, Website, WhatsApp and ChatBot. The wellness features like online communities, fitness videos in the APP have also led to an enhancement in customer engagement.

## 5.2. CLAIMS MANAGEMENT

The Company focuses on prompt claims settlement and has set aggressive TAT of less than 2 hours for Pre Authorisation and 3 business days for Reimbursement Processing with adherence being at 90% for both processes. Virtual Care Managers providing handholding assistance in the claims process has gained customer acceptance and trust and this coverage has been expanded further. More than 79,000 claims have been processed in FY 2019-20. Claims NPS has consistently been on an increasing trend in FY 2019-20.

## 5.3. WELLNESS ENGAGEMENT WITH CUSTOMERS WITH WELLBEING SCORE

The Company continues to take a leadership stance on its “health first” business model and has devised the industry’s first incentivised wellness and chronic management programs embedded in our products. Disease Risk Management is integral to the Company’s vision and differentiated “health-first” business model. The Company conducts proactive Health Assessments and Health Checkups with 46% of our customers undergoing these check-ups.

Health Care Managers provide chronic care services for customers with Diabetes, Asthma, Hypertension & Hyperlipidemia. This coaching has helped in improving our customers’ overall health and well-being.

## 5.4. CUSTOMER EXPERIENCE & NPS

Aligned with the Company’s commitment and driving purpose towards exemplary service and being customer-driven, transparent and fair across the customer journeys, it has instituted a process of seeking customer feedback on ongoing basis at every touch point through the Net Promoter Score (NPS). The NPS trend in FY 20 has been very encouraging with an upward swing seen across key processes. With focus on service excellence, the Company has constituted a Customer Experience task-force to meticulously track and improve NPS processes.

## 5.5. CONTINUING THE GROWTH JOURNEY

The Company’s strategy remains focused on driving Profitable growth that is entrenched in its Purpose of motivating Indian families to live healthy and fulfilling lives. Going forward the Company will focus on 1) Customer acquisition and retention at scale; 2) Health Risk Management and 3) Health Management which will be the key pillars to drive value accretive growth. This will be done on the back of well-diversified distribution networks and strong capabilities around tech-enabled Health management framework, Health ecosystem and partners, incentivised wellness framework and digital assets.

By order of the Board of Directors  
for **Aditya Birla Health Insurance Co. Limited**

<b>Mr. Ajay Srinivasan</b>	<b>Mr. Mayank Bathwal</b>
Director	CEO & WTD
(DIN 00121181)	(DIN 06804440)

Place: Mumbai  
Date: May 13, 2020

## Disclaimer

Certain statements in this “Management Discussion and Analysis” may not be based on historical information or facts and may be “forward looking statements” within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans and strategy of the Company, its future outlook and growth prospects, future developments in its businesses, its competitive and regulatory environment and management’s current views and assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian economic conditions, changes in Government regulations, tax regimes, competitor’s actions, economic developments within India and such other factors such as within with the Company operates. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise.

# Board's Report

## Dear Members,

The Board of Directors of **Aditya Birla Health Insurance Co. Limited** ("the Company" or "ABHICL") is pleased to present the Fifth Annual Report and the Audited Financial Statements of the Company for the financial year ended March 31, 2020 ("financial year").

## FINANCIAL SUMMARY AND HIGHLIGHTS

The highlights of the Financial Results are as under:

Particulars	(₹ in crore)	
	2019-20	2018-19
Gross Written Premium (GWP)	872.0	496.8
Net Written Premium	694.6	468.9
Net Earned Premium	585.4	348.2
Investment Income – Policyholders	34.8	18.6
Investment Income – Shareholders	17.3	8.7
<b>Total Revenue</b>	<b>637.5</b>	<b>375.5</b>
Net Incurred Claims	287.3	204.1
Net Commission (Income) / Expenses	51.5	54.0
Expenses of Management	539.8	371.9
Premium Deficiency Reserve	0	0
<b>Total Claims &amp; Expenses</b>	<b>878.6</b>	<b>630.0</b>
Profit before Tax	(241.1)	(254.5)
Credit balance in P & L account at the year end	(786.8)	(545.6)

The above figures are extracted from the Financial Statements prepared in accordance with accounting principles generally accepted in India including the Accounting Standards specified under section 129 and 133 of the Companies Act, 2013 ("the Act") read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

The detailed Financial Statements as stated above are available on the Company's website at [www.adityabirlahealthinsurance.com](http://www.adityabirlahealthinsurance.com).

## ACCOUNTING METHOD

### Implementation of Indian Accounting Standards (IND AS) converged with International Financial Reporting Standards (IFRS)

The Company has prepared the financial statements as per I-GAAP (Indian Generally Accepted Accounting Principles) and IRDAI (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2000.

The Insurance Regulatory and Development Authority of India "IRDAI" vide its circular IRDAI/F&A/CIR/ACTS/023/01/2020 dated January 21, 2020 has deferred implementation of Ind-AS in the Insurance Sector until finalisation of IFRS 17 by IASB. Accordingly, the circular dated June 28, 2017 hereby, stands withdrawn and the requirement of Proforma Ind AS financial statements being submitted on a quarterly basis by

the Company as directed in the circular under reference stands dispensed with.

The Accounts of the Company are consolidated with Aditya Birla Capital Limited ("ABCL"), the Holding Company to which Ind-AS applies. The Company has also prepared the financial statements in Ind-AS format for FY 2019-20.

## KEY HIGHLIGHTS

The key performance highlights of the Company during the financial year under review are as follows:

- The Company continues to be the Fastest growing Health Insurance company registering business of INR 872 Crore in FY 2019-20 as compared to INR 497 Crore in PY 2018-19, recording a growth of 76% vs Industry growth of 12% and SAHI growth of 25% YoY;
- The Company's strong GWP growth is led by Retail business with 2x YoY retail growth, contributing to 72% of the total business as against 65% in previous year;
- The Company has a unique & differentiated "Health First" model, which is anchored in Differentiated core offerings and Health Management, health data based hyper-personalised engagement supported by health ecosystem. Health management drives customer health outcomes through engagement and the same is validated now by 46% of its customers initiating their health journey with the company;
- The comprehensive Product suite caters to all Customer segments and offerings range from small ticket sized Byte sized Products to Global health coverage products. Incentivised Wellness remains a key differentiator of the Core offerings;
- Since inception, the Company has followed a multi-channel distribution model across agency, broking, bancassurance, digital and direct marketing channels. The Company's multi-channel distribution strategy & extensive network of industry-leading strategic partners, with Banks contributing to more than 60%, significantly broadens its access to potential new customers. The Company expanded its footprint from 800+ locations in FY19 to 2,000+ locations in FY20. Some of the largest Indian Private Sector Banks form part of the 9 Banks tie up that drives growth in third party distribution channel. The diversified and scaled distribution network is digitally enabled and the digital issuances that went upto 98% during the Covid period;
- ABHI started its journey with a model that was embedded in enabling end-to-end digital journeys. These investments helped create a suite of digital and virtual assets over a period that are valuable, enable enhanced Customer experience through engagement at scale and facilitate digital journeys across distribution and Customer touch points. The portfolio of digital assets caters to all stakeholders and all Customer facing processes are enabled for digital servicing;

- Number of lives covered recorded a YoY growth of 3.6x, with 8.3 million as of 31st March, 2020 as compared to 2.3 million as of 31st March, 2019, driven by customer acquisition through byte-sized, contextual products;
- The Company has been focusing on improving overall claims ratio through holistic health risk management leading to reduction in claims ratio from 72% in FY 2018-19 to 59% FY 2019-20;
- Net Loss of INR 241.1 Crore for FY 2019-20 is primarily attributable to funding of new business growth and distribution network creation;
- Total equity share capital infused (including share premium) during the FY 2019-20 is at INR 356 Crore taking the total equity share capital to INR 1,061 crores;
- Solvency margin as at 31st March, 2020 stood at 1.81 against the regulatory requirement of 1.50;
- As the Company gains scale with exponential growth, strong financial management has resulted in downward trending Combined Ratio. The combined ratio is trending as per plan and witnessed a decline from 149% in FY 2018-19 to 133% for the FY 2019-20;

#### MATERIAL EVENTS DURING THE YEAR

Since December 2019, the spread of COVID-19 has severely impacted social and economic activities across the world. WHO has declared COVID-19 as a global Pandemic. The Government of India, as a preventive measure to contain the spread of Covid-19 and to flatten the curve, has declared lockdown from March 24, 2020.

The COVID19 Pandemic has thrown both a challenge and opportunity to the Company. The Pandemic has increased the overall awareness on the need for health insurance, which is expected to help the company's business in the medium to longer term. On the other hand, the Company's operations in the crucial month of March 2020, was impacted by the lockdown. The Company responded proactively to the challenge posed by lockdown by activating its Business Continuity Plan (BCP). The Company's business operations were marginally impacted due to the Covid-19 lockdown. The sales processes of the company, which relies on a face-to-face interaction with, was initially impacted at the beginning of lockdown.

The Company has been able to reduce the impact of lock down by taking slew of measures including digitally enabling frontend sales force, enabling all the support functions to Work from Home etc. Overall, the Company could ensure seamless servicing of customers without any issues during the crisis.

The Company's BCP was enabled by its constant focus on the robust digital strategy. The strategy of building key digital assets, integration with distributors, systems/ Apps, activation

of self-servicing applications for customers etc. helped in minimizing the impact of lockdown and faster recovery. The Company further leveraged its digital assets by initiating training sessions for distributors, connecting and providing uninterrupted servicing to the customers and selling digitally. The details of BCP with reference to COVID19 is covered comprehensively in Business Continuity section subsequently.

The Company is also focusing on cost management and improving efficiency. Further, the solvency position is being monitored regularly. Overall, the solvency and liquidity position are at comfortable levels. The Shareholders are committed to fund the planned growth in business. The Company is well-positioned to leverage the opportunities emerging from increased awareness among the public for need of health insurance.

#### HOLDING COMPANY/ SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES

During the financial year under review, Grasim Industries Limited remained the ultimate Holding Company of the Company and Aditya Birla Capital Limited continues to be the Holding Company of the Company.

##### Subsidiary Company

The Company does not have any Subsidiary Company.

##### Joint Venture / Associate Company

The Company does not have any Joint Venture / Associate Company.

#### TRANSFER TO RESERVES

During the financial year under review, the Company has not transferred any amount to the General Reserve.

#### DIVIDEND

The Directors do not recommend any dividend for the financial year under review.

#### SHARE CAPITAL

During the year, the Authorised Share Capital of the Company was increased from INR. 225 Crore (INR 2,250 Millions) to INR 315 Crore (INR 3,150 Millions). The Authorised Share Capital of the Company stood at INR 315 Crore (INR 3,150 Millions) as on March 31, 2020.

The Issued, Subscribed and Paid up Equity Share Capital of the Company was INR. 298.86 Crore (INR 2,988.60 Millions) as on March 31, 2020.

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During the financial year under review, the following allotments of Equity Shares were made:

During the financial year under review, the following allotments of Equity Shares were made:

Sr. No.	Date of Allotment	Name of the Shareholder	No. of Shares	Face Value per share (INR)	Premium per share (INR)	Amount (INR Crore)
1	May 28, 2019	Aditya Birla Capital Limited ('ABCL')	1,11,95,122	10	31	45.90 {459.00 Million}
		Momentum Metropolitan Strategic Investments (Pty) Limited (Formerly known as MMI Strategic Investments (Pty) Limited) <sup>1</sup>	1,07,56,098	10	31	44.10 {441.00 Million}
2	July 31, 2019	Aditya Birla Capital Limited ('ABCL')	1,80,36,586	10	31	73.95 {739.50 Million}
		Momentum Metropolitan Strategic Investments (Pty) Limited (Formerly known as MMI Strategic Investments (Pty) Limited) <sup>1</sup>	1,73,29,268	10	31	71.05 {710.50 Million}
3	November 27, 2019	Aditya Birla Capital Limited ('ABCL')	1,24,39,025	10	31	51.00 {510.00 Million}
		Momentum Metropolitan Strategic Investments (Pty) Limited (Formerly known as MMI Strategic Investments (Pty) Limited) <sup>1</sup>	1,19,51,219	10	31	49.00 {490.00 Million}
4	March 6, 2020	Aditya Birla Capital Limited ('ABCL')	26,12,196	10	31	10.71 {107.10 Million}
		Momentum Metropolitan Strategic Investments (Pty) Limited (Formerly known as MMI Strategic Investments (Pty) Limited) <sup>1</sup>	25,09,756	10	31	10.29 {102.9 Million}

<sup>1</sup> Change in name is effective from July 10, 2019

## DEPOSITORY

As on March 31, 2020, the Company's total paid-up equity share capital comprising of 29,88,55,813 Equity Shares was held in dematerialised form.

## TRANSFER OF SHARES/ CHANGE IN NOMINEE SHAREHOLDERS

During the year, the name of the foreign Joint Venture Partners was changed from MMI Strategic Investments (Pty) Limited to Momentum Metropolitan Strategic Investments (Pty) Limited w.e.f. July 10, 2019. Further, the Company had received request from the Holding company to change its Nominee shareholders as follows:

Sr. No.	Name of old Nominee (DP id/ Client No.)	Name of new Nominee (DP id/ Client No.)	Date of Transfer	No. of Shares
1	Ms. Anjali Makhija	Mr. Lalit Vermani	January 31, 2020	10

## PUBLIC DEPOSITS

The Company, being an Insurance Company has not accepted any deposits from the public during the financial year under review in accordance with Section 73 of the Act read with the rules made thereunder.

## PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN OR SECURITY PROVIDED

The particulars of loans, guarantees and investments under the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, are not applicable to the Company.

## CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The particulars with respect to the conservation of energy and technology absorption as required to be disclosed pursuant to provision of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure I to this report.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the financial year under review as well as during the previous financial year. However, the foreign exchange outgo during the financial year under review was INR 0.70 Crore (INR 7 million) as compare to INR 6.10 Crore (INR 61 million) in the previous year.

## MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY

The details relating to impact of the COVID including the mitigating steps taken by the Company for managing the Pandemic have been covered as the separate para in this Report.

Further, there were no material changes and commitments affecting the financial position of the Company from end of the financial year up to the date of this Report.

## CHANGE IN NATURE OF BUSINESS

During the financial year under review, there has been no change in the nature of business of the Company.

## EMPLOYEE STOCK OPTION PLAN

Employee Stock Options have been recognised as an effective instrument to attract talent and align the interest of employees with that of the Company, thereby providing an opportunity to the employees to share in the growth of the Company, to create long term wealth in the hands of employees and act as a retention tool.



In view of the above, Aditya Birla Capital Limited (ABCL) had formulated “Aditya Birla Capital Limited Employee Stock Option Scheme 2017” (“Scheme 2017”) for its employees and that of Subsidiaries.

The benefits and coverage of the Scheme 2017 has been extended to the employees of the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the financial year under review, is presented as a separate section, which forms part of Annual Report.

## CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance is attached as **Annexure II**, which forms part of this Board Report.

In compliance with “Guidelines on Corporate Governance for the Insurance Sector” (Corporate Governance Guidelines) issued by IRDAI, a Compliance Certificate issued by the Compliance Officer forms part of the Corporate Governance Report.

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARY

The Company does not have any Subsidiary Company.

## RISK MANAGEMENT

The year 2019-20 was a challenging one. The financial sector faced liquidity and credit crisis and ended the year having to deal with the Covid Pandemic.

Over the years, your company has built a strong Risk Management Framework supported by well-established policies and procedures and a talented pool of Risk Professionals. The Company was able to face up to the unprecedented challenges during the last year and emerge as a strong and stable organisation during turbulent times.

The Company has an Enterprise Risk Management (ERM) framework in place, which includes key components such as risk identification, risk assessment, risk response and risk management strategy. The Risk Governance Structure of the Company follows 3(three) lines of defense. The identified risks are evaluated and managed by either avoidance, transfer, mitigation or retention. The risks of the Company are broadly classified into 8 categories namely Reputation Risk, People Risk, Regulatory Risk, Operational Risk, Investment Risk, Insurance Risk, Strategic Risk and Business Risk.

As a process, Key Risk Indicators are identified for each risk category and these are monitored on a periodic basis by the Risk Management function. The Company follows a Risk Control Self-Assessment process to embed the risk management culture as a part of its day-to-day operations. The Company also assesses and monitors fraud risks so as to design and implement controls in required process areas.

The key business risks are monitored on regular basis by the Risk Management team and reported to the Risk Management Committee of the Board. The Company has in place an Operational Risk Management framework to manage risks that may arise from inadequate or failed internal processes, people, systems, or external events. To manage and control operational risk, we use various tools including self-assessments, operational risk event management and key risk indicator monitoring.

The Company recognises that information is a critical business asset and accordingly, the Company has an information security and cyber security framework that ensures all information assets are safeguarded by establishing comprehensive management processes throughout the organisation.

The Company has an Information and Cyber Security framework in place with a Board approved policy on Information Security. The Policy has been designed to meet the business requirements of access to information, ensuring safe operations, protecting business data, safeguard technology and achieving improved customer confidence within the overall framework of laws and regulations. The Company has implemented comprehensive process of preventive controls, online monitoring and complementary audits as a part of Information and Cyber Security framework.

The Company has implemented state of art preventive and monitoring tools. The preventive tools includes setting up of Firewalls, Intrusion Prevention System (IPS), system of VAPT testing of applications etc. This is supported by monitoring tools which helps in online monitoring and prevention of any cyber-attacks.

The prevention and monitoring process is further complemented by a system of periodic Vendor Audits and Information Security Risk Assessments audits. During the last year, there was a significant increase in adoption of digital technologies by your company and an increasing scope of cyber risks. The Risk Management function played the dual role of Business enabler and also a watchdog for monitoring and mitigating cyber threats.

The Company is certified as ISO 27001 for its Information Security and Management System.

The Company has a Board approved policy for Reinsurance in place. The insurance risks are managed and wherever required transferred by developing appropriate Reinsurance strategy. The reinsurance is used as risk transfer tool and the risk is managed through an annual Reinsurance plan.

The Company's Investment function operates under the Investment Policy approved by the Investment Committee and the Board. Investment Policy (and investment SOP) helps in not only ensuring regulatory compliances but also provides the framework for management and mitigation of the risks associated with investments. The Investment Committee also oversees the strategy adopted to ensure adequate controls are put in place to mitigate risk related to Asset Liability Management.

The Company monitors the capital and solvency margin requirement to ensure adherence to stipulated requirements.

Strategic risks such as changes in operating environment, technology, economy and the industry are monitored by the Company through its strategic planning process. The Strategic risks are monitored on a quarterly basis by the Risk Management team and reported to the Risk Management Committee.

## BUSINESS CONTINUITY

The Company has a well-documented Business Continuity Management Programme which has been designed to ensure continuity of critical processes during any disruption.

Towards the end of last financial year, the unprecedented outbreak of Coronavirus (COVID-19) presented a unique challenge to all industries and companies. The Company proactively invoked its Business Continuity Plan, which was modified to take care of evolving situation and a Pandemic Plan was developed. was developed keeping in view the interest of various stakeholders like employees, customers, partners, distributors, etc within the overall regulatory requirements and guidelines.

To manage the impact of the pandemic on your Company, a Crisis Management Team (CMT) comprising of Leadership Team members and led by the CEO of the Company was formed. The program was managed by the Chief Risk Officer, Head – Human Resources with the support of other Leadership Team members. The CMT had daily meeting to monitor the emerging crisis and take appropriate actions.

The Risk team coordinated with various Business functions to implement the Work from Home plan for employees to ensure Business Continuity and servicing of Customers without dilution of controls.

Employee's health & safety was accorded top priority. Various steps were taken well before the lockdown to reduce congestion in office, maintain social distancing and enabling work from home for the employees. Critical processes were identified, reviewed for work from home scenario and wherever required alternate set of controls instituted. The work from home plan was tested well in advance and glitches ironed out. After announcement of lockdown, Work-from-Home (WFH) was fully enabled for all employees.

A detailed customer communication and connect strategy was developed. Customers were proactively communicated as to coverage of COVID-19 hospitalisation under the company's products. The team of company's Doctors also reached out to customers with chronic conditions and advised them on various preventive steps to be taken during Pandemic. The initiative and connect of the company was well appreciated by the customers. Further, the Company leveraged its digital assets to conduct various programs on Mental Wellness, Yoga Sessions, Workout from homes, Talk with doctors, Session by a Psychologist etc. These programs were well received and appreciated by the customers.

The Company also gave top priority to claims servicing for its customers. All the cashless claims received during the period were processed well in time inspite of lockdown. The reimbursement claims were also processed using the digital documents submitted by customers. Additional time period was given for renewal of policies during the lockdown period, which was in line with regulatory stipulations. The Company also communicated the various digital self-servicing options available to the customers.

The Company also reached out to network hospitals and vendor partners to ensure their support for seamless operations. The network hospitals and vendors provided all the support during the crisis.

The Company used the time available to train its sales force, employees, agents/ partners etc on various tools and soft skills to equip them on the new norm of remote working. These programs were well received and enabled front-end team to connect with customers during the lockdown. It is expected that

the investments in training will help the company to improve efficiency and also enable faster return to normalcy.

The Company is constantly monitoring the COVID related claims experience. There has been no major deviation in the servicing of claims and the customer experience. Also, the overall claim is within the manageable levels.

The Company is ensuring full compliance with the various COVID-19 related circulars/ directions issued by the Regulator. The Company is in the process of filing a COVID-19 specific product as per the Regulatory direction.

The Company has also periodically updated the Risk Management Committee and Board on the developments and has taken their advice and guidance. The Company has been in periodic engagement with the Regulator directly and through the industry forum (General Insurance Council) on the subject.

As the COVID-19 pandemic continues to evolve, the efforts of Risk Management will be to support an effective return to work while ensuring safety of employees and customers. The Company expects the challenging times to continue till the vaccine is found. However, it is well prepared to ensure stabilisation and Business continuity.

The detailed Risk Management framework and Risk policies are given in **Annexure VI**

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

During the financial year under review, all contracts / arrangements / transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis and were not considered material as per the provision of Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014. Hence, disclosure in form AOC-2 under Section 134(3)(h) of the Act, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014, is not applicable.

All related party transactions have been approved by the Audit Committee of the Company and are reviewed on a periodic basis in accordance with the Related Party Transaction Policy.

The details of contracts and arrangements with related parties of the Company for the financial year under review, are given in notes to the Financial Statements, forming part of this Annual Report. The Policy on Related Party Transactions, as approved by the Board, is available on the Company's website at: [www.adityabirlahealthinsurance.com](http://www.adityabirlahealthinsurance.com)

## **INTERNAL FINANCIAL CONTROLS**

The Board of Directors confirms that the Company has laid down standards, processes and structures which enable it to implement Internal Financial controls across the organisation and that such control are adequate and are operating effectively. During the year under review, no material or serious observation has been observed, due to inefficiency or inadequacy of such controls.

Assurance on the effectiveness of internal financial controls is obtained through management reviews, control self-assessment, continuous monitoring by functional experts as well as testing of the internal financial control systems by the internal auditors during the course of their audits.

## INTERNAL AUDIT

The Company has a robust Internal Audit practice carried out by a reputed Independent firm of Chartered Accountants. The Internal Audit Plan is drawn in advance and is approved by the Audit Committee. The internal audit reports are placed in the Audit Committee and the Chairman of the Audit Committee is an Independent Director as per the stipulations of IRDAI Corporate Governance norms.

M/S Singhi & Co, Chartered Accountants were appointed as Internal Auditors of the Company for the Financial Year 2019-20. The Internal Audit Plan was designed to assess the adequacy of operational processes and assess the efficacy of internal controls. Internal audit is conducted with the objective of providing to the Audit Committee of the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's operating controls and governance processes. The audits also assess the compliance levels with the regulatory and statutory requirements. The internal audit follows a risk based approach where high risk areas are prioritised and audited more frequently.

The broad process followed by the Company for Internal Audit is as stated below:

- Establish and communicate the scope of the audits with the process owners
- Perform walkthroughs to understand major processes and related sub-processes along with different interfaces;
- Perform detailed evaluation of controls over identified risks;
- Closure of Audit between Internal Auditor and Management, wherein observations are discussed and actionables, basis the root cause analysis of the identified problems and the proposed remediation, are agreed;
- Final Audit Report is released to the concerned stakeholders;
- Key audit observations along with status of implementation of open audit findings are presented by the Internal Auditors to the Audit Committee.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act and basis the confirmation by the management, Directors of the Company state that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors had been selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for the period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- the Directors had prepared the annual accounts on a going concern basis; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENT/RESIGNATION OF DIRECTORS

As on March 31, 2020, the Board of Directors of the Company ("the Board") comprised of 13 (Thirteen) Directors, wherein there are 7(Seven) Non-Executive Directors, 5 (Five) Independent Directors (including 1 (One) Woman Director) and 1 (One) Chief Executive Officer & Whole Time Director. The Directors on the Board possess the requisite experience and competency and are renowned in their respective fields.

All the Directors are liable to retire by rotation except Whole Time Director and Independent Directors who are appointed for a fixed term.

During the financial year under review, the following changes took place in the composition of the Board of the Company:

- Mr. Navin Puri (DIN 08493643) was appointed as an Independent Director w.e.f. July 24, 2019 in the casual vacancy caused due to sad demise of Late P Vijaya Bhaskar. Mr. Puri shall hold office till 22.07.2021.
- Dr. Johannes Hendrik Viljoen (DIN 08588761) was appointed as a Non-Executive Director representing M/S Momentum Metropolitan Strategic Investments (Pty) Limited w.e.f. October 22, 2019.

## RETIREMENT BY ROTATION

As per the provisions of the Act, Mr. Risto Sakari Ketola (DIN 07980685) and Mr. Sushil Agarwal (DIN 00060017) retire by rotation in the forthcoming 5th Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

A detailed profile of the Directors seeking re-appointment is provided in the Notice of the 5th Annual General Meeting of the Company.

The details of the remuneration paid to Directors, other than the Whole Time Director, along with the attendance in the meeting of the Board & Committees during the financial year 2019-20, are provided in the Corporate Governance Report.

## DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company, confirming that they meet the 'criteria of Independence' as laid down under the Section 149 (6) of the Companies Act, 2013.

The Board at its meeting held on May 13, 2020 has reviewed the declaration of the independence received from all the Independent Directors took note of the fulfillment of criteria laid down in the aforesaid regulations.

Further, in compliance with Rules 1 & 2 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, the Company has received declarations from all the Independent Directors of the Company confirming inclusion of their name in the Independent Director's Databank and compliance with the above requirements.

### **KEY MANAGERIAL PERSONNEL**

In terms of the provisions of Sections 2 (51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following employees were holding the position of Key Managerial Personnel ('KMP') of the Company:

- Mr. Mayank Bathwal (Chief Executive Officer & Whole Time Director)
- Ms. Shikha Bagai (Chief Finance Officer)
- Mr. Mahesh Kumar Radhakrishnan (Company Secretary)

In terms of the provisions of Corporate Governance Guidelines issued by IRDAI, the following employees were holding the position of Key Management Persons of the Company during the FY 2019-20:

- Mr. Mayank Bathwal (Chief Executive Officer & Whole Time Director)
- Ms. Shikha Bagai (Chief Finance Officer)
- Mr. Mahesh Kumar Radhakrishnan (Head – Legal, Risk, Compliance and Company Secretary)
- Mr. Niren Srivastava (Head - Human Resource & Administration)
- Ms. Varij Pujara (Chief Distribution Officer)
- Ms. Darshana Shah (Chief Marketing Officer)
- Mr. Siddharth Bhat (Head - Information Technology)
- Mr. Dheeraj Agarwal (Chief Investment Officer)
- Ms. Anjali Makhija (Chief Operating Officer w.e.f. January 24, 2020)
- Mr. Nirav Shah (Appointed Actuary w.e.f. January 8, 2020)
- Ms. Jyoti Punja (Chief Operating Officer from April 23, 2019 till November 15, 2019)

### **ANNUAL PERFORMANCE EVALUATION**

The evaluation framework for assessing the performance of the Directors of the Company comprises of contributions at the Meeting(s) and strategic perspective or inputs regarding the growth and performance of the Company, amongst others.

Pursuant to the provisions of the Act and in terms of the Framework of the Board Performance Evaluation, the Nomination and Remuneration Committee and the Board of Directors had carried out an annual performance evaluation of the performance of various Committees of the Board, individual Directors and the Chairman.

### **MEETINGS OF THE BOARD AND ITS COMMITTEES BOARD**

The Board meets at regular intervals to discuss and strategise and take actions on the Company's operations. During the financial year under review, the Board met 4 (four) times.

The meetings of the Board were held on April 23, 2019, July 24, 2019, October 22, 2019 and January 24, 2020. Further details on the Board Meetings are provided in the Corporate Governance Report, which forms part of the Board Report.

### **AUDIT COMMITTEE**

The Company has constituted an Audit Committee with its composition, quorum, powers, roles and scope in line with the applicable provisions of the Act read with CG guidelines issued by IRDAI.

During the financial year under review, the Audit Committee through the process of Internal Audits exercised oversight on the internal controls that are in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with prevailing laws and regulations. No material discrepancy or weakness in the internal control system of the Company were reported during the year.

During the financial year under review, all recommendations made by the Audit Committee were accepted by the Board.

Further details on the Audit Committee are provided in the Corporate Governance Report, forming part of the Board Report.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Company has a duly constituted Nomination and Remuneration Committee with its composition, quorum, powers, roles and scope in line with the applicable provisions of the Act.

Further details on the Nomination and Remuneration Committee are provided in the Corporate Governance Report, forming part of the Board Report.

The Nomination and Remuneration Committee has formulated a policy on remuneration under the provisions of Section 178(3) of the Act and the same is attached as **Annexure III** to this report.

### **OTHER COMMITTEES**

The Board of Directors has also constituted the following additional Committees under the relevant provisions of the Companies Act, 2013 read with Corporate Governance Guidelines issued by IRDAI:

- Investment Committee
- Policyholders' Protection Committee
- Risk Management Committee

Details of all the Committees of the Board are provided in the Corporate Governance Report, which forms part of the Board Report.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to the provisions of Section 134(3)(a) of the Act as amended by the Companies (Amendment) Act, 2017, the extract of annual return for the financial year ended March 31, 2020 in Form MGT-9 under the provisions of 92(3) of the Act has been attached as **Annexure IV** to this report and uploaded on the website of the Company at [www.adityabirlahealthinsurance.com](http://www.adityabirlahealthinsurance.com).



## AUDITORS

### STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS

As per the requirements of the Corporate Governance Guidelines issued by the IRDAI, an insurance company is required to have minimum 2 (Two) Joint Statutory Auditors. In line with the requirements, the Shareholders of the Company have appointed M/s GBCA & Associates LLP, Chartered Accountants (Firm Reg No 103142W/W100292) alongwith M/s Khimji Kunverji & Co., Chartered Accountants (Firm Reg. No: 105146W) as the Joint Statutory Auditors of the Company.

M/S GBCA & Associated LLP, Chartered Accountants (Firm Reg No. 103142W/W100292) are appointed for a term of 5 years and hold office till the conclusion of 9th Annual General Meeting of the Company and M/S Khimji Kunverji & Co., Chartered Accountants (Firm Reg. No: 105146W) are appointed for term of 5 years and hold office till conclusion of 7th Annual General Meeting of the Company. The continuation of Joint Statutory Auditors is subject to meeting the eligibility criteria.

The Company has received certificates from M/s GBCA & Associates LLP, Chartered Accountants and M/s Khimji Kunverji & Co., Chartered Accountants confirming their eligibility and independence to continue as Joint Statutory Auditors of the Company, as per the requirements of the Companies Act, 2013 read with IRDAI Corporate Governance Guidelines.

The Statutory Auditors Report on the Financial Statements for the year under review is a clean report. Further, the Statutory Auditors have not reported to the Audit Committee/ Board of Directors any incidents of fraud during the financial year under review.

### SECRETARIAL AUDITORS

Pursuant to the requirements of Section 204 (1) of the Companies Act, 2013 read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BNP & Associates, a firm of Company Secretaries in Practice, to conduct the Secretarial Audit for the financial year under review. The Secretarial Audit Report in Form MR-3 received from the Secretarial Auditors is attached as **Annexure V**.

The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

### COST RECORDS AND AUDITORS

The provisions of Cost Records and Cost Audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

### CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility as prescribed under Section 135 of the Companies Act, 2013 are not applicable to the Company.

### WHISTLE BLOWER POLICY / VIGIL MECHANISM

In compliance with the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has formulated a vigil mechanism for Directors and Employees to report genuine concerns as per the Whistle Blower Policy. The details of

Whistle Blower Policy, are covered in the Corporate Governance Report, which forms part of the Board Report.

### POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has a Prevention of Sexual Harassment Policy in place, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The details of cases received, disposed and pending during the year are:

- a. number of complaints filed during the financial year: 4 (four)
- b. number of complaints disposed of during the financial year: 3 (three)
- c. number of complaints pending as on end of the financial year: 1 (one)

The Company has complied with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

### HUMAN RESOURCES

In pursuance of the Company's aspirations to become the most preferred employer in the Insurance industry, the Company continued to invest in creating a pool of talent for the growing business needs. The Company's total workforce stood at 2,975 as at March 31, 2020. Structured initiatives around talent management, learning and development and long-term retention plan for the talent pool across levels were implemented for skill development to enhance productivity and performance of the workforce.

### COMPLIANCE WITH THE SECRETARIAL STANDARDS

The Company has been in compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI") on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) for the financial year 2019-20.

### AWARDS AND CERTIFICATIONS

During the financial year under review, the Company has received various awards and recognitions across various functional areas. Some of these were:

1. Aditya Birla Health Insurance was recognised as the Health Insurer of the Year at ET Now Business Leader of the Year Awards
2. ABHICL was recognised as the Health Insurer of the Year, India at the 2019 Insurance Asia News Awards for Excellence
3. ABHICL received the Amiable award in Health Category for being the most amiable, friendly and approachable brand at Pexa, New Delhi
4. ABHICL received an award in Health Insurance Products and Service Innovation category at Pexa, New Delhi
5. ABHICL received Sales Champion award in Health Category at the prestigious The Economic Times Insurance 6th Annual Summit

6. The Company's #JumpForHealth2019 campaign:
  - Won a Gold at E4M Health Marcom 2020 Awards
  - Won an award for Best Use of Influencer Marketing at EMVIE 2019
  - Won an award for Best Case Study Presentation at EMVIE 2019
  - Won a Gold at SMARTIES 2019 India Awards under the Mobile Social Category
  - Won a Gold for Best Crowd Sourced (User Generated) Content at E4M Indian Content Marketing Awards 2019
  - Won a Silver for Best Content Marketing on Social Media platform at E4M Indian Content Marketing Awards 2019
  - Won a Bronze in Mobile Social category at Smarties Awards 2019
  - Won a Silver in Social Impact category at Smarties Awards 2019
7. The Company's #TakeActivCare campaign:
  - Won a Gold at E4M Health Marcom 2020 Awards
  - Won a Bronze in BFSI Industry at The Economic Times – Brand Equity Digiplus Conclave
8. The Company's #RakhoPooraKhayal campaign
  - Won Best Customer Engagement strategy for a female audience at the 13th Edition Customer Fest Awards
9. Excellence awards from Quality Circle Forum of India at International Level Presented to JUSE committee in Japan - 25th Sept 2019
  - Six sigma project on Reduction in pre-issuance refund TAT
  - Process improvement project on Increase in DRM OPD Cashless Benefit Uptake via Company Portal
10. The following six projects of the Company was recognised by Excellence Circle Forum of India, Mumbai chapter in the event held on 22nd September 2019:
  - New Business – Free look Cancellation TAT process Improvement
  - Policy Servicing – Financial & Non-financial Endorsement Process Improvement
  - Business Excellence – Robotic Process Automation a service operating model
  - New Business – Branch Ops – Advisor Activation process & outcomes
  - Group Operations – Certificate of Insurance creation & dispatch process
  - Embedded Wellness – Improving Health Returns process

## OTHER DISCLOSURES

In terms of applicable provisions of the Act, the Company discloses that during the financial year under review that:

- i. There was no issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under Employee Stock Option Schemes referred to in this Report;
- ii. There was no Scheme for provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
- iii. There was no Issue of shares with differential rights;
- iv. There was no transfer of shares of the Company other than change of Nominees shareholder of Aditya Birla Capital Limited;
- v. There was no transfer of un-paid or unclaimed amount to Investor Education and Protection Fund (IEPF);
- vi. There were no significant or material orders passed by the Regulators or Hon'ble Courts or Tribunals which impact the going concern status and Company's operations in future.
- vii. There was no proceeding for Corporate Insolvency Resolution Process initiated Under the Insolvency and Bankruptcy Code, 2016; and
- viii. There was no failure to implement any Corporate Action.

## TRANSFER OF UNCLAIMED AMOUNT OF POLICYHOLDERS TO NATIONAL SENIOR CITIZEN WELFARE FUND

Provisions of the IRDAI circular no. IRDA/F&A/CIR/MISC/105/07/2018 dated July 11, 2018, on unclaimed amount to be transferred to National Senior Citizen Welfare Fund is not applicable to the Company, as the Company has not completed 10 years of its operations.

## CUSTOMER GRIEVANCE REDRESSAL

The Grievance Redressal Guidelines issued by IRDAI has established uniformity in the insurance industry in terms of definitions, timeframes for complaint resolution and classifications of complaints. In accordance with the Grievance Redressal Guidelines, the revised policy has been laid down in October, 2017.

Adequate steps are undertaken to provide awareness among customers about Grievance Redressal and the escalation matrix.

Grievances received by the Company are reported on 'Integrated Grievance Redressal Management System' (IRDAI - IGMS) online and a reverse feed gets downloaded for complaints registered by customers on IGMS against the Company. Grievance Redressal team has been empowered to take decisions for ensuring effective resolution of customer complaints.

## MANAGERIAL REMUNERATION

Remuneration (sitting fees) paid to Independent Directors and elements of remuneration package (including incentives) of MD & CEO and Key Management Persons as per Corporate Governance Guidelines issued by Insurance Regulatory and Development Authority of India ("IRDAI") are disclosed in the Corporate Governance Report, which forms part of the Board Report.

**OTHER STATUTORY INFORMATION****Management Report**

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2000, the Management Report forms part of the Annual Report.

**Appointed Actuary's Certificate**

The certificate of the Appointed Actuary is attached to the Financial Statements.

**Certificate from Compliance Officer (under Corporate Governance Guidelines issued by IRDAI)**

In compliance with CG Guidelines issued by IRDAI, a Compliance Certificate issued by the Company Secretary, designated as the Compliance Officer under Corporate Governance Guidelines, is attached to the Corporate Governance Report, which forms part of the Board Report.

**Solvency Margin**

The Directors are pleased to report that the assets of the Company are higher than its liabilities with a solvency margin of 1.81 in FY 2019-20, which is above the minimum solvency margin level of 1.50, as specified in Section 64VA of the Insurance Act, 1938 read with the IRDAI (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000.

**ACKNOWLEDGEMENTS**

The Board places on record its heartfelt appreciation of the dedicated efforts put in by employees of the Company at all levels. The results of the year are testimony to their hard work and commitment.

The Board takes this opportunity to express sincere thanks to its valued customers for their continued patronage.

The Board also acknowledges the contribution of insurance advisors, banks, corporate brokers/agents and intermediaries, training institutes and business and technology partners, the Registrars, Depositories, reinsurers, underwriters and other insurance intermediaries, who have always supported and helped the Company to achieve its objectives.

The Board would like to thank the Aditya Birla Group and MMI Group, for their constant support, guidance and co-operation.

The Board would also like to express its gratitude for the valuable advice, guidance, and support received from time to time from the Insurance Regulatory and Development Authority of India, the Auditors and the other Statutory Authorities and look forward to their continued support in future.

By order of the Board of Directors  
for **Aditya Birla Health Insurance Co. Limited**

<b>Mr. Ajay Srinivasan</b>	<b>Mr. Mayank Bathwal</b>
Director	CEO & WTD
(DIN 00121181)	(DIN 06804440)

Place: Mumbai  
Date: May 13, 2020

## ANNEXURE I

## CONSERVATION OF ENERGY &amp; TECHNOLOGY ABSORPTION

Particulars pursuant to the provisions of Section 134 (3) (m) of the Act, read with the Rule 8 (A) & (B) of the Companies (Accounts) Rules, 2014, are furnished hereunder:

A. CONSERVATION OF ENERGY	MANAGEMENT RESPONSE
(I). The steps taken or impact on conservation of energy;	None
(II). The steps taken by the company for utilising alternate sources of energy;	None
(III). The capital investment on energy conservation equipment's;	None
B. TECHNOLOGY ABSORPTION	
(i) Efforts made towards technology absorption;	<p>Your Company has launched the following digital platforms:</p> <p><b>A.</b> New features added in WhatsApp  <b>B.</b> New features added in Chatbot  <b>C.</b> Email Bot  <b>D.</b> Medical Reports Digitisation and OCR  <b>E.</b> Auto Underwriting tool</p>
(ii) The benefits derived like Product improvement, cost reduction, product development, import substitution;	<p><b>Key Improvements/ developments done are:</b></p> <p><b>A. WhatsApp Integration- Additional new features enabled:</b></p> <ul style="list-style-type: none"> <li>• Medical Reports</li> <li>• Track Policy Status, Endorsement, Claims etc.</li> <li>• Overall <b>44% growth in WhatsApp self servicing</b></li> </ul> <p><b>B. Medical Reports Digitisation and OCR</b></p> <ul style="list-style-type: none"> <li>• The data entry process is completely automated</li> <li>• The accuracy of Digitised data is 99% with auto movement to facilitate faster U/W decision making</li> <li>• Auto UW was launched with 97% accuracy (3% impact was pertaining to initial hiccups)</li> </ul> <hr/> <p><b>C. Data Digitised till Date for Health Assessment (HA) / Annual Health Check-up (AHC) since Go Live (Jul-19)</b></p> <hr/> <p><b>D. Email Bot</b></p> <ul style="list-style-type: none"> <li>• Automation tool to respond to customers queries</li> <li>• 33% increase in productivity post BOT implementation</li> </ul> <hr/> <p><b>E. New Chatbot Features:</b></p> <ul style="list-style-type: none"> <li>• Chatbot on WhatsApp &amp; app for customers to get ABHICL Products, Pre-Policy Check-up, Track Policy Status, Policy Kit, Ecard, Medical Report, Cashless Process, locate Network Hospital, find Claim Status, Renew Payment Link, Renew Notice, FAQs.</li> </ul>
iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	None
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not Applicable
(iv) the expenditure incurred on Research and Development.	

By order of the Board of Directors  
for Aditya Birla Health Insurance Co. Limited

Mr. Ajay Srinivasan  
Director  
(DIN 00121181)

Mr. Mayank Bathwal  
CEO & WTD  
(DIN 06804440)

Place: Mumbai  
Date: May 13, 2020



## ANNEXURE II

## Corporate Governance Report

## PHILOSOPHY OF CORPORATE GOVERNANCE

Corporate Governance is intrinsic to the Management of Company affairs. Good Governance aids effective management and control of business. The Company has over the years followed best practices of Corporate Governance. The Company has a strong legacy of fair, transparent and ethical governance practices and believes that good Corporate Governance is essential for achieving long term corporate goals and to enhance stakeholder's value. The Company ensures that its performance goals are aligned with integrity.

The Company adheres to ethical standards which lead to effective management. It believes in accurate and transparent disclosures pertaining to its operations, performance, risk and financial position.

The philosophy and objective of Corporate Governance at Aditya Birla Health Insurance Co. Limited ("Company") is "about working ethically and finding a balance between economic and social goals including the ability to function profitably while complying with the applicable laws, rules and regulations."

## REPORTING UNDER CORPORATE GOVERNANCE GUIDELINES

The Company is an unlisted Public Company and consequently the provisions relating to Corporate Governance as mentioned in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') are not applicable. However, the Company makes the following reporting / disclosures to the extent applicable and as specified under 'Guidelines for Corporate Governance

for Insurers In India' ("CG Guidelines") issued by Insurance Regulatory and Development Authority of India ("IRDAI") on May 18, 2016.

## I. BOARD OF DIRECTORS

The Company's Board comprises of adequate mix of Independent Directors, Non-Executive Directors and Executive Director.

The Board takes the responsibility to set strategic objectives for the Management and to ensure that the long term interests of all stakeholders are served by adhering to and enforcing the principles of sound Corporate Governance.

The Company's Board members have diverse areas of knowledge and expertise, which is necessary in providing an independent and objective view on business issues and assessing them from the stand-point of the stakeholders of the Company.

## COMPOSITION OF BOARD AND DETAILS OF DIRECTORSHIPS

The composition of the Board of Directors and its Committees is governed by the Companies Act, 2013, Insurance Act and Corporate Governance Guidelines issued by IRDAI.

As on March 31, 2020, the Board of Directors of the Company ("the Board") comprised of 13 (Thirteen) Directors, wherein there are 7 (Seven) Non-Executive Directors, 5 (Five) Independent Directors (including 1 (One) Woman Director) and 1 (One) Chief Executive Officer & Whole Time Director. The Chairperson(s) of the Audit Committee and Nomination and Remuneration Committee are Independent Directors.

Sr. No.	Name of the Directors	Designation	Status of Directorship held in other Public Companies*	No. of Committees**	
				As Member	As Chairman/ Chairperson
1	Mr. Ajay Srinivasan	Non-Executive Director	5	5	-
2	Mr. Sushil Agarwal	Non-Executive Director	4	4	-
3	Mr. Devajyoti Bhattacharya	Non-Executive Director	7	3	-
4	Dr. Ajit Ranade	Non-Executive Director	6	-	2
5	Mr. Asokan Naidu	Non-Executive Director	-	-	-
6	Mr. Risto Sakari Ketola	Non-Executive Director	-	-	-
7	Dr. Johannes Hendrik Viljoen <sup>1</sup>	Non-Executive Director	-	-	-
8	Mr. Sethurathnam Ravi	Independent Director	2	-	2
9	Ms. Sukanya Kripalu	Independent Director	5	4	1
10	Mr. Colathur Narayanan Ram	Independent Director	-	-	-
11	Mr. Mahendren Moodley	Independent Director	-	-	-
12	Mr. Navin Puri <sup>2</sup>	Independent Director	3	-	1
13	Mr. Mayank Bathwal	CEO & Whole Time Director	-	-	-

<sup>1</sup> Appointed w.e.f. October 22, 2019.

<sup>2</sup> Appointed w.e.f. July 24, 2019.

\*Excluding alternate directorships and directorships in foreign companies and companies under Section 8 of the Companies Act, 2013.

\*\* Only Audit Committee and Stakeholders Relationship Committee of all public limited companies.

(whether listed or not) have been considered for the purpose of the Committee positions (membership and chairmanship).

**BRIEF PROFILE OF DIRECTORS:**

Sr. No.	Name of Director	Qualification	Field of Specialisation
1	Mr. Ajay Srinivasan	BA honours in Economics from St Stephens College, Delhi and MBA from the Indian Institute of Management (IIM), Ahmedabad.	Banking & Financial Services
2	Mr. Sushil Agarwal	M. Com and Chartered Accountant	Financial Services
3	Mr. Devajyoti Bhattacharya	Bachelor of technology degree in mechanical engineering from NIT, Rourkela, and a postgraduate degree in industrial engineering from NITIE, Mumbai	Manufacturing, Finance, Software and Media Services.
4	Dr. Ajit Ranade	BE - IIT Mumbai, MBA - IIM Ahmedabad and Ph.D in Economics - Brown University, USA	Banking & Financial Services
5	Mr. Asokan Naidu	Qualified Chartered Accountant (South Africa) and MBA	Manufacturing and Financial Services
6	Mr. Risto Sakari Ketola	CFA Charterholder, BSC Economics, BSC Stats, Fellow of the Institute of Actuaries (FIA: Life Insurance), Fellow of Actuarial Society of South Africa (ASSA)	Insurance Analysis, Equity Research, Strategic Consultancy, and Asset-liability Modelling Actuary.
7	Dr. Johannes Hendrik Viljoen	BChD, MChD (Public Health Care), DHA (Health Administration), Pretoria and MBL, Unisa	Business Intelligence & Finance, Health Care Services
8	Mr. Sethurathnam Ravi	B.Sc., M.Com, FCA, DISA, Insolvency Resolution Professional (IRP) and Associate member of Association of Certified Fraud Examiners (CFE), USA	Banking & Financial Services
9	Ms. Sukanya Kripalu	Graduate, IIM-Kolkata	Marketing, Strategy, Advertising and Market Research.
10	Mr. Colathur Narayanan Ram	IIT Chennai and IIM Ahmedabad	Technology, Banking and Financial Services
11	Mr. Mahendren Moodley	B Com. (Honours), Post Graduate Degree in Advanced Banking, Chartered Institute of Management Accountants	Investment Banking, Corporate Finance and Private Equity.
12	Mr. Navin Puri	B Com. (Honours), Chartered Accountant, Master of Business Administration – Texas Christian University (USA)	Banking & Financial Services
13	Mr. Mayank Bathwal	Chartered Accountant, Company Secretary, Institute of Cost and Works Accountants	Banking, Finance and Insurance.

**NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

No remuneration is paid to the Non-Executive Directors, except the payment of sitting fees to the Independent Directors, as detailed hereunder.

The details of sitting fees paid to the Independent Directors for FY 2019-20 are as under:

Sr. No	Name of Independent Directors	Total Sitting Fees Paid (Amount in INR)
1	Mr. Sethurathnam Ravi	3,00,000/-
2	Ms. Sukanya Kripalu	3,55,000/-
3	Mr. Colathur Narayanan Ram	3,80,000/-
4	Mr. Mahendren Moodley	2,10,000/-
5	Mr. Navin Puri <sup>1</sup>	1,90,000/-
<b>Grand Total</b>		<b>14,35,000/-</b>

<sup>1</sup>(superscript) Appointed w.e.f. July 24, 2019

**BOARD MEETINGS**

The meetings of the Board of Directors are usually held at Mumbai. The Board meets at least once in every quarter to *inter-alia* review the Company's quarterly performance and financial results. The meetings are scheduled in such a manner

that not more than one hundred and twenty days intervenes between two consecutive meetings. The Company Secretary receives the details on matters, which require the approval of the Board / Board Committees, from various departments of the Company, so that they can be included in the Board / Board Committee agenda(s). All material information in detail, are incorporated in the agenda papers for facilitating meaningful and focused discussions at the meetings. The Company also complies with and follows the secretarial standards for Board and Committee Meetings. As a part of information and agenda papers, following minimum information are provided to the Directors for each meeting:

- Quarterly Performance and Financial results;
- Business review, plans and updates;
- Regulatory updates and compliances;
- Minutes of the previous Board and Committee meetings;
- Any material default, show cause, demand and penalty notices forming part of compliance report;
- Review of various Policies; and
- Disclosure and Declarations received from the Directors.

## BOARD MEETINGS AND ATTENDANCE OF DIRECTORS

During FY 2019-20, the Board of Directors met four times, on the following days:

- April 23, 2019 in Mumbai;
- July 24, 2019 in Mumbai;
- October 22, 2019 in Mumbai; and
- January 24, 2020 in Centurion, South Africa.

The attendance of the Directors at the above Board meetings and Annual General Meeting were as under:

Sr. No.	Name of the Directors	Number of Board Meetings	Attendance in the last AGM dated July 24, 2019
		Held: 4	Held: 1
		Attended	Attended
1	Mr. Ajay Srinivasan	4	Yes
2	Mr. Sushil Agarwal	4	Yes
3	Mr. Devajyoti Bhattacharya	3	No
4	Dr. Ajit Ranade	4	Yes
5	Mr. Asokan Naidu	4	Yes
6	Mr. Risto Sakari Ketola	4	No
7	Dr. Johannes Hendrik Viljoen <sup>1</sup>	2	Not Applicable
8	Mr. Sethurathnam Ravi	4	Yes
9	Ms. Sukanya Kripalu	4	Yes
10	Mr. Colathur Narayanan Ram	4	Yes
11	Mr. Mahendren Moodley	3	No
12	Mr. Navin Puri	3	No
13	Mr. Mayank Bathwal	4	Yes

<sup>1</sup> Appointed w.e.f. October 22, 2019

## INDEPENDENT DIRECTORS' MEETING

In accordance with the provisions of Schedule IV of the Companies Act, 2013, a meeting of the Independent Directors of the Company was held on February 12, 2020 without the presence of the Non-Independent Directors and the members of the management.

## CODE OF CONDUCT

The Company has designed and implemented a Code of Conduct. The code is applicable to the executive officers and all employees of the Company. All have affirmed to the Code as on March 31, 2020. The code is available on the Company's website at [www.adityabirlahealthinsurance.com](http://www.adityabirlahealthinsurance.com).

## II. BOARD COMMITTEES

The Board of Directors has constituted various mandatory Committees under the Corporate Governance Guidelines issued by the IRDAI as follows:

1. Audit Committee;
2. Investment Committee;
3. Risk Management Committee;
4. Nomination and Remuneration Committee; and
5. Policyholders' Protection Committee.

Each of the Board Committee has a well-defined Terms of Reference (including its functions and responsibilities). A brief description for each of the Committees of the Board is as under:

### AUDIT COMMITTEE

As per the provisions of Section 177 of the Companies Act, 2013 read with IRDAI Corporate Governance Guidelines, the Company has a qualified and independent Audit Committee duly constituted by the Board of Directors of the Company.

### TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The broad terms of reference of the Audit Committee, *inter-alia*, include the following:

- to review the Company's financial statements, financial reporting, statement of cash flow and disclosure processes, both on an annual and quarterly basis and to ensure that the financial statements are correct, sufficient and credible.
- to recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor(s) / internal auditor(s) and concurrent auditor(s).
- to review and approve Related Party Transactions / Related Party Policy.

- to review internal financial control.
- to review the performance of statutory auditors, internal auditors and concurrent auditors.
- to ensure compliance with the laws, regulations and internal control systems (including its adequacy).
- to review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit and review reports submitted by internal audit department.
- to review the functioning of the Whistle Blower mechanism/ Vigil Mechanism.

## COMPOSITION, MEETINGS AND ATTENDANCE OF THE AUDIT COMMITTEE

During FY 2019-20, the Audit Committee met four times, on the following days:

- April 23, 2019;
- July 24, 2019;
- October 22, 2019; and
- January 21, 2020.

The Composition of the Audit Committee and the attendance of Members at the meetings during FY 2019-20 were as under:

Sr. No.	Name of Committee Member	Designation / Category	No. of Meetings
			Held: 4 Attended
1	Mr. Ajay Srinivasan	Non-Executive Director	4
2	Mr. Risto Sakari Ketola <sup>1</sup>	Non-Executive Director	4
3	Mr. Sethurathnam Ravi	Independent Director (Chairman)	4
4	Mr. Colathur Narayanan Ram	Independent Director	4
5	Ms. Sukanya Kripalu	Independent Director	3

<sup>1</sup> Member of Committee w.e.f. April 12, 2019

The Company Secretary acts as the Secretary to the Committee.

All members of the Audit Committee are financially literate and have the necessary accounting and related financial management expertise. The Audit Committee is chaired by an Independent Director who is also qualified Chartered Accountant.

The Chief Executive Officer, Chief Financial Officer, Appointed Actuary, Statutory Auditors and the Internal Auditors attend each Audit Committee Meeting as invitees.

## INVESTMENT COMMITTEE

As per the provisions of the IRDAI (Investments) Regulations, 2000 and IRDAI Corporate Governance Guidelines, the Investment Committee has been duly constituted by the Board.

## TERMS OF REFERENCE OF THE INVESTMENT COMMITTEE:

The broad terms of reference of the Investment Committee, *inter-alia*, include the following:

- To recommend Investment Policy and lay down the operational framework for the investment operations;
- to implement the Investment Policy duly approved by the Board and ensuring requisite regulatory compliance;

- to ensure an optimal return on Funds on the Policyholders and Shareholders Funds consistent with protection, safety and liquidity of such Funds;
- to focus on a prudential Asset Liability Management (ALM) supported by robust internal control system;
- to formulate an effective mechanism for assessment, control and monitoring of credit and market risk;
- to formulate an effective reporting system to ensure compliance with the policy set out by it apart from Internal/ Concurrent Audit mechanisms for a sustained and on-going monitoring of Investment Operations;
- to periodically inform Board about its activities;
- to seek from the investment function any specific details / information about the functional activities;
- to direct the investment function to implement any specific strategy over & above the existing policy for safeguarding the interest of the Policyholder and Shareholder; and
- to carry out any other functions as may be specified by the IRDAI/Board from time to time.



## COMPOSITION, MEETINGS AND ATTENDANCE OF THE INVESTMENT COMMITTEE:

During FY 2019-20, the Investment Committee met four times on the following days:

- April 18, 2019;
- July 16, 2019;
- October 15, 2019; and
- January 21, 2020.

The Composition of the Investment Committee and the attendance of Members at the meetings during FY 2019-20 were as under:

Sr. No.	Name of Committee Member	Designation / Category	No. of Meetings
			Held: 4
			Attended
1	Mr. Ajay Srinivasan	Non-Executive Director	4
2	Mr. Risto Sakari Ketola	Non-Executive Director	3
3	Mr. Mayank Bathwal	Chief Executive officer & Whole Time Director	4
4	Ms. Shikha Bagai	Chief Finance officer	4
5	Mr. Mahesh Kumar Radhakrishnan	Chief Risk Officer	4
6	Mr. Dheeraj Agarwal	Chief Investment Officer	3
7	Mr. Nirav Shah <sup>1</sup>	Appointed Actuary	-

<sup>1</sup> Appointed as member of Committee w.e.f. January 24, 2020

The members of the Committee elect the Chairman of the Committee at each meeting of the Committee.

The Company Secretary acts as the Secretary to the Committee.

## RISK MANAGEMENT COMMITTEE

In line with the requirements under IRDAI Corporate Governance Guidelines, the Risk Management Committee has been constituted by the Board of Directors to oversee the risk management and compliance activities of the Company. The Committee is responsible for putting in place an oversight of the Company's Risk Management Strategy.

## TERMS OF REFERENCE OF THE RISK MANAGEMENT COMMITTEE

The broad terms of reference of the Risk Management Committee *inter-alia* include the following:

- to identify and review with the Management the major areas of risk facing the business activities of the Company and strategies to manage those risks;
- to review annually, the adequacy of and compliance with the policies implemented for the management and control of risk, including investment policies, asset-liability risk, operational risk, management of risk to reputation, management of outsourcing arrangements and changes to the foregoing as appropriate.

- to review annually and approve changes to policies or programs that provide for the monitoring of compliance with legal and regulatory requirements including legislative compliance management systems;
- to discuss and consider best practices in risk management in the market and advise the respective function;
- to maintain an aggregated view on the risk profile of the Company for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc.
- to review procedures for complying with anti-money laundering and suppression of terrorism laws and regulations worldwide and monitor its effectiveness.

## COMPOSITION, MEETINGS AND ATTENDANCE OF THE RISK MANAGEMENT COMMITTEE:

During FY 2019-20, the Risk Management Committee met four times on the following days:

- April 18, 2019;
- July 24, 2019;
- October 15, 2019; and
- January 21, 2020.

The Composition of the Risk Management Committee and the attendance of Members at the meetings held during FY 2019-20 were as under:

Sr. No.	Name of Committee Member	Designation / Category	No. of Meetings
			Held: 4
			Attended
1	Mr. Ajay Srinivasan	Non-Executive Director	4
2	Mr. Asokan Naidu <sup>1</sup>	Non-Executive Director	3
3	Dr. Johannes Hendrik Viljoen <sup>2</sup>	Non-Executive Director	1
4	Mr. Colathur Narayanan Ram	Independent Director	4
5	Mr. Navin Puri <sup>3</sup>	Independent Director	2
6	Mr. Mayank Bathwal	CEO & Whole Time Director	4

<sup>1</sup> Member of the Committee w.e.f. April 12, 2019 till October 21, 2019

<sup>2</sup> Member of the Committee w.e.f. October 22, 2019

<sup>3</sup> Member of the Committee w.e.f. July 24, 2019

The members of the Committee elect the Chairman of the Committee at each meeting of the Committee.

The Company Secretary acts as the Secretary to the Committee.

### NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee (NRC) in line with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 made thereunder.

### TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

The broad terms of reference of the Nomination and Remuneration Committee *inter-alia* include the following:

- to identify persons who are qualified to become directors and who may be appointed in senior management;
- to recommend to the Board the appointment/removal of directors and senior management in accordance with the criteria laid down by the Board;

- to carry out evaluation of every director's performance in accordance with the criteria laid down by the Board;
- to formulate the criteria for determining qualifications, positive attributes and independence of a director;
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, senior management personnel and other employees

### COMPOSITION, MEETINGS AND ATTENDANCE OF THE NOMINATION AND REMUNERATION COMMITTEE:

During FY 2019-20, the Nomination and Remuneration Committee members met four times on the following days:

- April 23, 2019;
- July 16, 2019;
- October 22, 2019; and
- January 24, 2020.

The Composition of Nomination and Remuneration Committee and attendance of Members at the meetings during FY 2019-20 were as under:

Sr. No.	Name of Committee Member	Designation / Category	No. of Meetings
			Held: 4
			Attended
1	Mr. Ajay Srinivasan	Non-Executive Director	4
2	Ms. Sukanya Kripalu	Independent Director (Chairperson)	4
3	Mr. Mahendren Moodley	Independent Director	3
4	Mr. Asokan Naidu	Non-Executive Director	4

The Company Secretary acts as the Secretary to the Committee.

### POLICYHOLDERS' PROTECTION COMMITTEE

In accordance with the provisions of Corporate Governance Guidelines issued by the IRDAI, the Board has constituted the Policyholders' Protection Committee to address various compliance issues relating to protection of the interests of policyholders.

### TERMS OF REFERENCE OF THE POLICYHOLDERS' PROTECTION COMMITTEE

The broad terms of reference of the Policyholders' Protection Committee *inter-alia* include the following:

- to put in place proper procedures and effective mechanism to address complaints and grievances of policyholders including misselling by intermediaries.
- to ensure compliance with the statutory requirements as laid down in the regulatory framework.
- to ensure adequacy of disclosure of "material information" to the policyholders.

- to review the status of complaints at periodic intervals to the policyholders.
- to provide the details of grievances at periodic intervals to IRDAI.
- to provide details of insurance ombudsmen to the policyholders.
- to evaluate the merit of the investigated complaint cases.
- to review the unclaimed amounts of Policyholders.

### COMPOSITION, MEETINGS AND ATTENDANCE OF THE POLICYHOLDERS' PROTECTION COMMITTEE:

During the FY 2019-20, the Policyholders' Protection Committee met four times on the following days:

- April 18, 2019;
- July 16, 2019;
- October 15, 2019; and
- January 21, 2020.

The Composition of the Policyholders' Protection Committee and the attendance of Members at the meeting during FY 2019-20 were as under:

Sr. No.	Name of Committee Member	Designation / Category	No. of Meetings
			Held: 4
			Attended
1	Mr. Ajay Srinivasan	Non-Executive Director	4
2	Mr. Asokan Naidu	Non-Executive Director	4
3	Mr. Mayank Bathwal	CEO & Whole time Director	4

Mr. Sanjiv Sharma is the Expert Invitee to the Policyholders Protections Committee as per the IRDAI Corporate Governance Guidelines. Mr. Sharma has attended all the 4 Meetings during the FY 2019-20.

The members of the Committee elect the Chairman at each meeting of the Committee.

The Company Secretary acts as the Secretary to the Committee.

### III. SUBSIDIARY COMPANY

The Company does not have any subsidiary company.

**IV. KEY MANAGERIAL PERSONNEL ('KMP')**

Pursuant to section 203 of the Companies Act, 2013 and CG Guidelines issued by IRDAI, the following employees were holding the position of Key Managerial Personnel ('KMP') of the Company during the FY 2019-20:

Sr. No.	Name of Committee Member	Designation / Category
1	Mr. Mayank Bathwal	CEO & Whole Time Director
2	Ms. Shikha Bagai	Chief Finance Officer
3	Ms. Darshana Shah	Chief Marketing Officer
4	Ms. Varij Pujara	Chief Distribution Officer
5	Mr. Mahesh Kumar Radhakrishnan	Head – Legal, Risk, Compliance and Company Secretary
6	Mr. Niren Srivastava	Head - Human Resource & Administration
7	Mr. Siddharth Bhat <sup>1</sup>	Head – Information Technology
8	Mr. Dheeraj Agarwal	Chief Investment Officer
9	Ms. Anjali Makhija	Chief Operating Officer (Designate) <sup>2</sup> Chief Operating Officer <sup>3</sup>
10	Ms. Jyoti Punja <sup>4</sup>	Chief Operating Officer
11	Mr. Nirav Shah <sup>5</sup>	Appointed Actuary

<sup>1</sup>Appointed w.e.f. April 1, 2019

<sup>2</sup>Appointed w.e.f. January 1, 2020 till January 23, 2020

<sup>3</sup>Appointed w.e.f. January 24, 2020

<sup>4</sup>Appointed w.e.f. January 23, 2019 and resigned w.e.f. November 15, 2019

<sup>5</sup>Appointed w.e.f. January 8, 2020

**V. COMPLIANCE OFFICER**

Details of Chief Compliance Officer of the Company for complying with the requirements of IRDAI regulations and Corporate Governance Guideline are as follows:

Sr. No.	Name of Committee Member	Designation
1	Mr. Mahesh Kumar Radhakrishnan	Head – Legal, Risk, Compliance and Company Secretary

**VI. SECRETARIAL AUDIT**

Pursuant to the requirements of Section 204 (1) of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. BNP & Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for FY 2019-20. The Secretarial Audit Report as prescribed in Form MR-3 issued by M/s. BNP & Associates, Company Secretaries forms part of the Board report.

**VII. DISCLOSURES****DISCLOSURES REQUIRED UNDER IRDAI CORPORATE GOVERNANCE GUIDELINES**

The following disclosures required in line with the IRDAI Corporate Governance Guidelines are annexed to this Corporate Governance report.

- Quantitative and qualitative information on the Company's financial and operating ratios namely, incurred claim, Commission and expenses ratios
- Actual solvency margin details vis-à-vis the required margin
- Financial performance including growth rate and current financial position
- Description of the risk management architecture

- Details of number of claims intimated, disposed of and pending with details of duration
- All pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the insurance Company.
- Elements of remuneration package (including incentives) of CEO & Whole Time Director and all other directors and Key Management Persons
- Payments made to group entities from the Policyholders Funds
- Any other matters which have material impact on the financial position

**RELATED PARTY TRANSACTIONS**

All the Related Party Transactions were in ordinary course of business and on arm's length basis undertaken in accordance with the approved Related Party Transactions Policy. The related party transactions of the Company entered into during the quarter are reviewed by the Audit Committee and the necessary briefing is also given to the Board. Details of related party transactions entered into by the Company during the year are included in the Notes to the Accounts in the financial statements.



## REMUNERATION OF DIRECTORS

The Company is currently paying sitting fees to its Independent Directors. The Company pays remuneration to Mr. Mayank Bathwal, Chief Executive Officer & Whole time Director. The remuneration payable to the Mr. Bathwal is approved by the IRDAI in terms of the provisions of section 34A of the Insurance Act, 1938. Other than this, the Company is not paying any kind of remuneration/Commission to Directors.

The details of sitting fees paid to the Independent Directors have been provided in this Report. The details of remuneration paid to Mr. Mayank Bathwal have been provided in form

MGT-9 annexed to the Directors' Report.

None of the Director of the Company hold any shares in the share capital of the Company.

## DISCLOSURES PURSUANT TO GUIDELINES ON REMUNERATION OF NON-EXECUTIVE DIRECTORS AND MANAGING DIRECTORS/ CHIEF EXECUTIVE OFFICER / WHOLE-TIME DIRECTORS OF INSURANCE COMPANIES ISSUED BY IRDAI.

### QUALITATIVE:

#### Information relating to the design and structure of remuneration process and the key feature and objective of remuneration policy

The Company has adopted the Aditya Birla Group Executive Remuneration Philosophy/policy.

At the Aditya Birla Group, the Company expects the executive team to foster a culture of growth and entrepreneurial risk-taking. The Company's Executive Remuneration Philosophy/ Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, and promotion and advancement opportunities – with the long term success of the stakeholders.

Aditya Birla Group is a conglomerate and organised in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

#### Objectives of the Executive Remuneration Program

The Company executive remuneration program is designed to attract, retain, and reward talented executives, who will contribute to the long-term success and thereby build value for the shareholders.

The Company's executive remuneration program is intended to:

- Provide for monetary and non-monetary remuneration elements to the executives on a holistic basis.
- Emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

## Covered Executives

The Company's Executive Remuneration Philosophy/Policy applies to the following:

- Directors of the Company
- Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary.
- Senior Management

## Remuneration Guidelines for Managing Director/Whole Time Director/ Chief Executive Officer

Remuneration shall be reasonable, taking into account relevant factors including the industry practice, competency, competition and grade. It will be mix of Fixed Salary, valued and Non Valued Perquisites / Benefits, Retirals, Annual Bonus, Long Term Deferred Cash Plans and ESOP's with risk alignment.

Remuneration shall be adjusted for all type of risk such as credit, market and liquidity risk, Further, Remuneration payout are sensitive to the time horizon of the risk remuneration outcomes shall be symmetric with risk outcomes.

The Annual Bonus and Long Term Deferred Cash plans would be linked to comprehensive business performance, both quantitative and qualitative, over a short term and long term period. Benefits are defined as Total Cost to Company i.e. Salary, Retirals and other Benefits and will include imputed value of benefits like Housing and Car. The vesting condition of long term deferred bonus will be subject to business performance and have an element of claw back in case of unfavorable business performance.

The MD/ CEO/ WTD remuneration is designed / modified basis the achievement of the goal sheet parameters that have both qualitative and quantitative elements of risk adjustments. The goal sheet achievement against each parameter is reviewed by the highest authority on a yearly basis.

Remuneration practice would be governed by IRDAI and related guidelines as applicable from time to time.

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

### Other Remuneration Elements

The Managing Director/ Whole Time Director/ Chief Executive Officer are subject to an employment agreement. Each such agreement generally provides for a total remuneration package for the executives including continuity of service across the Group Companies. The Company limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross ups for the executives.

### Risk and Compliance

The Company aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. The Company review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds and, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

### Variable Pay

As per the business strategy and industry practice, when a component of variable portion of pay (constituting annual variable pay/ bonus and the deferred pay/ bonus approved in a particular year) exceeds 60% of the total pay (Total Cost to Company) then in that event such variable portion will be considered to be "Substantial". Where component of variable portion is Substantial, an appropriate part of the Variable portion of pay will be deferred over a minimum period of 3 years, in line with the requirements of Regulations, from the date of payout of the initial tranche.

### Claw back Clause:

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereafter, the Company shall recover from our executives, the remuneration received in excess, of what would be payable to him / her as per

restatement of financial statements, pertaining to the relevant performance year.

### Implementation

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

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

#### Performance Goal Setting

The Company aim to ensure that annual incentive plans and long term incentive plans, the target performance goals shall be achievable and realistic. Threshold performance (the point at which incentive plan is paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement. Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance. Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

### Quantitative disclosure: –

The following table sets forth for the period indicated, the details of qualitative disclosure for remuneration of MD & CEO:

Particulars	As at FY 2019-20
Number of MD/ CEO/ WTDs having received a variable remuneration award during the financial year	1
Number and total amount of sign on awards made during the financial year	NIL
Details of guaranteed bonus, if any, paid as joining/signing bonus	NIL
Total amount of outstanding deferred remuneration	
Cash	NIL
Shares and Shares linked Instruments	NIL
Other Forms	NIL
Total amount of <b>deferred remuneration</b> paid out in the financial year	
Breakup of amount of remuneration awarded for the financial year	
<b>Fixed Pay (INR)</b>	22,413,831
<b>Variable Pay (INR)</b>	
<b>Deferred</b>	23,200,000
Non Deferred	14,788,086
<b>Share- Linked instruments (in numbers)</b>	
Employee Stock Option's	830,920
Restricted Stock Units (RSU's)	2,500

\*For the year ended March 31, 2020, variable pay and share-linked instruments represent amounts paid/options granted during the year FY 2019-20 as per IRDAI approval.

### Note:

- The remuneration paid/payable to CEO & WTD is governed by the provisions of Section 34A of the Insurance Act, 1938.
- Stock options and Restricted Stock Units of Aditya Birla Capital Limited are granted under Aditya Birla Capital Limited Employee Stock Option Scheme, 2017.

**VIII. WHISTLE BLOWER POLICY**

The Company has a Whistle Blower Policy to escalate any issues on integrity / business issues / people issues and gender issues. The Company's Grievances and Disciplinary Committee constituted under the Whistle Blower Policy conduct a proper and unbiased investigation and ascertain the correctness and trueness of the complaint and recommend necessary corrective measures, including punitive actions such as termination of employment / agency / contracts. Summary of cases as and when reported, along with status is placed before the Risk Management Committee and Audit Committee for their review and discussion.

**IX. COMPLIANCE CERTIFICATION**

The Compliance team has a repository of all regulatory notifications and compliance requirements which is designed for better governance. The quarterly compliance certificate

for quarter ended June 2019 & September 2019 and monthly compliance certificate from October 2019 till March 2020 was taken from relevant function heads based on which the joint certification is submitted by Head Legal, Risk, Compliance and Company Secretary, Chief Finance Officer, Appointed Actuary and Chief Executive Officer and consolidated Compliance Certificate is placed before Board and Audit Committee.

Pursuant to applicable laws and the relevant Compliance Checklists, the necessary certificates are installed in the System, known as Legal & Compliance Management Portal ("LCMP"). This is an Internal Portal, which is a repository for all regulatory notifications designed for better governance of Compliance.

**X. MANAGEMENT**

A detailed Management Discussion and Analysis forms part of the Annual Report.

**SHAREHOLDERS & GENERAL INFORMATION:****GENERAL BODY MEETINGS**

The details of the Annual General Meetings and Extra Ordinary General meetings of the members of the Company held during the last three years are as follows:

Financial Year	AGM / EGM	Date	Time	Venue
2017 – 2018	2nd AGM	June 2, 2017	10.30 a.m.	10/A, Romell Tech- Park, Bldg. No. 2, 10th Floor, Nirlon Compound, Western Express Highway, Goregaon East, Mumbai - 400063
	EGM	August 9, 2017	02:00 p.m.	18th Floor, Tower-1, One India bulls Centre, Jupiter Mill Compound, 841, S.B. Marg, Elphinstone Road, Mumbai 400 013
2018 – 2019	EGM	April 20, 2018	2:30 p.m.	
	3rd AGM	July 27, 2018	5.30 p.m.	
2019 – 2020	EGM	April 23, 2019	1:30 p.m.	
	4th AGM	July 24, 2019	1:30 p.m.	

**SHAREHOLDER INFORMATION**

Date, Time and Venue of the 5th Annual General Meeting (In compliance with General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs)	Thursday, July 23, 2020 at 1.30 p.m. through Video Conference (VC) (through Microsoft Teams)
	The venue of the Meeting shall be deemed to be the Registered Office of the Company i.e. 9th Floor, One Indiabulls Centre, Tower-1, Jupiter Mill Compound, S.B. Marg, Elphinstone Road, Mumbai 400 013.
Financial Year	2020-21
Registrar and Transfer Agents (RTA) for Electronic Connectivity	Link Intime India Pvt Ltd (RTA for Electronic Connectivity) C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Contact Person Name: Ms. Avani Ghatge Contact Number: 7498979128 Email Id: avani.ghate@linkintime.co.in
Registration no. of the Company as per Companies Act with the Registrar of Companies	263677
Registration no. of the Company as per Insurance Act with the Insurance Regulatory and Development Authority	153
ISIN	INE546U01012
Corporate Identification Number (CIN)	U66000MH2015PLC263677
Permanent Account Number (PAN)	AANCA4062G
Registered office/ address for correspondence	One Indiabulls Centre, 9th Floor, Tower 1, Jupiter Mill Compound, S. B. Marg, Elphinstone Road, Mumbai - 400 013 (W.e.f. October 1, 2018)

**MEANS OF COMMUNICATION**

As per the IRDAI guidelines on public disclosures, the insurance companies are required to disclose their financials (Balance Sheet, Profit & Loss Account, Revenue Account and Key Analytical Ratios) by newspaper publication and host the same on their websites within stipulated timelines.

Accordingly, the disclosures are hosted on the Company's website at [www.adityabirlahealthinsurance.com](http://www.adityabirlahealthinsurance.com) and adequate steps have been taken to ensure publication of requisite disclosure in newspapers.

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE FIFTH (5TH) ANNUAL GENERAL MEETING**

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Risto Sakari Ketola – Non-Executive Director (DIN: 07980685) and Mr. Sushil Agarwal – Non-Executive Director (DIN: 00060017) will retire by rotation at the ensuring Annual General Meeting and being eligible, have offered themselves for re-appointment. A brief profile of Mr. Risto Sakari Ketola and Mr. Sushil Agarwal are as follows:

Name of Directors	Re-Appointment		
	Mr. Risto Sakari Ketola	Mr. Sushil Agarwal	
Date of Birth/ Age	January 22, 1975/ 45 years	June 13, 1963/ 56 years	
Date of Appointment/ Re-appointment	November 3, 2017	April 22, 2015 (1st appointment)/ June 2, 2017 (Re-appointment at AGM by rotation)	
Qualification	CFA Charter holder, BSC Economics, BSC Stats, Fellow of the Institute of Actuaries (FIA: Life Insurance), Fellow of Actuarial Society of South Africa (ASSA)	M. Com and Chartered Accountant	
Expertise in specific functional Area	Insurance Analysis, Equity Research, Strategic Consultancy, and Asset-liability Modelling Actuary.	Financial Services	
List of Public Ltd. Companies (in India) in which outside Directorships held	NIL	Aditya Birla Capital Limited Aditya Birla Fashion and Retail Limited Living Media India Limited (Nominee Director)	
Membership/Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	<b>Name of Company</b>	<b>Name of Committee and Position</b>
		Aditya Birla Fashion And Retail Limited	Audit Committee (Member) Stakeholder Relationship Committee (Member)
		Aditya Birla Capital Limited	Audit Committee (Member) Stakeholder Relationship Committee (Member)

Further, in accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Dr. Johannes Hendrik Viljoen (DIN: 08588761) was appointed as an Additional (Non-Executive) Director of the Company with effect from October 22, 2019 and who holds office upto the date of this Annual General Meeting and being eligible, have offered himself for appointment as Non-Executive Director on the Board of the Company. A brief profile of Dr. Johannes Hendrik Viljoen is as follows:

Name of Directors	Appointment
	Dr. Johannes Hendrik Viljoen
Date of Birth/ Age	January 27, 1962/ 58 years
Date of Appointment	October 22, 2019
Qualification	BChD, MChD (Public Health Care), DHA (Health Administration), Pretoria and MBL, Unisa
Expertise in specific functional Area	Business Intelligence & Finance, Health Care Services
List of Public Ltd. Companies (in India) in which outside Directorships held	NIL
Membership/ Chairmanships of Committees of other Public Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL



**REVIEW OF POLICY(IES)/ CODE(S)/ Standard Operating Procedure (SOP)**

During the financial year under review, the following policy(ies)/ code(s)/ SOP were/ was reviewed by the Board of Directors and that there were no material changes made.

<b>Sr. No.</b>	<b>Name of Policy(ies)/ Code</b>
1.	Investment Policy
2.	Standard Operating Procedure - Investment Operation
3.	Credit Policy
4.	Code of Conduct – Investment Operations
5.	Retention & Reinsurance Policy
6.	Anti-Fraud Policy
7.	Related Party Transactions Policy
8.	Appointment of Agent Policy
9.	Insurance Awareness Policy
10.	Prevention of Sexual Harassment Policy
11.	Allocation & Apportionment of Expense of Management Policy
12.	Information and Cyber Security Policy
13.	Business Continuity Plan and Disaster Recovery Policy
14.	Payment of Commission or Remuneration or Reward to Insurance Agents and Intermediaries Policy
15.	Voting Policy
16.	Loans or Temporary Advances to Employees Policy
17.	Code of conduct for Board of Directors and Senior Management
18.	Asset Liability Management Policy
19.	Anti-Money Laundering Policy
20.	Grievance Redressal Policy
21.	Maintenance of Insurance Records Policy
22.	Outsourcing Policy
23.	Risk Management Policy
24.	Underwriting Policy
25.	Reserving Policy
26.	Insurance Marketing Firms Policy

**REPORTING UNDER IRDAI CORPORATE GOVERNANCE GUIDELINES**

A detailed report on status of compliance with the Corporate Governance Guidelines is filed on an annual basis with the IRDAI.

**“Certification for compliance of the Corporate Governance Guidelines”**

I, Mahesh Kumar Radhakrishnan, Company Secretary and Head Legal, Risk, Compliance & Company Secretary, hereby certify that to the best of my knowledge and information available with me, the Company has complied with the Corporate Governance Guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

**For Aditya Birla Health Insurance Co. Limited**

Mahesh Kumar Radhakrishnan

Head – Legal, Risk, Compliance & Company Secretary

Place: Mumbai

Date: May 13, 2020

**DISCLOSURE REQUIREMENTS AS PER GUIDELINES ON CORPORATE GOVERNANCE ISSUED BY THE IRDAI FOR INSURANCE SECTOR**

The Corporate Governance Guidelines issued by the IRDAI has prescribed certain mandatory disclosures as follows:

**DISCLOSURES REGARDING THE BOARD GOVERNANCE STRUCTURE**

These include:

- Number of Board and its Committees' meetings held during the financial year.
- Details of composition of the Board and the Committees mandated including the names of the Directors, their fields of specialisation, status of directorship held, etc.
- Number of meetings held by the Directors and the members of the Committee.
- Details of remuneration paid, if any to the Independent Directors.

The above data has been furnished as a part of the Directors Report and Corporate Governance Report forming part of the Annual Report.

**BASIS, METHODS AND ASSUMPTIONS ON WHICH THE FINANCIAL INFORMATION IS PREPARED AND IMPACT OF CHANGES, IF ANY**

The basis, methods and assumptions using which the Financial Statements have been prepared have been detailed in financial statements i.e. significant accounting policies and notes forming part of the Financial Statements.

**QUANTITATIVE AND QUALITATIVE INFORMATION ON THE COMPANY'S FINANCIAL AND OPERATING RATIOS NAMELY, INCURRED CLAIM, COMMISSION AND EXPENSES RATIOS**

Information, both quantitative and qualitative, on the insurer's financial and operating ratios have been submitted in the financial section of the Annual Report.

**ACTUAL SOLVENCY MARGIN DETAILS VIS-À-VIS THE REQUIRED MARGIN**

The details of the solvency ratio are as below:

Particulars	2019-20	2018-19
Actual Solvency Ratio	1.81	1.62
Required Solvency Ratio	1.5	1.5

**FINANCIAL PERFORMANCE INCLUDING GROWTH RATE AND CURRENT FINANCIAL POSITION**

A detailed analysis of the financial performance of the Company including current financial position has been furnished in Financial Statements, Board's Report and Management Discussion and Analysis section of the Annual Report

**DESCRIPTION OF THE RISK MANAGEMENT ARCHITECTURE**

The Risk Management Architecture of the Company has been detailed under the Risk Management section of the Annual Report.

**DETAILS OF NUMBER OF CLAIMS INTIMATED, DISPOSED OF AND PENDING WITH DETAILS OF DURATION**

The claims settlement experience for the Company during FY 2019-20 is as follows:

Particulars	No. of Claims (as at March 31, 2020)	No. of Claims (as at March 31, 2019)
No. of Claims Outstanding at the beginning of the year	4,082	3,166
No. of Claims Intimated/ reported during the year	1,00,970	59,140
No. of Claims Settled during the year	79,083	45,357
No. of Claims Repudiated during the year	20,886	12,867
No. of Claims Outstanding at the end of Year	5,083	4082
<b>Details of duration of outstanding claims</b>	<b>No. of Claims (as at March 31, 2020)</b>	<b>No. of Claims (as at March 31, 2019)</b>
Less than 3 months	4,823	3,897
3 months and less than 6 months (Pending due to non-receipt of the required documents from the customer)	110*	65
6 months and less than 1 year	150*	86
1 year and above	-	34
<b>Total</b>	<b>5,083</b>	<b>4,082</b>

\* Cashless document awaited from hospital

**ALL PECUNIARY RELATIONSHIPS OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS**

The Company's Non-Executive Directors and Independent Directors do not have any pecuniary relationships or transactions with the Company, its Directors or its Senior Management except to the extent and manner as disclosed in the Annual Report.

**ELEMENTS OF REMUNERATION PACKAGE (INCLUDING INCENTIVES) OF MD & CEO AND ALL OTHER DIRECTORS AND KEY MANAGEMENT PERSONS –**

The details of remuneration paid to CEO & WTD and all KMP's (as specified by IRDAI) are as below:

(₹) Indian Rupees		
Particulars	CEO & WTD	KMP(s)
Basic	9616320	24795689
Bonus	14788086	15165181
Retrials	1153961	3068805
Allowance	10901049	29330217
Perquisites	1431924	916367
LTIP	23200000	17702000
Unclaimed LTA	75000	420750
Others	464538	1803344
<b>Total (₹)</b>	<b>61630878</b>	<b>93202353</b>

In addition to the above, stock options of Aditya Birla Capital Limited are granted under Aditya Birla Capital Limited Employee Stock Option Scheme, 2017.

No remuneration is paid to the Non-Executive Directors, except the payment of sitting fees to the Independent Directors.

**ALL RELATED PARTY TRANSACTIONS**

Details of Related Party Transactions entered into by the Company are included in the 'Details of related parties and transactions with related parties' section of the Notes to the Accounts forming part of the financial statements.

**PAYMENTS MADE TO GROUP ENTITIES FROM THE POLICYHOLDERS FUNDS**

Details of the payments made to group entities from the Policyholders funds by the Company are included in the Notes to the Accounts forming part of the Financial Statements.

**ANY OTHER MATTERS WHICH HAVE MATERIAL IMPACT ON THE FINANCIAL POSITION**

There are no matters which have material impact on the financial position except those disclosed in the financial statements.

By order of the Board of Directors  
for Aditya Birla Health Insurance Co. Limited

Mr. Ajay Srinivasan  
Director  
(DIN 00121181)

Mr. Mayank Bathwal  
CEO & WTD  
(DIN 06804440)

Place: Mumbai  
Date: May 13, 2020

## ANNEXURE III

### EXECUTIVE REMUNERATION PHILOSOPHY/ POLICY

Aditya Birla Health Insurance Co. Limited, ("the Company"), an Aditya Birla Group Company adopts/shall adopt this Executive Remuneration Philosophy/Policy as applicable across Group Companies. This philosophy/ policy is detailed below.

#### **Aditya Birla Group: Executive Remuneration Philosophy/ Policy**

At the Aditya Birla Group, we expect our executive team to foster a culture of growth and entrepreneurial risk-taking. Our Executive Remuneration Philosophy/ Policy supports the design of programs that align executive rewards – including incentive programs, retirement benefit programs, promotion and advancement opportunities – with the long-term success of our stakeholders.

#### *Our business and organisational model*

Our Group is a conglomerate and organised in a manner such that there is sharing of resources and infrastructure. This results in uniformity of business processes and systems thereby promoting synergies and exemplary customer experiences.

#### *I. Objectives of the Executive Remuneration Program*

Our executive remuneration program is designed to attract, retain, and reward talented executives who will contribute to our long-term success and thereby build value for our shareholders.

Our executive remuneration program is intended to:

1. Provide for monetary and non-monetary remuneration elements to our executives on a holistic basis
2. Emphasize "Pay for Performance" by aligning incentives with business strategies to reward executives who achieve or exceed Group, business and individual goals.

#### *II. Covered Executives*

Our Executive Remuneration Philosophy/Policy applies to the following:

1. Directors of the Company:
2. Key Managerial Personnel: Chief Executive Officer and equivalent (eg: Deputy Managing Director), Chief Financial Officer and Company Secretary.
3. Senior Management (as defined in the Companies Act, 2013):

#### **Policy for appointment and remuneration**

##### **Appointment Criteria and Qualifications**

*The Nomination and Remuneration Committee (the "Committee") shall appoint Directors and individuals in Senior Management according to the process, which enable the identification of individual who are qualified to become Directors and who may be appointed in senior management.*

*The Committee while making appointments to the Board assess the approximate mix of diversity, skills, experience and expertise. The Committee shall consider the benefits of diversity in identifying and recommending persons to Board membership and shall ensure no member is discriminated on the grounds of religion, race, Origin, sexual orientation or any other physical or personal attribute.*

**Remuneration Guidelines for Managing Director/ Whole-time Director / Chief Executive Officer are as given in detail in Appendix-A.**

#### *III. Business and Talent Competitors*

We benchmark our executive pay practices and levels against peer companies in similar industries, geographies and of similar size. In addition, we look at secondary reference (internal and external) benchmarks in order to ensure that pay policies and levels across the Group are broadly equitable and support the Group's global mobility objectives for executive talent. Secondary reference points bring to the table, the executive pay practices and pay levels in other markets and industries, to appreciate the differences in levels and medium of pay and build in as appropriate for decision making.

#### *IV. Executive Pay Positioning*

We aim to provide competitive remuneration opportunities to our executives by positioning target total remuneration (including perks and benefits, annual incentive pay-outs, long term incentive pay-outs at target performance) and target total cash compensation (including annual incentive pay-outs) at target performance directionally between median and top quartile of the primary talent market. We recognise the size and scope of the role and the market standing, skills and experience of incumbents while positioning our executives.

We use secondary market data only as a reference point for determining the types and amount of remuneration while principally believing that target total remuneration packages should reflect the typical cost of comparable executive talent available in the sector.

#### *V. Executive Pay-Mix*

Our executive pay-mix aims to strike the appropriate balance between key components: (i) Fixed Cash compensation (Basic Salary + Allowances) (ii) Annual



Incentive Plan (iii) Long-Term Incentives (iv) Perks and Benefits

**Annual Incentive Plan:**

We tie annual incentive plan pay-outs of our executives to relevant financial and operational metrics achievement and their individual performance. We annually align the financial and operational metrics with priorities/ focus areas for the business.

**Long-Term Incentive:**

Our Long-term incentive plans incentivize stretch performance, link executive remuneration to sustained long term growth and act as a retention and reward tool.

We use stock options as the primary long-term incentive vehicles for our executives as we believe that they best align executive incentives with stockholder interests.

We grant restricted stock units as a secondary long-term incentive vehicle, to motivate and retain our executives.

**VI. Performance Goal Setting**

We aim to ensure that for both annual incentive plans and long-term incentive plans, the target performance goals shall be achievable and realistic.

Threshold performance (the point at which incentive plans are paid out at their minimum, but non-zero, level) shall reflect a base-line level of performance, reflecting an estimated 90% probability of achievement.

Target performance is the expected level of performance at the beginning of the performance cycle, taking into account all known relevant facts likely to impact measured performance.

Maximum performance (the point at which the maximum plan payout is made) shall be based on an exceptional level of achievement, reflecting no more than an estimated 10% probability of achievement.

**VII. Executive Benefits and Perquisites**

Our executives are eligible to participate in our broad-based retirement, health and welfare, and other employee benefit plans. In addition to these broad-based plans, they are eligible for perquisites and benefits plans commensurate with their roles. These benefits are designed to encourage long-term careers with the Group.

**Other Remuneration Elements**

Each of our executives is subject to an employment agreement. Each such agreement generally provides for a total remuneration package for our executives including continuity of service across the Group Companies.

We limit other remuneration elements, for e.g. Change in Control (CIC) agreements, severance agreements, to instances of compelling business need or competitive rationale and generally do not provide for any tax gross-ups for our executives.

**Risk and Compliance**

We aim to ensure that the Group's remuneration programs do not encourage excessive risk taking. We review our remuneration programs for factors such as, remuneration mix overly weighted towards annual incentives, uncapped pay-outs, unreasonable goals or thresholds, steep pay-out cliffs at certain performance levels that may encourage short-term decisions to meet pay-out thresholds.

**Claw back Clause:**

In an incident of restatement of financial statements, due to fraud or non-compliance with any requirement of the Companies Act 2013 and the rules made thereafter, we shall recover from our executives, the remuneration received in excess, of what would be payable to him/ her as per restatement of financial statements, pertaining to the relevant performance year.

**Implementation**

The Group and Business Centre of Expertise teams will assist the Nomination & Remuneration Committee in adopting, interpreting and implementing the Executive Remuneration Philosophy/Policy. These services will be established through "arm's length", agreements entered into as needs arise in the normal course of business.

**Appendix A: Managing Director / Whole Time Director / Chief Executive Officer Remuneration Guidelines**

- 1. Objective**  
To ensure effective governance of compensation and alignment of compensation with performance & prudent risk mitigation.
- 2. Coverage**  
Applicable for Managing Director / Chief Executive Officer / Whole Time Director
- 3. Remuneration Guidelines**
  - 3.1** Remuneration shall be reasonable, taking into account relevant factors including the industry practice, competency, competition and grade. It will be a mix of Fixed Salary, Valued and Non Valued Perquisites / Benefits, Retirals, Annual Bonus, Long Term Deferred Cash Plans and ESOP's with risk alignment.
  - 3.2** Remuneration shall be adjusted for all types of risk such as credit, market and liquidity risks, Further, Remuneration payouts are sensitive to the time horizon of the risk and Remuneration outcomes shall be symmetric with risk outcomes.
  - 3.3** The Annual Bonus and Long Term Deferred cash plans would be linked to comprehensive business performance, both quantitative and qualitative, over a short term and long terms period. Benefits are defined as Total Cost to Company i.e. Salary, Retirals and other Benefits and will include imputed value of benefits like Housing and Car. The vesting condition of long term deferred bonus will be subject to business performance and have an element of claw back in case of unfavorable business performance.

Changes in CEO Remuneration will be subject to Board and Regulatory approval. CEO Remuneration will be linked with the business and individual performance and ranges of the payout would follow planned scheme or formulae as below:

Annual Fixed Cost (a) :	Fixed payout including retiral's as approved by Board & Regulator
Benefits (b) :	As per compensation plans designed for CEO and approved by Board & Regulator
Annual Performance Bonus (c) :	CEO would be eligible for Annual Performance Bonus, with payout linked with Business and individual performance. This is Targeted Annual Performance Pay/ Bonus. The annual performance pay/ bonus shall be upto 60% of the annual fixed cost/ payout.  Depending on superior business and individual performance, the payout of Annual performance bonus can be more, which would be capped at 165% of the Targeted Annual Pay/ Bonus amount. (i.e. the cap would be 99% of Annual Fixed Cost)
Long Term Incentive Plans (d) :	CEO would be eligible for LTIP schemes as launched by the company with approval from the Board & Regulator. Such schemes as may be applicable from time to time, will clearly specify the ceiling or maximum possible payout in the scheme document during presentation to board or regulator for approval.
ESOPs (e) :	Allotment and vesting as per scheme approved by the Board & Regulator
Total Annual Compensation (f) :	Summary of (a + b + c + d + e).

3.4 The MD/CEO/WTD remuneration is designed/modified basis the achievement of the goal sheet parameters. The goal sheet parameters will have both qualitative and quantitative elements of risk adjustments. The goal sheet achievement against each parameter shall be reviewed by the highest authority on a yearly basis.

3.5 As per the business strategy and industry practice, when a component of variable portion of pay (constituting annual variable pay/ bonus and the deferred pay/ bonus approved in a particular year) exceeds 60% of the total pay (Total Cost to Company) then in that event such variable portion will be considered to be "Substantial". Where component of variable portion is Substantial, an appropriate part of the Variable portion of pay will be deferred over a minimum period of 3 years, in line with the requirements of Regulations, from the date of payout of the initial tranche.

3.6 Remuneration practice would be governed by IRDA and related guidelines as applicable from time to time

By order of the Board of Directors  
for **Aditya Birla Health Insurance Co. Limited**

**Mr. Ajay Srinivasan**  
Director  
(DIN 00121181)

**Mr. Mayank Bathwal**  
CEO & WTD  
(DIN 06804440)

Place: Mumbai  
Date: May 13, 2020

## ANNEXURE IV

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

as on financial year ended on March 31, 2020

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company  
 (Management & Administration) Rules, 2014.

**1 REGISTRATION & OTHER DETAILS:**

CIN	U66000MH2015PLC263677
Registration Date	April 22, 2015
Name of the Company	Aditya Birla Health Insurance Co. Limited
Category/ Sub-category of the Company	Public Company - Limited by Shares (Standalone Health Insurance Company)
Address of the Registered office & contact details	9th floor, One Indiabulls Centre, Tower-1, Jupiter Mill Compound, S. B. Marg, Elphinstone Road, Mumbai – 400013. (w.e.f. October 1, 2018) Contact Number: +91 022 6279 9561 Email Id: mahesh.radhakrishnan@adityabirlacapital.com
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Link Intime India Pvt Ltd</b> 247 Park, C 101, 1st floor, LBS Marg, Vikhroli West, Mumbai 400083. Contact Person Name: Ms. Avani Ghate Contact Number: 7498979128 Email Id: avani.ghate@linkintime.co.in

**2 PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Name & Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
Non life Insurance (Health insurance)	6512 (sub-class 65120)	100%

**3 PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
<b>Name:</b> Aditya Birla Capital Limited (ABCL) [Formally known as "Aditya Birla Financial Services Limited" (ABFSL)] <b>Address:</b> Indian Rayon Compound, Veraval-362266, Gujarat.	L67120GJ2007PLC058890	Holding Company	51%	2(46)

## 4 SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	8,29,44,453	2,51,89,085	10,81,33,538	51%	15,24,16,467	-	15,24,16,467	51%	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>8,29,44,453</b>	<b>2,51,89,085</b>	<b>10,81,33,538</b>	<b>51%</b>	<b>15,24,16,467</b>	<b>-</b>	<b>15,24,16,467</b>	<b>51%</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	10,38,93,005	10,38,93,005	49%	14,64,39,346	-	14,64,39,346	49%	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>10,38,93,005</b>	<b>10,38,93,005</b>	<b>49%</b>	<b>14,64,39,346</b>	<b>-</b>	<b>14,64,39,346</b>	<b>49%</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>8,29,44,453</b>	<b>12,90,82,090</b>	<b>21,20,26,543</b>	<b>100%</b>	<b>29,88,55,813</b>	<b>-</b>	<b>29,88,55,813</b>	<b>100%</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto INR1 lakhs	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of INR 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>8,29,44,453</b>	<b>12,90,82,090</b>	<b>21,20,26,543</b>	<b>100%</b>	<b>29,88,55,813</b>	<b>29,88,55,813</b>	<b>29,88,55,813</b>	<b>100%</b>	<b>-</b>



**(ii) Share Holding of Promoters**

Sr. No.	Shareholding at the beginning of the year (April 1, 2019)				Shareholding at the end of the year (March 31, 2020)				% change in share holding during the year
	Shareholders Name	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	Shareholders Name	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Aditya Birla Capital Limited (ABCL)	10,81,33,478	51%	-	Aditya Birla Capital Limited (ABCL)	15,24,16,407	51%	-	-
2	Ms. Pinky Mehta (Nominee of ABCL)	10		-	Ms. Pinky Mehta (Nominee of ABCL)	10		-	-
3	Mr. Subhro Bhaduri (Nominee of ABCL)	10		-	Mr. Subhro Bhaduri (Nominee of ABCL)	10		-	-
4	Mr. A Dhananjaya (Nominee of ABCL)	10		-	Mr. A Dhananjaya (Nominee of ABCL)	10		-	-
5	Mr. Ajay Kakar (Nominee of ABCL)	10		-	Mr. Ajay Kakar (Nominee of ABCL)	10		-	-
6	Ms. Anjali Makhija (Nominee of ABCL)	10		-	Mr. Lalit Vermani* (Nominee of ABCL)	10		-	-
7	Mr. Mukesh Malik (Nominee of ABCL)	10		-	Mr. Mukesh Malik (Nominee of ABCL)	10		-	-
8	Momentum Metropolitan Strategic Investments (Pty) Ltd.	10,38,93,005	49%	-	Momentum Metropolitan Strategic Investments (Pty) Ltd.	14,64,39,346	49%	-	-
	<b>Total</b>	<b>21,20,26,543</b>	<b>100%</b>	<b>-</b>	<b>Total</b>	<b>29,88,55,813</b>	<b>100%</b>	<b>-</b>	<b>-</b>

During the year, the name of the foreign Shareholder Company was changed from MMI Strategic Investments (Pty) Limited to Momentum Metropolitan Strategic Investments (Pty) Limited w.e.f. July 10, 2019. Further, the Company had received request from the Holding company to change its one of the Nominee shareholder from Ms. Anjali Makhija to Mr. Lalit Vermani w.e.f. January 31, 2020.

**(iii) Change In Promoters' Shareholding (Specify If There Is No Change)**

Shareholders Name	Share holding at the beginning of the Year (April 1, 2019)		Cumulative Share holding during the year (March 31, 2020)	
	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year	10,81,33,478	51%	10,81,33,478	51%
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
Right Issue - Allotment of Shares to Aditya Birla Capital Limited on May 28, 2019	1,11,95,122	51%	11,93,28,600	51%
Right Issue - Allotment of Shares to Aditya Birla Capital Limited on July 31, 2019	1,80,36,586	51%	13,73,65,186	51%
Right Issue - Allotment of Shares to Aditya Birla Capital Limited on November 27, 2019	1,24,39,025	51%	14,98,04,211	51%
Right Issue - Allotment of Shares to Aditya Birla Capital Limited on March 6, 2020	26,12,196	51%	15,24,16,407	51%
At the end of the year	15,24,16,407	51%	15,24,16,407	51%

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sr. No.	Shareholders Name	Share holding at the beginning of the Year (April 1, 2019)		Cumulative Share holding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company

NIL

**(v) Shareholding of Directors & Key Managerial Personnel**

Sr. No.	Shareholders Name	Share holding at the beginning of the Year (April 1, 2019)		Cumulative Share holding during the year (March 31, 2020)	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company

Nil

At the beginning of the year

NIL

At the end of the year

**5 INDEBTEDNESS**

	Secured Loans excluding deposits (in INR)	Unsecured Loans (in INR)	Deposits (in INR)	Total Indebtedness (in INR)
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**6 REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (INR)
		Mr. Mayank Bathwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	5,89,69,993
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	14,31,924
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-
2	Stock Option #		-
3	Sweat Equity		-
4	Commission		-
	- as % of profit		-
	- others, specify...		-
5	Others, please specify		-
	<b>Total (A)</b>		<b>6,04,01,917</b>
	Ceiling as per the Act *		

Note: # Stock options of Aditya Birla Capital Limited are granted under Aditya Birla Capital Limited Employee Stock Option Scheme, 2017.

\* The Provisions/Ceiling relating to payment of Managerial Remuneration under the Companies Act, 2013 are not applicable to the Company since the Company is an Insurance Company under the provisions of Insurance Act 1938. The appointment of MD & CEO and the payment of remuneration is as per the approval of Insurance Regulatory and Development Authority of India (IRDAI).

**B. Remuneration to other directors:**

		Name of Directors					Total Amount (INR)
Sr. No.	Particulars of Remuneration	Mr. S Ravi	Ms. Sukanya Kripalu	Mr. Navin Puri (Appointed w.e.f. July 24, 2019)	Mr. C N Ram	Mr. Mahendren Moodley	
Independent Directors							
1	· Fee for attending Board and Committee meetings	3,00,000	3,55,000	1,90,000	3,80,000	2,10,000	14,35,000
2	· Commission	-	-	-	-	-	-
3	· Others, please specify	-	-	-	-	-	-
Total (1)		3,00,000	3,55,000	1,90,000	3,80,000	2,10,000	14,35,000
Other Non-Executive Directors							
1	· Fee for attending board committee meetings	-	-	-	-	-	-
2	· Commission	-	-	-	-	-	-
3	· Others, please specify	-	-	-	-	-	-
Total (2)		-	-	-	-	-	-
Total (B)=(1+2)		3,00,000	3,55,000	1,90,000	3,80,000	2,10,000	14,35,000
Total Managerial Remuneration		-	-	-	-	-	-
Overall Ceiling as per the Act		-	-	-	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD/ MANAGER/ WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (INR)
		Ms. Shikha Bagai (Chief Finance Officer)	Mr. Mahesh Kumar Radhakrishnan (Company Secretary)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,17,96,105	1,00,13,099	2,18,09,204
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	2,72,307	3,11,907
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option #	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>1,18,35,705</b>	<b>1,02,85,406</b>	<b>2,21,21,111</b>

# Stock options of Aditya Birla Capital Limited are granted under Aditya Birla Capital Limited Employee Stock Option Scheme, 2017.

**7 PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the companies Act	Brief description
<b>A. Company</b>		
Penalty	-	-
Punishment	-	-
Compounding	-	-
<b>B. Directors</b>		
Penalty	-	-
Punishment	-	-
Compounding	-	-
<b>C. Other Officers In Default</b>		
Penalty	-	-
Punishment	-	-
Compounding	-	-

By order of the Board of Directors  
for Aditya Birla Health Insurance Co. Limited

Mr. Ajay Srinivasan  
Director  
(DIN 00121181)

Mr. Mayank Bathwal  
CEO & WTD  
(DIN 06804440)

Place: Mumbai  
Date: May 13, 2020

## ANNEXURE V

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,  
The Members

#### **ADITYA BIRLA HEALTH INSURANCE CO. LIMITED**

9th Floor, One Indiabulls Centre, Tower-1,  
Jupiter Mill Compound, S. B. Marg,  
Elphinstone Road, Mumbai -400013

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aditya Birla Health Insurance Co. Limited**, having CIN U66000MH2015PLC263677 (hereinafter called 'the Company') for the audit period covering the financial year ended on March 31, 2020 ("the year"/"audit period"/"period under review").

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information and soft copies provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

#### **1. COMPLIANCE WITH SPECIFIC STATUTORY PROVISIONS**

##### **We further report that:**

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder,
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder,
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, and
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment.

We have also examined, on a test check basis, records maintained by the Company, being registered with Insurance Regulatory and Development Authority of India and rules and provisions thereunder which is applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India, related to meetings and minutes, which has been complied by the Company.

During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the audit period under review, provisions of the following regulations were not applicable to the Company:

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009,
- iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
- iv. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,
- v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014,
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,
- vii. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993,
- viii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009,
- ix. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, and
- x. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings.



**2. BOARD PROCESSES:****We further report that:**

2.1 The Board of Directors of the Company as on 31st March 2020 comprised of:

- i. One Executive Director;
- ii. Six Non-Executive Directors; and
- iii. Five Non- Executive Independent Directors, including a Woman Independent Director.
- iv. One Additional Director w.e.f. October 22 , 2019

2.2 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act:

- i. Appointment of Mr. Navin Puri as an ID to fill up the casual vacancy due to sad demise of Late P Vijaya Bhaskar before expiry of term of office and Mr. Puri shall hold office till 22.07.2021.
- ii. Appointment of Dr. Johannes Hendrik Viljoen as an Additional Director of the Company w.e.f October 22, 2019.
- iii. Adequate notice is given to all Directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Companies Act, 2013. Agenda and detailed notes on agenda were sent at least seven days in advance, and where the same

were given at notice shorter than seven days, prior consents thereof were obtained, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- iv. Decisions at Board and / or Committee meetings were generally carried through on the basis of majority of the Directors/ members present. There were no dissenting views by any member of the Board of Directors during the audit Period.

**3. COMPLIANCE MECHANISM**

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

**4. SPECIFIC EVENTS/ACTIONS**

**We further report that** during the audit period there is no specific major event that has occurred during the year which has major bearing on the Company's affairs except for that Company has accorded to offer and issue in one or more tranches, up to 8,68,29,270 equity shares of INR 10/- each at premium of INR 31/- on Right basis for cash to existing shareholders in proportion to their present shareholding.

Place: Mumbai  
Date: May 13, 2020

Venkataraman Krishnan  
Associate Partner  
ACS No.8897 / COP No.12459  
For BNP & Associates  
Company Secretaries  
[Firm Regn. No. P2014MH037400]  
UDIN: A008897B000235112  
PR No. 637/2019

Note: This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

**ANNEXURE A**

To,  
The Members,  
**Aditya Birla Health Insurance Co. Limited**

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Aditya Birla Health Insurance Co. Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman Krishnan  
Associate Partner  
ACS No.8897 / COP No.12459  
For BNP & Associates  
Company Secretaries  
[Firm Regn. No. P2014MH037400]  
UDIN: A008897B000235112  
PR No. 637/2019

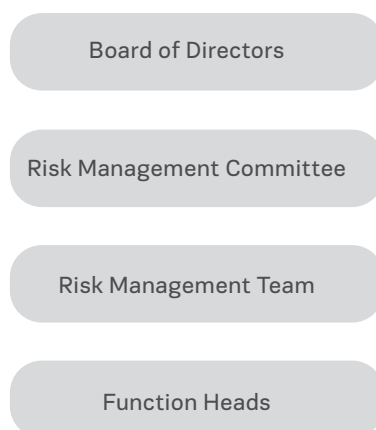
Place: Mumbai  
Date: May 13, 2020

## ANNEXURE VI

## RISK MANAGEMENT FRAMEWORK

## A. Risk Management Committee

The Company follows three levels of Risk Mitigation Structure:



The risk management structure comprises of the Risk Management Team and Functional Heads governed by Board level Risk Management Committee.

## B. Risk Mitigation Strategies

The Company is exposed to several risks in the course of its business. The overall business risks and mitigation strategies are as described below:

<b>Strategic Risk</b>	<p>Risk to future earnings or capital in terms of failure to achieve the Company's strategic or long term business plans</p> <p><b>Mitigation Strategy:</b> Strategic risks are managed through the Enterprise Risk Management framework using the risk identification and review process. The Risk Management Committee monitors these risks and the action plans for mitigating these risks.</p>
<b>Investment Risk</b>	<p>Risk to Investment Performance can be due to Systematic Risks like Markets, Interest Rates, Liquidity, etc. or Unsystematic Risk like the Company specific or Industry Specific Risks.</p> <p><b>Mitigation Strategy:</b> A governance structure, in form of the Investment Committee, and well defined investment policies &amp; processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis.</p>
<b>Asset Liability</b>	<p>An asset-liability mismatch occurs when the financial terms of an institution's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc.</p>
<b>Management (ALM) Risk</b>	<p><b>Mitigation Strategy:</b> A governance structure, in form of the Investment Committee monitoring Asset-Liability position of the Company is in place. The Asset Liability Management process aims to manage the volume, mix, Claims payments, rate sensitivity, quality and liquidity of assets and liabilities as a whole so as to attain a predetermined acceptable risk/reward ratio.</p>
<b>Operational Risk</b>	<p>The uncertainty arising from more than expected losses or damage to finances or reputation resulting from inadequate or failed internal processes, controls, people, systems or external events.</p> <p><b>Mitigation Strategy:</b> Operational risks are regularly monitored. The Company maintains an operational loss database to track and mitigate risks resulting in financial losses. To control operational risk, operating and reporting processes are reviewed and updated regularly.</p> <p>The Company has a Business Continuity Plan and Information Technology Disaster Recovery Plan in place to manage any business / technology interruption risk. It also has Business Continuity Policy to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimizing the potential business impact to the Company.</p> <p>Fraud management is handled through an internal committee and is governed by the Anti-Fraud Policy.</p>

<b>Insurance Risk</b>	<p>The uncertainty of product performance due to differences between the actual experience and expected assumptions affecting amount of claims, benefits payments, expenses etc.</p> <p><b>Mitigation Strategy:</b> The Company through its risk management policies has set up systems to continuously monitor its experience with regard to other parameters that affect the value of benefits offered in the products. Such parameters include policy lapses, persistency, Claims experience, maintenance expenses and investment returns. A strong underwriting team is in place to review all proposals from clients, supported by comprehensive processes and procedures.</p> <p>Further, the possible financial effect of adverse morbidity and mortality experience is mitigated with appropriate reinsurance strategy by placing the risk with Reinsurers having standing and ratings as per Regulations. All reinsurers are specialist reinsurance companies with excellent reputation and significant financial strength. The Company also has a separate agreement to cover the catastrophic risks under individual and group businesses.</p>
<b>Information Security and Cyber Security Risk</b>	<p>The risk arising from IT systems (data leakage, application vulnerabilities, lack of segregation of duties and access control), human error, etc. which can cause damage to finances or reputation.</p> <p><b>Mitigation Strategy:</b> Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001:2013 which is a global benchmark. The Company has a comprehensive Information Security and Cyber security policy designed to comply with ISO 27001:2013, IRDAI Cyber guidelines 2017, privacy and/or data protection legislations as specified in Indian Information Technology Act, 2008 and Notification dated 11th April 2011 on protection of sensitive personal information and it provides direction to Information Security staff, Management and Employees regarding their roles and responsibilities towards Information Security.</p>

### C. Risk Policies

The following risk policies govern and implement effective risk management practices:

Underwriting Policy, Reinsurance Policy, Investment Policy, Investment Code of Conduct, Information and Cyber Security Policy, Business Continuity Policy, Maintenance of Insurance Records Policy, Anti-Fraud Policy, Outsourcing policy and Anti Money Laundering policy.

By order of the Board of Directors  
for **Aditya Birla Health Insurance Co. Limited**

**Mr. Ajay Srinivasan**  
Director  
(DIN 00121181)

**Mr. Mayank Bathwal**  
CEO & WTD  
(DIN 06804440)

Place: Mumbai  
Date: May 13, 2020

# Independent Auditor's Report

To:  
The Members of  
Aditya Birla Health Insurance Co. Limited

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

1. We have audited the Financial Statements of Aditya Birla Health Insurance Co. Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the related Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account") and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of 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 ('the Insurance Act'), the Insurance Regulatory and Development Authority Act, 1999 (IRDAI Act), the IRDAI Financial Statements Regulations and the orders/directions issued by the IRDAI ('the Regulations') 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, as applicable to the Insurance Companies.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI 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.

### Emphasis of Matter

3. We draw attention to Note no. 34 of the Financial Statements, which describes the extent to which the COVID-19 pandemic will impact the Company's operations depending on future developments, which being uncertain, the said note narrates management's proposed future actions based on its assessment of internal as well as external factors and macro level developments. Our opinion is not modified in respect of this matter.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon we do not provide a separate opinion on these matters.



Particulars of Key Audit Matters	Audit processes in the matter
<p><b>Multiple IT Systems:</b></p> <p>The Company operates and is dependent on technology considering significant number of transactions that are processed daily across multiple and discrete Information Technology ('IT') systems, some of which are integrated. The audit approach relies extensively on several reports generated by interface of these IT systems and in-built automated controls therein.</p> <p>The major IT systems concerning the financial reporting process include:</p> <ul style="list-style-type: none"> <li>• <b>Healthbuzz:</b> Core Policy administration system</li> <li>• <b>EDM:</b> Commission payment processing system</li> <li>• <b>SAP Investment Module</b></li> <li>• <b>SAP Core Accounting system</b></li> <li>• Interface/interplay of one or more of above systems in building up or generating required reports</li> </ul> <p>IT general and application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner. Adequate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to the applications and data.</p> <p>Management of the Company has significantly worked on the process of implementing several remediation activities that are expected to contribute to reducing the risk over IT applications in the financial reporting process, which includes implementation of preventive and detective controls across critical applications and infrastructure.</p> <p>Due to the pervasive nature, in our preliminary risk assessment, we planned our audit by assessing the risk of a material misstatement arising from the technology as significant for the audit, hence identified IT systems as Key Audit Matters.</p>	<p>We performed a range of audit procedures, which included:</p> <ul style="list-style-type: none"> <li>• Review of the report of IS testing pertaining to IT systems general controls including access rights over applications, operating systems and databases relied upon for financial reporting.</li> <li>• Obtaining suitable representations from the management about satisfactory operations of controls built in the systems.</li> <li>• In the course of our audit, testing of the key IT general controls by our IT personnel and seeking management's views on identified issues.</li> </ul> <p>Our audit tests were designed to cover the following:</p> <ul style="list-style-type: none"> <li>• understanding the Company's IT control environment and key changes in the course of our audit that were considered relevant to the financial reporting &amp; audit;</li> <li>• reviewed the workflow of core transactions as captured by the IT systems;</li> <li>• selectively tested key automated and manual business cycle controls including logic for system generated reports relevant to the financial reporting;</li> <li>• selectively recomputing workings of several data processing results critical to be used in the financial reporting;</li> <li>• Selectively re-evaluating masters updating, interface with resultant reports;</li> <li>• Selective testing of the interface of Health Buzz with other IT systems like EDM, SAP, etc.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

5. The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Board's Report including Annexures to Board's Report and such other disclosures related Information, excluding the financial statements and auditor's report thereon ('Other Information').

In connection with our audit of the Financial Statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. The draft of other information is made available for our review. Based on our review of the certified draft of such other information, we state that there is no reportable observation under SA 720 "The Auditor's responsibilities relating to other Information".

### Responsibility of Management for Financial Statements

6. The Company's Board of Directors is 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 Balance Sheet, the related Revenue Account, the Profit and Loss Account and Receipts and Payments Account of the Company in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, the IRDAI Act, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDAI Financial Statements Regulations"), orders/directions issued by the IRDAI in this regard, the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, and Companies (Accounting Standards) Amendment Rules, 2016, 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 Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

7. 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Our audit process in accordance with the SAs is narrated in "Annexure 1" to this report.

#### **Other Matters**

8. The actuarial valuation of liabilities in respect of Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) included under claims outstanding and Premium Deficiency Reserve (PDR) as at March 31, 2020 have been duly certified by the Appointed Actuary of the Company. The Appointed Actuary has also certified that the assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Institute of Actuaries of India. We have relied upon such certifications of the said Appointed Actuary.

#### **Report on Other Legal and Regulatory Requirements**

9. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated May 13, 2020, certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDAI Financial Statements Regulations.

10. As required by the IRDAI Financial Statements Regulations, read with Section 143(3) of the Act, we further 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.
  - c. As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company.
  - d. The Balance Sheet, the Revenue Account, the Statement of Profit and Loss, and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account.
  - e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016, to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by IRDAI in this regard.
  - f. 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 IRDAI Financial Statements Regulations and/or orders/directions issued by the IRDAI in this regard.
  - g. On the basis of the written representations received from the Directors as on March 31, 2020, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
  - h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act read with section 34A of the Insurance Act.

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have pending litigations which would materially impact its financial position. Refer Note III.1 of the Financial Statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Khimji Kunverji & Co LLP**  
(Formerly Khimji Kunverji & Co)  
Chartered Accountants  
FRN: 105146W/ W100621

**Hasmukh B Dedhia**  
**Partner**  
(Membership No: F- 033494)  
ICAI UDIN:

Date: May 13, 2020  
Place: Mumbai

**For G B C A & Associates LLP**  
Chartered Accountants  
FRN: 103142W / W100292

**Sanjeev D. Lalan**  
**Partner**  
(Membership No: 045329)  
ICAI UDIN:

Date: May 13, 2020  
Place: Mumbai

## Annexure 1 to the Independent Auditors' Report to the Members of Aditya Birla Health Insurance Co. Limited

(referred to in paragraph 7 titled "Auditor's Responsibilities for the Audit of the Financial Statements")

As part of our audit in accordance with SAs we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Take into consideration the applicable reporting framework, relevant provisions of the Act and the Rules made there under.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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
- auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - In cases where valuation of assets and liabilities are carried out by any expert like valuer or actuary, verifying whether data given to such expert is complete.
  - Recalculating the income accrual, verifying the investments and recomputing the valuation thereof.
  - Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  - From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Annexure 2 to the Independent Auditors' Report to the Members of Aditya Birla Health Insurance Co. Limited**

[Referred to in paragraph 10(h) titled "Report on other legal and regulatory requirements"]

### **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to financial statements of Aditya Birla Health Insurance Co. Limited ("the Company") as at March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

The actuarial valuation of liabilities in respect of Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) included under claims outstanding and Premium Deficiency Reserve (PDR) creation is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and has been relied upon by us, as mentioned in "Other Matter" para of our audit report on the financial statements of the Company as at and for the year ended March 31, 2020. Accordingly, we have not audited the internal financial controls with reference to financial statements in respect of the valuation and accuracy of the aforesaid actuarial valuation.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA") in this regard.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company'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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A Company's internal financial control 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 Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance



that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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 control 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.

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020 based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the ICAI.

**For Khimji Kunverji & Co LLP**  
(Formerly Khimji Kunverji & Co)  
Chartered Accountants  
FRN: 105146W/ W100621

**Hasmukh B Dedhia**  
**Partner**  
(Membership No: F- 033494)  
ICAI UDIN:

Date: May 13, 2020  
Place: Mumbai

**For G B C A & Associates LLP**  
Chartered Accountants  
FRN: 103142W / W100292

**Sanjeev D. Lalan**  
**Partner**  
(Membership No: 045329)  
ICAI UDIN:

Date: May 13, 2020  
Place: Mumbai

# Independent Auditors' Certificate

**To:**

**The Board of Directors**

**Aditya Birla Health Insurance Co. Limited**

9th Floor, Tower 1, One Indiabulls Centre,  
Jupiter Mills Compound, 841, Senapati Bapat Marg,  
Elphinstone Road, Mumbai – 400013

**INDEPENDENT AUDITOR'S CERTIFICATE AS REFERRED TO  
IN PARAGRAPH 9 UNDER 'REPORT ON OTHER LEGAL AND  
REGULATORY REQUIREMENTS' FORMING PART OF THE  
INDEPENDENT AUDITOR'S REPORT DATED MAY 13, 2020.**

1. This certificate is issued to ADITYA BIRLA HEALTH INSURANCE CO. LIMITED (the "Company") in accordance with the terms of engagement letter dated August 6, 2019 between G B C A & Associates LLP, Khimji Kunverji & Co LLP (formerly Khimji Kunverji & Co) and the Company.
2. This certificate is issued to comply with the provisions of paragraph 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ("the IRDA Financial Statements Regulations") read with Regulation 3 of the IRDA Financial Statements Regulations.

**MANAGEMENT'S RESPONSIBILITY**

3. The Company's Management is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes the preparation of the Management Report. This responsibility 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; and making estimates that are reasonable in the circumstances.

**INDEPENDENT AUDITOR'S RESPONSIBILITY**

4. Our responsibility for the purpose of this certificate, is to provide reasonable assurance on the matters contained in paragraphs 3 and 4 of Schedule C of the IRDA Financial Statements Regulation read with Regulation 3 of the IRDA Financial Statements Regulations.

5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) in so far as applicable for the purpose of this Certificate. This 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".

**OPINION**

7. In accordance with the information, explanations and representations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by the Company for the year ended March 31, 2020 (Our verification was carried out, not at the premises of the Company, but from the remote locations owing to the period of nation-wide lockdown, imposed to prevent the spread of COVID19; as a result, the, relevant information/data required for our verification was furnished to us by the Company through electronic/internet based media), We certify that:
  - a) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2020, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
  - b) Based on the Management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDAI;
  - c) We have verified the cash balances and securities relating to the Company's loans and investments as at March 31, 2020, by actual inspection (to the extent possible under the circumstances of national lockdown, as referred to above) or on the basis of certificates/confirmations received from the designated branch/HO personnel of the Company, Custodian and/ or Depository Participants appointed by the Company, as the case may be. As at March 31, 2020, the Company does not have reversions and life interests;

- d) Based on the Management representation, the Company is not a trustee of any trust; and
- e) 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 ON USE**

- 8. This certificate is issued at the request of the Company solely for use of the Company for inclusion in the annual accounts in order to comply with the provisions of paragraph 3 and 4 of Schedule C of the IRDA Financial Statements Regulations 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 or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

**For Khimji Kunverji & Co LLP**  
**(Formerly Khimji Kunverji & Co)**  
**Chartered Accountants**  
 FRN: 105146W / W100621

**Hasmukh B Dedhia**  
 (Membership No: F- 033494)  
 ICAI UDIN:

Date: May 13, 2020  
 Place: Mumbai

**For G B C A & Associates LLP**  
**Chartered Accountants**  
 FRN: 103142W / W100292

**Sanjeev D. Lalan**  
 (Membership No: 045329)  
 ICAI UDIN:

Date: May 13, 2020  
 Place: Mumbai

# Revenue Account

For the Year Ended 31st March, 2020

CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016

(₹'000)

Particulars	Schedule	Year Ended 31st March, 2020	Year Ended 31st March, 2019
1 Premiums earned (Net)	1	58,54,079	34,82,280
2 Profit/ Loss on sale/ redemption of investments (Net)		23,658	17,223
3 Accretion/(Amortisation) of Debt Securities		(8,499)	(6,624)
4 Others		-	597
5 Interest, Dividend & Rent (Gross)		3,32,396	1,74,076
<b>Total (A)</b>		<b>62,01,634</b>	<b>36,67,552</b>
1 Claims Incurred (Net)	2	28,73,257	20,41,111
2 Commission	3	5,15,040	5,39,851
3 Operating Expenses related to Insurance Business	4	52,95,823	36,49,990
4 Premium Deficiency		-	-
<b>Total (B)</b>		<b>86,84,120</b>	<b>62,30,952</b>
<b>Operating Loss from miscellaneous business [C= (A - B)]</b>		<b>(24,82,486)</b>	<b>(25,63,400)</b>
<b>APPROPRIATIONS</b>			
Transfer to Shareholders' Account		(24,82,486)	(25,63,400)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (D)</b>		<b>(24,82,486)</b>	<b>(25,63,400)</b>
Significant Accounting Policies and Notes to the Accounts	16		

The Schedules referred to above and the notes to accounts form an integral part of the Financial Statements.

As per our report of even date attached

For Khimji Kunverji & Co LLP  
Chartered Accountants  
FRN : 105146W/W100621

For G B C A & Associates LLP  
Chartered Accountants  
FRN : 103142W / W100292

For and on behalf of Board of Directors of Aditya Birla Health Insurance Co. Limited

Hasmukh B Dedhia  
Partner  
(Membership No: F-033494)

Sanjeev D. Lalan  
Partner  
(Membership No: 045329)

Ajay Srinivasan  
Director  
DIN: 00121181

Ajit Ranade  
Director  
DIN: 00918651

Mayank Bathwal  
CEO and Whole Time Director  
DIN: 06804440

Date : 13th May, 2020  
Place : Mumbai

Date : 13th May, 2020  
Place : Mumbai

Nirav Shah  
Appointed Actuary  
Date : 13th May, 2020  
Place : Mumbai

Shikha Bagai  
Chief Financial Officer

Maheshkumar Radhakrishnan  
Company Secretary  
(Membership No: 27720)

# Profit and Loss Account

For the Year Ended 31st March, 2020

CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016

(₹'000)

Particulars	Schedule	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>1 OPERATING LOSS</b>			
(a) Miscellaneous Insurance		(24,82,486)	(25,63,400)
<b>2 INCOME FROM INVESTMENTS</b>			
(a) Interest, Dividend and Rent (Gross)		1,56,175	89,743
(b) Profit on sale of Investments		23,977	1,270
Less: Loss on sale of Investments		-	(102)
(c) Accretion/(Amortisation) of Debt Securities		(7,595)	(3,421)
<b>3 OTHER INCOME</b>			
(a) Gain on Foreign Exchange Fluctuation		-	-
(b) Interest Income		-	-
(c) Liabilities no longer required written back		-	-
<b>Total (A)</b>		<b>(23,09,929)</b>	<b>(24,75,910)</b>
<b>4 PROVISIONS (OTHER THAN TAXATION)</b>			
(a) For diminution in the value of Investments		40,000	10,000
(b) For doubtful debts		-	-
(c) Others		-	-
<b>5 OTHER EXPENSES</b>			
(a) Expenses other than those related to Insurance Business		61,458	58,973
(b) For doubtful debts		-	-
(c) Interest on delayed refund		214	120
(d) Others		-	-
<b>Total (B)</b>		<b>1,01,672</b>	<b>69,093</b>
Loss Before Tax [C = (A-B)]		(24,11,601)	(25,45,003)
Provision for Taxation		-	-
<b>Loss After Tax</b>		<b>(24,11,601)</b>	<b>(25,45,003)</b>
<b>APPROPRIATIONS</b>			
(a) Interim dividends paid during the period		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any Reserves or Other Accounts		-	-
<b>Balance of Loss brought forward from last Year</b>		<b>(54,55,961)</b>	<b>(29,10,958)</b>
<b>Balance carried forward to Balance Sheet</b>		<b>(78,67,562)</b>	<b>(54,55,961)</b>
<b>Earnings per Share [Nominal value per share ₹10 ]</b>			
- <b>Basic</b>	21	(9.17)	(14.43)
- <b>Diluted</b>	21	(9.17)	(14.43)
<b>Significant Accounting Policies and Notes to the Accounts</b>	16		

The Schedules referred to above and the notes to accounts form an integral part of the Financial Statements.

As per our report of even date attached

For Khimji Kunverji & Co LLP  
Chartered Accountants  
FRN : 105146W/W100621

For G B C A & Associates LLP  
Chartered Accountants  
FRN : 103142W / W100292

For and on behalf of Board of Directors of Aditya Birla Health Insurance Co. Limited

Hasmukh B Dedhia  
Partner  
(Membership No: F-033494)

Sanjeev D. Lalan  
Partner  
(Membership No: 045329)

Ajay Srinivasan  
Director  
DIN: 00121181

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Director  
DIN: 00918651

Mayank Bathwal  
CEO and Whole Time Director  
DIN: 06804440

Date : 13th May, 2020  
Place : Mumbai

Date : 13th May, 2020  
Place : Mumbai

Nirav Shah  
Appointed Actuary  
Date : 13th May, 2020  
Place : Mumbai

Shikha Bagai  
Chief Financial Officer

Maheshkumar Radhakrishnan  
Company Secretary  
(Membership No: 27720)



# Balance Sheet

as at 31st March, 2020

CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016

(₹'000)

Particulars	Schedule	As at 31st March, 2020	As at 31st March, 2019
<b>SOURCES OF FUNDS</b>			
Share capital	5	29,88,558	21,20,265
Reserves and surplus	6	76,21,442	49,29,735
Fair value change account - Shareholders		-	-
Fair value change account - Policy holders		2,180	332
Borrowings	7	-	-
<b>Total</b>		<b>1,06,12,180</b>	<b>70,50,332</b>
<b>APPLICATION OF FUNDS</b>			
Shareholders' investments	8	23,11,045	14,44,639
Policyholders' investments	8A	60,99,433	34,41,875
Less : Provision made		(50,000)	(10,000)
Net Policyholders' investments		<b>60,49,433</b>	<b>34,31,875</b>
Loans	9	-	-
Fixed assets	10	7,46,391	6,17,433
<b>Current assets:</b>			
Cash and bank balances	11	3,51,657	2,23,440
Advances and other assets	12	9,46,371	6,23,244
<b>Sub-total (A)</b>		<b>12,98,028</b>	<b>8,46,684</b>
Current liabilities	13	38,58,322	20,96,739
Provisions	14	38,01,957	26,49,521
<b>Sub-total (B)</b>		<b>76,60,279</b>	<b>47,46,260</b>
<b>Net current assets (C) = (A - B)</b>		<b>(63,62,251)</b>	<b>(38,99,576)</b>
Miscellaneous expenditure (To the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		78,67,562	54,55,961
<b>Total</b>		<b>1,06,12,180</b>	<b>70,50,332</b>

## Significant Accounting Policies and Notes to the Accounts

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The Schedules referred to above and the notes to accounts form an integral part of the Financial Statements.

As per our report of even date attached

For Khimji Kunverji & Co LLP  
Chartered Accountants  
FRN : 105146W/W100621

For G B C A & Associates LLP  
Chartered Accountants  
FRN : 103142W / W100292

For and on behalf of Board of Directors of Aditya Birla Health Insurance Co. Limited

Hasmukh B Dedhia  
Partner  
(Membership No: F-033494)

Sanjeev D. Lalan  
Partner  
(Membership No: 045329)

Ajay Srinivasan  
Director  
DIN: 00121181

Ajit Ranade  
Director  
DIN: 00918651

Mayank Bathwal  
CEO and Whole Time Director  
DIN: 06804440

Date : 13th May, 2020  
Place : Mumbai

Date : 13th May, 2020  
Place : Mumbai

Nirav Shah  
Appointed Actuary  
Date : 13th May, 2020  
Place : Mumbai

Shikha Bagai  
Chief Financial Officer

Maheshkumar Radhakrishnan  
Company Secretary  
(Membership No: 27720)

# Receipt and Payment Account

For The Year Ended 31st March, 2020

CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016

(₹'000)

Particulars	Schedule	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Premium received from policy holder, including advance receipts, other receipts		91,20,250	51,13,613
Payments to the re-insurer, net of commission and Claims		(2,21,753)	8,747
Payments of claims		(29,80,281)	(18,45,280)
Payments of commission and brokerage		(9,98,337)	(5,28,418)
Payments of other operating expenses		(49,51,718)	(33,55,167)
Deposit, advances and staff loans		(1,27,113)	(1,38,693)
Service Tax / Goods and service tax paid		(19,897)	54,729
Other payments		10,640	79,221
<b>Cash inflows / (outflows) before extraordinary items</b>		<b>(1,68,209)</b>	<b>(6,11,248)</b>
Cash flows from extraordinary operations		-	-
<b>Net cash inflows / (outflows) from operating activities</b>		<b>(1,68,209)</b>	<b>(6,11,248)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets (including intangible asset under development and capital advances)		(3,28,223)	(2,52,822)
Sale / Disposal of fixed assets		1,99,264	1,35,241
Purchase of investments		(55,97,579)	(82,49,617)
Sale of investments		20,22,027	54,64,099
Rent / Interest / Dividends received		4,40,937	1,91,174
<b>Net cash flows from investing activities</b>		<b>(32,63,574)</b>	<b>(27,11,925)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from share capital (including share premium)		35,60,000	32,45,000
<b>Net cash flows from financing activities</b>		<b>35,60,000</b>	<b>32,45,000</b>
Effect of foreign exchange rates on cash and cash equivalents, net		-	-
<b>Net changes in cash and cash equivalents</b>		<b>1,28,217</b>	<b>(78,173)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,23,440</b>	<b>3,01,613</b>
<b>Cash and cash equivalents at the end of the year (Refer Schedule 11)</b>		<b>3,51,657</b>	<b>2,23,440</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1,28,217</b>	<b>(78,173)</b>
<b>Cash and cash equivalents comprise (Refer Schedule 11)</b>			
Balances with banks			
On current accounts		3,45,826	2,18,781
On Deposits		4,142	3,897
Cash on hand		1,689	762
<b>Total cash and bank balances at end of the period</b>		<b>3,51,657</b>	<b>2,23,440</b>

Note:

Cash comprises cash on hand, Current Accounts and deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

The Schedules referred to above and the notes to accounts form an integral part of the Financial Statements.

As per our report of even date attached

**For Khimji Kunverji & Co LLP**  
Chartered Accountants  
FRN : 105146W/W100621

**For G B C A & Associates LLP**  
Chartered Accountants  
FRN : 103142W / W100292

**For and on behalf of Board of Directors of Aditya Birla Health Insurance Co. Limited**

**Hasmukh B Dedhia**  
Partner  
(Membership No: F-033494)

**Sanjeev D. Lalan**  
Partner  
(Membership No: O45329)

**Ajay Srinivasan**  
Director  
DIN: 00121181

**Ajit Ranade**  
Director  
DIN: 00918651

**Mayank Bathwal**  
CEO and Whole Time Director  
DIN: 06804440

Date : 13th May, 2020  
Place : Mumbai

Date : 13th May, 2020  
Place : Mumbai

**Nirav Shah**  
Appointed Actuary  
Date : 13th May, 2020  
Place : Mumbai

**Shikha Bagai**  
Chief Financial Officer

**Maheshkumar Radhakrishnan**  
Company Secretary  
(Membership No: 27720)

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE: 1 PREMIUM EARNED [NET]

(₹'000)

Particulars	For The Year Ended 31st March, 2020			For The Year Ended 31st March, 2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Premium from direct business written*	75,53,812	11,66,562	87,20,374	42,34,305	7,33,721	49,68,026
Add: Premium on reinsurance accepted	-	-	-	-	-	-
Less: Premium on reinsurance ceded	(16,91,052)	(83,373)	(17,74,425)	(2,30,772)	(48,626)	(2,79,398)
<b>Net Premium</b>	<b>58,62,760</b>	<b>10,83,189</b>	<b>69,45,949</b>	<b>40,03,533</b>	<b>6,85,095</b>	<b>46,88,628</b>
Less: Adjustment for change in reserve for unexpired risks**	(8,94,209)	(1,97,661)	(10,91,870)	(9,17,619)	(2,88,729)	(12,06,348)
<b>Total Premium Earned (Net)</b>	<b>49,68,551</b>	<b>8,85,528</b>	<b>58,54,079</b>	<b>30,85,914</b>	<b>3,96,366</b>	<b>34,82,280</b>

\* Net of Goods and Service Tax

\*\* Includes FreeLook Reserves

## SCHEDULE: 2 CLAIMS INCURRED [NET]

(₹'000)

Particulars	For The Year Ended 31st March, 2020			For The Year Ended 31st March, 2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
<b>Claims paid</b>						
Direct	28,63,394	1,16,817	29,80,211	18,07,201	37,797	18,44,998
Add: Re-insurance accepted	-	-	-	-	-	-
Less: Re-insurance ceded	(3,89,675)	(7,587)	(3,97,262)	(86,681)	(2,879)	(89,560)
<b>Net Claims paid</b>	<b>24,73,719</b>	<b>1,09,230</b>	<b>25,82,949</b>	<b>17,20,520</b>	<b>34,918</b>	<b>17,55,438</b>
Add: Claims outstanding at the end of the year	6,11,574	1,87,691	7,99,265	4,10,968	97,989	5,08,957
Less: Claims outstanding at the beginning of the year	(4,10,968)	(97,989)	(5,08,957)	(2,15,006)	(8,278)	(2,23,284)
<b>Total Claims Incurred (Net)</b>	<b>26,74,325</b>	<b>1,98,932</b>	<b>28,73,257</b>	<b>19,16,482</b>	<b>1,24,629</b>	<b>20,41,111</b>

## SCHEDULE: 3 COMMISSION

(₹'000)

Particulars	For The Year Ended 31st March, 2020			For The Year Ended 31st March, 2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
<b>Commission paid</b>						
Direct	9,09,518	1,50,684	10,60,202	5,61,390	10,148	5,71,538
Add: Re-insurance accepted	-	-	-	-	-	-
Less: Commission on Re-insurance ceded	(5,37,426)	(7,736)	(5,45,162)	(26,127)	(5,560)	(31,687)
<b>Net Commission</b>	<b>3,72,092</b>	<b>1,42,948</b>	<b>5,15,040</b>	<b>5,35,263</b>	<b>4,588</b>	<b>5,39,851</b>
<b>Break Up of expenses incurred to procure business:</b>						
Agents	1,98,200	15,320	2,13,520	1,42,049	110	1,42,159
Brokers	2,04,893	27,668	2,32,561	1,56,395	7,620	1,64,015
Corporate Agency	2,15,753	4,905	2,20,658	57,111	251	57,362
Bank assurance	2,42,414	1,02,782	3,45,196	1,80,685	2,163	1,82,848
Others	48,258	9	48,267	25,150	4	25,154
	<b>9,09,518</b>	<b>1,50,684</b>	<b>10,60,202</b>	<b>5,61,390</b>	<b>10,148</b>	<b>5,71,538</b>

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE: 4 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(₹'000)

Particulars	For The Year Ended 31st March, 2020			For The Year Ended 31st March, 2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
1 Employee's remuneration and welfare benefits	21,59,396	5,09,282	26,68,678	14,35,448	5,16,839	19,52,287
2 Travel, conveyance and vehicle running expenses	1,24,266	19,191	1,43,457	78,388	13,583	91,971
3 Training expenses	72,300	11,166	83,466	35,012	6,067	41,079
4 Rent, rates and taxes	1,20,725	18,644	1,39,369	1,07,697	18,662	1,26,359
5 Repairs	10,153	1,568	11,721	10,125	1,754	11,879
6 Printing and stationery	60,294	25,151	85,445	45,062	22,957	68,019
7 Communication	36,647	5,660	42,307	28,041	4,859	32,900
8 Legal and professional charges	1,23,523	19,076	1,42,599	90,587	15,697	1,06,284
9 Auditor's fees, expenses etc						
(a) as auditor	2,599	401	3,000	2,131	369	2,500
(b) Certification services	108	17	125	89	16	105
(c) Out of Pocket Expenses	406	63	469	280	49	329
10 Advertisement and publicity	12,86,913	-	12,86,913	7,24,776	-	7,24,776
11 Interest and bank charges	8,505	1,313	9,818	5,322	922	6,244
12 Others						
(a) Membership and subscription	3,757	1,567	5,324	3,328	1,695	5,023
(b) Loss / (Profit ) on Foreign Exchange Fluctuation	51	8	59	-	-	0
(c) Insurance	683	105	788	793	137	930
(d) Director's sitting fees	1,265	195	1,460	984	171	1,155
(e) Miscellaneous expenses	9,056	1,399	10,455	7,883	1,366	9,249
(f) Stamp duty	11,327	4,725	16,052	4,346	2,214	6,560
(g) Information Technology expenses	58,500	24,403	82,903	35,457	18,064	53,521
(h) Electricity expense	20,490	3,164	23,654	14,269	2,473	16,742
(i) Housekeeping charges	41,478	6,406	47,884	29,717	5,149	34,866
(j) Data center charges	14,802	2,286	17,088	10,048	1,741	11,789
(k) Agent training expenses	19,080	2,947	22,027	15,175	2,629	17,804
(l) Wellness expense	53,508	22,320	75,828	50,499	25,727	76,226
(m) Medical fees	32,902	13,725	46,627	36,132	18,408	54,540
(n) Call centre charges	38,044	5,875	43,919	27,250	4,722	31,972
(o) Transaction processing services	73,932	11,417	85,349	30,233	5,239	35,472
(p) Loss on Sale of Fixed Assets	3,344	516	3,860	135	24	159
13 Depreciation	1,69,069	26,110	1,95,179	1,10,161	19,089	1,29,250
	<b>45,57,124</b>	<b>7,38,699</b>	<b>52,95,823</b>	<b>29,39,370</b>	<b>7,10,620</b>	<b>36,49,990</b>

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE: 5 SHARE CAPITAL

(₹'000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1 Authorised Capital</b>		
31,50,00,000 Equity Shares of ₹ 10 each (31st March, 2019: 22,50,00,000 Equity Shares of ₹ 10 each)	31,50,000	22,50,000
<b>2 Issued Capital</b>		
29,88,55,813 Equity Shares of ₹ 10 each (31st March, 2019: 21,20,26,543 Equity Shares of ₹ 10 each)	29,88,558	21,20,265
<b>3 Subscribed and paid up Capital</b>		
29,88,55,813 Equity Shares of ₹ 10 each (31st March, 2019: 21,20,26,543 Equity Shares of ₹ 10 each)	29,88,558	21,20,265
<b>Total</b>	<b>29,88,558</b>	<b>21,20,265</b>

Of the above 15,24,16,467 shares (31st March, 2019: 10,81,33,538) are held by the holding company, Aditya Birla Capital Limited (Formerly known as Aditya Birla Financial Services Limited) along with its nominee's.

## SCHEDULE: 5A PATTERN OF SHAREHOLDING

[As certified by the Management]

(₹'000)

Shareholders	As at 31st March, 2020		As at 31st March, 2019	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	15,24,16,467	51.00%	10,81,33,538	51.00%
- Foreign	14,64,39,346	49.00%	10,38,93,005	49.00%
<b>Total</b>	<b>29,88,55,813</b>	<b>100.00%</b>	<b>21,20,26,543</b>	<b>100.00%</b>

## SCHEDULE: 6 RESERVES AND SURPLUS

(₹'000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1 Capital Reserve</b>	-	-
<b>2 Capital Redemption Reserve</b>	-	-
<b>3 Share Premium</b>		
Balance at the beginning of the year	49,29,735	24,76,198
Add: Additions during the year	26,91,707	24,53,537
Balance at the end of the year	<b>76,21,442</b>	<b>49,29,735</b>
<b>4 General Reserves</b>	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
<b>5 Catastrophe Reserve</b>	-	-
<b>6 Other Reserves</b>	-	-
<b>7 Balance of Profit in Profit &amp; Loss Account</b>	-	-
<b>Total</b>	<b>76,21,442</b>	<b>49,29,735</b>

## SCHEDULE: 7 BORROWINGS

(₹'000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1 Debentures/ Bonds</b>	-	-
<b>2 Banks</b>	-	-
<b>3 Financial Institutions</b>	-	-
<b>4 Others</b>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE: 8 SHAREHOLDERS' INVESTMENTS

(₹'000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>LONG TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	8,48,116	7,88,443
2 Other Approved Securities	11,08,696	3,58,750
3 Other Investments		
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	1,02,726	97,512
(d) Debentures/ Bonds	-	-
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
4 Investments in Infrastructure and Social Sector	-	99,642
(a) Infrastructure Bonds	-	-
(b) Infrastructure Equity	50,483	50,689
(c) Housing Bonds	-	-
5 Other than Approved Investments	-	-
<b>SHORT TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	-	-
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	1,01,846	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	99,178	49,603
(e) Other Securities		
(aa) Fixed Deposits	-	-
(bb) Commercial Papers	-	-
(cc) Certificate of Deposits	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector		
(aa) Infrastructure Bonds	-	-
(bb) Infrastructure Equity	-	-
(cc) Housing Bonds	-	-
5 Other than Approved Investments	-	-
<b>Total</b>	<b>23,11,045</b>	<b>14,44,639</b>
Investments in India	23,11,045	14,44,639
Investments outside India	-	-

### Notes:

- Aggregate Book Value of Investments (Other Than Listed Equities & Derivative Instruments) is ₹ 23,11,045 thousand (previous year ₹ 14,44,639 thousand).
- Aggregate Market Value of Investments (Other Than Listed Equities & Derivative Instruments) is ₹ 23,51,461 thousand (previous year ₹ 14,35,744 thousand).
- Includes investment in mutual fund amounting to ₹ 1,01,846 (previous year NIL)
- Includes investments qualifying for infrastructure and social sector investments of ₹ 50,483 thousand (previous year ₹ 1,50,331 thousand)

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE: 8A POLICYHOLDERS' INVESTMENTS

(₹'000)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>LONG TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	11,25,579	4,01,178
2 Other Approved Securities	15,08,474	3,04,167
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	9,52,724	3,95,005
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties - Real Estate	-	-
4 Investments in Infrastructure and Social Sector		
(a) Infrastructure Bonds	4,05,836	8,10,812
(b) Infrastructure Equity	-	-
(c) Housing Bonds	4,04,786	5,51,179
5 Other than Approved Investments	3,49,814	3,49,679
<b>SHORT TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	-	-
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	5,70,335	2,89,332
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	2,99,706	3,00,523
(e) Other Securities		
- Fixed Deposits	82,500	40,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector		
(aa) Infrastructure Bonds	1,50,091	-
(bb) Infrastructure Equity	-	-
(cc ) Housing Bonds	2,49,588	-
5 Other than Approved Investments	-	-
<b>Total</b>	<b>60,99,433</b>	<b>34,41,875</b>
Investments in India	60,99,433	34,41,875
Investments outside India	-	-

### Notes:

- Aggregate Book Value of Investments (Other Than Listed Equities & Derivative Instruments) is ₹ 60,99,433 thousand (previous year ₹ 34,41,875 thousand).
- Aggregate Market Value of Investments (Other Than Listed Equities & Derivative Instruments) is ₹ 61,57,895 thousand (previous year ₹ 34,18,848 thousand).
- Includes investment in mutual fund amounting to ₹ 5,70,335 thousand (previous year ₹ 2,89,332 thousand)
- Includes investments qualifying for infrastructure and social sector investments of ₹ 12,10,301 thousand (previous year ₹ 13,61,992 thousand)

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE: 9 LOANS

(₹'000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>1 Security-Wise Classification</b>		
<b>Secured</b>		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
<b>Unsecured loans</b>		
(aa) against policies	-	-
(bb) Others	-	-
<b>Total</b>	-	-
<b>2 BORROWER-WISE CLASSIFICATION</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Loans against policies	-	-
(f) Others	-	-
<b>Total</b>	-	-
<b>3 Performance-Wise Classification</b>		
(a) Loans classified as standard		
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	-	-
<b>4 Maturity-Wise Classification</b>		
(a) Short Term	-	-
(b) Long Term	-	-
<b>Total</b>	-	-

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

SCHEDULE: 10 FIXED ASSETS										
(₹'000)										
SN	Particulars	Gross Block			Depreciation			Net Block		
		As at 1st April, 2019	Additions	Deletion	As at 31st March, 2020	Upto 1st April, 2019	For the Period Adjustments	On Sales/ Adjustments	Up to 31st March, 2020	As at 31st March, 2019
Intangibles										
1	Software	5,42,757	1,77,238	-	7,19,995	1,66,264	1,22,367	-	2,88,631	3,76,493
	<b>Total</b>	<b>A 5,42,757</b>	<b>1,77,238</b>	<b>-</b>	<b>7,19,995</b>	<b>1,66,264</b>	<b>1,22,367</b>	<b>-</b>	<b>2,88,631</b>	<b>3,76,493</b>
	Intangible Assets Under Development	B 59,866	2,35,680	1,69,014	1,26,532	-	-	-	-	59,865
Tangibles										
1	Freehold Land	-	-	-	-	-	-	-	-	-
2	Leasehold Property	-	-	-	-	-	-	-	-	-
3	Buildings	-	-	-	-	-	-	-	-	-
4	Furniture & Fittings	17,662	4,905	9	22,558	11,310	5,785	19	17,076	6,353
5	Leasehold Improvement	76,968	13,668	5,544	85,092	17,945	16,055	2,187	31,813	59,023
6	Information Technology Equipment	1,37,798	32,905	807	1,69,896	58,046	33,828	456	91,418	79,753
7	Vehicles	15,980	6,254	-	22,234	6,298	4,806	-	11,104	9,682
8	Office Equipment	47,584	9,737	4,265	53,056	21,320	12,338	3,880	29,778	26,264
	<b>Total</b>	<b>C 2,95,992</b>	<b>67,469</b>	<b>10,625</b>	<b>3,52,836</b>	<b>1,14,919</b>	<b>72,812</b>	<b>6,542</b>	<b>1,81,189</b>	<b>1,81,075</b>
	Capital work in progress	D -	24,593	7,745	16,848	-	-	-	-	-
	<b>Grand total (A + B + C + D)</b>	<b>8,98,615</b>	<b>5,04,980</b>	<b>1,87,384</b>	<b>12,16,211</b>	<b>2,81,183</b>	<b>1,95,179</b>	<b>6,542</b>	<b>4,69,820</b>	<b>6,17,433</b>
	<b>Previous year</b>	<b>6,53,072</b>	<b>5,99,231</b>	<b>3,53,688</b>	<b>8,98,615</b>	<b>1,53,222</b>	<b>1,29,252</b>	<b>1,291</b>	<b>2,81,182</b>	<b>4,99,850</b>

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE: 11 CASH AND BANK BALANCES

(₹'000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
1 Cash (including cheques, drafts and stamps)	1,689	762
2 Bank Balances		
(a) Deposit Accounts	-	-
(aa) Short-term (due within 12 months)	611	569
(bb) Others - Long -term (Maturity more than 12 months)	3,200	3,200
Add: Interest Accrued on Deposit	331	128
(b) Current Accounts	3,45,826	2,18,781
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
<b>Total</b>	<b>3,51,657</b>	<b>2,23,440</b>
Cash and bank balance In India	3,51,657	2,23,440
Cash and bank balance outside India	-	-

Balances with non-scheduled banks included in 2 above

## SCHEDULE: 12 ADVANCES AND OTHER ASSETS

(₹'000)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>ADVANCES</b>		
1 Reserve deposits with ceding companies	-	-
2 Advance to ceding companies	-	-
3 Application money for investments	-	-
4 Prepayments	26,288	20,509
5 Advances to Directors / Officers	-	-
6 Advance tax paid and taxes deducted at source	-	-
7 Others (to be specified)		
(a) Advance to Suppliers	1,20,981	70,343
Less: Provisions made	-	-
<b>Sub-total</b>	<b>1,20,981</b>	<b>70,343</b>
(b) Other advances	72,087	30,343
<b>Total (A)</b>	<b>2,19,356</b>	<b>1,21,195</b>
<b>OTHER ASSETS</b>		
1 Income accrued on investments	2,32,291	1,53,116
2 Outstanding Premiums	-	-
3 Agents' Balances	2,133	3,478
Less: Provisions made	-	-
Sub-total	2,133	3,478
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business	8,690	6,564
6 Due from subsidiaries/ holding*	1,892	26,731
7 Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8 Others		
(a) Rent and other deposits	1,11,171	79,158
(b) Input tax credit (net)	2,41,758	1,59,531
(c) Cenvat credit on capital goods	-	-
(d) Deferred lease assets	-	-
(e) Recoverable from employees	-	-
(f) Unclaimed Investment account	1,359	1,279
(g) Other Recoverable	557	1,183
(h) Contribution to group gratuity plan	73,727	71,009
(i) Receivable for Investment	53,437	-
<b>Total (A+B)</b>	<b>7,27,015</b>	<b>5,02,049</b>
<b>Total (A+B)</b>	<b>9,46,371</b>	<b>6,23,244</b>

\* Subsidiaries also includes fellow subsidiaries



# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE: 13 CURRENT LIABILITIES

Particulars	(₹'000)	
	As at 31st March, 2020	As at 31st March, 2019
1 Agents' balances	1,46,693	86,173
2 Balances due to other insurance companies	7,05,290	92,916
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	60,384	18,466
5 Unallocated premium	8,36,172	4,81,391
6 Sundry creditors	8,69,961	5,81,933
7 Due to subsidiaries/ holding company*	69,293	27,224
8 Claims Outstanding	7,99,205	5,08,943
9 Unclaimed amount of policyholders/ insured	1,069	1,013
10 Due to Officers/ Directors	-	-
11 Others		
(a) Tax deducted payable	42,380	18,504
(b) Other statutory dues	2,49,767	1,87,436
(c) Provident fund payable	15,011	10,531
(d) Premium refund payable	7,092	3,915
(e) Due to employees	56,005	78,294
(f) Payable for investment	-	-
<b>Total</b>	<b>38,58,322</b>	<b>20,96,739</b>

\* Subsidiaries also includes fellow subsidiaries

## SCHEDULE: 14 PROVISIONS

Particulars	(₹'000)	
	As at 31st March, 2020	As at 31st March, 2019
1 Reserve for Unexpired Risk	34,40,995	23,44,314
2 For taxation (less advance tax paid and taxes deducted at source)	-	-
3 For proposed dividends	-	-
4 For dividend distribution tax	-	-
5 Bonus payable to policy holders	-	-
6 Others		
(a) For Gratuity	73,261	69,976
(b) For Compensated absence	28,538	25,663
(c) For Other operating expense related	-	-
(d) Premium Deficiency Reserve	-	-
(e) Bonus Payable	2,54,610	2,00,204
(f) Free look Reserve	4,553	9,364
<b>Total</b>	<b>38,01,957</b>	<b>26,49,521</b>

## SCHEDULE: 15 MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	(₹'000)	
	As at 31st March, 2020	As at 31st March, 2019
1 Discount Allowed in issue of shares/ debentures	-	-
2 Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## SCHEDULE 16: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

### I BACKGROUND

Aditya Birla Health Insurance Co. Limited ("the Company") was incorporated on April 22, 2015 as a company under the Companies Act, 2013. As on 31st March, 2020, Aditya Birla Capital Limited (Formerly Known as "Aditya Birla Financial Services Limited") holds 51% and MMI Strategic Investment Pty Ltd. holds 49% of paid up capital of the Company respectively. The Company is registered with the Insurance Regulatory and Development Authority of India ("IRDAI") for conducting health insurance business, under section 3 of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015.

The Certificate of Registration (Form – IRDA/ R3) has been issued by the Authority on July 11, 2016. Pursuant to Section 3 read with Section 3A of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, said certificate shall consequentially continue to be in force from the date of registration.

### II SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

These financial statements have been prepared under the historical cost convention, on an accrual basis of accounting, in accordance with the accounting principles generally accepted in India, including the applicable provisions of the Insurance Act, 1938 (the "Insurance Act") as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, orders/directions issued by IRDAI in this regard, from time to time (including circular no. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016), Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, to the extent applicable and various circulars/notifications issued by IRDAI and practices prevailing in the insurance industry in India.

Accounting policies applied have been consistent with previous year except where different treatment is required as per new pronouncements made by the regulatory authorities. The management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis.

#### (b) Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India (GAAP) requires that the Company's management make estimates and assumptions that

affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amounts of revenues and expenses for the year and disclosures relating to contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates. Differences between the actual and estimates, if any, are recognised in the year in which they materialize or are known.

#### (c) Revenue Recognition

##### (i) Premium Income

Premium including Reinsurance accepted (net of service tax / goods and service tax) is recognised as income over the contract period or period of risk, as appropriate, after adjusting for unearned premium (unexpired risk). Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to or cancellations of premiums are accounted for in the year in which they occur. Premium received in advance represents premium received prior to commencement of the risk.

##### (ii) Income earned on investments

Interest income on investments is recognised on an accrual basis. Accretion of discount and amortization of premium relating to debt securities including Commercial Paper (CP), Certificate of Deposits (CD) and T-bills is recognized on effective interest rate method over the holding / maturity period.

The net realized gains or losses on the debt securities is the difference between the net sale consideration and the amortized cost, which is computed on a weighted average basis, as on the date of sale. In case of mutual fund units, the profit or loss on sale of investment includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account".

Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale. Such investments income shall be allocated between the revenue account and profit and loss account on actual basis.

##### (d) Reinsurance ceded

Reinsurance premium ceded is accounted in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Reinsurance premium ceded on unearned premium is carried forward to the period of risk and is set off against related unearned premium. Any subsequent revisions to or cancellations of premiums are accounted for in the year in which they occur.

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forming part of the Financial Statement for the year ended 31st March, 2020

**(e) Commission received**

Commission on reinsurance ceded is recognised as income on ceding of reinsurance premium. Profit commission under reinsurance treaties, wherever applicable, is recognised in the year of final determination of the profits and as intimated by the Reinsurer.

**(f) Reserve for Unexpired Risk**

Reserve for unexpired risk represents that a part of the net premium written which is attributable to and allocated to the succeeding accounting period. Reserve for unexpired risk is calculated on the basis of 50% of net written premium of preceding twelve month.

**(g) Premium deficiency**

Premium deficiency is recognised for the Company at segmental revenue account level. Premium deficiency is recognised if the sum of the expected claim costs, related expenses and maintenance cost (related to claims handling) exceeds related reserve for unexpired risk. The expected claim costs is calculated and duly certified by the Appointed Actuary.

**(h) Claims incurred**

Claims incurred comprises of claims paid, change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) and specific settlement costs comprising legal and investigation fees and other directly attributable expenses.

Provision is made for estimated value of outstanding claims at the Balance Sheet date net of reinsurance. Such provision is made on the basis of the ultimate amounts that are likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and include claim settlement costs likely to be incurred to settle outstanding claims.

Claims (net of amounts receivable from reinsurers/ coinsurers) are recognised on the date of intimation based on estimates from surveyors/ insured in the respective revenue accounts.

The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) has been estimated by the Appointed Actuary in compliance with guidelines issued by IRDAI vide circular No. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 2005 and applicable provisions of Guidance Note 21 issued by the

Institute of Actuaries of India. The Appointed Actuary has used generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data as well as appropriateness of the different methods to the different lines of businesses.

**(i) Acquisition Costs**

Acquisition costs are defined as costs that vary with, and are primarily related to the acquisition of new and renewal insurance contracts viz. commission, policy issue expenses, etc. These costs are expensed in the period in which they are incurred. Acquisition cost on premium received in advance are recognised as prepaid expenses.

**(j) Fixed Assets**

**(i) Tangible:**

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of CENVAT credit / Goods and Service Tax credit or other tax credit available to the Company.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

**(ii) Intangible:**

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of CENVAT credit / Goods and Service Tax credit or other tax credit available to the Company.

Subsequent expenditure incurred on existing assets expensed out except where such expenditure increases the future economic benefits from the existing assets, in which case the expenditure is amortized over the remaining useful life of the original asset.

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forming part of the Financial Statement for the year ended 31st March, 2020

## (iii) Capital work in progress

Capital work in progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

## (k) Depreciation on fixed assets

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of fixed assets except for Leasehold Improvement and furniture and fittings at leased premises, Office Equipment other than electronic and servers. The company uses straight line method for different class of its fixed assets :

Category of Fixed Assets	Useful Life
Leasehold Improvements and Furniture and fittings at leased premises	6 years or the maximum renewable period of the respective leases, whichever is lower
Office Equipment (Other than Electronic equipment)	5 Years
Servers	6 years
Software	5 years

Depreciation on property, plant and equipment comprising of furniture and fittings other than at leased premises, Information Technology Equipment, Vehicles, Electronic office equipment and mobile phone is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, which are different as compared to those prescribed under the Schedule II to the Companies Act, 2013. The estimates of useful life of these assets based on technical evaluation have not undergone a change on account of transition to the Companies Act, 2013. The Company has used the following useful lives to provide depreciation on such class of asset:

Category of Fixed Assets	Useful Life
Furniture & fittings (other than installed at leased premises)	7 years
Information Technology Equipment	4 years
Vehicles	4/5 Years (As per OYCS Policy)
Office Equipment (Electronic equipment)	4 Years
Mobile Phones (included in office equipment under schedule 10)	2 Years

## (l) Impairment of assets

The carrying values of assets forming part of any cash generating units at Balance Sheet date are reviewed for impairment at each balance sheet date. If any indication for such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate

discount factor. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

## (m) Operating Leases

### As lessee:

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as Operating lease. Operating lease rentals including escalations, in respect of an asset taken on operating lease, are charged to the Revenue Account on a straight line basis over the lease term. Initial direct costs incurred specifically for an operating lease are charged to the Revenue Account.

## (n) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

At the Balance Sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at the exchange rates prevailing at that date.

All exchange differences arising on settlement/conversion of foreign currency transactions are included in the Revenue Account.

## (o) Investments

Investments are made and accounted for in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended and various other circulars/ notifications issued by the IRDAI in this context from time to time.

Investments are recorded at cost, which include brokerage, taxes, if any, stamp duty and excludes broken period interest.

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to be disposed off within twelve months from the balance sheet date are classified as short-term investments.

Investments other than short-term investments are classified as long-term investments.

The Investment made by the Company are segregated between Policyholder's funds and Shareholder's funds.

All debt securities including CPs, CDs, T-Bills are considered as 'held to maturity' and accordingly stated at historical cost subject to amortization of premium or accretion of discount on effective interest rate basis in the Revenue Account and in the Profit and Loss Account over the period of maturity/ holding.

All mutual fund investments are valued at net asset value as at Balance Sheet date.

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forming part of the Financial Statement for the year ended 31st March, 2020

In accordance with the Regulations, any unrealized gains/ losses arising due to change in fair value of mutual fund investments are accounted in "Fair Value Change Account" and carried forward in the Balance Sheet and is not available for distribution.

The Company assesses, whether any impairment has occurred on its investments, at each Balance Sheet date. If any such indication exists, then carrying value of such investment is reduced to its recoverable amount/ market value on the Balance Sheet date and the impairment loss is recognised in the Profit and Loss Account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists then impairment loss, earlier recognised in Profit and loss Account, is reversed in Profit and loss account and the investment is restated to that extent.

## (p) Employee Benefits

### (i) Short-term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the period in which the employee renders the related service. All short term employee benefits are accounted on undiscounted basis.

### (ii) Long term employee benefits

The Company has both defined contribution and defined benefit plans, of which some have assets in special funds or similar securities. The plans are financed by the Company and in case of some defined contribution plans, by the Company along with its employees.

#### Defined contribution plans

These are plans in which the Company pays predefined amounts to recognised provident fund and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

#### Defined benefit plans

Gratuity are defined benefit plans is calculated as at the Balance Sheet date by independent actuaries using projected unit credit method in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, utilizing a discount rate corresponding to the interest rate estimated by the actuary, having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.

The Company recognizes the net obligation of the scheme in Balance Sheet as an asset or liability in accordance with

AS 15 "Employee Benefits". The discount rate used for estimation of liability is based on Government securities yield. Gain or loss arising from change in actuarial assumptions / experience adjustments is recognised in the Revenue Account for the period in which they emerge. Expected long term rate of return on assets has been determined based on historical experience and available market information.

## (iii) Other long term benefits

Other long term employee benefits include accumulated long term compensated absences and long term incentive plans.

- i. The employees are entitled for 21 days leave during the calendar year, which can be accumulated up to 36 days. The company provides for the liability at year end on account of unavailed leave as per the independent actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses are recognised in the Statement of Profit and Loss as and when incurred.

- ii. The cost of performance based compensation incentive under long term incentive plan is measured considering the achievement of the performance indicators applicable to the plans and applying the actuarial assumptions and principles in accordance with AS 15 (Revised 2005) Employee Benefits as valued by an independent actuary on each Balance Sheet date.

## (q) Taxation

Income tax expense comprises current tax (i.e. amount of tax payable on the taxable income for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the period). Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income-tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realized.

In accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India and in accordance with the provisions



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forming part of the Financial Statement for the year ended 31st March, 2020

of the Income Tax Act, 1961, Minimum Alternate Tax ('MAT') credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

## (r) Service Tax / Goods and Service Tax (GST)

Tax / GST collected is considered as a liability against which Service Tax/ GST paid for eligible input tax credit, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority. Service Tax/ GST paid for eligible input services not recoverable by way of credits is recognized in the Revenue Account as expenses.

## (s) Segment Reporting

In case of Health insurance business, based on the primary segments identified under Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 read with AS 17 on "Segment Reporting" specified under Section 133 of the Companies Act, 2013, the Company has classified and disclosed segment information for Health Insurance and Personal Accident Insurance.

There are no reportable geographical segments, since all business is written in India.

The allocation of revenue and expenses to specific segments is done in the following manner, which is applied on a consistent basis.

The Revenue is directly attributable and identifiable to the business segments and is apportioned on an actual basis.

Operating Expenses relating to Insurance Business: are allocated on the following basis

- (i) Acquisition Cost shall be directly allocated to the respective business segment.
- (ii) Expenses, which are directly attributable and identifiable to the business segments, are apportioned on an actual basis.
- (iii) Expenses, which are not directly identifiable though attributable to a class of business segments collectively, are apportioned amongst the respective segments on a gross written premium basis. The accounting policies used in segment reporting are same as those used in the preparation of financial statements.

## (t) Earnings Per Share ("EPS")

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in

dividends relative to a fully paid equity share during the reporting period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

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 period are adjusted for the effects of all dilutive potential equity shares.

## (u) Provisions and Contingencies

A provision is recognised when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources embodying economic resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognised. A Contingent asset is neither recognised nor disclosed.

## (v) Receipts and Payments Account

- (i) Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with para 2.2 of the Master Circular on Preparation of Financial Statements - General Insurance Business dated October 5, 2012, issued by the IRDAI.
- (ii) Cash and cash equivalents comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## (w) Unclaimed amount of policyholders

Assets held for unclaimed amount of policyholders is created & maintain in accordance with requirement of IRDAI master circular on "unclaimed amounts of policyholders" dated July 25, 2017 and investment regulations, 2016 as amended from time to time.

Unclaimed amount of policyholders is invested in money market instruments which is valued at market value.

Income on unclaimed amount of policyholders (net of fund management) charges is credited to respective unclaimed account & accounted for on accrual basis.

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forming part of the Financial Statement for the year ended 31st March, 2020

## III NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1 Contingent liability

#### SCHEDULE: 11 CASH AND BANK BALANCES

(₹'000)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Partly paid up Investments	-	-
Underwriting commitments outstanding	-	-
Claims, other than against Policies, not acknowledged as debts	20,746	6,095
Claims estimates towards Covid-19	5,000	-
Guarantees given by or on behalf of the Company	3,000	3,000
Statutory demands / liabilities in dispute, not provided for	-	-
Reinsurance obligations to the extent not provided for in Accounts	-	-
<b>Total</b>	<b>28,746</b>	<b>9,095</b>

### 2 Encumbrances on Assets

All the assets of the Company are free from any encumbrances except deposits in banks amounting to ₹ 3,811.27 thousands (31st March, 2019 - ₹ 3,896.59 ). The deposits have been placed with banks for the purposes of executing bank guarantees. The Company has all assets within India.

### 3 Commitments

(₹'000)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Loans	-	-
Investment	-	-
Property, Plant and Equipment	80,917	46,102
<b>Total</b>	<b>28,746</b>	<b>46,102</b>

### 4 Claims, less Reinsurance paid to Claimants

(₹'000)				
Class of business	In India		Outside India	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Health	24,73,719	17,20,520	-	-
Personal Accident	1,09,230	34,918	-	-
<b>Total</b>	<b>25,82,949</b>	<b>17,55,438</b>	<b>-</b>	<b>-</b>

### 5 Age-wise Breakup of Claims Outstanding\*

(₹'000)				
Class of business	Outstanding for more than six months		Outstanding for six months or less	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Health	3,383	3,012	3,012	1,93,001
Personal Accident	15	-	-	70,236
<b>Total</b>	<b>3,398</b>	<b>3,012</b>	<b>3,012</b>	<b>2,63,237</b>

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

## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

### 6 Claims Settled and Remaining Unpaid for a period of more than six months upon class of business

(₹'000)

Class of business	As at 31st March, 2020	As at 31st March, 2019
Health	56	14
Personal Accident	-	-

### 7 Number of Claims intimated, disposed of and pending

(₹'000)

Class of business	As at 31st March, 2020			As at 31st March, 2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Claims pending at the beginning of the year	3,914	168	4,082	3,138	28	3,166
Claims intimated	99,554	1,416	1,00,970	58,320	820	59,140
Claims paid	(78,395)	(688)	(79,083)	(45,076)	(281)	(45,357)
Claims rejected	(20,090)	(796)	(20,886)	(12,457)	(410)	(12,867)
Claims pending at the end of the year	<b>4,983</b>	<b>100</b>	<b>5,083</b>	<b>3,925</b>	<b>157</b>	<b>4,082</b>

### 8 Ageing of Pending Claims

(₹'000)

Class of business	As at 31st March, 2020			As at 31st March, 2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
0 to 30 days	2,32,029	49,389	2,81,418	1,68,022	49,115	2,17,137
31 days to 6 months	44,596	6,446	51,042	24,979	21,121	46,100
6 months to 1 year	3,383	15	3,398	2,644	-	2,644
1 year to 5 years	-	-	-	367	-	367
5 years and above	-	-	-	-	-	-
<b>Total</b>	<b>2,80,008</b>	<b>55,850</b>	<b>3,35,858</b>	<b>1,96,012</b>	<b>70,236</b>	<b>2,66,248</b>

### 9 (a) Premiums, less reinsurance written from business in/outside India

(₹'000)

Class of business	In India		Outside India	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Health	58,62,760	40,03,532	-	-
Personal Accident	10,83,189	6,85,096	-	-
<b>Total</b>	<b>69,45,949</b>	<b>46,88,628</b>	<b>-</b>	<b>-</b>

### (b) Premium income recognized on "Varying Risk Pattern" is Nil (31st March, 2019 NIL).

### 10 Extent of risk retained and reinsured

Extent of risk retained and reinsured with respect to gross written premium is set out below:

For the year ended on 31st March, 2020:

Particulars	Basis	Gross Premium	Retention	Ceded	Retention	Ceded
		(₹'000)	(₹'000)	(₹'000)	%	%
Health	Sum Insured	75,53,812	58,62,760	16,91,052	78%	22%
Personal Accident	Sum Insured	11,66,562	10,83,189	83,373	93%	7%
<b>Total</b>		<b>87,20,374</b>	<b>69,45,949</b>	<b>17,74,425</b>	<b>80%</b>	<b>20%</b>

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

For the year ended on 31st March, 2019:

Particulars	Basis	Gross Premium	Retention	Ceded	Retention	Ceded
		('000)	('000)	('000)	%	%
Health	Sum Insured	42,34,305	40,03,533	2,30,773	95%	5%
Personal Accident	Sum Insured	7,33,721	6,85,096	48,625	93%	7%
<b>Total</b>		<b>49,68,026</b>	<b>46,88,629</b>	<b>2,79,398</b>	<b>94%</b>	<b>6%</b>

## 11 Investment

Value of contracts in relation to investments for:

- Purchases where deliveries are pending NIL (31st March, 2019: NIL); and
- Sales where payments are overdue NIL (31st March, 2019 : NIL).

Historical cost of investments that are valued on fair value basis is ₹ 6,70,000 thousand (31st March, 2019 : ₹ 2,89,000 thousand).

All investments are made in accordance with Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended from time to time. The Company has a security as per below details that has been classified as NPA in line with Investments- Master Circular version- 02 May 2017 issued by IRDAI and 50% provision is made on face value. The Company has no non-performing assets for the purpose of income recognition as per the directions of IRDAI.

(₹'000)

Security Name	Security ISIN	Total Face Value	Maturity Date
9.05% Dewan Housing Finance Corporation Limited 09 09 2021	INE202B07IL9	100000.00	09th September 2021

### (A) Allocation of investment

- Investments are allocated separately to policy holders and share holders, as applicable;

### (B) Allocation of investment income

Investment income is allocated on actuals basis between revenue account(s) and profit and loss account.

### (C) Investment Properties – Real Estate

The Company does not have any Investment Properties - Real Estate as at March 31, 2020(Previous year: NIL)

## 12 Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders

For the year ended on 31st March, 2020:

(₹'000)

Particulars	Total Amount	Age-wise analysis (in months)						
		00-06 m	07-12 m	13-18 m	19-24 m	25-30 m	31-36 m	Beyond 36 m
Claims settled out not paid to the policyholders / insured due to any reasons except under litigation from the insured /policyholders	56	55	-	1	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
Excess collection of the premium I tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	875	565	155	119	34	1	-	-
Cheques issued but not encashed by the policyholder/insured	-	-	-	-	-	-	-	-
<b>Total</b>	<b>931</b>	<b>620</b>	<b>155</b>	<b>120</b>	<b>34</b>	<b>1</b>	<b>-</b>	<b>-</b>

## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

For the year ended on 31st March, 2019:

('000)

Particulars	Total Amount	Age-wise analysis (in months)						
		00-06 m	07-12 m	13-18 m	19-24 m	25-30 m	31-36 m	Beyond 36 m
Claims settled out not paid to the policyholders / insured due to any reasons except under litigation from the insured /policyholders	14	14	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
"Excess collection of the premium I tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	941	633	246	61	1	-	-	-
Cheques issued but not encashed by the policyholder/insured	-	-	-	-	-	-	-	-
<b>Total</b>	<b>955</b>	<b>647</b>	<b>246</b>	<b>61</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 13 Employee Stock Option Plan

Pursuant to ESOP Plan being established by the holding company (i.e. Aditya Birla Capital Limited), stock options were granted to the employees of the Company during the financial year. Total cost incurred by the holding company till date is being recovered from the Company over the period of vesting. Accordingly, a sum of ₹ 21,091 thousand (31st March 2019- 49,591 thousand) has been recovered from the Company during the year, which has been charged to the Statement of Profit and Loss. The balance sum of ₹16,043 thousand (31st March 2019- 12,688 thousand) will be recovered in future period.

### 14 Segment Information

#### a) Business Segments

Company's primary reportable segments are identified in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002. Segment revenue and segment results have been incorporated in the financial statements.

(₹'000)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Segmental Revenue	52,69,612	9,32,022	62,01,634	32,43,823	4,23,729	36,67,552
Segmental Result	(23,33,930)	(1,48,556)	(24,82,486)	(21,40,688)	(4,22,712)	(25,63,400)
Segmental Liabilities	35,75,764	7,29,428	43,05,192	24,39,035	4,42,066	28,81,101
Unallocated Liabilities	-	-	33,55,087	-	-	18,65,159
Segmental Assets	-	-	-	-	-	-
Unallocated Assets	-	-	1,04,04,897	-	-	63,40,631

#### b) Geographical Segment

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



## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

### 15 Managerial Remuneration

The Managing Director and Chief Executive Officer (MD & CEO) and the Executive Director are remunerated in terms of the approval granted by IRDAI.

Details of their remuneration included in employee remuneration and welfare benefits are as follows:

(₹'000)		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary, perquisites and bonus*	72,087	72,533
Contribution to Provident Fund	3,048	1,440
<b>Total</b>	<b>75,135</b>	<b>73,973</b>

Out of the above INR 15,000 thousand (31st March, 2019 INR 15,000 thousand ) remuneration for each Director has been charged to Revenue Account and balance has been transferred to Profit and Loss Account. Expenses towards gratuity funding and leave encashment provision are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information.

\* Salary includes LTIP & ESOP

### 16 (a) Expenditure in Foreign Currency:

(₹'000)		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Travelling	2,764	227
Remuneration	-	-
Software License Fees	3,969	-
Purchase of Fixed Assets	-	-
Professional fees Others	303	60,588
<b>Total</b>	<b>7,036</b>	<b>60,815</b>

(b) During the year foreign exchange gain aggregating Nil (Previous year: INR 597 thousand) is included in Other Income, under the Revenue Account

(c) The year end foreign currency exposure is 104 thousand (31st March, 2019: 28 thousands)

### 17 Leases

In respect of premises taken on operating lease, the lease agreements are generally mutually renewable / cancelable by the lessor/lessee.

Non Cancelable operating lease The detail of future rentals payable are given below:

(₹'000)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
a. not later than one year	11,824	28,369
b. later than one year and not later than five years	36,277	8,794
c. later than five years	-	-

An amount of INR 124,715 thousand (31st March, 2019: INR 109,520 thousand) towards said lease payments has been recognised in the statement of revenue account.

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## 18 Related Party Disclosures:

As per Accounting Standard (AS) 18 on Related Party Disclosures the related parties of the Company are as follows:

### (a) Name of the related parties and description of their relationship:

- (i) Holding Company
- (ii) Subsidiaries of immediate Holding Companies
- (iii) Subsidiaries of fellow Subsidiaries
- (iv) Associates and joint ventures
- (v) Individuals owning, directly or indirectly, interest in the voting power that gives them control (vi) Key management personnel
- (vii) Enterprises over which any person described in (v) and (vi) are able to exercise significant influence with whom transactions have taken place.

### (A) Enterprises where control exists

Ultimate Holding company	Grasim Industries Limited with effect from 1st July, 2017
Holding Company	Aditya Birla Capital Limited
Foreign Promoter	MMI Strategic Investments Pty Ltd.
Key Managerial Personnel	Mayank Bathwal - Chief Executive Officer
	Shikha Bagai - Chief Financial Officer
	Maheshkumar Radhakrishnan - Company Secretary

### (B) Disclosures of transaction between the Company and related parties and outstanding balances for the year ended :

('000)

Sr. No.	Name of the related party with Whom the transaction has been made	Description of relationship with the party	Nature of Transaction	For the Year Ended	
				31st March 2020	31st March 2019
1	2	3	4	5	6
1	Aditya Birla Capital Limited	Holding Company	a) Group Insurance Receipts	764	-
			b) Reimbursement of expenses (inc. ESOP)	25,082	39,085
			c) Recovery of Expenses	-	-
			d) Transfer of Liability	1,595	-
			e) Transfer of Assets	2,831	-
			f) Issue of Additional Shar Capital	18,15,600	16,54,950
			g) Balance Payable	1,882	5,392
			h) Securities Premium	31,36,935	17,64,165
			i) Share Capital	15,24,165	10,81,335
2	Aditya Birla PE Advisors Private Limited (Formerly known as Aditya Birla Capital Advisors Private Limited)	Fellow Subsidiary	a) Group Insurance Receipts	22	37
3	Aditya Birla Finance Limited	Fellow Subsidiary	a) Group Insurance Receipts	15,197	8,996
			b) Recovery of Expenses	1,681	3,059
			c) Balance Receivable	991	463

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

Sr. No.	Name of the related party with Whom the transaction has been made	Description of relationship with the party	Nature of Transaction	For the Year Ended	
				31st March 2020	31st March 2019
1	2	3	4	5	6
4	Aditya Birla Financial Shared Services Limited	Fellow Subsidiary	a) Group Insurance Receipts	1,862	3,822
			b) Reimbursement of expenses (exc gst)	1,82,372	1,07,543
			c) Reimbursement of expenses (inc gst)	-	666
			d) Transfer of Liability (Employee Transfer)	33	-
			e) Recovery of Expenses	252	220
			f) Prepaid Expenses	1,988	928
			g) Balance Payable	34,580	20,856
5	Aditya Birla Housing Finance Limited	Fellow Subsidiary	a) Group Insurance Receipts	4,182	2,306
			b) Commission Exp	11,850	-
			c) Recovery of Expenses	145	144
			d) Balance Payable	4,422	-
			e) Balance Receivable	43	40
6	Aditya Birla Insurance Brokers Limited	Fellow Subsidiary	a) Group Insurance Receipts	2,865	1,775
			b) Brokerage Expenses	18,435	21,832
			c) Rent expenses- Space Sharing	408	394
			d) Balance Payable	895	926
7	Aditya Birla Money Limited	Fellow Subsidiary	a) Group Insurance Receipts	4,470	83
			b) Recovery of Expenses	285	282
			c) Balance Receivable	85	-
8	Aditya Birla My Universe Limited (Formerly known as "Aditya Birla Customer Services Limited")	Fellow Subsidiary	a) Group Insurance Receipts	-	200
9	Aditya Birla Sun Life Insurance Company Limited	Fellow Subsidiary	a) Group Insurance Receipts	39,129	1,74,027
			b) Refund	10,000	-
			c) Reimbursement of Expenses	27	310
			d) Rent Expenses- Space Sharing	7,398	9,716
			e) Transfer of Asset (Employee Transfer)	1,244	1,190
			f) Insurance Premium	774	6,297
			g) Balance Payable	-	1,816
10	Aditya Birla Wellness Private Limited	Fellow Subsidiary	a) Group Insurance Receipts	446	112
			b) Outsourcing Contract wellness tracking services	75,828	46,554
			c) Transfer of Assets	694	-
			d) Transfer of Liability	227	-
			e) Reimbursement of Expenses	78	8,787
			f) Rent Income- Sub Lease	5,508	5,508
			g) Balance Receivable	-	16,965
			h) Balance Payable	25,729	-
11	Aditya Birla Sun Life AMC Limited	Fellow Subsidiary	a) Group Insurance Receipts	7,155	33,878
			b) Recovery of Expenses	35	7,219
			c) Transfer of Asset (Employee Transfer)	588	1,499
			d) Transfer of Liability	-	63
12	Idea Payment Bank	Fellow Subsidiary	e) Balance Payable	40	50
			a) Group Insurance Receipts	2,442	578
			b) Reimbursement of Expenses	120	-
13	Metropolitan International Support (Pty)	Foreign Promoter	c) Transfer of Asset (Employee Transfer)	398	-
			a) Reimbursement of expenses	1,729	7,080

## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

Sr. No.	Name of the related party with Whom the transaction has been made	Description of relationship with the party	Nature of Transaction	For the Year Ended	
				31st March 2020	31st March 2019
1	2	3	4	5	6
	Limited		b) IT Development & Support	-	13,092
			c) Balance Receivable	-	4,782
14	MMI Strategic Investment Pty Ltd.	Foreign Promoter	a) Issue of Additional Share Capital	17,44,400	15,90,050
			b) Securities Premium	44,84,507	31,65,570
			c) Share Capital	14,64,393	10,38,930
15	Ultratech Cement Ltd	Fellow Subsidiary	a) Group Insurance Receipts	93,185	98,684
			b) Refund	2,859	-
16	Aditya Birla ARC Limited	Fellow Subsidiary	a) Group Insurance Receipts	96	55
17	Aditya Birla Money Insurance Advisory Services Ltd.	Fellow Subsidiary	a) Commission Expenses	3,100	-
			b) Balance Payable	1,745	-
18	Grasim Industries	Ultimate Holding company	a) Group Insurance Receipts	24,844	23,142
			b) Refund	1,583	8,756
19	Mr. Mayank Bathwal	Key Managerial Personnel	Managerial Remuneration	62,578	39,700
			Insurance Receipts Received	59	56
20	Mr. Rahil Bathwal	Relative of Key Managerial Personnel	ABG Pratibha Scholarship	2,296	2,265
21	Mrs. Shikha Bagai	Key Managerial Personnel	Remuneration	12,804	9,131
			Insurance Receipts Received	-	12
22	Mr. Maheshkumar Radhakrishnan	Key Managerial Personnel	Remuneration	10,471	5,282

### 19 Employee Benefits

#### (a) Defined Contribution Plan:

(₹'000)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Contribution to Provident Fund	75,139	52,256
Contribution to Superannuation Fund	-	-
Contribution to National Pension Scheme	-	-

#### (b) Defined Benefit Plans - Gratuity and Leave Encashment

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

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

(₹'000)

Class of business	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
(i) Assumptions	Indian Assured lives Mortality (2012-14) Modified Ultimate*	Indian Assured lives Mortality (2006-08) Modified Ultimate*	Indian Assured lives Mortality (2012-14) Modified Ultimate*	Indian Assured Lives Mortality (2006-08) Modified Ultimate*
Discount Rate	5.74%	7.10%	5.74%	7.10%
Rate of increase in compensation	7%	7%	7%	7%

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forming part of the Financial Statement for the year ended 31st March, 2020

(₹'000)

Class of business	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
<b>(i) Assumptions</b>	Indian Assured lives Mortality {2012-14} Modified Ultimate*	Indian Assured lives Mortality {2006-08} Modified Ultimate*	Indian Assured lives Mortality {2012-14} Modified Ultimate*	Indian Assured Lives Mortality {2006-08} Modified Ultimate*
Rate of leave Availment (Per Annum)	NA	NA	0%	2%
Rate of leave encashment during employment (Per Annum)	NA	NA	0%	0%
<b>(ii) Changes in present value of obligations</b>				
PBO at beginning of year	69,977	51,619	25,664	15,967
Interest Cost	4,939	3,778	1,540	1,169
Past service Cost				
Current Service Cost	10,521	7,716	16,389	15,659
Actuarial loss/(gain) on obligations arising from:				
- Change in demographic assumption	(33,350)	(271)	(6,580)	(47)
- Change in financial assumption	5,950	4,208	1,124	805
- Experience Variance	12,722	5,844	(2,816)	(3,225)
Benefits paid including transfer in / (out)	4,831	2,157	(7,592)	(5,360)
Acquisition / Divestiture			809	696
Employer contributions	(2,329)	(5,074)		
PBO at end of year	73,261	69,977	28,538	25,664
<b>(iii) Amounts to be recognised in balance sheet</b>				
PBO at end of year	73,261	69,977	28,538	25,664
Net (Asset) / Liability recognised in the balance sheet	(464)	(1,033)	-	-
<b>(iv) Expense Recognised</b>				
Current Service Cost	10,521	7,716	16,389	15,659
Interest Cost	4,939	3,778	1,540	1,169
Past Service Cost	-	-	-	-
Actuarial (gain)/ loss				
-Changes in demographic assumption	(33,350)	(271)	(6,580)	(47)
-Changes in financial assumption	5,950	4,208	1,124	805
-changes in experience variance	12,722	5,844	(2,816)	(3,225)
Return on plan assets, excluding amount recognised in net interest expense	(2,717)	(4,667)	-	-
Expense recognised in the revenue account	(1,935)	16,608	9,657	14,361
<b>(v) Movements in the liability recognised in Balance Sheet</b>				
Opening Net liability	69,977	51,619	25,664	15,967
Expenses as above	783	21,275	9,657	14,361
Benefits paid/Contribution made	2,502	(2,917)	(6,783)	(4,664)
Closing Net Liability	73,262	69,977	28,538	25,664
<b>(vi) Changes in fair value of plan assets</b>				
Fair Value of Plan Assets at beginning of year	71,009	48,642	-	-
Investment Income	5,042	3,561	-	-
Contributions made	-	17,700	-	-
Benefits paid	-	-	-	-
Return on plan assets, excluding amount recognised in net interest expense	(2,324)	1,106	-	-
Fair Value of Plan Assets at end of year	73,727	71,009	-	-
<b>(vii) Investment details of plan assets</b>				
Insurer Managed Fund	100%	100%	-	-
Others	-	-	-	-
<b>Total fund balance</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

## General description of plan :

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.



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### viii. Net assets/liability and actuarial experience gain/(loss) for present benefit obligation ('PBO') and plan assets

(₹'000)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
PBO	73,261	69,977	51,619	31,044	14,106
Plan assets	73,727	71,009	48,642	-	-
Net assets/(liability)	465	1,032	(2,977)	(31,044)	(14,106)
Experience gain/(loss) on PBO	12,722	5,844	2,534	2,374	-
Experience gain/(loss) on plan assets	-	-	-	-	-
Actuarial gain due to change in assumptions	(27,400)	3,936	(5,116)	1,214	-

Best estimate of contribution for next year :

(₹'000)

Particulars	Amount
Employees gratuity fund	5,365

### (c) Other Benefit Plans - Long term Incentive Plan

The following tables summarize the components of the net employee benefit expenses recognized in the Profit and Loss Account and amount recognized in the balance sheet for long term incentive plan.

Disclosures relating to actuarial valuation of long term incentive plan

(₹'000)

Particulars	Long term incentive plan	
	2019-20	2018-19
<b>(i) Assumptions</b>	Indian Assured lives Mortality (2012-14) Modified Ultimate*	Indian Assured lives Mortality (2006-08) Ultimate*
Discount Rate	6.65%	7.10%
<b>(II) Amounts to be recognised in balance sheet</b>	55,379	77,893
PBO at end of year		
Net (Asset) / Liability recognised in the balance sheet	55,379	77,893

## 20 Earnings Per Share (EPS)

### (a) Defined Contribution Plan:

(₹'000)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net profit after tax for the year ('000)	(24,11,601)	(25,45,003)
Weighted average no. of equity shares for basic	26,29,93,490	17,63,69,009
Weighted average no. of equity shares for diluted	26,29,93,490	17,63,69,009
Basic earnings per share	(9.17)	(14.43)
Diluted earnings per share	(9.17)	(14.43)
Nominal value per share	10.00	10.00

## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

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

(₹'000)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Transaction processing charges	85,349	35,472
Call centre charge	43,919	31,972
Electricity and water	23,654	16,742
Medical charges-policy issuance	46,627	54,540

### 22 Expenses of Management

As per the IRDA's Order No.: IRDA/F&A/ORD/EMT/042/03/2013 dated 04-Mar-2013, the Company has been exempted from necessary compliances required under section 40C(l) of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 read with Rule 17E of the Insurance Rules, 1939 for the first five years of its operations.

### 23 Sector Wise Business

Disclosure of Sector wise business based on Gross Direct Premium Income (GDPI) as per Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations, 2015 is as under:

(₹'000)

Business Sector	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	GDPI	% of GDPI	GDPI	% of GDPI
Rural	12,24,532	14%	1,65,688	3%
Urban	74,95,842	86%	48,02,338	97%
<b>Total</b>	<b>87,20,374</b>	<b>100%</b>	<b>49,68,026</b>	<b>100%</b>

Social Sector	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Number of lives	1,18,685	17,233
GDPI('000)	33,489	641.41

### 24 Premium Deficiency Reserve

In accordance with Master Circular and Corrigendum on Master Circular on preparation of financial statement issued by IRDAI vide circular number IRDA/F&I/CIR/F&A/231/10/2012 dated October 5, 2012 and circular number IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013 respectively, in respect of calculation and recognition of Premium deficiency, the premium deficiency for the following segments is:

(₹'000)

Social Sector	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Health	-	-
Personal Accident	-	-

### 25 Actuarial valuation of claims where claims period exceeds four years

Currently the Company does not offer any product where the claim payment term exceeds four years. Hence, no actuarial assumptions have been disclosed.

### 26 Micro Small and Medium Enterprises

There is no Micro, Small and Medium Enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2020. This information-as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

### 27 Share Capital

During the year the Company has increased its authorized share capital from -: ₹ 22,50,000 thousands to ₹ 31,50,000 thousands. The Company has allotted ₹ 3,56,00,00,070 worth of equity shares as per below details:

#### Allotment date: 28th May, 2019

Name of Shareholder	No. of shares	Price per share	Amount ('000)	Proportion of holding
Aditya Birla Financial Services Ltd	1,11,95,122	41	4,59,000	51%
MMI Strategic Investment Pty LTD	1,07,56,098	41	4,41,000	49%

#### Allotment date : 31st July, 2019

Name of Shareholder	No. of shares	Price per share	Amount ('000)	Proportion of holding
Aditya Birla Financial Services Ltd	1,80,36,586	41	7,39,500	51%
MMI Strategic Investment Pty LTD	1,73,29,268	41	7,10,500	49%

#### Allotment date : 27th November, 2019

Name of Shareholder	No. of shares	Price per share	Amount ('000)	Proportion of holding
Aditya Birla Financial Services Ltd	1,24,39,025	41	5,10,000	51%
MMI Strategic Investment Pty LTD	1,19,51,219	41	4,90,000	49%

#### Allotment date : 06th March, 2020

Name of Shareholder	No. of shares	Price per share	Amount ('000)	Proportion of holding
Aditya Birla Capital Limited (ABCL)	26,12,196	41	1,07,100	51%
MMI Strategic Investment Pty LTD	25,09,756	41	1,02,900	49%

### 28 Penal action taken by various Authorities

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

Authority	Non-Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1. Insurance Regulatory and Development Authority	N/A (N/A)	- (-)	- (-)	- (-)
2. Service Tax Authorities	N/A (N/A)	- (-)	- (-)	- (-)
3. Good and Service Tax Authorities	N/A (N/A)	- (-)	- (-)	- (-)
3. Income Tax Authorities	N/A (N/A)	- (-)	- (-)	- (-)
4. Any other Tax Authorities	N/A (N/A)	- (-)	- (-)	- (-)
5. Enforcement Directorate/ Adjudicating Authority/Tribunal or any Authority under FEMA	N/A (N/A)	- (-)	- (-)	- (-)
6. Registrar of Companies/ NCLT/CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013/1956	N/A (N/A)	- (-)	- (-)	- (-)
7. Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	N/A (N/A)	- (-)	- (-)	- (-)
8. Securities and Exchange Board of India	N/A (N/A)	- (-)	- (-)	- (-)
9. Competition Commission of India	N/A (N/A)	- (-)	- (-)	- (-)
10. Any other Central/State/Local Government/Statutory Authority	N/A (N/A)	- (-)	- (-)	- (-)

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## 29 Summary of Financial Statements is provided as under:

(‘000)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16*
<b>OPERATING RESULTS</b>					
Gross Premium Written	87,20,374	49,68,026	24,31,676	5,40,424	-
Net Earned Premium Income	58,54,079	34,82,280	15,19,812	1,34,830	-
Income from Investments (net)	3,47,555	1,84,675	1,01,211	59,391	-
Other Income	-	597	107	-	-
Total Income	62,01,634	36,67,552	16,21,130	1,94,221	-
Commissions (Net) (Including Brokerage)	5,15,040	5,39,851	1,89,173	32,497	-
Operating Expenses	52,95,823	36,49,990	20,62,158	8,34,768	-
Net Incurred Claims	28,73,257	20,41,111	13,60,680	1,66,396	-
Premium deficiency reserve	-	-	(37,847)	37,847	-
Operating Profit/(Loss)	(24,82,486)	(25,63,400)	(19,53,035)	(8,77,287)	-
<b>NON-OPERATING RESULTS</b>					
Total Income under Shareholders Account	70,885	18,397	60,801	10,571	-
Profit /(loss) before tax	(24,11,601)	(25,45,003)	(18,92,235)	(8,66,716)	(1,51,881)
Provision for Tax	-	-	-	-	-
Profit/(Loss) after tax	(24,11,601)	(25,45,003)	(18,92,235)	(8,66,716)	(1,51,881)
<b>MISCELLANEOUS</b>					
Policyholder's Account:					
a) Total funds	60,99,433	34,41,875	13,51,558	11,92,504	-
b) Total Investments Insurance	60,99,433	34,41,875	13,51,558	7,70,979	-
c) Yield on Investments Company	7.51%	7.75%	7.65%	6.33%	-
Shareholder's Account:					
a) Total funds	23,11,045	14,44,639	7,49,189	15,18,255	-
b) Total Investments	23,11,045	14,44,639	7,49,189	15,18,255	-
c) Yield on Investments	8.47%	7.43%	6.92%	7.85%	-
Paid Up Equity Capital	29,88,558	21,20,265	13,28,802	10,04,412	1,80,000
Net Worth	27,42,438	15,94,039	8,94,042	14,56,276	27,993
Total Assets	1,04,04,897	63,40,631	33,93,855	31,25,096	1,80,452
Yield on total investments	7.80%	7.65%	7.29%	7.72%	-
Earning Per Share(₹)	(9.17)	(14.43)	(16.30)	(10.22)	(39.38)
Book value per Share (₹)	9.18	7.52	6.73	14.50	10.00
Total Dividend	-	-	-	-	-
Dividend Per share	-	-	-	-	-

\*\* The Company had received the certificate of registration with IRDAI on 11th July, 2016 and thus summary of financial statement is not provided for FY 2015-16."

## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

### 30 Accounting Ratios:

Performance Ratios	As at 31st March, 2020	As at 31st March, 2019
	In times or %	In times or %
Gross Premium Growth Rate (Overall)	76%	104%
Gross Premium Growth Rate (Health)	78%	84%
Gross Premium Growth Rate (Personal Accident)	59%	471%
Gross Direct Premium to Net worth Ratio	3.18	3.12
Growth rate of Net Worth	72%	78%
Net Retention Ratio (Overall)	80%	94%
Net Retention Ratio (Health)	78%	95%
Net Retention Ratio (Personal Accident)	93%	93%
Net Commission Ratio (Overall)	7%	12%
Net Commission Ratio (Health)	6%	13%
Net Commission Ratio (Personal Accident)	13%	1%
Expense of Management to Gross Direct Premium Ratio	73%	85%
Expense of Management to Net Written Premium Ratio	84%	89%
Net Incurred Claims to Net Earned Premium	49%	59%
Combined Ratio	133%	148%
Technical Reserves to net premium ratio	61%	61%
Underwriting balance ratio	(48%)	(79%)
Operating profit ratio	(42%)	(74%)
Liquid Assets to liabilities ratio	0.08	0.10
Net earnings ratio	(35%)	(54%)
Return on net worth ratio	(88%)	(160%)
Reinsurance Ratio	(20%)	(6%)
Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio	1.81	1.62

### 31 Corporate Social Responsibility

The provision of section 135 of Companies Act, 2013, relating to corporate social responsibility do not apply to the company for the year under audit.

### 32 Provision for Free Look period

The provision for Free Look period is INR 4,553 Thousand (31st March, 2019: INR 9,903 Thousand) as duly certified by the Appointed Actuary.

### 33 Loan Restructuring

The Company has not given any loans during the financial year and in the previous year.

### 34 IMPACT OF COVID-19 OUTSPREAD

Since December 2020, the spread of COVID-19 has severely impacted many countries. Businesses and operations have been impacted in India from the end of February 2020. Very recently, WHO has declared it as global pandemic. Companies have responded proactively to these circumstances in activating the business continuity planning. Our Company has also proactively taken several measures to support the employees, their families, our customers and other stakeholders

COVID-19 has not only affected the health of people across the globe but has also caused disturbances in the global economic environment which could have consequential impact on financial statements and reporting. Institute of Chartered Accountants of India (ICAI) has issued an advisory on "Impact of Corona Virus on Financial Reporting" to be considered for the purpose of Financial Reporting,



# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

While, it is too early to assess the overall impact of Covid 19 on our business operations and growth plans, at current juncture, it is our assessment that impact is not significant enough to cause any significant change to our long term strategy, growth plans and differentiated business model. The impact of Covid-19 has been assessed on different components of Financial Statements specifically those required under the Guidance.

- Pursuant to such assessment, there are no indicators of impairment to Non Financial Assets and Financial Assets as at Reporting Date.
- The catastrophic event's impact is still evolving and the resulting uncertainty exists as at Reporting date. Notwithstanding that, all contingent liability as at reporting Date under various Accounting Standards are recognised including Contingent liability specific to Covid 19 which is shown under Note 1 of Schedule 16 Notes forming part of financial statement
- An assessment was also carried out of the Investment portfolio considering the impact on economic and credit environment of the economy and there is no additional impairment required specific due to Covid -19 event.
- There is no change in the discount rate emanating from impact of Covid on our lease/defined benefit plan other than what has already been factored in.
- In India, since 25th March, 2020, Government of India has announced lockdown as a measures taken to contain the spread of Covid-19, including travel bans, quarantines, social distancing, and closures of non-essential services. However a per clause no. 4 of Annexure to Notification No. 40-3/2020-DM-I(A) dated 24th March 2020 issued by Ministry of Home Affairs, Govt. of India, Insurance business continues to be part of essential services and allowed to work at minimal operating capacity.

The impact of global health pandemic estimate uncertainty on the Indian economy. The Indian health Insurance Industry and the Company, we will be taking initiatives to manage the short-term impact and get ready to execute our long-term business strategy including the opportunities that will emerge from increased awareness for need of health insurance.

Covid-19 has led to a temporary impact on business operation with our business witnessing a decline in the interim as health insurance also involves face to face selling across various channels including Agency, Bancassurance, Broker. However, the Company has also undertaken a slew of measures including enabling remote access and ensuring 90% of our sales and operations are enabled digitally. ABHICL from the beginning has had a robust digital strategy and has various applications and digital assets and journey in place for distributors, customers for sales and servicing. We are encouraging more utilization of our digital assets and have also initiated training for distributors to sell digitally

- Additionally, the company has run campaigns for renewal to encourage digital payment modes to minimize the impact on revenue. Going forward, the Company plans to increase sales through digital medium and capitalize on the increasing need and awareness for health insurance.

The Company remains comfortable on Solvency and there is no indication or reason to believe that there is any uncertainty in continuing as a Going Concern in light of Covid's impact on business.

**35** Previous year figures have been regrouped / reclassified wherever necessary to conform to current years grouping / classification.

# Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

## MANAGEMENT REPORT

In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority of India (IRDAI) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, the following management report for the year ended 31st March, 2020 is submitted:

- We confirm the validity of Certificate of Registration granted by the Insurance Regulatory and Development Authority to transact health insurance business.
- To the best of our knowledge and belief, all the material dues payable to the statutory authorities have been duly paid.
- We confirm that the shareholding pattern and the transfer of shares during the year ended 31st March, 2020 are in accordance with the statutory or regulatory requirements.
- We declare that funds of holders of policies issued in India have not been directly or indirectly invested outside India.
- We confirm that the Company has maintained the required solvency margins laid down by Insurance Regulatory and Development Authority.
- We certify that all the assets of the Company have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts" except debt securities which are stated at historical cost (amortised cost).
- The Company is exposed to a variety of risks associated with health insurance business such as quality of risks undertaken, fluctuations in value of assets and higher expenses in the initial years of operation. The Company monitors these risks closely and effective remedial action is taken wherever deemed necessary. The Company has, through an appropriate reinsurance program kept its risk exposure at a level commensurate with its capacity.
- The Company does not have operations outside India.

9. (a) Ageing Analysis of Claims outstanding and the Average Claims settlement period is given below:

Particulars	As at 31st March, 2020			As at 31st March, 2019			As at 31st March, 2018			As at 31st March, 2017		
	Health	Personal Accident	Total	Health	Personal Accident	Total	Health	Personal Accident	Total	Health	Personal Accident	Total
0 to 30 days	2,32,029	49,389	2,81,418	1,68,022	49,115	2,17,137	1,11,121	2,499	1,13,620	36,881	60	36,941
31 days to 6 months	44,596	6,446	51,042	24,979	21,121	46,100	7,768	-	7,768	7,013	-	7,013
6 months to 1 year	3,383	15	3,398	2,644	-	2,644	-	-	-	-	-	-
1 year to 5 year	-	-	-	367	-	367	-	-	-	-	-	-
5 years and above	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,80,008</b>	<b>55,850</b>	<b>3,35,858</b>	<b>1,96,012</b>	<b>70,236</b>	<b>2,66,248</b>	<b>1,18,889</b>	<b>2,499</b>	<b>1,21,388</b>	<b>43,894</b>	<b>60</b>	<b>43,954</b>

- (b) Details of average claim settlement time

Particulars	2019-20	2018-19	2017-18	2016-17
Overall Average Claims Settlement Period (In Working Days)	7	7	7	10

## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

10. Details of payments to individuals, firms, Companies and organizations in which directors are interested during the year ended on 31st March, 2020 (Refer Annexure 1).
11. We certify that all debt securities and non convertible preference shares are considered as 'held to maturity' and accordingly stated at historical cost subject to amortisation of premium or accretion of discount on constant yield to maturity basis in the Revenue Accounts and in the Profit and Loss Account over the period of maturity/holding. All mutual fund investments are valued at net asset value as at balance sheet date. In accordance with the Regulations, any unrealized gains/losses arising due to change in fair value of mutual fund investments or listed equity shares are accounted in "Fair Value Change Account" and carried forward in the balance sheet and is not available for distribution.
12. The Company has adopted a prudent investment policy with emphasis on optimizing return with minimum risk. Investments are managed in consonance with the investment policy laid down by the board from time to time and are within the investment regulation and guidelines of IRDA. The Company has carried out periodic review of the investment portfolio. All investments are made in accordance with Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended from time to time. The Company has a security that has been classified as NPA in line with Investments - Master Circular version – 02nd May 2017 issued by IRDAI and 50% provision is made as per conservative management estimate. The Company has no other non-performing assets for the purpose of income recognition as per the directions of IRDAI.
13. The Management of Aditya Birla Health Insurance Co. Limited certifies that:
  - i. The financial statements have been prepared in accordance with the applicable provisions of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, circulars/notifications issued by IRDA from time to time (including Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated 04th April, 2016), the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, to the extent applicable and the relevant provisions of the Companies Act, 2013, and disclosures have been made, wherever the same is required. There is no material departure from the said standards, principles and policies.
  - ii. The Company has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2020 and of the operating profit or loss and of the profit or loss of the company for the year ended on that date.
  - iii. The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, (4 of 1938) as amended by Insurance Laws (Amendment) Act, 2015 / Companies Act, 1956, (1 of 1956)/ the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
  - iv. The financial statements of the Company have been prepared on a going concern basis.
  - v. The Company's internal audit is conducted by an in-house audit team and an appointed audit firm. The scope of work of internal audit is commensurate with the size and nature of the Company's business. The management has ensured that an internal audit system commensurate with the size and nature of business exists and is operating effectively.

For and On behalf of the Board of Directors

**Ajay Srinivasan**  
Director  
DIN: 00121181

**Shikha Bagai**  
Chief Financial Officer

**Ajit Ranade**  
Director  
DIN: 00918651

**Maheshkumar Radhakrishnan**  
Company Secretary  
(Membership No : 27720)

**Mayank Bathwal**  
CEO and Whole Time Director  
DIN: 06804440

**Nirav Shah**  
Appointed Actuary

Date : 13th May, 2020  
Place : Mumbai

## Schedules

forming part of the Financial Statement for the year ended 31st March, 2020

### Annexure 1

Details of payments to individuals, firms, Companies and organizations in which directors are interested during the year ended on March 31, 2020:

S No.	Name of the Director	Entity in which Director is interested	Interested as	Amount of payment during the FY 2019-20 (₹ in ' 000)
1	Mr. Ajay Srinivasan Mr. Sushil Agarwal	Aditya Birla Management Corporation Private Limited	Director	770
2	Mr. Sushil Agarwal Mr. Asokan Poogesen Naidu Mr. Mayank Bathwal	Aditya Birla Wellness Private Limited	Director	38,674
3	Mr. Devajyoti Bhattacharya Mr. Sushil Agarwal	Aditya Birla Fashion and Retail Limited	Director	272
4	Mr. Asokan Poogesen Naidu	MMI Business and Technology Solutions Private Limited	Director	4,839
5	Mr. Mayank Bathwal	Rahil Bathwal	Son	2,296

# Notes

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**OUR VALUES AND OUR CULTURE  
ENABLE US TO PARTNER PEOPLE  
IN LIVING THE LIFE THEY DESIRE.**

**Our PROTECTING Solutions enable people  
to secure everything that they value.**

**Our INVESTING Solutions enable people  
to live a life they truly aspire to.**

**Our FINANCING Solutions enable people  
to fulfil their needs and ambitions,  
without having to wait.**



## **Aditya Birla Health Insurance Co. Limited**

(A subsidiary of Aditya Birla Capital Ltd.)

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**ADITYA BIRLA  
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