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INDEPENDENT AUDITOR'S REPORT

To The Members of Max Bupa Health Insurance Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Max Bupa Health Insurance Company Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2020, the Revenue Account ("the Policyholders' Account" or "the Technical Account"), Profit and Loss Account ("the Shareholders' Account" or "the Non-Technical Account"), and Receipts and Payments Account for the year then ended, and notes to 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 by The Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 ("the Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 ("the IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") and the Companies Act, 2013 ("the Act") to the extent applicable and 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 insurance companies:

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31 March 2020;
- b) in the case of Revenue Account, of the operating profit of the Company for the year ended 31 March 2020;
- c) in the case of Profit and loss account, of the loss of the Company for the year ended 31 March 2020; and
- d) in the case of Receipts and Payments Account, of the receipts and profits of the Company for the year ended 31 March 2020.

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Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Insurance Act, the IRDA Act and the regulations, Companies 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 matters

We invite attention to:

- Note no 16 C (13b) regarding treatment of Investments.
- Note no 36 possible effects of the COVID-19 Pandemic.

Our opinion is not modified in respect to these matters.

Other matters

The actuarial valuation of liabilities in respect to claims Incurred But Not Reported (IBNR), including claims Incurred But Not Enough Reported (IBNER), provisioning for Premium Deficiency and Free Look Reserve as at 31 March 2020 is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary. The appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms, if any, issued by Insurance Regulatory Development Authority of India (IRDAI) and the Actuarial Society of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Other Information, if, we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

Responsibilities of management and Those Charged with Governance for the Financial Statements

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, Statement of Profit and Loss, and Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014, further amended by Companies (Accounting Standards) Amendment Rules, 2016, the Insurance Act, the IRDA Act and the Regulations prescribed by the Insurance Regulatory and Development Authority of India ("IRDAI").

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 judgments and estimates that are reasonable and prudent; and 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.

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In preparing the financial statements, Board of Directors are 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 the management.
- 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Regulations, we have issued a separate certificate dated 02nd May 2020, certifying matters specified in paragraphs 3 and 4 of the Schedule C to these Regulations.
2. Further, to our comments in the Certificate referred to above, as required under the Regulations, read with Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) In our opinion and to the best of our information and according to the explanations given to us, 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 centralized, no returns for the purpose of our audit are prepared at the branches of the Company;
- d) The Balance Sheet, the Revenue Account and the Profit and Loss Account 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, further amended by the 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 the IRDA 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, 1938, the Regulations and/or orders/directions issued by the IRDAI in this regard;
- g) In our opinion and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Act), and the Rules framed thereunder and with the accounting principles as prescribed by the Regulations and orders/directions issued by the IRDAI in this regard;
- h) Based on representations received on e-mail (due to nationwide lockdown) from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- i) With respect to requirements of section 197(16) of the Act, as amended, we report that managerial remuneration is governed u/s 34A of the Insurance Act, 1938 and requires IRDAI approval. Accordingly, the provisions of Section 197 read with schedule V to the Act are not applicable, and hence reporting under Section 197 (16) is not required.

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However, sitting fees paid to the Directors is in compliance with Section 197 of the Companies Act, 2013.

- j) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- k) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements – Refer Note no. Schedule 16 note C-1 in the notes to accounts forming part of financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M.P. Chitale & Co.
Chartered Accountants
FRN No. 101851W

Murtaza Taher
Vajih

Digitally signed by Murtaza Taher Vajih
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Murtaza Vajih
Partner
Membership No. 112555
UDIN: 2011255AAAAAV7732

Place: Mumbai

For Nangia & Co. LLP
Chartered Accountants
FRN No. 002391C/N500069

VIKAS
GUPTA

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Vikas Gupta
Partner
Membership No. 076879
UDIN: 20076879AAAAFD2960

Place: Noida

Annexure 'A' to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of **Max Bupa Health Insurance Company Limited**

1. We have audited the internal financial controls over financial reporting of **Max Bupa Health Insurance Company Limited** as of 31 March 2020 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the "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 Companies Act, 2013 including provisions of The Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 ("the Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 ("the IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations") in this regard.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to

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future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

Other matter

9. The actuarial valuation is liabilities in respect to claims Incurred But Not Reported (IBNR), including claims Incurred But Not Enough Reported (IBNER) and provisioning for Premium Deficiency and Free Look Reserve as at 31 March 2020 is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary, as mentioned in "Other Matter" paragraph of our audit report on the financial statements of the Company as at and for the year ended 31 March 2020. In view of this, we did not perform any procedures relating to internal financial control over financial reporting in respect of the valuation and accuracy of the actuarial valuation of estimate of claims IBNR and claims IBNER.

For M.P. Chitale & Co.
Chartered Accountants
FRN No. 101851W

Murtaza
Taher Vajih

Murtuza Vajih
Partner
Membership No. 112555
UDIN: 2011255AAAAAV7732
Place: Mumbai

For Nangia & Co. LLP
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Vikas Gupta
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**INDEPENDENT AUDITORS' CERTIFICATE TO THE MEMBERS OF
MAX BUPA HEALTH INSURANCE COMPANY LIMITED**

(Referred to in our 'Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report of even date)

This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C to be read with Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "Regulations").

Management Responsibility

The Company's Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/FA/059/03/2015 dated March 31, 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 "IRDA"), which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

Auditors' Responsibility

Our responsibility, for the purpose of this certificate, is limited to certifying matters contained in paragraphs 3 and 4 of Schedule C of the Regulations. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the "ICAI"), which include the concepts of test checks and materiality.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate.

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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 issued by the ICAI.

Opinion

Based on our audit of financial statements for the year ended March 31, 2020 and in accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by Max Bupa Health Insurance Company Limited (“the Company”) for the year ended March 31, 2020, we certify that:

1. 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 are no apparent mistakes in or material inconsistencies with the financial statements;
2. Based on the management representation 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, nothing has come to our attention that causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDA;
3. In view of the nationwide lockdown we have not been able to verify the cash balance as on March 31, 2020 by actual inspection. In view of the same, we have placed reliance on the management certificate with regard to the balance on hand as on March 31, 2020 and the control processes of the Company with regard to handling of cash. We have verified securities relating to the Company’s investments as at March 31, 2020, on the basis of certificates/ confirmations received from the Custodian and/or Depository Participants appointed by the Company, as the case may be;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders’ Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and investments of the Policyholders’ Funds.

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Restriction on Use

This certificate has been issued solely in compliance with the requirements of Schedule C of the Insurance Regulatory and Development Authority (Presentation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002, ("the Accounting Regulations"), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care of for any other purpose or to any other party to whom it is shown or into whose hand it may come without our prior consent in writing.

For M P Chitale & Co.
Chartered Accountants
Firm Registration No.: 101851W

**Murtaza
Taher Vajih**

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Murtuza Vajih
Partner
Membership No. 112555
UDIN: 2011255AAAAAV7732
Place: Mumbai

For Nangia & Co. LLP
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Vikas Gupta
Partner
Membership No. 076879
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Place: Noida

FORM-B-PL

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Schedule	For the year ended Mar 31, 2020 (Rs.'000)	For the year ended Mar 31, 2019 (Rs.'000)
1 Operating Profit/(Loss)			
(a) Miscellaneous Insurance		11,71,579	8,57,254
2 Income From Investments			
(a) Interest, Dividend and Rent – Gross		2,63,482	1,92,383
(b) Profit/(Loss) on sale/redemption of Investments		20,247	12,738
(c) Accretion/Amortisation of (Premium)/Discount		(2,509)	10,496
3 Other Income			
(a) Gain/(Loss) on Foreign Exchange Fluctuation		(777)	1,674
(b) Interest Income		859	746
(c) Provisions written back		-	377
Total (A)		14,52,411	10,75,868
4 Provisions (Other than Taxation)			
(a) For diminution in the value of investments (refer note no C 13 in Schedule 16)		1,50,000	75,000
(b) For doubtful debts (refer note no C 13 in Schedule 16)		3,50,002	84,671
(c) Penalty		-	-
(d) Others		-	-
5 Other Expenses			
(a) Expenses other than those related to Insurance Business*		94,379	35,005
(b) Bad debts written off		-	-
(c) Contribution to policyholders Funds towards Excess EOM		14,73,550	13,65,000
Total (B)		20,67,931	15,59,736
Profit/(Loss) Before Tax		(6,15,520)	(4,83,868)
Provision for Taxation		-	-
Profit/(Loss) After Tax		(6,15,520)	(4,83,868)
Appropriations			
(a) Interim dividends		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any Reserves or Other Accounts		-	-
Balance of Profit/(Loss) brought forward from last year		(71,85,435)	(67,01,567)
Balance carried forward to Balance Sheet		(78,00,955)	(71,85,435)
Basic Earning/ (Loss) per Share of Rs. 10/- each		(0.58)	(0.51)
Diluted Earning/ (Loss) per Share of Rs. 10/- each		(0.58)	(0.51)
(also refer note no C 21 in Schedule 16)			

Significant Accounting Policies and Notes to Accounts

16

The Schedules and accompanying notes referred to herein form an integral part of the Profit and Loss Account

*Hitherto, expenses of CEO remuneration linked to performance that were provided but unpaid were charged to Revenue Account. On actual payment of the dues, the said provisions were reversed and the payments when made, were charged to the Profit and Loss Account. From the F.Y. 2019-20, the company has changed the practice and all amounts pertaining to CEO remuneration are charged to the Profit and Loss Account irrespective of whether payments were made or not. Included in the above amount of Rs. 94,379(thousand) is an amount of Rs. 36,616(thousand) that was provided in F.Y. 2018-19 and Paid in F.Y. 2019-20.

As per our Audit report of even date attached.

For Nangia & Co LLP
Chartered Accountants
ICAI Firm Registration No. 002391C

**VIKAS
GUPTA**

Vikas Gupta
Partner
Membership No. 076079
Place: Noida

For M P Chitalo & Co.
Chartered Accountants

**Murtaza Taher
Vajih**

Murtaza Vajih
Partner
Place: Mumbai

For and on behalf of the Board of Directors
Max Bupa Health Insurance Company Limited

**SANTHANA
M
RAJAGOPA
LAN**

Rajagopalan Santhanam
Director
DIN: 00025009

**RAJAT
SHARMA**

Rajat Sharma
Company Secretary
Mem No. FCS7069

**ASHISH
MEHRO
TRA**

Ashish Mehrotra
CEO & Managing Director
DIN: 07277316

**RAHUL
AHUJA**

Rahul Ahuja
Chief Financial Officer

Date: April 30, 2020

CIN - U60000DL2008PLC102918

FORM-B-BS

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010

BALANCE SHEET AS AT MARCH 31, 2020

Particulars	Schedule	As at Mar 31, 2020 (Rs.'000)	As at Mar 31, 2019 (Rs.'000)
Sources of Funds			
Share Capital	5	1,12,60,000	98,10,000
Reserves and Surplus	6	-	-
Fair Value Change Account - Shareholders		3	229
Fair Value Change Account - Policyholders		180	177
Borrowings	7	-	-
Total		1,12,60,183	98,10,406
Application of Funds			
Investments - Shareholders	8	40,28,612	32,99,421
Investments - Policyholders	8A	66,43,465	48,56,322
Loans	9	-	-
Fixed Assets	10	4,11,839	3,21,019
Current Assets:			
Cash and Bank Balances	11	1,89,269	2,98,581
Advances and Other Assets	12	10,99,936	12,19,617
Sub-total (A)		12,89,205	15,18,198
Current Liabilities	13	38,92,221	34,75,279
Provisions	14	50,21,672	38,94,710
Sub-total (B)		89,13,893	73,69,989
Net Current Assets (C) = (A - B)		(76,24,688)	(58,51,791)
Miscellaneous Expenditure	15	-	-
(To the extent not written off or adjusted)			
Debit Balance in Profit and Loss Account		78,00,955	71,85,435
Total		1,12,60,183	98,10,406

Significant Accounting Policies and Notes to Accounts

16

(please refer Schedule 16 C (1) for Contingent Liabilities)

The Schedules and accompanying notes referred to herein form an integral part of the Balance Sheet

As per our Audit report of even date attached.

For Nangia & Co LLP
Chartered Accountants
ICAI Firm Registration No. 002391C

For and on behalf of the Board of Directors
Max Bupa Health Insurance Company Limited

**VIKAS
GUPTA**
Digitally signed by VIKAS GUPTA
DN: cn=VIKAS GUPTA, o=NANGIA & CO LLP, ou=MEMBERSHIP, email=vikas.gupta@nangia.com, c=IN

**SANTHANA
M
RAJAGOPAL
AN**
Digitally signed by SANTHANAM
by RAJAGOPALAN
Date: 2020.04.30
21:54:21 +05'30'

**ASHISH
MEHROTRA**
Digitally signed by ASHISH MEHROTRA
DN: cn=ASHISH MEHROTRA, o=MAX BUPA HEALTH INSURANCE COMPANY LIMITED, email=ashish.mehrotra@maxbupa.com, c=IN

Vikas Gupta
Partner
Membership No. 076879
Place: Noida

Rajagopalan Santhanam
Director
DIN: 00025669

Ashish Mehrotra
CEO & Managing Director
DIN: 07277318

**RAJAT
SHARMA**
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Date: 2020.04.30
22:51:18 +05'30'

RAHUL AHUJA
Digitally signed by RAHUL AHUJA
Date: 2020.04.30
22:23:24 +05'30'

For M P Chitale & Co.
Chartered Accountants

Rajat Sharma
Company Secretary
Mem No. FCS7069

Rahul Ahuja
Chief Financial Officer

Murta
za
Taher
Vajiji

Murtuza Vajiji
Partner
Place: Mumbai

Date: April 30, 2020 CIN - U66000DL2008PLC182918

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI FEBRUARY 15, 2010
RECEIPTS AND PAYMENT ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

S.no	Particulars	For the year ended Mar 31, 2020 (Rs. '000)	For the year ended Mar 31, 2019 (Rs. '000)
Cash Flows from the Operating activities			
1	Premium received from Policyholders, including Advance Receipts	1,49,72,839	1,13,67,593
2	Other Receipts	-	-
3	Payment to the reinsurers, net of commissions and claims	(6,66,815)	(4,71,637)
4	Payments to co-insurers, net of claims recovery	-	(1,777)
5	Payments of claims	(50,65,249)	(40,42,432)
6	Payments of commission and brokerage	(15,02,204)	(11,01,350)
7	Payments of Other Operating Expenses	(55,80,486)	(40,86,200)
8	Preliminary and Pre-operative Expenses	-	-
9	Deposits, Advances and Staff Loans	(10,509)	(3,964)
10	Income Taxes Paid (Net)	-	-
11	Service tax & GST paid	(10,72,154)	(7,17,769)
12	Other Payments	-	-
13	Cash Flows before Extraordinary items	10,69,420	9,42,334
14	Cash flow from extraordinary operations	-	-
15	Net Cash flows from operating activities	10,69,420	9,42,334
Cash flows from investing activities			
1	Purchase of fixed assets	(2,97,395)	(1,27,615)
2	Proceeds from sale of fixed assets	-	35
3	Purchase of investments	(2,24,75,363)	(2,54,69,598)
4	Loans disbursed	-	-
5	Sales of investments	1,92,28,253	2,39,64,087
6	Repayments received from Investments	-	-
7	Rents/Interests/ Dividends received	9,19,115	4,32,915
8	Investments in money market instruments and in liquid mutual funds (Net)	-	-
9	Expenses related to investments	-	-
10	Net Cash flows from investing activities	(30,25,399)	(12,00,196)
Cash flows from financing activities			
1	Proceeds from issuance of Share Capital	14,50,000	5,50,000
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
5	Net cash flow from financing activities	14,50,000	5,50,000
D Effect of foreign exchange rates on cash and cash equivalents, net			
		-	-
Net Increase/(decrease) in cash and cash equivalents		(5,05,970)	2,92,138
Cash and cash equivalents at the beginning of the year		8,26,987	5,34,849
Cash and cash equivalents at the end of the year		3,21,017	8,26,987
Net Increase/(decrease) in cash and cash equivalents		(5,05,970)	2,92,138
Reconciliation of Cash and cash equivalents with the Balance Sheet at the end of the period			
Cash and Bank Balances (Refer Schedule 11)		1,89,269	2,98,581
Short term liquid investments (Refer Schedule 8: Investments Shareholder's Fund)		6,060	2,25,044
Short term liquid investments (Refer Schedule 8 A Investments Policyholder's Fund)		1,25,688	1,75,362
Fixed Deposit having original maturity less than 90 days		-	1,28,000
Cash and cash equivalents at the end of the year		3,21,017	8,26,987

As per our Audit report of even date attached

For Nangia & Co LLP
Chartered Accountants
ICAI Firm Registration No. 002391C

VIKAS GUPTA
Chartered Accountant
ICAI Firm Registration No. 002391C
Member since 1988
Membership No. 076870
Place: Noida

Vikas Gupta
Partner
Membership No. 076870
Place: Noida

For M P Chitale & Co.
Chartered Accountants

Murtaza Taher Vajhi
Chartered Accountant
ICAI Firm Registration No. 002391C
Member since 1988
Membership No. 076870
Place: Mumbai

Murtaza Vajhi
Partner
Place: Mumbai

For and on behalf of the Board of Directors
Max Bupa Health Insurance Company Limited

SANTHA NAM RAJAGOPALAN ALAN
Digitally signed by SANTHANAM RAJAGOPALAN
Date: 2020.04.30 21:54:41 +05'30'

Rajagopalan Santhanam
Director
DIN 00025869

ASHISH MEHROTRA
Digitally signed by ASHISH MEHROTRA
Date: 2020.04.30 21:52:14 +05'30'

Ashish Mehrotra
CEO & Managing Director
DIN: 07277318

RAJAT SHARM A
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Date: 2020.04.30 22:53:14 +05'30'

Rajat Sharma
Company Secretary
Mem No. FCS7069

RAHUL AHUJA
Digitally signed by RAHUL AHUJA
Date: 2020.04.30 22:29:08 +05'30'

Rahul Ahuja
Chief Financial Officer

Date: April 30, 2020

CIN - U66000DL2006PLC182518

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
 REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Rs.'000)

Particulars	For the year ended	For the year ended
	Mar 31, 2020	Mar 31, 2019
SCHEDULE – 1		
PREMIUM EARNED (NET OF GST)		
Premium from direct business written	1,24,28,869	94,70,167
Add: Premium on reinsurance accepted	28,92,039	21,56,178
Less: Premium on reinsurance ceded	95,36,830	73,13,979
Net Premium	11,26,139	7,19,191
Less: Adjustment for change in reserve for unexpired risks	84,10,691	65,94,788
Total Premium Earned (Net)		
SCHEDULE – 2		
CLAIMS INCURRED (NET)		
Claims paid*	50,09,233	40,56,962
Direct	-	-
Add: Re-insurance accepted	6,50,738	8,82,974
Less: Re-insurance Ceded	43,58,495	31,74,008
Net Claims paid	10,46,619	9,04,423
Add: Claims Outstanding at the end of the year	9,04,423	5,22,004
Less: Claims Outstanding at the beginning of the year	46,00,691	35,56,426
Total Claims Incurred**		
*In case of in house TPA, IRDAI Expense of Management Regulations, 2016 permits an insurer to consider expense not exceeding 3% of Premium as a part of claim cost, accordingly amount of claim paid includes an amount of certain expenses aggregating to Rs. 3,72,666 thousand (previous year ended 31st March 2019 Rs. 2,84,105 thousand) allocated to claim handling charges. This amount primarily includes employees and other related costs.		
** Includes an amount of Rs. 64,999 thousand during the year ended 31st March 2020 (previous year ended 31st March 2019 Rs. 116,231 thousand) on account of expenses incurred towards product related benefit paid to policyholders.		
SCHEDULE – 3		
COMMISSION		
Commission paid	15,32,070	11,16,605
Direct*	-	-
Add: Re-insurance accepted	11,03,314	8,08,105
Less: Commission on Re-insurance Ceded	4,28,756	3,08,500
Net Commission		
*Includes an amount of Rs. 130,253 thousand during the year ended 31st March 2020 (previous period ended 31st March 2019 Rs. 72,747 thousand) towards Reward or Remuneration to Agents & Brokers.		
Break up of commission paid to procure business:		
Agents	7,24,601	6,00,357
Brokers	2,30,682	1,42,007
Corporate Agency	5,76,587	3,74,241
	15,32,070	11,16,605

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Rs.'000)

Particulars	For the year ended Mar 31, 2020			For the year ended Mar 31, 2019				
	Health	Personal Accident	Others	Total	Health	Personal Accident	Others	Total
SCHEDULE – 1A								
PREMIUM EARNED [NET OF GST]								
Premium from direct business written	1,17,90,427	6,38,442	-	1,24,28,869	91,44,909	3,25,248	-	94,70,157
Add: Premium on reinsurance accepted	27,86,434	1,05,605	-	28,92,039	20,95,781	60,397	-	21,56,178
Less: Premium on reinsurance ceded	90,03,993	5,32,837	-	95,36,830	70,49,128	2,64,851	-	73,13,979
Net Premium	9,79,669	1,46,450	-	11,26,139	6,26,205	92,896	-	7,19,191
Less: Adjustment for change in reserve for unexpired risks	80,24,304	3,86,387	-	84,10,691	64,22,923	1,71,865	-	65,94,788
Total Premium Earned (Net)								
	49,65,669	43,564	-	50,09,233	40,44,310	12,672	-	40,56,982
SCHEDULE – 2A								
CLAIMS INCURRED [NET]								
Claims paid*								
Direct	6,48,408	2,330	-	6,50,738	8,82,200	773	-	8,82,974
Add: Re-insurance accepted	43,17,261	41,234	-	43,58,495	31,62,109	11,899	-	31,74,008
Less: Re-insurance Ceded	9,68,360	78,259	-	10,46,619	8,21,532	82,891	-	9,04,423
Net Claims paid	8,21,532	82,891	-	9,04,423	4,96,693	25,111	-	5,22,004
Add: Claims Outstanding at the end of the year	44,64,089	36,602	-	45,00,691	34,86,747	69,679	-	35,56,426
Less: Claims Outstanding at the beginning of the year								
Total Claims Incurred**								
	49,65,669	43,564	-	50,09,233	40,44,310	12,672	-	40,56,982
COMMISSION								
Commission paid								
Direct*	14,43,623	88,447	-	15,32,070	10,71,543	45,062	-	11,16,605
Add: Re-insurance accepted	10,77,869	25,446	-	11,03,314	7,94,960	13,145	-	8,08,105
Less: Commission on Re-insurance Ceded	3,65,755	63,001	-	4,28,756	2,76,583	31,917	-	3,08,500
Net Commission								
	14,43,623	88,447	-	15,32,070	10,71,543	45,062	-	11,16,605
Break Up of expenses incurred to procure business:								
Agents	7,12,951	11,850	-	7,24,801	5,92,244	8,113	-	6,00,357
Brokers	2,29,716	966	-	2,30,682	1,41,892	115	-	1,42,007
Corporate Agency	5,00,955	75,632	-	5,76,587	3,37,407	35,834	-	3,74,241
	14,43,623	88,447	-	15,32,070	10,71,543	45,062	-	11,16,605

*In case of in house TPA, IRDAI Expense of Management Regulations, 2016 permits an insurer to consider expense not exceeding 3% of Premium as a part of claim cost, accordingly amount of claim paid includes an amount of certain expenses aggregating to Rs. 3,72,865 thousand (previous year ended 31st March 2019: Rs. 2,84,105 thousand) allocated to claim handling charges. This amount primarily includes employee and other related costs.

** Includes an amount of Rs. 61,959 thousand during the year ended 31st March 2020 (previous year ended 31st March 2019: Rs. 116,231 thousand) on account of expenses incurred towards product related benefit paid to policyholders.

SCHEDULE – 3A
COMMISSION

Commission paid								
Direct*	14,43,623	88,447	-	15,32,070	10,71,543	45,062	-	11,16,605
Add: Re-insurance accepted	10,77,869	25,446	-	11,03,314	7,94,960	13,145	-	8,08,105
Less: Commission on Re-insurance Ceded	3,65,755	63,001	-	4,28,756	2,76,583	31,917	-	3,08,500
Net Commission								
	14,43,623	88,447	-	15,32,070	10,71,543	45,062	-	11,16,605

*Includes an amount of Rs. 1,30,263 thousand during the year ended 31st March 2020 (previous period ended 31st March 2019: Rs. 72,747 thousand) towards Reward of Remuneration to Agents & Brokers.

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
 REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE -- 4
 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS (Rs. '000)

Particulars	For the year ended	
	Mar 31, 2020	Mar 31, 2019
1 Employees' remuneration and welfare benefits	19,10,948	15,75,034
2 Travel, conveyance and vehicle running expenses	85,765	55,726
3 Training expenses	66,154	69,161
4 Rents, rates and taxes	1,48,299	1,32,438
5 Repairs	1,60,489	1,70,484
6 Printing and stationery	25,541	23,139
7 Communication	59,341	70,282
8 Legal and professional charges	7,09,213	5,83,328
9 Auditors' fees, expenses etc	-	-
(a) as auditor	3,677	3,592
(b) as adviser or in any other capacity, in respect of	-	-
(i) Taxation matters	-	-
(ii) Insurance matters	1,225	150
(iii) Management services, and	-	-
(c) in any other capacity	-	-
(i) Tax Audit Fees	200	200
(ii) Certification Fees	1,800	1,275
10 Advertisement and publicity	7,54,324	6,65,644
11 Interest and bank charges	40,843	34,235
12 Others		
(a) Business and Sales Promotion	2,637	4,733
(b) Membership and Subscription	1,595	4,264
(c) Insurance	4,708	3,472
(d) Siting Fee	7,000	5,600
(e) Board Meeting Expenses	2,142	3,151
(f) Miscellaneous Expenses*	170	583
13 Depreciation	2,06,679	1,63,878
14 Goods and Service Tax A/c	1,825	4,358
Total	41,94,575	35,74,727

* None of the items individually are higher than Rs. 500,000 or 1% of Net Written Premium

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4A
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs.'000)

Particulars	For the year ended				For the year ended			
	Mar 31, 2020				Mar 31, 2019			
	Health	Accident	Others	Total	Health	Accident	Others	Total
1 Employees' remuneration and welfare benefits	18,12,787	98,161	-	19,10,948	15,20,940	54,094	-	15,75,034
2 Travel, conveyance and vehicle running expenses	81,359	4,406	-	85,765	53,812	1,914	-	55,726
3 Training expenses	62,756	3,398	-	66,154	66,766	2,375	-	69,161
4 Rents, rates and taxes	1,40,681	7,618	-	1,48,299	1,27,889	4,549	-	1,32,438
5 Repairs	1,52,245	8,244	-	1,60,489	1,64,629	5,855	-	1,70,484
6 Printing and stationery	24,229	1,312	-	25,541	22,344	795	-	23,139
7 Communication	56,293	3,048	-	59,341	67,868	2,414	-	70,282
8 Legal and professional charges	6,72,782	36,431	-	7,09,213	5,63,294	20,034	-	5,83,328
9 Auditors' fees, expenses etc	3,488	189	-	3,677	3,469	123	-	3,592
(a) as auditor	-	-	-	-	-	-	-	-
(b) as adviser or in any other capacity, in respect of	1,162	63	-	1,225	145	5	-	150
(i) Taxation matters	-	-	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-
(iii) Management services, and	-	-	-	-	-	-	-	-
(c) in any other capacity	190	10	-	200	193	7	-	200
(i) Tax Audit Fees	1,708	92	-	1,800	1,231	44	-	1,275
(ii) Certification Fees	7,15,576	38,748	-	7,54,324	6,42,783	22,861	-	6,65,644
10 Advertisement and publicity	38,745	2,098	-	40,843	33,059	1,176	-	34,235
11 Interest and bank charges	-	-	-	-	-	-	-	-
12 Others	2,502	135	-	2,637	4,570	163	-	4,733
(a) Business and Sales Promotion	1,513	82	-	1,595	4,118	146	-	4,264
(b) Membership and Subscription	4,466	242	-	4,708	3,353	119	-	3,472
(c) Insurance	6,640	360	-	7,000	5,408	182	-	5,600
(d) Sifting Fee	2,032	110	-	2,142	3,043	108	-	3,151
(e) Board Meeting Expenses	161	9	-	170	563	20	-	583
(f) Miscellaneous Expenses*	1,96,062	10,617	-	2,06,679	1,58,250	5,628	-	1,63,878
13 Depreciation	1,731	94	-	1,825	4,208	150	-	4,358
14 Goods and Service Tax A/c	39,79,108	2,15,467	-	41,94,575	34,51,955	1,22,772	-	35,74,727
Total								

* None of the items individually are higher than Rs. 500,000 or 1% of Net

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 5
SHARE CAPITAL

Particulars	As at	
	Mar 31, 2020 (Rs.'000)	Mar 31, 2019 (Rs.'000)
1 Authorised Capital		
1,50,00,00,000 Equity Shares of Rs 10 each (Previous year ended as at 31st March, 2019 1,50,00,00,000) Equity Shares of Rs 10 each)	1,50,00,000	1,50,00,000
2 Issued Capital		
1,126,000,000 Equity Shares of Rs 10 each (Previous year ended as at 31st March, 2019 98,10,00,000) Equity Shares of Rs 10 each)	1,12,60,000	98,10,000
3 Subscribed Capital		
1,126,000,000 Equity Shares of Rs 10 each (Previous year ended as at 31st March, 2019 98,10,00,000) Equity Shares of Rs 10 each)	1,12,60,000	98,10,000
4 Called-up Capital		
1,126,000,000 Equity Shares of Rs 10 each (Previous year ended as at 31st March, 2019 98,10,00,000) Equity Shares of Rs 10 each)	1,12,60,000	98,10,000
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid up)	-	-
Less: Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses	-	-
Less: Expenses including commission or brokerage on underwriting or subscription of shares	-	-
Total	1,12,60,000	98,10,000

Out of the above, 625,871,101 (Previous year ended as at 31st March, 2019 50,03,10,000) Equity Shares of Rs. 10/- each are held by the holding company along with its nominees.

SCHEDULE – 5A
PATTERN OF SHAREHOLDING
[As certified by the Management]

Shareholders	As at Mar 31, 2020		As at Mar 31, 2019	
	Number of Shares	% of holding	Number of Shares	% of holding
Promoters*				
- Indian-Max India Ltd	-	-	50,03,10,000	51.00%
- Indian-Fettle Tone LLP	62,58,71,101	55.58%	-	-
- Foreign-Bupa Singapore Holdings Pte. Ltd	50,01,28,899	44.42%	48,06,90,000	49.00%
Others	-	-	-	-
Total	1,12,60,00,000	100.00%	98,10,00,000	100.00%

*IRDAI has granted approval for transfer of the Company's share held by Max India to Fettle Tone LLP. Consequently, the Holding Company is now Fettle Tone LLP with 55.58% shareholding.

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at	As at
	Mar 31, 2020	Mar 31, 2019
	(Rs.'000)	(Rs.'000)
SCHEDULE – 6		
RESERVES AND SURPLUS		
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	-	-
4 General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
5 Catastrophe Reserve	-	-
6 Other Reserves	-	-
7 Balance of Profit in Profit & Loss Account	-	-
Total	<u>-</u>	<u>-</u>
SCHEDULE – 7		
BORROWINGS		
1 Debentures/ Bonds	-	-
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
Total	<u>-</u>	<u>-</u>

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 8
INVESTMENTS - SHAREHOLDERS

Particulars	As at Mar 31, 2020 (Rs.'000)	As at Mar 31, 2019 (Rs.'000)
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	8,64,042	4,00,406
2 Other Approved Securities	7,63,748	6,12,853
3 Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	6,00,904	5,53,692
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	10,99,882	5,49,290
5 Other than Approved Investments	-	-
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	-	-
2 Other Approved Securities	-	-
3 Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds (refer note (b) below)	6,060	2,25,045
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	-	4,49,385
(e) Other Securities - Fixed Deposits	6,44,033	3,58,700
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	49,943	-
5 Other than Approved Investments	-	1,50,050
Total	<u>40,28,612</u>	<u>32,99,421</u>

Notes:

- a. Aggregate amount of shareholder's investments other than listed equity securities and derivative instruments is Rs. 4,028,612 thousand (Previous year ended as on 31st March, 2019 Rs. 32,99,421 thousand). Market value of such investments is Rs.41,48,096 thousand (Previous year ended as on 31st March, 2019 Rs. 32,95,471 thousand)
- b. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 6,057 thousand (Previous year ended 31st March 2019 Rs. 2,24,816 thousand).

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SCHEDULE – 8A
INVESTMENTS - POLICYHOLDERS

Particulars	As at Mar 31, 2020 (Rs.'000)	As at Mar 31, 2019 (Rs.'000)
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	11,96,157	10,92,447
2 Other Approved Securities	3,58,591	51,802
3 Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	17,14,853	7,51,037
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	10,12,941	7,01,639
5 Other than Approved Investments (net of provision)	75,148	3,25,349
		-
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	5,50,333	3,93,555
2 Other Approved Securities	-	-
3 Other Investments	-	-
(a) Shares	-	-
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds (refer note (b) below)	1,25,688	1,75,362
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	7,42,153	5,44,537
(e) Other Securities - Fixed Deposits	5,17,667	5,70,900
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	2,49,934	1,49,977
5 Other than Approved Investments	1,00,000	99,718
Total	66,43,465	48,56,322

Notes:

- a. Aggregate amount of policyholder's investments other than listed equity securities and derivative instruments is Rs. 6,643,465 thousand (Previous year ended as on 31st March 2019 Rs. 48,56,322 thousand). Market value of such investments is Rs. 67,60,025 thousand (Previous year ended as on 31st March 2019 Rs. 48,69,476 thousand).
- b. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 1,25,508 thousands (Previous year ended 31st March 2019 Rs. 1,75,184 thousand).

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SCHEDULE – 9
LOANS

Particulars	As at Mar 31, 2020 (Rs.'000)	As at Mar 31, 2019 (Rs.'000)
1 Security-Wise Classification		
Secured		
(a) On mortgage of property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	-	-
Total	<u>-</u>	<u>-</u>
2 Borrower-Wise Classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	<u>-</u>	<u>-</u>
3 Performance-Wise Classification		
(a) Loans classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
Total	<u>-</u>	<u>-</u>
4 Maturity-Wise Classification		
(a) Short Term	-	-
(b) Long Term	-	-
Total	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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SCHEDULE – 10
FIXED ASSETS

SN	Particulars	Cost/ Gross Block			Depreciation			Net Block			
		As at Apr 01, 2019	Additions	Deductions	As at Mar 31, 2020	Upto Apr 01, 2019	For the year	On Sales/ Adjustments	Upto Mar 31, 2020	As at Mar 31, 2020	As at Mar 31, 2019
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles	6,53,048	2,04,079	-	8,57,127	4,52,895	1,42,975	-	5,95,870	2,61,257	2,00,152
	a) Softwares	11,258	-	-	11,258	11,258	-	-	11,258	-	-
	b) Website	-	-	-	-	-	-	-	-	-	-
3	Land-Freehold	1,63,876	14,101	2,198	1,75,779	1,53,704	4,986	1,665	1,56,825	18,954	10,172
4	Leasehold Property	-	-	-	-	-	-	-	-	-	-
5	Buildings	32,839	8,393	1,269	39,963	29,284	4,907	1,228	32,963	7,000	3,555
6	Furniture & Fittings	1,42,344	9,428	11	1,51,761	1,03,435	19,925	7	1,23,353	28,408	38,909
7	Information Technology Equipment (Other Devices)	1,28,871	42,027	23,915	1,46,983	96,733	25,024	23,536	98,221	48,762	32,139
8	Information Technology Equipment (End User Devices)	76,302	14,980	1,120	90,162	59,609	8,862	1,029	67,442	22,720	16,693
9	Vehicles	-	-	-	-	-	-	-	-	-	-
10	Office Equipment	-	-	-	-	-	-	-	-	-	-
11	Others	-	-	-	-	-	-	-	-	-	-
	Total	12,08,538	2,93,008	28,513	14,73,033	9,06,918	2,06,679	27,665	10,85,932	3,87,101	3,01,620
12	Capital work in progress	19,399	2,98,345	2,93,006	24,738	-	-	-	-	24,738	19,399
	Grand total	12,27,937	5,91,353	3,21,519	14,97,771	9,06,918	2,06,679	27,665	10,85,932	4,11,839	3,21,019
	Previous Year (Mar-19)	11,27,966	1,27,614	27,642	12,27,938	7,59,133	1,63,878	16,091	9,06,919	3,21,019	-

Note :
Leasehold property consists of civil and other improvements at premises taken on long term lease by the Company.

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Particulars	As at	As at
	Mar 31, 2020 (Rs.'000)	Mar 31, 2019 (Rs.'000)
SCHEDULE – 11		
CASH AND BANK BALANCES		
1 Cash (including cheques, drafts and stamps)	30,279	33,827
2 Bank		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	46,000	96,500
(bb) Others	-	-
(b) Current Accounts*	1,12,990	1,68,254
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
Total	1,89,269	2,98,581

*Balances with non-scheduled banks included in 2 above is Rs. 247 thousand (Previous year ended 31st March 2019 Rs. 550 thousand).

SCHEDULE – 12

ADVANCES AND OTHER ASSETS

ADVANCES

1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	73,720	34,814
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source	-	-
6 Others		
(a) Advance to Suppliers	38,739	41,280
Less: Provisions	(6,362)	(2,528)
Sub-total	32,377	38,752
Total (A)	1,06,097	73,566

OTHER ASSETS

1 Income accrued on investments	3,17,013	2,09,266
2 Outstanding Premiums*	56,385	76,234
Less: Provisions	(46,749)	(47,335)
Sub-total	9,636	28,899
3 Agents' Balances	2,728	1,078
Less: Provisions	(2,728)	(1,078)
Sub-total	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business	3,55,337	5,12,466
6 Due from subsidiaries/ holding company	-	-
7 Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8 Others		
(a) Rent and other deposits	63,597	54,596
(b) GST unutilized credit	1,05,652	99,493
(c) Deposits against unclaimed amount of policyholders	16,000	16,000
(d) Interest accrued on deposits against unclaimed amount	1,604	330
(e) Other Receivables (refer note no 13 in Schedule 16)	5,51,553	3,06,451
Less: Provisions	(4,26,553)	(81,451)
Sub-total	1,25,000	2,25,000
Total (B)	9,93,839	11,46,051
Total (A+B)	10,99,936	12,19,617

*Represent receivable from Central / State Government on account of premium under RSBY & BSKY Scheme

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Particulars	As at	As at
	Mar 31, 2020	Mar 31, 2019
	(Rs.'000)	(Rs.'000)
SCHEDULE – 13		
CURRENT LIABILITIES		
1 Agents' balances	1,58,295	1,28,865
2 Balances due to other insurance companies	9,21,767	6,23,012
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	74,687	60,798
5 Unallocated premium	66,346	1,15,516
6 Sundry creditors	12,23,524	12,77,151
7 Due to subsidiaries/ holding company	-	1,08,000
8 Claims Outstanding*	10,46,619	9,04,423
9 Unclaimed amount of policyholders	13,517	10,731
10 Due to Officer/ Director	-	-
11 Others	-	-
(a) Tax deducted at source	72,046	1,01,514
(b) GST liability	1,80,236	95,015
(c) Advance from Corporate Clients	1,13,891	34,954
(d) Interest on unclaimed amount of Policyholders	3,528	2,350
(e) Other statutory dues	17,765	12,949
Total	38,92,221	34,75,279

*includes IBNR and IBNER reserves

SCHEDULE – 14**PROVISIONS**

1 Reserve for Unexpired Risk**	47,84,947	36,58,808
2 For taxation (less advance tax paid and taxes deducted at source)	-	-
3 For proposed dividends	-	-
4 For dividend distribution tax	-	-
5 Others	-	-
(a) Provision for Employee Benefits	2,36,725	2,35,902
(b) Premium Deficiency Reserve	-	-
Total	50,21,672	38,94,710

** Includes provision for freelook cancellation Rs. 1744 thousand (Previous year ended 31st March 2019 Rs. 1,819 thousand).

SCHEDULE – 15**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

1 Discount Allowed in issue of shares/ debentures	-	-
2 Others	-	-
Total	-	-

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SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2020

A. BACKGROUND

Max Bupa Health Insurance Company Limited ("The Company") was incorporated in India on 5th September, 2008 and received the Certificate of Commencement of Business on 23rd December 2008.

The Company was a joint venture between Max India Limited and Bupa Singapore Holding Pte, Singapore. The company got approval from IRDA for transfer the 51% of shareholding of Max India Limited to Fettle Tone LLP on 16th December 2019. Accordingly, now the holding company is Fettle Tone LLP as on balance sheet date.

The Company underwrites primarily Health Insurance business which includes Personal accident and Critical illness.

The Company obtained regulatory approval to undertake Health Insurance business on 15th February 2010 from Insurance Regulatory and Development Authority of India (IRDAI) under section 3(2A) of the Insurance Act, 1938. The Company had started selling Policies in March 2010.

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

The accompanying financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The Company has prepared the financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Amendments Rules 2016 as amended and Companies (Accounting Standards) Amendment Rules 2016 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority Act, 1999, and the regulations framed there under, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India. Accounting policies applied have been consistent with previous year except where differential treatment is required as per new pronouncements made by the regulatory authorities.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, Management believes that the estimated used in the preparation of financial statements are prudent and reasonable uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Actual results may differ from the estimates and assumption and any revision to accounting estimates is recognized in the year in which they actually materialize.

(c) **Revenue Recognition**

(i) **Premium Income**

Premium (net of Service tax and GST) is recognized as income on the commencement of risk after adjusting for unearned premium (unexpired risk). Any subsequent revision or cancellation of premiums are accounted for in the year in which they occur.

Unearned Premium Reserve

Unearned Premium Reserve (UPR) means an amount representing that part of the premium written (net of reinsurance ceded) which is attributable and to be allocated to the succeeding accounting periods. In accordance with IRDAI circular dated April 4, 2016 reserve for unexpired is calculated at 50% of the net premium of preceding twelve months.

Premium Deficiency

Premium Deficiency Reserve is recognized for the company at a segment level and means the reserve held in excess of the unearned premium reserve, which allows for any expectation that the unearned premium reserve will be insufficient to cover the cost of claims and related expenses incurred during the period of unexpired risk. Computation of unexpired premium risk for the purpose of premium deficiency is based on the 1/365 method. Assessment of expected claim cost and related expenses is certified by the Appointed/Panel Actuary in accordance with IRDAI (Assets, Liabilities and Solvency margin of General Insurance Business) Regulation, 2016.

(ii) **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 arrangement with the reinsurers. Any subsequent revision to, refunds or cancellations of premium are recognized in the year in which they occur.

(iii) **Commission on Reinsurance Premium**

Commission on reinsurance ceded is recognized as income on ceding of reinsurance premium.

Profit commission under reinsurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits and as intimated by the Reinsurer.

(iv) **Interest / Dividend Income**

Interest income is recognized on accrual basis. Dividend income is recognized when the right to receive the dividend is established.

(v) **Premium/discount on purchase of investments**

Accretion of discount and amortization of premium relating to debt securities is recognized over the holding/maturity period on a constant yield to maturity method

(vi) Profit/Loss on Sale/Redemption of Investments

Profit and Loss on sale/redemption of investments, being the difference between sale consideration/redemption values and carrying value of investments (i.e. weighted average value) is credited or charged to Revenue or/and Profit and Loss account as applicable. The profit/loss on sale of investment includes accumulated changes in the fair value previously recognized in 'Fair Value Change Account' in respect of a particular security. Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any, and excludes interest received on sale.

(d) Acquisition Cost of Insurance Contracts

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

(e) Premium received in advance

Premium received in advance represents premium received in respect of those policies issued during the year where the risk commences subsequent to the balance sheet date.

(f) Claims/Benefits Incurred

Claims incurred comprises of claims/benefits paid, change in estimated liability for outstanding claims, 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 other directly attributable expenses.

Provision is made for estimated value of outstanding claims/benefits at the Balance Sheet date net of claims recoverable from reinsurance. Such provision is made on the basis of the ultimate amounts that are likely to be paid on each claim/benefits, 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/benefits (net of amounts receivable from reinsurers/coinsurers) are recognized on the date of intimation based on estimates from insured in the respective revenue accounts

IBNR and IBNER

The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) is estimated by the Appointed/Panel Actuary in compliance with guidelines issued by IRDA vide circular No. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 2005 and ALSM Regulation 2016 with applicable provisions of Actuarial Practice Standards 21 issued by the Institute of Actuaries of India. The Appointed/Panel Actuary uses generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed/Panel Actuary of the Company.

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Provision is made for estimated value of outstanding claims which have not been reported to the Company at the Balance Sheet date net of reinsurance, and other recoveries. 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.

(g) Allocation of Investment Income

Investment income earned on policyholders' investments funds at Balance Sheet date have been credited to Revenue Account and investment income earned on shareholders' investments funds at balance sheet date have been credited to Profit & Loss Account.

Investment income which is not directly identifiable has been allocated on the basis of the ratio of directly attributable investment income earned on shareholders' investments funds and policyholders' investments funds.

Investment income across segments within the Revenue account has also been allocated on the basis of segment-wise gross written premium.

(h) Investments

Investments are made and accounted for in accordance with the Insurance Act, 1938, Insurance Regulatory & Development Authority (Investment) Regulations, 2000 & 2016 as amended and various other circulars/notifications issued by the IRDA in this context from time to time.

Investments are recorded at cost including acquisition charges (such as brokerage, transfer charges, stamps etc) if any and exclude interest accrued up to the date of purchase. Debt securities, including Government securities are considered as 'held to maturity' and accordingly stated at historical cost subject to amortization of premium or accretion of discount on constant yield to maturity basis in the Revenue Account and in the Profit and Loss Account over the period of maturity/holding.

Investment that are notionally earmarked, are allocated to policyholder's or shareholder's as applicable.

Listed and actively traded securities are stated at fair value as at the Balance Sheet date being the lowest of the last quoted closing price of the stock exchanges where the securities are listed. Unrealized gain/losses due to change in fair value of listed securities is credited/debited to 'Fair Value Change Account'.

Unlisted Securities are stated at cost. The realized gain or loss on the listed and actively traded securities and mutual funds is the difference between the sale consideration and the carrying cost as on the date of sale, determined on a first in first out basis and includes the accumulated changes in the fair value previously taken to the fair value change account, in respect of the particular security; such loss or gain is transferred to Revenue account or/and Profit and Loss Account as applicable on the trade date.

The Company, at each balance sheet date, assesses investments for any impairment and necessary provisions are made for the same where required.

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Investments in units of Mutual funds are valued at Net Asset Value (NAV) as at Balance Sheet date. Unrealized gains/losses are credited/debited to the 'Fair Value Change Account'.

Investments maturing within twelve months from the balance sheet date and investments made with specific intention to dispose off within twelve months are classified as Short Term Investments. Other Investments are classified as Long Term Investments.

Investment Impairment Policy

The Company assesses at each balance sheet date whether any impairment has occurred in respect of investment in equity, Investment property, units of mutual fund and bonds. The impairment loss if any, is recognized in the profit and loss account and the carrying value of such investment is reduced to its recoverable value. If on the assessment at the balance sheet date a previously impaired loss no longer exists, then such loss is reversed to the Profit and Loss Account and the investment is restated to that extent.

(i) Fair Value Change Account

'Fair Value Change Account' represents unrealized gains or losses due to change in fair value of traded securities and mutual fund units outstanding at the close of the year. The balance in the account is considered as a component of policyholder's fund and shareholder's funds respectively basis on mutual fund mapped and not available for distribution as dividend. As per the IRDAI circular dated January 12, 2017 fair value changes has been bifurcated between shareholder and policyholder.

(j) Fixed Assets and Depreciation

Tangible assets and depreciation

Fixed assets are stated at cost of acquisition (including incidental expenses relating to acquisition and installation of assets) and expenses directly attributable to bringing the asset to its working condition for its intended use, less accumulated depreciation and impairment of assets, if any.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and past history of replacement.

Nature of Fixed Assets	Management Estimate of Useful Life in Years	Useful Life as per the limits prescribed in Schedule II of the Companies Act, 2013 in Years
Furniture & Fixture	5	10
Information Technology equipment - End User Devices	3	3
Information Technology equipment - Servers and Networks	4	6
Office Equipments	5	5
Intangibles (including Software)	4	NA
Leasehold Improvements	Lease period	NA

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

Intangibles

Intangible assets comprising software are stated at cost less amortization. Significant expenditure on improvements to software are capitalized when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent expenditures are amortized over the remaining useful life of original software. Software expenses are amortized using SLM over a period of four years from the date of being ready to use

Capital work in progress

Assets not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and related incidental expenses.

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 recognized, 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.

(k) 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 income tax is the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance sheet date. Deferred tax assets are recognized only to an extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future tax assets can be realized.

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(I) Employee Benefits

Employees' benefits have been recognized in accordance with the relevant provisions of the Accounting Standard 15.

(i) Short Term Employee Benefits:-

All employee benefits payable within 12 months of rendering the services are classified as short term employee benefits. Benefits such as salaries, bonus and other short term benefits are recognized in the period which the employee rendered the services. All short term employee benefits are accounted on undiscounted basis.

(ii) Long Term Employee Benefits:-

The Company has both defined contribution and defined benefit plan. The plans are financed by the company and in the case of some defined contribution plans, by the company along with the employee.

(a) Defined Contribution Plan

The Company makes monthly contributions to the "Max Financial Services Ltd EPF Trust" which is based on a specified percentage of the covered employees' salary. The fund is administered through trustees and the Company's contribution thereto is charged to Revenue Account or Profit and Loss Account as applicable.

(b) Defined Benefit Plans

- a. The liability in respect of Gratuity is provided for on the basis of an actuarial valuation carried out at the year-end using the Projected Unit Credit Method. Actuarial gain and loss are recognized in full in the Revenue Account or/and Profit and Loss Account as applicable for the year in which they occur. The Company has a recognized Trust for Gratuity benefits, "Max Bupa Health Insurance Ltd Employees' Group Gratuity Fund" to administer the Gratuity funds. The Trust has taken master policy with the Max Life Insurance Company Limited" to cover its liabilities towards employees' Gratuity. The Gratuity obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of the gratuity fund.
- b. The liability in respect of long term accumulating leave encashment is provided for on the basis of actuarial valuation carried out at the yearend for long term compensated absences using Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Revenue Account or/and Profit and Loss Account, as applicable for the year in which they occur. Short term compensated absences are provided for based on estimates. Non-accumulated compensated absences are accounted for as and when availed / encashed.
- c. Deferred compensation, which is a long term employee benefit, is provided for based on the independent actuarial valuation carried out as at the Balance Sheet date and charged to Revenue Account or Profit and Loss Account, as applicable based on services rendered by employees.

(c) Long term incentive plan

Employee benefit in form of long term incentive plan is another long term employee benefit. The cost of providing benefit under his plan are determined on the basis of actuarial valuation at end of each year end using projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

(m) Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognized.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(n) Earnings per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on 'Earnings per Share' issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net Profit and Loss for the year by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net Profit and Loss for the year by the weighted average number of equity shares outstanding during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

(o) Leases

Lease of assets/software under which all the risks and benefits of ownership are effectively retained by the lessor is classified as Operating Leases. Operating Lease rentals including escalation are recognized in the Revenue account or/and Profit and Loss account, as the case may be, on a straight line basis over the period of the lease.

(p) Foreign Currency Transactions

Initial recognition: Foreign currency transactions are recorded in Indian Rupees, by applying to the foreign currency amount the exchange rate between the Indian Rupee and the foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences: Exchange differences are recognized as income or as expenses in the period in which they arise.

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(q) Allocation of Operating Expenses

The Company has Board approved policy for allocation and apportionment of expenses of management amongst various business segments as required by IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016. The expenses are segregated between those which can be directly attributed to a particular business segment and those which cannot be so attributed. Operating expenses which are directly attributable to a particular business segment and identifiable as such are allocated directly to that segment. In accordance with the Board Approved policy Operating expenses which are not directly identifiable to any business segment, are allocated in the proportionate of gross written premium, claim incurred and number of lives enrolled, depending on the nature and type of expenses there has to be allocated.

For Operating Expenses (Schedule 4), expense allocation in Health and PA have been done basis on gross written premium.

(r) Rationale of Expenses allocation between Revenue Account and Profit & Loss Account

Expenses pertaining to Policyholders have been shown in Revenue Account as per the limit prescribed in Expenses of Management Regulations 2016 and excess over the limit has been debited in the Profit & Loss Account.

(s) GST

GST collected is considered as a liability against which GST paid for eligible inputs services or goods, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized credits, if any, are carried forward for adjustment in subsequent periods. GST paid for eligible input services not recoverable by way of credits are recognized in the Revenue account as expense.

(t) Receipts and Payments Account

- (i) Receipts and Payments Account is prepared and reported as per AS-3 Cash flow statements 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 IRDA.
- (ii) Cash and cash equivalents for the purpose of Statement of Receipts and Payments include cash and cheques in hand, deposits with banks, bank balances, liquid mutual funds and other short term investments with original maturity of three months or less which are subject to insignificant risk of changes in value.
- (iii) The components of Cash and Cash Equivalents are presented with reconciliation of the amounts in its Cash Flow Statement with the equivalent items reported in the Balance Sheet.

C. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities

Particulars	(Rs. '000)	
	As at 31.03.2020	As at 31.03.2019
Partly Paid up Investments	-	-
Claims, other than those under Policies, not acknowledged as Debts by the Insurer	-	-
Underwriting Commitments Outstanding	-	-
Claims, under policies, not acknowledged as debts*	2,46,574	1,97,821
Guarantees given by or on behalf of the Insurer	-	-
Statutory Demands in Dispute, not provided for	1,23,378	1,61,470
Reinsurance Obligations to the Extent Not provided for in Accounts	-	-
Total	3,69,952	3,59,291

* Includes compensation raised by policyholders against rejected claims

Pending Litigations

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2020.

2. Actuarial Assumptions

The appointed actuary has certified to the Company that actuarial estimates for Premium deficiency reserve and IBNR (including IBNER) are in compliance with the IRDA (Assets , Liabilities and Solvency Margin of General Insurance Business) Regulations 2016 and the guidelines issued by the Institute of Actuaries of India.

Depending upon the Business segment, a suitable actuarial method like Basic Chain Ladder Method, Bornhuetter Ferguson Method, or a mixture of these have been used for IBNR calculations.

The Company's Appointed and Mentor Actuary have determined valuation assumptions in respect of 'Reserve for Unexpired Risk' and 'Claims Incurred But Not Reported' (IBNR) amounting to Rs. 82.92 crore (Previous year Rs. 67 crore) that conform with Regulations issued by the IRDAI and professional guidance notes issued by the Institute of Actuaries of India.

- a. As at March 31, 2020, the Company has made a provision of Rs. 0.50 crore (Previous year Rs.0.50 crore) towards provider reconciliation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.
- b. As at March 31, 2020, the Company has made a provision of Rs. 29.04 crore (Previous year Rs. 24.35 crore) towards litigation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.
- c. Further a provision of Rs. 3.11 crore has been made as deferred occurrence reserve for the expected deferment of hospitalizations from Mar'20 to a later period due to COVID-19 pandemic outbreak in the country.

3. Encumbrances on Assets

The assets of the Company are free from all encumbrances. The Company has all assets within India.

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4. Estimated Amount of Commitments made and Outstanding for:

(Rs. '000)

Particulars	As at 31.03.2020	As at 31.03.2019
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	98,347	1,09,233

5. Claims, less Reinsurance paid to Claimants are as under*:

(Rs. '000)

Class of Business	In India		Outside India	
	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Health	39,61,660	28,89,361	-	-
Personal Accident	38,034	11,020	-	-
Total	39,99,694	29,00,381	-	-

*Excluding claim handling expense

6. Age-wise Breakup of Claims Outstanding*:

(Rs. '000)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Health	11,563	15,042	2,01,478	2,02,379
Personal Accident	-	-	4,413	16,659
Total	11,563	15,042	2,05,891	2,19,338

*Excluding IBNR provision.

7. There are no claims settled and remaining unpaid for a period of more than six months.

8. Number of Claims intimated, disposed of and pending:

Particulars	As at 31.03.2020			As at 31.03.2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Claims pending at the beginning	1,983	19	2,002	1,980	5	1,985
Claims intimated	1,45,353	358	1,45,711	91,912	277	92,189
Claims paid	1,32,750	59	1,32,809	79,010	21	79,031
Claims rejected	13,504	308	13,812	12,899	242	13,141
Claims pending at the closing	1,082	10	1,092	1,983	19	2,002

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Ageing of Pending Claims

Particulars	As at 31.03.2020			As at 31.03.2019		
	Health	Personal Accident	Total	Health	Personal Accident	Total
30 days	1,041	9	1050	1,426	12	1,438
30 days to 6 Months	39	1	40	531	7	538
6 months to 1 year	2	-	2	26	-	26
1 year to 5 years	-	-	-	-	-	-
5 years and above	-	-	-	-	-	-
Total	1,082	10	1,092	1,983	19	2,002

9. Premium less Reinsurance Written During the Year:
(Rs. '000)

Class of Business	In India		Outside India	
	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
Health	90,03,993	70,49,128	-	-
Personal Accident	5,32,837	2,64,851	-	-
Total	95,36,830	73,13,979	-	-

10. Extent of Risk Retained and Reinsured:

Extent of risk retained and reinsured with respect to gross written premium is set out below:

Class of Business	Gross Premium	Year Ended 31.03.2020 (Rs. '000)			
		Risk Retained		Risk Reinsured	
		Amount	% age	Amount	% age
Health	1,17,90,427	90,03,993	76.37%	27,86,434	23.63%
Personal Accident	6,38,442	5,32,837	83.46%	1,05,605	16.54%

Class of Business	Gross Premium	Year Ended 31.03.2019 (Rs. '000)			
		Risk Retained		Risk Reinsured	
		Amount	% age	Amount	% age
Health	91,44,909	70,49,128	77.08%	20,95,781	22.92%
Personal Accident	3,25,248	2,64,851	82.21%	60,397	17.79%

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11. As per IRDAI Master Circular on unclaimed amount of policyholders dated 25th July 2017-**Form A: Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders as on March 31, 2020***(Rs. in Lakhs)*

Particulars	Total Amount	Age-wise Analysis (in months)						
		0-6	7-12	13-18	19-24	25-30	31-36	36-120
Claims settled but not paid to the policyholders / beneficiaries due to any reasons except under litigation from the policyholders / beneficiaries.	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sum due to the policyholders / beneficiaries on maturity or otherwise	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Any Excess collection of the premium / tax or any other charges which is refundable to the policyholders / beneficiaries 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	8.84 (0.87)	8.84 (-)	- (0.87)	- (-)	- (-)	- (-)	- (-)	- (-)
Cheques issued but not encashed by the policyholder/ beneficiaries	126.33 (106.43)	15.95 (3.45)*	8.28 (0.79)*	1.55 (10.10)*	0.64 (5.68)*	9.65 (1.30)*	5.46 (3.19)*	84.80 (81.92)*

Figures in brackets are for previous year,

* These are stale cheques disclosed in 'Unclaimed amount of policyholders/insured' in Schedule-13.

Form C- Details of Unclaimed Amount with Investment Income*(Rs. in Lakhs)*

Particulars	Financial Year 2019-20	Financial Year 2018-19
Opening Balance	130.81	155.83
Add: Amount transferred to unclaimed amount	47.12	38.92
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (only stale cheques)	-	-
Add: Investment Income on unclaimed fund	12.74	13.15
Less: Amount of claims paid during the year	20.22	77.09
Less: Amount transferred to SCWF(net of claims paid in respect of amount transferred earlier)	-	-
Closing Balance of Unclaimed Amount*	170.45	130.81

*Separate Fixed Deposits has been earmarked for payment of unclaimed amount of policyholder disclosed under head Schedule 12- Advances and Other Assets. This amount includes Interest on unclaimed amount of Policyholders amounting to Rs. 35.28 Lakhs (previous year Rs.23.50 Lakhs).

12. Premium Deficiency Reserve

The Appointed and Mentor Actuary has reviewed the Unearned premium reserve (UPR) posted in the Financial statements against the estimated liability of the Company under unexpired obligations (including claim, claim related expenses and unexpired loyalty points) towards policyholders (URR) for all business segments. The UPR provided in the financials is sufficient to cover the URR at company level thus; no premium deficiency reserve has been created.

13. Investments

- a. There are no contracts outstanding in relation to Purchases where deliveries are pending and Sales where payments are overdue respectively. The Company does not have any investment in Real Estate as at March 31, 2020 or March 31, 2019.
- b. All investments are made in accordance with Insurance Act, 1938 and IRDAI (Investment) Regulations, 2016.
 1. Commercial papers issued by ILFS Ltd aggregating to Rs. 3,00,000 Thousand that remained unpaid as on 31st Mar'2020. In accordance with IRDAI regulations, the Company has made a full provision of Rs. 3,00,000 Thousand (Rs. 2,25,000 Thousand made in the year ended Mar'20) and presented as "Other Receivables".
 2. Bonds issued by DHFCL aggregating to Rs. 2,50,000 Thousand due on 09th Sep'2019 remained unpaid as on 31st Mar'2020. In accordance with IRDAI regulations, interest accrued has been reversed and a provision of Rs. 1,25,000 Thousand has been made in the year ended Mar'20 on the principal amount of bonds and presented as "Other Receivables".
 3. Bonds of Reliance Capital (exposure of Rs. 1,00,000 Thousand) were also downgraded to D and while the interest on these bonds was paid on due date, they form part of "Other than Approved Investments" on account of rating downgrade. Considering the concept of prudence, Provision of Rs. 25,000 Thousand (25%) was made on the corporate bond of Reliance Capital Ltd.
 4. Bonds issued by IFIN aggregating to Rs. 3,00,000 Thousand, where interest due on 6th Dec'2018 remained unpaid as on 31st Mar'2020. In accordance with IRDAI regulations, interest accrued has been reversed and a provision of Rs. 2,00,000 Thousand (100% on unsecured component of Rs 1,00,000 Thousand and 50% on secured exposure of Rs 2,00,000 Thousand) has been made on the principal amount of bonds.

14. Managerial Remuneration

The details of remuneration of Key Management Persons as per guidelines issued by IRDAI vide Ref. no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016 and as per the terms of appointment of Company are as under:

a) The details of remuneration of MD & CEO as per the terms of appointment are as under:

Particulars	(Rs. '000)	
	Year ended 31.03.2020	Year ended 31.03.2019
Salaries & Allowances	1,07,237	48,136
Contribution to Provident and other funds	1,633	1,512
Perquisites	510	418
Total	1,09,379	50,066

Out of the above Rs. 15,000 thousand (previous year Rs. 15,000 thousand) remuneration for Managing Director has been charged to Revenue Accounts and balance has been transferred to Profit and Loss account. Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information.

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b) The details of remuneration of Key Managerial persons other than MD and CEO as per the terms of appointment are as under:

(Rs. '000)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Salaries & Allowances	1,72,793	1,59,352
Contribution to Provident and other funds	5,496	5,608
Perquisites	644	668
Total	1,78,933	1,65,628

Expenses towards gratuity, leave encashment provision and Short Term and Long Term Incentive Plan are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information. Amount towards such payments are disclosed as and when payments are made.

15. Expenditure in Foreign Currency*(Rs. '000)*

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Software License Fees	39,534	43,178
Software AMC	-	5,160
Travelling	1,153	871
Director Sitting Fees	2,000	1,600
Membership and Subscription	-	1,878
Reinsurance Premium	-	117
Project Participation Fee	119	-
Awards Nomination	-	289
Total	42,807	53,093

16. Operating Lease Commitments

The Company has taken on lease office premises under various agreements with various expiration dates extending up to nine years. Lease payments made under operating lease agreements have been fully recognized in the books of accounts. The lease rental charged under operating leases during the current year and maximum obligation on such leases at the balance sheet date are as follows:

(Rs. '000)

Particulars	As at 31.03.2020	As at 31.03.2019
Payable not later than one year	1,03,259	1,16,308
Payable later than one year and not later than five years	2,28,589	3,04,626
Payable later than five years	77,904	51,031
Total	4,09,752	4,71,965

Aggregate lease rentals charged to Revenue Accounts is Rs. 1,24,215 thousand (previous year Rs. 95,977 thousand) and there are no sub leases.

17. Foreign Currency Exposures

Foreign currency exposures which are not hedged as at the Balance Sheet date are:

(Rs. '000)

Particulars	As at 31.03.2020	As at 31.03.2019
Payable in USD	-	-
Payable in GBP	501	748

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18. Related Parties & Transactions:

(i) As per the Accounting Standard (AS) 18 on 'Related Party Disclosures', the related parties of the Company are as follows:

SN	Description of Relationship	Name of Party
(a)	Ultimate Holding Company	True North fund VI LLP (w.e.f. 17 th December 2019)
(b)	Holding Company	Fettle Tone LLP (w.e.f. 17 th December 2019)
		Max India Ltd (Till 16 th December 2019)
(c)	Fellow Subsidiaries	Antara Senior Living Limited (Till 16 th December 2019)
		Antara Gurgaon Senior Living Limited (Till 16 th December 2019)
		Antara Purukul Senior Living Limited(Till 16 th December 2019)
		Max Ateev Limited(Till 16 th December 2019)
		Max UK Limited, UK(Till 16 th December 2019)
		Max Skill First Limited(Till 16 th December 2019)
		Max One Distribution and Services Limited(Till 16 th December 2019)
		Pharmax Corporation Limited (Till 16 th December 2019)
(d)	Significant Influence	Bupa Singapore Holdings Pte Limited
(e)	Key Management Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director and CEO Mr. Rahul Ahuja , CFO Mr. Rajat Sharma, CS

(ii) Details of transaction with related parties for the year ended March 31, 2020 are given below:

(Rs. '000)

SN	Transactions	Name of the Related Party	Description	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Legal & Professional Charges	Max India Limited	Holding company	35,400*	1,18,000
2	Training Expenses	Max Skill First Limited ^{###}	Fellow Subsidiaries	55,832*	61,823
3	Employee's Remuneration	Mr. Ashish Mehrotra, MD & CEO	Key Management Personnel	1,09,379	50,065
4	Employee's Remuneration	Mr. Rahul Ahuja , CFO & Mr. Rajat Sharma, CS	Key Management Personnel	34,685	36,391
5	Issuance of Share capital	Max India Limited	Holding company	6,68,100*	2,80,500
6	Issuance of Share capital	Bupa Singapore Holdings Pte Limited	Investing Party	7,04,083	2,69,500
7	Issuance of Share capital	Fettle Tone LLP	Holding company	77,817	-
8	Premium received and policy issued	Max India Limited	Holding company	2,178*	2,459
9	Premium received and policy issued	Antara Purukul Senior Living Limited ^{###}	Fellow Subsidiaries	699*	5,28
10	Premium received and policy issued	Antara Senior Living Limited ^{###}	Fellow Subsidiaries	1,001*	1,927

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(iii) Details of outstanding balances with related parties as at ended March 31, 2020 are given below:

(Rs. '000)

SN	Outstanding Balances	Name of the Related Party	Description	As at 31.03.2020	As at 31.03.2019
1	Payables	Max India Limited	Holding company	-	1,08,000
2	Advance received against premium	Max India Limited	Holding company	249**	59
3	Advance received against premium	Antara Purukul Senior Living Limited ^{###}	Fellow Subsidiaries	139**	53
4	Advance received against premium	Antara Senior Living Limited ^{###}	Fellow Subsidiaries	50**	20
5	Other Receivables	Max Skill First Limited ^{###}	Fellow Subsidiaries	-	750
6	Equity Share Capital	Max India Limited	Holding company	-	50,03,100
7	Equity Share Capital	Bupa Singapore Holdings Pte Limited	Investing Party	5,001,289	48,06,900
8	Equity Share Capital	Fettle Tone LLP	Holding company	6,258,711	-

Notes

- IRDAI has granted approval for transfer of the Company's share held by Max India and Bupa Singapore Pte Ltd to Fettle Tone LLP. Consequently, 51% of equity shares held by Max India Ltd were transferred to Fettle Tone LLP on 16 December 2019 and 4.58% of Equity shares held by Bupa Singapore Pte Ltd held on 18 December 2019 were transferred to Fettle Tone LLP.
- *Transactions till 16 December 2019
- ^{###}Fellow Subsidiary through earlier holding company Max India Ltd
- **Balances as per books of accounts as on 31st March 2020 for the transaction upto 16th December 2019

19. Segment Information**a) Business Segments**

The Company's primary reportable segments are identified in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002. Segment revenue and segment results have been incorporated in the financial statements.

(Rs. '000')

Year ended 31.03.2020				
Particulars	Health	Personal Accident	Unallocated	Total
Segmental Revenue	80,24,304	3,86,387	4,11,360	88,22,051
Segmental Result	(7,84,648)	71,316	18,84,910	11,71,579
Segmental Liabilities	65,48,258	3,93,653	19,71,982	89,13,893
Segmental Assets	3,51,628	8,575	1,20,12,918	1,23,73,121

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(Rs. '000')

Year ended 31.03.2019				
Particulars	Health	Personal Accident	Unallocated	Total
Segmental Revenue	64,22,923	1,71,865	3,37,119	69,31,908
Segmental Result	(7,92,361)	(52,503)	17,02,118	8,57,254
Segmental Liabilities	50,46,699	2,35,297	20,87,993	73,69,988
Segmental Assets	5,36,603	4,763	89,21,756	99,94,961

b) Geographical Segment

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

20. Employee Benefits**A. Defined Contribution Plans – Provident and Pension Fund**

During the year the Company has recognized the following amounts in the Revenue and/or Profit and Loss Account:

Provident Fund	(Rs. '000)	
	Year Ended 31.03.2020	Year Ended 31.03.2019
Employers Contribution to Provident and Pension Fund	88,383	57,118

B. Defined Benefit Plans – Gratuity

The gratuity liability arises on retirement, withdrawal, resignation or death of an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per the projected unit credit method. The Gratuity plan has been funded through a policy taken from Max Life Insurance Company Limited. Disclosure as per AS-15 (Revised) on 'Employee Benefits' is as under:

i. Assumptions Used:

Particulars	As at 31.03.2020	As at 31.03.2019
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Interest/Discount Rate (Per Annum)	5.55% p.a.	6.75% p.a.
Rate of increase in compensation	7.00% p.a.	7.00% p.a.
Withdrawal rate:	40% for frontline staff and 20% for other staff	40% for frontline staff and 20% for other staff

ii. Changes in Present value of benefit obligation during the year:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Present value of obligations at the beginning of the year	59,347	46,664
Current Service Cost	12,909	10,315
Interest cost	3,774	3,007
Benefits Paid	(6,868)	(6,800)

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Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Actuarial loss/(gain) on obligation	9,154	6,000
Benefits paid directly by the enterprise	-	161
Present value of obligations at end of year	78,315	59,347

iii. Change in Fair Value of Plan Assets during the year:

Particulars	(Rs. '000)	
	Year Ended 31.03.2020	Year Ended 31.03.2019
Fair Value of Plan Assets at beginning of year	43,025	34,552
Contributions	14,671	12,111
Expected Return on Plan Assets	3,168	2,586
Actuarial gain/(loss) on obligation	(325)	414
Benefits Paid	(6,868)	(6,800)
Benefits paid directly by the enterprise	-	161
Fair Value of Plan Assets at end of year	53,670	43,025

iv. Amounts recognized in Revenue or/and Profit & Loss Account:

Particulars	(Rs. '000)	
	Year Ended 31.03.2020	Year Ended 31.03.2019
Current Service Cost	12,909	10,315
Interest Cost	3,774	3,007
Expected Return on Plan Assets	(3,168)	(2,586)
Actuarial (Gain)/loss on obligation	9,479	5,586
Amount recognized in Revenue or/and Profit & Loss Account	22,994	16,322

v. Amounts recognized in Balance Sheet:

Particulars	(Rs. '000)	
	Year Ended 31.03.2020	Year Ended 31.03.2019
Present value of obligations at end of Year	78,315	59,347
Fair Value of Plan Assets at end of Year	53,670	43,024
Funded Status (Deficit)/Surplus	24,645	16,322
Net Asset/(Liability) recognized in the balance sheet	24,645	16,322

vi. Balance Sheet Reconciliation:

Particulars	(Rs. '000)	
	Year Ended 31.03.2020	Year Ended 31.03.2019
Opening Net Liability/(Asset)	16,322	12,112
Expenses recognized in Profit & Loss Account	22,994	16,322
Contribution Paid	(14,671)	(12,112)
Acquisition/Business Combination/Divestiture	-	-
Closing Net Liability/(Asset)	24,645	16,322

The Gratuity Fund is managed by Max Life Insurance Company Limited and it has been invested in Linked Group Gratuity- Balanced fund and Linked Group Gratuity-Conservative fund.

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C. Compensated Absences:

The Company has recognized liability towards cost of accumulating compensated absences. Disclosure as per AS-15 (Revised) on 'Employee Benefits' is as under:

i. Assumptions Used:

Particulars	As at 31.03.2020	As at 31.03.2019
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Interest/Discount Rate (Per Annum)	5.55% p.a.	6.75% p.a.
Rate of increase in compensation	7.00% p.a.	7.00% p.a.
Withdrawal rate:	40% for frontline staff and 20% for other staff	40% for frontline staff and 20% for other staff

ii. Changes in Present value of benefit obligation during the year:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Defined Benefit Obligation, Beginning of year	31,695	24,629
Current Service Cost	1,09,43	8,079
Interest Cost	1,839	1,493
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	9,408	3,779
Acquisition/Business Combination/Divestiture	-	-
Actual Benefits Paid	(8,890)	(6,286)
Past Service Cost	-	-
Changes in Foreign Currency Exchange Rates	-	-
Loss / (Gains) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Defined Benefit Obligation at end of year	44,996	31,695

iii. Change in Fair Value of Plan Assets during the year:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Fair Value of Plan Assets at beginning of year	-	-
Expected Return on Plan Assets	-	-
Actual Enterprise's Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Benefits Paid	-	-
Actuarial Gains/(Losses)	-	-
Acquisition/Business Combination/Divestiture	-	-
Changes in Foreign Currency Exchange Rates	-	-
Liabilities Extinguished on Settlements	-	-
Fair Value of Plan Assets at end of year	-	-

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iv. Amounts recognized in Revenue or/and Profit & Loss Account:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Current Service Cost	109,43	8,079
Interest Cost	1,839	1,493
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/loss	9,408	3,779
Amount recognized in Revenue or/and Profit & Loss Account	22,191	13,352

v. Amounts recognized in Balance Sheet:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Defined benefit obligations (DBO)	44,996	31,695
Fair Value of Plan Assets at end of Year	-	-
Funded Status (Deficit)/Surplus	44,996	31,695
Unrecognized Past Service Cost / (Credit)	-	-
Unrecognised Asset due to Limit in Para 59(B)	-	-
Net Asset/(Liability) recognized in the balance sheet	44,996	31,695

vi. Balance Sheet Reconciliation:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Opening Net Liability/(Asset)	31,695	24,629
Expenses recognized in Revenue or/and Profit & Loss Account	22,191	13,352
Actual Benefits Paid	(8,890)	(6,286)
Acquisition/Business Combination/Divestiture	-	-
Closing Net Liability/(Asset)	44,996	31,695

D. Sick Leave

The Company has recognized liability towards cost of accumulating sick leave. The Company has initiated recognition of actuarial liability towards sick leave from current financial year onwards. Disclosure as per AS-15 (Revised) on 'Employee Benefits' is as under:

i. Assumptions Used:

Particulars	As at 31.03.2020	As at 31.03.2019
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Interest/Discount Rate (Per Annum)	5.55% p.a.	6.75% p.a.
Rate of increase in compensation	7.00% p.a.	7.00% p.a.
Withdrawal rate:	40% for frontline staff and 20% for other staff	40% for frontline staff and 20% for other staff

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ii. Changes in Present value of benefit obligation during the year:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Defined Benefit Obligation, Beginning of year	4,055	-
Current Service Cost	1,323	4,055
Interest Cost	2,74	-
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	1,55	-
Acquisition/Business Combination/Divestiture	-	-
Actual Benefits Paid	-	-
Past Service Cost	-	-
Changes in Foreign Currency Exchange Rates	-	-
Loss / (Gains) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Defined Benefit Obligation at end of year	5,807	4,055

iii. Change in Fair Value of Plan Assets during the year:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Fair Value of Plan Assets at beginning of year	-	-
Expected Return on Plan Assets	-	-
Actual Enterprise's Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Benefits Paid	-	-
Actuarial Gains/(Losses)	-	-
Acquisition/Business Combination/Divestiture	-	-
Changes in Foreign Currency Exchange Rates	-	-
Liabilities Extinguished on Settlements	-	-
Fair Value of Plan Assets at end of year	-	-

iv. Amounts recognized in Revenue or/and Profit & Loss Account:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Current Service Cost	1,323	4,055
Interest Cost	2,74	-
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/loss	1,55	-
Amount recognized in Revenue or/and Profit & Loss Account	1,752	4,055

v. Amounts recognized in Balance Sheet:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Defined benefit obligations (DBO)	5,807	4,055
Fair Value of Plan Assets at end of Year	-	-
Funded Status (Deficit)/Surplus	5,807	4,055
Unrecognized Past Service Cost / (Credit)	-	-
Unrecognised Asset due to Limit in Para 59(B)	-	-
Net Asset/(Liability) recognized in the balance sheet	5,807	4,055

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vi. Balance Sheet Reconciliation:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Opening Net Liability/(Asset)	4,055	-
Expenses recognized in Revenue or/and Profit & Loss Account	1,751	4,055
Actual Benefits Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Closing Net Liability/(Asset)	5,807	4,055

E. Long term Incentive Benefits

The Company has schemes for Long Term Performance incentive plan & Guaranteed Payout plan. The Company has determined the liability on the basis of Actuarial valuation as under:

Assumptions Used:

Particulars	As at 31.03.2020	As at 31.03.2019
Discount Rate	4.95%	6.55%
Individual Performance	G2: 30%, G3: 70%	G2: 30%, G3: 70%
Salary Escalation Rate	N/A	N/A
Employee Turnover Rate	10%	10%
Mortality Rates	Indian Assured Lives Mortality (2012-14) U1t.	Indian Assured Lives Mortality (2006-08) U1t.

Amounts recognized in Balance Sheet:

(Rs. '000)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Defined benefit obligations (DBO)	1,61,278	1,83,830
Fair Value of Plan Assets at end of Year	-	-
Net Asset/(Liability) recognized in the balance sheet	1,61,278	1,83,830

21. Earnings Per Share

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

	Particulars	Units	Year ended 31.03.2020	Year ended 31.03.2019
a.	Profit/(loss) available to equity shareholder's	Rs in '000s	(6,15,520)	(4,83,868)
b.	Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	1,064,866	9,40,975
c.	Diluted Weighted average of number of equity shares used in computing diluted earnings per share	No. of shares in '000s	1,069,782	9,44,660
d.	Nominal Value per share	in Rs.	10	10
e.	Basic earnings per share (a/b)	in Rs	(0.58)	(0.51)
f.	Diluted earnings per share (a/c)	in Rs	(0.58)	(0.51)

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22. Disclosures on other work given to Auditor's

As per the Corporate Governance Guidelines issued by IRDAI on May 18, 2016 the services of the statutory auditors are disclosed below:

(Rs. '000)			
Name of the Auditor	Services Rendered	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Nangia & Co. LLP	Tax Audit fees	200	200
	Certification Fees	1,550	275
	Taxation matters	1,225	150
M.P. Chitale & Co.	Certification Fees	250	650

23. In pursuant to Circular 067 dated 28th March, 2008 issued by IRDAI, following operating expenses are separately disclosed:

(Rs '000)		
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Outsourcing Expenses*	14,78,081**	13,40,713**
Marketing Support	7,54,324	6,65,644
Business Development	2,637	4,733

*Outsourcing expenses have been calculated basis on the Outsourcing guidelines issued by IRDAI.

** Outsourcing expenses is inclusive of GST

24. Expenses of Management

The Company had filed an application with IRDA on 15th Oct'2018 for forbearance for exceeding the Expenses of Management (EOM) over the allowable limit up to FY 2024-25 along with a convergence plan. An approval for forbearance has been received for the FY 2019-20 to FY 2021-22 and in accordance with Expense of Management Regulations 2016, a sum of Rs.14,73,550 thousand which is in the excess of expenses of management over the allowable limit has been transferred from Revenue Account to Profit and Loss account. Expenses incurred by The Company in Financial Year 2019-20 are broadly in line with the convergence plan submitted to IRDAI.

25. Sector Wise Business

Disclosure as per Schedule B Part II Point c (3) of the Insurance Regulatory and Development Authority of India (preparation of financial statements and auditor's report of insurance companies) regulations, 2002.

The total Gross Written Premium for the financial year is Rs.1,24,28,869 thousands (Previous year Rs. 94,70,157 thousands), out of which the bifurcation of Rural and social sector business is as under:

Business Sector	Year ended 31.03.2020			Year ended 31.03.2019		
	GDPI (Rs.'000s)	No of Policy	% of Policy	GDPI (Rs.'000s)	No of Policy	% of Policy
Rural	7,46,675	89,285	9.87%	5,53,262	35,150	9.06%
Social	1,159	2	0.00%	1,631	7	0.00%
Total	12,428,869	905,066	100%	94,70,157	3,88,129	100%

The above is compiled on basis of numbers reported to IRDAI.

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Social Sector	Year ended 31.03.2020	Year ended 31.03.2019
Number of lives	1,30,993	1,28,888

Disclosure as per Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 is as under:

Rural Sector

Financial Year	Gross Premium for the year (Rs.'000s)	Amount of Premium procured in Rural Sector (Rs.'000s)	Rural Sector Premium as % to Column (1)	Required % as per the above Regulations	Compliance with the above Regulations
2019-20	1,24,28,869	7,46,675	6.01%	3.50%	Yes
2018-19	94,70,157	5,17,845*	5.47%	3.50%	Yes

*Does not include RSBY business as mentioned in IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015.

Social Sector

Financial Year	Total Business (lives) in the Preceding Financial Year	Number of Lives covered under Social Sector in the Financial Year 2017-18	Social Sector Lives as % to the Column (1)	Required % as per the above Regulations	Compliance with the above Regulations
2019-20	24,17,606	1,30,993	5.42%	5.00%	Yes
2018-19	27,42,523	1,28,888	4.70%	4.50%	Yes

26. Micro Small and Medium Enterprises

Certain suppliers have confirmed their registration under MSME Act. As on March 31, 2020, there is no Micro, Small and Medium Enterprise to which the Company owes dues, which are outstanding for more than 45 days. In respect of MSME creditors, where there have been delays in payments during the year, no interest is paid/payable as the payment was made within the agreed credit period. 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.

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27. Penal Actions Details by Various Government Authorities

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

SN	Authority	Non-Compliance/ Violation	Amount in Rs. Lakhs		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	- (-)	- (-)	- (-)	- (-)
2	Service Tax & Goods and service Tax Authorities	- (-)	- (-)	- (-)	- (-)
3	Income Tax Authorities	- (-)	1,15,606 (-)	- (-)	- (-)
4	Any Other Tax Authorities	- (-)	- (-)	- (-)	- (-)
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	- (-)	- (-)	- (-)	- (-)
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 2013.	- (-)	- (-)	- (-)	- (-)
7	Penalty awarded by any Court/ tribunal for any matter including claim settlement but excluding Compensation.	- (-)	- (-)	- (-)	- (-)
8	Securities and Exchange Board of India	- (-)	- (-)	- (-)	- (-)
9	Competition Commission of India	- (-)	- (-)	- (-)	- (-)
10	Any other Central/State/local Government/ Statutory Authority	- (-)	0.18 (-)	- (-)	- (-)

Bracket shows numbers related to previous year

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28. Summary of Financial Statements is provided as under:

(Rs in Lakhs)

SN	Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
OPERATING RESULTS						
1	Gross Direct Premiums	1,24,289	94,702	75,447	59,393	47,601
2	Net Premium Income (net of reinsurance)	95,368	73,140	58,774	56,392	45,155
3	Income from policyholder Investments (net)	4,114	3,371	2,995	3,369	2,548
4	Other Income	-	-	-	-	-
5	Total Income	99,482	76,511	61,768	59,761	47,703
6	Commission (Net) including brokerage	4,288	3,085	2,267	5,897	4,480
7	Operating Expenses (net of amount transferred from shareholder account(EOM Impact))	27,210*	22,097*	18,394	15,116	22,123
8	Net incurred claims	45,007	35,564	28,902	28,277	23,402
9	Premium Deficiency	-	-	-	-	-
10	Change in unexpired risk reserve	11,261	7,192	1,188	1,964	5,844
11	Operating Profit/(Loss)	11,716*	8,573*	11,017	8,507	(8,147)
NON OPERATING RESULTS						
12	Total income under shareholder's account (net of expenses)	(17,871)	(13,411)	(8,733)	(8,875)	1,297
13	Profit /(loss) before tax	(6,155)	(4,839)	2,284	(368)	(6,850)
14	Provision for Tax	-	-	-	-	-
15	Profit/(Loss) after tax	(6,155)	(4,839)	2,284	(368)	(6,850)
MISCELLANEOUS						
16	Policyholder's Account:					
	a) Total funds	66,435	48,563	36,573	34,901	NA being General Insurance Company
	b) Total Investments	66,435	48,563	36,573	34,901	
17	Shareholder's Account					
	a) Total funds	40,286	32,994	30,006	27,863	NA being General Insurance Company
	b) Total Investments	40,286	32,994	30,006	27,863	
18	Paid Up Equity Capital	1,12,600	98,100	92,600	92,600	89,800
19	Net Worth	34,590	26,246	25,584	23,300	20,868
20	Total Assets	1,23,731	99,950	82,084	72,596	64,512
21	Yield on total investments	7.77%	7.76%	7.90%	8.20%	8.60%
22	Basic Earnings Per Share (Rs.)**	(0.58)	(0.51)	0.25	(0.04)	(0.82)
	Diluted Earnings Per Share (Rs.)**	(0.58)	(0.51)	0.25	(0.04)	(0.82)
23	Book value per Share (Rs.)	10	10	10	10	10
24	Total Dividend	-	-	-	-	-
25	Dividend Per share (Rs.)	-	-	-	-	-

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*A sum of Rs.14,736 Lakhs (Previous year Rs.13,650 Lakhs) which is in the excess of expenses of management over the allowable limit has been transferred from Revenue Account to Profit and Loss account in accordance with the circular no. IRDAI/Reg./12/124/2016.

**Weighted average number of equity shares for Basic EPS is 10,649 Lakhs (previous year 9,408 Lakhs) and weighted average number of equity shares for Diluted EPS is 10,698 Lakhs (previous year 9,445 Lakhs) is used in computing earnings per share.

29. Accounting Ratios*is provided as under:

Performance Ratios	2019-20	2018-19	2017-18	2016-17	2015-16
Gross Direct Premium Growth Rate (Overall)	31%	26%	27%	25%	28%
Gross Direct Premium Growth Rate (Health)	29%	23%	26%	24%	28%
Gross Direct Premium Growth Rate (Personal Accident)	96%	190%	274%	556%	-24%
Gross Direct Premium to Net Worth Ratio	3.59 times	3.61 times	2.95 times	2.55 times	2.28 times
Growth Rate of Net Worth	32%	3%	10%	12%	23%
Net Retention Ratio (Overall)	77%	77%	78%	95%	95%
Net Retention Ratio (Health)	76%	77%	78%	95%	95%
Net Retention Ratio (Personal Accident)	83%	81%	70%	82%	60%
Net Commission Ratio (Overall)	4%	4%	4%	10%	10%
Net Commission Ratio (Health)	4%	4%	4%	10%	10%
Net Commission Ratio (Personal Accident)	12%	12%	8%	13%	-
Expenses of Management to Gross Direct Premium Ratio	46%	50%	50%	54%	57%
Expenses of Management to Net written Premium Ratio	60%	64%	64%	57%	60%
Net incurred claims to Net earned premium	54%	54%	50%	52%	60%
Combined Ratio	102%	107%	104%	108%	118%
Technical Reserves to Net Premium Ratio	0.61 times	0.62 times	0.60 times	0.59 times	0.69 times
Underwriting Balance Ratios	(0.08) times	(0.13) times	(0.05) times	(0.10) times	(0.27) times
Operating Profit Ratio	14%	13%	19%	16%	-21%
Liquid Assets to Liability Ratio	0.54 times	0.75 times	0.75 times	0.71 times	0.70 times
Net Earnings Ratio	-6%	-7%	4%	-1%	-15%
Return on Net Worth Ratio	-18%	-18%	9%	-2%	-33%
Reinsurance Ratio	23%	23%	22%	5%	5%
Available Solvency margin Ratio to Required Solvency Margin Ratio (times)*	1.77	1.77	2.11	2.01	2.16
NPA Ratio	8.21%	7.33%	NA	NA	NA

*Calculated as per IRDAI Master Circular on Preparation of Financial Statements 2012.

**Required Solvency Margin Ratio (times) is 1.50.

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30. Corporate Social Responsibility

As required under Section 135 of the Companies Act, 2013 and IRDAI Corporate Governance Guidelines 2016, the Board of the Company has appointed "Corporate Social Responsibility Committee" (CSR Committee) which comprises of four members of the Board. The CSR Committee is primarily responsible for formulating and recommending to the Board of Directors from time to time the CSR activities and the amount of expenditure to be incurred on the activities pertaining and monitoring CSR Projects. The Company has formulated Corporate Social Responsibility policy which has been adopted by the CSR Committee. As the Company has registered a negative profit based on the preceding three years' average net profit, the Company has no obligation towards CSR activities spend during FY 2019-2020.

31. Provision for Free Look period

The provision for Free Look period is Rs.1,744 thousand (previous year Rs.1,819 thousand), as certified by the Appointed and Mentor Actuary.

32. Risk Management Architecture –

The Board and other stakeholders of Max Bupa get assurance on risk management processes and its effectiveness from internal audit, risk management, compliance and fraud investigation function. The Company's risk management framework comprises of the following elements:

- Risk Strategy and Appetite (including Risk Policy framework and Governance structure)
- Strategic Risk Assessment (Business Plan)
- Risk Categorization
- Risk Registers
- Risk Control and Assurance
- Risk Reporting
- Risk Management design and effectiveness review

Risk Management roles and responsibilities:

To improve coordination and eliminate duplication, Max Bupa has adopted 'Three Line of Defence' model. The model defines clear set of responsibilities for each group of risk and control professionals.

- a) First Line: Involved in day to day risk management, in accordance with agreed risk policies, appetite and controls, at the operational level. This role is performed by Functional Heads and Process owners.
- b) Second Line: Responsible for risk oversight, risk guidance and risk reporting. This role is performed by Risk Management team, Compliance & Fraud Investigation team.
- c) Third Line: Independent assurance to the Board and Senior Management of the effectiveness of risk management processes. This role is performed by Internal and External Auditors.

A Risk Management team headed by Chief Risk Officer is in place to support for and challenge on the completeness and accuracy of risk identification, measurement, management, monitoring and reporting, and adequacy of, and progress against, mitigation plans.

Risk Appetite Statements:

To help define the level of risk that Max Bupa is willing to take, a set of Risk Appetite Statements have been defined which state in both quantitative and qualitative terms the Max Bupa Board's desired risk profile. The statements are reviewed and approved annually by the Board. The risk appetite statements are aligned with risk strategy and the Business Plan approved by the Board.

Status update against the defined risk appetites are monitored and reported to the Risk Committee on a quarterly basis.

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Strategic Risk Assessment:

Max Bupa identifies the need for explicitly considering risk in the strategic and planning process. For the purpose, a strategic risk assessment process has been documented which will ensure that while developing business plans and/ or implementing major change initiatives, the business should include a "challenge phase", where the business including the risk team consider the impact of planned changes on the existing and future risk profile and the control environment.

Risk Identification and Assessment process:

Max Bupa has categorized risk into six (6) broad Level 1 categories – Strategic risk, Insurance risk, financial risk, Operational risk, Regulatory risk and Reputational risk. Each of such 6 categories is further broken down into 27 Level 2 sub risk categories. These risk categories are observed throughout the risk management journey.

Company has documented functional risk registers to identify and assess inherent risks against such risk categories. Each identified risk is mapped to existing controls to mitigate such risk. After identification of existing (As is) controls, functional heads along with their teams assess the risk based on their impact and likelihood using the laid down parameters. Remediation actions are identified for control gaps, if any.

A consolidated risk register against the defined risk categories is prepared on a quarterly basis to include key risks for the quarter. A Management Risk Committee chaired by the CEO and attended by Senior Leadership Team reviews the risks in their respective domains on a quarterly basis and updates the consolidated register. CRO along with the Risk Management Team overviews and challenges the entire process of risk identification and rating.

Risk Reporting:

Status update on the remedial actions identified against the risks captured in the consolidated risk register is reported to Risk Committee on quarterly basis along with the Key Risk Summary and the Organizational Risk Heat Map.

The company has compiled the data for the purpose of aforesaid disclosure from its risk management framework and policies and has been furnished by the management, which has been relied upon by the auditors.

33. Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under section 11 (3) of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015)

Name of person in-charge	Mr. Ashish Mehrotra
Designation of person in-charge	Managing Director and Chief Executive Officer
Occupation of person in-charge	Service
Directorships held by the person In-charge during the year or at March 31, 2020	Max Bupa Health Insurance Company Limited

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

34. REPO/Reverse repo transactions –

(Rs. '000)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31st March 2020
Securities sold under repo				
Government securities	- (-)	- (-)	- (-)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)
Securities purchased under reverse repo				
Government securities	- (1,87,488)	- (6,02,591)	- (3,21,721)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)

Figures in bracket are for previous year

35. Share Purchase Agreements

- a) Max India Limited, Fettle Tone LLP and Max Bupa Health Insurance Company Limited ('Company') entered into a Share Purchase Agreement dated 20th September, 2019 ('Share Purchase Agreement'). As per the terms of the Share Purchase Agreement, Max India Limited, along with its nominee shareholders, has transferred **56,71,20,000** (Fifty Six crores Seventy One Lakhs Twenty Thousand only) fully paid up equity shares of the Company, aggregating to 51% of the paid up equity share capital of the Company, having face value of Rs. 10/- (Rupees Ten only) each through banking channel, to Fettle Tone LLP and its nominees as on 16th December 2019.
- b) Bupa Singapore Holdings Pte. Ltd., Fettle Tone LLP and the Company had entered into a share purchase agreement on 20th September 2019 ('Share Purchase Agreement'). In accordance with the terms of the Share Purchase Agreement, Bupa Singapore Holdings Pte. Ltd. has transferred 5,09,69,400 (Five crores Nine Lakhs Sixty Nine Thousand and Four Hundred only) fully paid up equity shares of the Company having face value of Rs. 10/- (Rupees Ten only) each through banking channel, to Fettle Tone LLP as on 18th December 2019.

36. Global Pandemic

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, tangible & intangible assets and current & non-current investments. In assessing the recoverability of aforesaid assets, the Company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. A definitive assessment of impact is not possible due to economic uncertainty. However, the Company prima facie evaluated the impact of this pandemic on its business operations and based on such evaluation, the Company believes that there is no significant impact of COVID 19 on the Financial position and performance of the Company. Further, the company is not expecting any significant change in estimates. Adjustments to Actuarial assumptions & recoverable amounts that the company has felt necessary due to the pandemic have been made in the Financial Statements. Other than these adjustments, the company believes that is no significant impact on the Financial Results for the year ended March 31, 2020. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. Actual results could differ from those estimates and may impact future estimates including, but not limited to, Actuarial assumptions, allowance for loan losses, asset impairment charges, cancellation reserves, actuarial losses on our retirement benefit plans and discount rate assumptions.

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

37. Comparative Figures

Previous year figures have been regrouped/reclassified wherever considered necessary to conform to current year's classification:

Previous Year Statement/Schedule number, Line Item & Description	Amount Regrouped (000's)	Current Year Statement/Schedule number, Line Item & Description	Amount Regrouped (000's)	Reason for Change
In Revenue Account- 'Being Expenses of Management over the allowable limit transferred to Profit and Loss Account'	13,65,000	In Revenue Account- 'Contribution from Shareholders Funds towards Excess EOM'	13,65,000	As per IRDA circular "IRDA/F&A/CIR/MISC/081/05/2019" dated 20 th May 2019, presentation of excess EOM has been reclassified.
Schedule 13 Current Liabilities – Sundry Creditors	1,83,830	Schedule 14 Provisions – Others-Provision for Employee Benefits	1,83,830	Provision for Long Term Incentive has been regrouped with Provision for Employee Benefits to align with the nature of this provision
Schedule 14 Provisions- Others For Gratuity For Leave Encashment	16,322 35,750	Schedule 14 Provisions- Others for Employee Benefits	52,072	All the employee related provisions have been consolidated to Employee Benefits to give a better presentation

As per our report of even date

For and on behalf of the Board of Directors

For Nangia & Co. LLP

VIKAS GUPTA
Digitally signed by Vikas Gupta
 DN: cn=Vikas Gupta, o=Nangia & Co. LLP, ou=Member, email=vikas.gupta@nangia.com, c=IN

Vikas Gupta
 Partner
 Membership No:076879
 Place Noida

Max Bupa Health Insurance Company Limited

ASHISH MEHROTRA
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CEO & Managing Director
 Ashish Mehrotra
 DIN: 07277318

SANTHANA M RAJAGOPALAN
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Director
 Rajagopalan Santhanam
 DIN: 00025669

For M P Chitale & Co.
 Chartered Accountants

Murtaza Taher Vajih
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Murtaza Vajih
 Partner

RAJAT SHARMA
Digitally signed by Rajat Sharma
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Company Secretary
 Rajat Sharma
 Membership No. FCS 7069

Date: April 30, 2020

RAHUL AHUJA
Digitally signed by Rahul Ahuja
 DN: cn=Rahul Ahuja, o=Max Bupa Health Insurance Company Limited, ou=Chief Financial Officer, email=rahul.ahuja@maxbupa.com, c=IN

Chief Financial Officer
 Rahul Ahuja

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

MANAGEMENT REPORT

Max Bupa Health Insurance Company Limited ("The Company") was incorporated in India on 5th September, 2008 and received the Certificate of Commencement of Business on 23rd December 2008. The Company was a joint venture between Max India Limited and Bupa Singapore Holding Pte. Singapore. The company got approval from IRDA for transfer the 51% of shareholding of Max India Limited to Fettle Tone LLP on 16th December 2019. Accordantly, now the holding company is Fettle Tone LLP as on balance sheet date.

In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority (IRDAI) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulation) the following Management Report for the year ended March 31, 2020 is submitted:

1. The Company obtained Regulatory approval to undertake Health & Personal Accident Insurance business on 15th Feb 2010 from the Insurance Regulatory and Development Authority of India ("IRDAI") and holds a valid certificate of registration.
2. We certify that all the dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and transfer of shares are in accordance with the statutory and regulatory requirements.
4. The management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. The Company is maintaining the required solvency margins under the Insurance Act, 1938.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realizable or market value under the heading – "Loans", "Investments" (wherever applicable), "Agents Balances", "Outstanding Premiums", "Interest, Dividend and Rents Outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and several items specified under "Other Accounts".
7. The Investment Risk is managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of Investee companies in line with regulatory requirements. The Company has constituted an Investment Committee, which acts as the policy making body for the Investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The Investment Committee periodically discusses the investment strategy, portfolio structures, performance of the portfolio and related issues. The Investment policy is reviewed semi annually in order to align the same with the Company business plans.

8. We confirm that there were no operations of the Company outside India during the year ended March 31, 2020.

9. Ageing analysis of claims outstanding(excluding provision for IBNR / IBNER and claims relating to inward re-insurance) is as under:

Particulars	FY 2019-20*		FY 2018-19		FY 2017-18		FY 2016-17		FY 2015-16	
	No of claims	Amount involved (in Lakhs)	No of claims	Amount involved (in Lakhs)	No of claims	Amount involved (in Lakhs)	No of claims	Amount involved (in Lakhs)	No of claims	Amount involved (in Lakhs)
30 days	1,050	721	3,359	2542	3,484	1,732	2,419	1,475	1,843	1,248
30 days to 6 Months	40	27	538	572	127	220	213	208	284	226
6 months to 1 year	2	1	26	19	2	2	41	48	4	31
1 year to 5 years			-	-	-	-	8	65	1	1
5 years and above			-	-	-	-	-	-	-	-

*Includes only Claim outstanding but does not include Preauth outstanding.

Average claims settlement time during the preceding five years is as under:

Line of Business	FY 2019-20		FY 2018-19		FY 2017-18		FY 2016-17		FY 2015-16	
	No of claims Settled	Average Settlement Time (Days)	No of claims Settled	Average Settlement Time (Days)	No of claims Settled	Average Settlement Time (Days)	No of claims Settled	Average Settlement Time (Days)	No of claims Settled	Average Settlement Time (Days)
Health	1,32,750	10 days	79,010	16 days	70,723	17 Days	57,588	18 Days	47,687	22 Days
Personal Accident	59	20 days	21	13 days	10	11 Days	2	7 Days	9	10 Days

10. As at March 31, 2020, the investments of the Company are mainly in Government Securities, Debt Securities including corporate bonds, Certificate of Deposits & Commercial Papers, Bank Deposits and Mutual Funds. As per the IRDA guidelines, all Debt securities are considered as held to maturity and valued at historical cost subject to amortization of premium/discount. Further, the market value for debt securities as at 31st March, 2020 has been calculated as per guidelines issued by SEBI approved rating agency (CRISIL)

Mutual funds Investments are stated at fair value, being the closing net assets value as at balance sheet date.

Acquisition cost of Debt Securities is Rs. 96,199 lacs (Previous year Rs. 68,982 lacs), amortized value is Rs. 96,036 lacs (Previous year Rs. 69,007 lacs) and market value at Rs. 98,220 lacs (Previous year Rs. 69,034 lacs).

11. Investments are in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000 and subsequent amendments. Investment Portfolio consists of Central and State Government Securities, Infrastructure Bonds (AAA), Housing Sector Bonds (AAA), Corporate Bonds (AAA, AA+, A+, AA- and D), Commercial Papers with A1+/P1+/PR1+ ratings, Certificate of Deposits with A1+ ratings, Liquid Mutual Funds and Deposits with various Scheduled Banks.

12. We also confirm:

- a. That the Financial Statements have been prepared in accordance with generally accepted accounting principles and policies, applicable accounting standards and current practices prevailing in the Insurance Industry and there are no material departures.
- b. That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Operating Profit or Loss and of the Profit or Loss of the Company for the year.
- c. That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 and Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the management has prepared the Financial Statements on a Going concern basis.
- e. Company actual solvency ratio is 1.77 against the required solvency ratio of 1.50.
- f. That there is an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

13. Payments made to 'companies and organizations in which Directors are interested during the financial year' are as under:

a. For the full Financial Year 2019-20

SN	Name of the Director	Entity in which Director is interested	Interested as	Payment made (Rs. Lacs)
1	Mr. Dinesh Kumar Mittal	Bharti Airtel Limited	Director	24.50
		Max Life Insurance Company Limited	Director	239.60
		Max Financial Services Limited	Director	5.10
		Max India Limited	Director	1434.00
2	Mr. Pradeep Pant	Max Life Insurance Company Limited	Additional Director	239.60

b. For the period April 01, 2019 to December 16, 2019

No	Name of the Director	Entity in which director is interested	Interested as	Payment made (Rs. Lacs)#
1	Mr. Rahul Khosla*	Max Life Insurance Company Limited	Chairman	0.00
		Max Healthcare Institute Limited	Chairman	43.50
		Max India Limited	Chairman	0.00
		Indian School of business	Director	0.00
3	Mr. Rajesh Sud**	Max Skill First Limited	Director and Chairman	122.00
3	Ms. Marielle Theron***	Max Life Insurance Company Limited	Non Executive Director	100.30
		Max India Limited	Business Advisor	1434.00
		Max Skill First Limited	Non Executive Director	499.90
		Max Financial Services Limited	Managing Director & Member	5.10
4	Mr. Mohit Talwar***	Max India Limited	Managing Director & Member	1434.00
		Max Healthcare Institute Limited	Director	482.70
		Max Life Insurance Company Limited	Director	100.30

No	Name of the Director	Entity in which director is interested	Interested as	Payment made (Rs. Lacs)#
5	Mr. K. Narasimha Murthy***	Max Healthcare Institute Limited Max Life Insurance Company Limited Max India Limited	Director Director Additional Director	482.70 100.30 1434.00

*Ceases to be Director of the Company w.e.f 26th April 2019

**Ceases to be Director of the Company w.e.f 16th Aug 2019

*** Ceases to be Director of the Company w.e.f 16th Dec 2019

Figures shown are till the date of resignation of the concern Director

**For and on behalf of the Board of Directors
Max Bupa Health Insurance Company Limited**

Digitally signed by
SANTHANAM SANTHANAM
RAJAGOPALA RAJAGOPALAN
Date: 2020.04.30
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Director
Rajagopalan Santhanam
DIN: 00025669

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ASHISH MEHROTRA
Date: 2020.05.01
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CEO & Managing Director
Ashish Mehrotra
DIN – 07277318

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Company Secretary
Rajat Sharma
Membership No.- FCS7069

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RAHUL AHUJA
Date: 2020.04.30
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Chief Financial Officer
Rahul Ahuja

Place: New Delhi
Date: April, 30, 2020