



**ANNUAL REPORT  
FOR THE  
FINANCIAL YEAR 2022-23**

**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**

# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

(Formerly Max Bupa Health Insurance Company Limited)

## DIRECTORS' REPORT

Your Directors are pleased to present the Fifteenth Directors' Report of your Company together with the audited accounts for the financial year ended March 31, 2023.

### 1. BUSINESS HIGHLIGHTS

The highlights for the Financial Year ended March 31, 2023 are as under:

Particulars	(INR in '000)	
	Financial Year 2022-23	Financial Year 2021-22
Gross Written Premium	4,07,30,307	2,80,99,713
Earned Premium (Net)	2,66,27,505	1,75,25,098
Investment Income	19,03,238	12,48,381
Other Income	61,615	71,932
Less: Claims Incurred (Net)	1,43,93,106	1,08,86,260
Less: Commission Paid (Net)	19,08,279	12,04,197
Less: Operating Expenses	1,18,01,915	85,67,344
Less: Other Expenses	3,53,404	1,30,929
Less: Provision for diminution in the value of investments	-	(1,99,774)
Less: Provision for doubtful debts	10,245	2,21,707
<b>Profit/(Loss) before Tax</b>	<b>1,25,409</b>	<b>(19,65,250)</b>
<b>Key Business Parameters</b>		
Solvency Ratio	1.67	1.72
Share Capital (Rs. Crores)	1,510.68	1,408.60
Foreign Direct Investment (Rs. Crores)	670.32	629.31
No. of Employees	7,375	6,039
No. of offices	201	161
No. of Agents	1,45,385	1,03,815
No. of Policies	19,20,037	14,59,934

### 2. INDUSTRY OVERVIEW

During the FY23, the Non-Life Insurance Industry registered INR 2,56,912 Crores GWP and achieved a growth of 16.4% which is more than the growth rate registered in FY22 (11%). The sector's aggregate growth has returned to pre-Covid levels.

Health insurance premiums have been the main driver of the non-life insurance industry since the on-set of the Covid-19 pandemic. The health segment has grown by 23.2% in FY23. The market share of the health segment has increased to 35.3% from 33.4% in FY22. During the period, within various segments in health, the HI Group segment continues to hold the largest share of GWP at 50.5%, followed by Retail segment at 39.1%, Government at 9.4% and overseas medical at 1.1%. Retail health insurance business grew by 15.3% to INR 35,435 crore in FY23 as compared to 16.5% in FY22.

SAHI Companies continues to grow faster than the industry and in FY23, the growth for SAHI Companies was 26.7% as compared to 23.2% for the entire health segment in industry. Also, the share of SAHI Companies increased to 28.1% in FY23 as compared to 27.3% in FY22.

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Health Segment in India in the largest non-life line of business, mainly driven by pandemic-induced increased risk awareness. The health segment has undergone significant change over the last few years, also due to rising healthcare costs and a high share of out-of-pocket spending on health. Health insurance growth will likely remain robust as the factors driving strong growth over the past decade remain in place. Moreover, the heightened risk awareness post COVID-19 will also support growth in the medium-term.

### **3. STATE OF COMPANY'S AFFAIRS**

Your Company posted a Gross Written Premium of INR 4,073 crores for the year thereby registering a 45% growth over previous year. The Company posted underwriting loss of INR 147.58 crores during the year as compared to underwriting loss of INR 313.27 crores during the previous year. The Net Profit for the year was INR 12.54 crores as compared to net loss of INR 196.53 crores in the previous year.

Your Company aims to be the preferred family health insurer for retail customers and offers quality health insurance services through its comprehensive distribution network comprising of Agency, Bancassurance & Alliances (NBFCs and brokers) and Direct & digital channel.

Key highlights of the year are as follows:

- Operationalized 40 new branches in Agency
- On-boarded new Banca partners viz. IDFC First Bank and UP Gramin Bank
- Certified Great Place to Work (GPTW). Recognized amongst Top 30 India's Best Workplaces™ in BFSI 2022

### **4. INVESTMENT PERFORMANCE**

Your Company ensures management of investment assets in accordance with the Asset Liability Management Policy of the Company. The performance of the investments has been commensurate with the risk assumed.

89.94% of the portfolio is invested in highest safety instruments (viz. sovereign, AAA or equivalent instruments and cash or cash equivalents). Your Company's Assets under Management (AUM) stands at INR 3,366.09 crores as on March 31, 2023 against INR 2,401.32 crores at the end of the previous year.

### **5. HEALTH INSURANCE PRODUCTS**

Your Company offers both indemnity and fixed benefit category of products serving retail, affinity/bank groups and government sponsored health insurance programs.

Your Company launched new products in both retail & group segments in FY22. Product 'Senior First' was introduced in the retail segment with a zero co-payment rider, which was received very well in the market. The Company also introduced personal accident plan covering international travel. The Company ventured into its first ever travel segment product with 'Travel Assure'.

In the Group Segment, the Company launched Smart Health, a 360 degree plan with all benefits for hospitalization, Digital OPD, Critical Illness, Accident and much more.

### **6. CORPORATE GOVERNANCE**

Your Company follows high standards of corporate governance and the Directors have embraced this belief and taken various steps to raise the bar of Corporate Governance.

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The Board of your Company as on March 31, 2023 comprises of Five (5) Non-Executive Directors (including two Woman Director), One (1) Executive Director and three (3) Independent Directors.

As per Corporate Governance Guidelines issued by IRDAI, the Chief Executive Officer is designated as Whole-time Director under the Companies Act 2013. The Company has received Deed of Covenant and Declaration from Directors appointed during the year in accordance with the said Corporate Governance Guidelines.

Further, as on March 31, 2023, the Board has the following Committees, functioning in line with IRDAI's Corporate Governance Guidelines and the Companies Act 2013:

- a) Audit Committee
- b) Investment Committee
- c) Risk Committee
- d) Policyholders' Protection Committee
- e) Nomination and Remuneration Committee
- f) Corporate Social Responsibility Committee
- g) Borrowing Committee
- h) Share Allotment & Transfer Committee

The disclosures, as per the IRDAI's Corporate Governance Guidelines, form part of the Directors' Report and are appended as **Annexure - 1**. The details regarding number of meetings of the Board and its Committees along with the attendance of Directors of the Company thereof, as required under Section 134(3)(b) of the Companies Act 2013 also forms part of the aforesaid Annexure - 1.

## 7. BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors is responsible for the approval of the overall corporate strategy and other Board related matters. The Board of Directors of your Company comprises of Nine (9) members as on March 31, 2023.

1. There has been change in the Directors of the Company during the financial year ended March 31, 2023.
2. During the year, Mr. Rajagopalan Santhanam resigned from the position of directorship of the Company w.e.f. November 03, 2022.
3. During the year, Ms. Jolly Abraham Plammoottil (DIN :007108545) appointed as an Additional Director of the Company w.e.f. November 3, 2022.
4. In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company Mr. David Martin Fletcher (DIN- 07004032) and Ms. Penelope Ruth Dudley (DIN- 09025006) being liable to retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, have offered themselves for reappointment.
5. In accordance with the requirements of the Companies Act 2013 and IRDAI's Corporate Governance Guidelines, below are the Committees of the Board as on March 31, 2023:

S. No	Committees	Composition
1.	<b>Audit Committee</b>	Mr. Dinesh Kumar Mittal, Independent Director (Chairman) Ms. Jolly Abraham Plammoottil, Additional Director*

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		Mr. Pradeep Pant, Independent Director Mr. David Fletcher, Non-Executive Director (Observer)
2.	<b>Investment Committee</b>	Mr. Maninder Singh Juneja, Non-Executive Director (Chairman) Ms. Penelope Ruth Dudley, Non-Executive Director Mr. Krishnan Ramachandran, Managing Director & CEO Mr. Vikas Jain, Chief Investment Officer Mr. Vishwanath Mahendra, Chief Financial Officer* Mr. Manish Sen, Appointed Actuary*
3.	<b>Policyholders Protection Committee</b>	Ms. Penelope Ruth Dudley, Non-Executive Director (Chairperson) Mr. Maninder Singh Juneja, Non-Executive Director Mr. Pradeep Pant, Independent Director Mr. Dinesh Kumar Mittal, Independent Director Mr. Krishnan Ramachandran, Managing Director & CEO
4.	<b>Risk Committee</b>	Mr. David Fletcher, Non-Executive Director (Chairman) Mr. Maninder Singh Juneja, Non-Executive Director Ms. Jolly Abraham Plammoottil, Additional Director Mr. Pradeep Pant, Independent Director
5.	<b>Nomination and Remuneration Committee</b>	Mr. Pradeep Pant, Independent Director (Chairman) Mr. C B Bhave, Independent Director Mr. David Fletcher, Non-Executive Director Mr. Divya Sehgal, Non-Executive Director Mr. Maninder Singh Juneja, Non-Executive Director Mr. Dinesh Kumar Mittal, Independent Director
6.	<b>Corporate Social Responsibility Committee</b>	Mr. Dinesh Kumar Mittal, Independent Director (Chairman) Mr. David Fletcher, Non-Executive Director Ms. Jolly Abraham Plammoottil, Additional Director Mr. Krishnan Ramachandran, Managing Director & CEO
7.	<b>Borrowing Committee</b>	Mr. Dinesh Kumar Mittal, Independent Director (Chairman) Mr. David Fletcher, Non-Executive Director Mr. Maninder Singh Juneja, Non-Executive Director Ms. Jolly Abraham Plammoottil, Additional Director Mr. Krishnan Ramachandran, Managing Director & CEO
8.	<b>Share Allotment &amp; Transfer Committee</b>	Mr. David Fletcher, Non-Executive Director (Chairman) Mr. Maninder Singh Juneja, Non-Executive Director Ms. Jolly Abraham Plammoottil, Additional Director Mr. Krishnan Ramachandran, Managing Director & CEO

## Notes:

\* Mr Rajagopalan Santhanam resigned as a member of the Audit Committee, Corporate Social Responsibility Committee, Borrowing Committee, Share Allotment & Transfer Committee and Risk Committee w.e.f. November 03, 2022

\* Ms Jolly Abraham Plammoottil appointed as a member of the Audit Committee, Corporate Social Responsibility Committee, Borrowing Committee, Share Allotment & Transfer Committee and Risk Committee w.e.f. November 03, 2022

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\*Mr. C Anil Kumar resigned as a member of the Investment Committee w.e.f February 9, 2023.

\*Mr. Vishwanath Mahendra appointed as new Chief Financial Officer w.e.f. 10 January,2023.

\*Mr. Manish Sen appointed as new Appointed Actuary w.e.f. January 19, 2023

## **8. KEY MANAGERIAL PERSONNEL(“KMP”) U/S SECTION 203 OF THE COMPANIES ACT, 2013 AND IRDAI’s CORPORATE GOVERNANCE GUIDELINES**

As on 31st March 2023, the following employees were holding the position of Key Managerial Personnels, duly appointed with approval of the Board:-

1. Mr. Krishnan Ramachandran, Managing Director & CEO;
2. Mr. Vishwanath Mahendra, Chief Financial Officer and Interim CRO
3. Mr. Rajat Sharma, Company Secretary;
4. Mr. Partha Banerjee, Director & Head-Legal, Compliance & Regulatory affairs and Chief Compliance Officer;
5. Mr. Manish Sen, Appointed Actuary;\*
6. Mr. Vikas Jain, Chief Investment Officer;

\*Mr. C Anil Kumar resigned from the position of Chief Financial Officer w.e.f 9 January, 2023

\*Mr. Vishwanath Mahendra appointed as new Chief Financial Officer w.e.f.10 January, 2023 and was appointed as Interim Chief Risk Officer w.e.f February 24, 2023

\*Mr. Manish Sen appointed as new Appointed Actuary w.e.f. January 19, 2023

## **9. CHANGE IN NATURE OF BUSINESS OF THE COMPANY**

There was no change in the nature of business of the Company during the year.

## **10. MATERIAL CHANGES AND COMMITMENT, IF ANY**

- a) The Company has filed an application for forbearance for exceeding the Expenses of Management (EOM) over the allowable limit for FY 2022-23 with IRDAI on April 24, 2021 and June 08, 2022. An approval for forbearance is yet to be received for the FY 2022-23. A sum of INR 364.16 crores 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.
- b) During the FY 2022-23, the Company has continued with its additional quota share reinsurance arrangement by ceding 20% of its risk on the indemnity portfolio, other than Employer/Employee scheme(s), to Reinsurer.

## **11. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR ALONG WITH REASONS THEREOF**

Your Company did not have any subsidiaries, joint ventures or associate companies during the year.

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## **12. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the Regulators or Courts or Tribunals that impacted the going concern status of the Company or which can potentially impact the Company's future operations.

## **13. DIVIDEND**

The Directors do not recommend any dividend for the financial year 2022-23.

## **14. CAPITAL**

The authorized share capital of the Company is INR 50,00,00,00,000 (Rupees Five Thousand Crores only)/- divided into 5,00,00,00,000 Equity Shares of INR. 10/- (Rupees Ten only) each. As of March 31, 2023, the paid up equity share capital of your Company was INR 15,106,779,160/- (Rupees One Thousand Five Hundred and Ten Crores Six Seven lakhs Seventy Nine Thousand One Hundred and Sixty only).

## **15. DEBENTURES**

During the year under review, the Company has not issued any debentures. However, in previous financial year the Company has issued unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non-convertible debentures in the nature of subordinated debt for an aggregate sum of INR 250 Crores (Rupees Two Hundred & Fifty Crores Only). The securities are currently listed on the debt platform of the National Stock Exchange of India Limited.

## **16. SOLVENCY**

Your Company regularly monitors its solvency margins, to ensure that it is maintained in line with the requirements of IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016. As on March 31, 2023, the solvency ratio of your Company stood at 167% against required solvency of 150%.

## **17. RESERVES**

Your Company has not transferred any amount to reserves, during the financial year 2022-23.

## **18. PARTICULARS OF DEPOSITS**

Your Company has not accepted any deposits under Section 73 of the Companies Act, 2013.

## **19. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARD (Ind AS) IN INSURANCE SECTOR**

IRDAI vide its letter dated July 14, 2022 advised the insurance companies to set up a cross functional Steering Committee to oversee the implementation of Ind AS. The Company has accordingly set up an Ind AS Steering Committee which meets at regular intervals to oversee the progress on the matter. The Company has had discussions with

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various knowledge partners and technology partners in FY22-23 to understand the implementation of IFRS 17. The Company also sent its key executives for a training program on IFRS 17 organized by the Institute of Actuaries of India.

## 20. POLICY ON ALLOCATION & APPORTIONMENT OF EXPENSES OF MANAGEMENT

As per the Notification issued by IRDAI (Reg./12/124/2016 dated April 27, 2016), no Insurer carrying on Health Insurance Business in India shall spend in any financial year as Expenses of Management, an amount exceeding a certain allowable in relation to the following expenses:

- a) Commission or other remuneration paid to insurance agents and insurance intermediaries in respect of their business transacted in the financial year;
- b) Commission and expenses reimbursed on reinsurance inward; and
- c) Operating expenses.

The expense allowable limit is computed on the basis of percentages to Total Gross Premium Written in India during the financial year in respect of various segments of business. As per the notification, the Insurer shall ensure that their Expenses of Management are within the allowable limit on a segment wise basis. Where the Company exceeds the limits of expenses of management in one or more segments, but is compliant on an overall Company basis, the excess of such Expenses of Management shall be borne by the Shareholders.

Further, as required under the Regulation, the Company has prepared a Policy for the allocation and apportionment of expenses of management amongst the various business segments. The Policy has been approved by the Board and is reviewed periodically.

## 21. RURAL & SOCIAL SECTOR OBLIGATIONS

Disclosure of sector wise business based on Gross Direct Written Premium (GWP) as per the IRDAI (Obligations of Insurers to Rural or Social Sectors) Regulations, 2015 is as under:

Business Sector	Year ended March 31, 2023	
	GWP INR '000s	% of GWP
Rural	45,05,287	16.02%
Social	27,414	0.00%
Urban	3,61,97,606	83.98%

The Company achieved a rural target of 11.06% of GWP against the prescribed obligation of 3.5% of GWP. Under the social sector, the Company covered 3,77,810 lives against the prescribed obligation of 3,28,235 lives thereby fulfilling the social sector obligation.

## 22. JOINT STATUTORY AUDITORS

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (firm registration number - 301003E/E300005), shall retire at the conclusion of the ensuing 15th Annual General Meeting. Re-appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Joint statutory auditors, to hold the office from the conclusion of 15th Annual General Meeting until the conclusion of the 19th Annual General Meeting of the Company, has been proposed to the shareholders for their approval.



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M/s. T.R. Chadha & Co. LLP, Chartered Accountants, Delhi (ICAI FRN - 006711N/N500028), shall retire at the conclusion of the ensuing 15th Annual General Meeting. Re-appointment of M/s. T.R. Chadha & Co. LLP, Chartered Accountants, as Joint statutory auditors, to hold the office from the conclusion of 15th Annual General Meeting until the conclusion of the 17th Annual General Meeting of the Company, has been proposed to the shareholders for their approval.

Based on the recommendation of the Audit Committee, the Board has recommended the appointment of M/s. T.R. Chadha & Co. LLP, Chartered Accountants and M/s. S. R. Batliboi & Co LLP, Chartered Accountants, as Joint Statutory Auditors of your Company.

Your Company has received certificates from M/s T.R. Chadha & Co. LLP and M/s. S. R. Batliboi & Co LLP Chartered Accountants, that their appointment as Auditors, if made, shall be in accordance with the conditions laid down in the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified from appointment under Sections 141& 144 of the Companies Act, 2013, the Insurance Act 1938 and IRDAI's Corporate Governance Guidelines 2016.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

## **23. DIRECTORS' RESPONSIBILITY STATEMENT**

The Board of Directors of your Company confirms that:-

- In the preparation of annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit/loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **24. NUMBER OF CASES FILED AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013)**

Your Company is very sensitive towards any complaints related to sexual harassment and has a well-defined Policy on Prevention of Sexual Harassment against Women at the workplace.

The Company has an Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013. 14 (Fourteen) complaints were reported to POSH Committee/Internal Committee during the Financial Year 2022-23 out of which 9 (Nine) are closed and remaining are under investigation as per the procedure.

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## **25. ANNUAL PERFORMANCE EVALUATION**

As per the requirements of the Companies Act, 2013, formal Annual Performance Evaluation has been carried out for evaluating the performance of the Board, the Committees of the Board and the Individual Directors.

The performance evaluation was carried out by obtaining feedback from all directors through a confidential online survey mechanism. The outcome of this performance evaluation was placed before the Nomination and Remuneration Committee on and further placed before the Board in the meeting held on May 4, 2023.

## **26. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company's internal control system is commensurate with the size and scale of the business operations.

Your Company has developed and strengthened its internal financial controls framework over the years. Your Company strives to create and sustain control conscious culture by creating 'tone at the top' appropriately. The risk and internal controls environment is governed by two specialized committees of the Board i.e. Audit Committee and Risk Committee. There are well defined charters for each Committee making them responsible for institutionalizing and providing oversight to risk assessment and the controls evaluation processes. The Audit Charter and the Risk Management Policy are reviewed annually and a quarterly reporting structure to the respective Committees of the Board is in place. To ensure independence, the Internal Audit department reports to the Chairperson of the Audit Committee of the Board.

Further, a risk based Internal Audit mechanism is in place, wherein various processes and functions are audited on an annual basis. Internal audits are carried out at two levels:

1. Processes are reviewed to ascertain their completeness and the adequacy of controls in mitigating risks (design); and
2. Compliance of documented processes are reviewed (effectiveness).

Further, detailed Standard Operating Procedures (SOPs) are laid down for key processes and vital controls are mapped in the finance manual. A limited review is conducted by the Statutory Auditors on the quarterly financial statements and a detailed annual audit is conducted at the end of each financial year.

A framework for monitoring of internal controls on financial reporting has been documented, including structure for governance around Financial Reporting controls during the year. Risk and Control matrices have been defined for all identified internal controls on financial reporting.

## **27. CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013**

During the period, the Company did not enter into any transaction with the related parties. Reporting of the related party transaction is enclosed herewith in the prescribed format i.e. Form AOC - 2 as **Annexure No - 2**.

Your Company has a Board approved Related Party Transaction Policy and SOP. The requisite disclosure of the Related Party Transaction has been made in the Notes to Accounts of your Company.

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Related Party disclosures as specified in Para A of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the audited financials.

## **28. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

In accordance with Section 186(11)(a) of the Companies Act 2013 together with the clarification issued by Ministry of Corporate Affairs on February 13, 2015, Section 186 does not apply to an Insurance Company. Your Company does not have any loan given, investment made or guarantee given or security provided as required under Section 186 of the Companies Act, 2013 and all other applicable provisions if any.

## **29. THE EXTRACT OF THE ANNUAL RETURN U/S 92 OF THE COMPANIES ACT, 2013**

The extract of the Annual Return as per the requirements of Section 92 of the Companies Act, 2013 is published on the website of the Company i.e. <https://www.nivabupa.com/about-us/nivabupa/index.aspx>.

## **30. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS UNDER SECTION 178 OF THE COMPANIES ACT, 2013**

Your Company has a duly constituted Nomination and Remuneration Committee (NRC) which is a sub-committee of the Board. The NRC has at least 50% of its members as Independent Directors.

Your Company has put in place the relevant framework and a Nomination & Remuneration Policy as required in section 178 of the Companies Act 2013. Any shareholder, interested in obtaining a copy of the Policy, may write to the Company Secretary at the Registered Office of Company, which is also displayed on your Company's website. The Policy is also attached herewith as **Annexure - 3** and also published in the website of the Company i.e. and published in the website of the Company i.e. <https://transaction.nivabupa.com/about-us/aboutuspages/financialreports.aspx>.

## **31. PARTICULARS OF THE ESOP GRANTED BY THE COMPANY DURING THE YEAR MARCH 31, 2023 ARE AS UNDER:**

The aforesaid information can be sought by writing to the Company Secretary of the Company.

## **32. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(6) OF THE COMPANIES ACT, 2013**

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet with the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013. The Independent directors have duly complied with the Code for Independent Directors prescribed in Schedule IV to the Act and other requirements of IRDAI's Corporate Governance Guidelines.

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### **33. STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

No independent Directors were appointed during the year by the Company. The Board is satisfied with the expertise, integrity and experience of the Independent Directors, both individually and collectively.

### **34. CODE OF CONDUCT & WHISTLE BLOWER POLICY**

In order to uphold the highest standards of ethical behavior, your Company has a Code of Conduct which is applicable across the organization.

Your Company also has a Whistle Blower Policy approved by the Board which empowers and provides a channel to employees for communicating any breaches of your Company's Values, Code of Conduct, Anti Money Laundering Policy and other regulatory and statutory requirements. Appropriate disciplinary actions are taken against any violation. During the FY 2022-23, actions against 160 employees were taken by the Company as per Employee Disciplinary Action Plan. 8 complaints were received under the Whistle Blower Policy in the Financial Year 2022-23 which were duly investigated and investigation for all 8 case were closed. All the investigations and proceedings are conducted through Code & Ethics Committee meetings. The Management provides assurance on the effectiveness of the Anti-fraud and Whistle Blower Policy to the Risk Committee/Board through the Code & Ethics Committee.

### **35. CORPORATE SOCIAL RESPONSIBILITY**

The Company has a duly constituted CSR Committee as per the provisions of section 135 of the Companies Act 2013 and IRDAI's Corporate Governance Guidelines. As per the provisions, Mr. Dinesh Kumar Mittal (Independent Director) is Chairman of the CSR Committee. Further, Mr. David Martin Fletcher, Ms. Jolly Abraham and Mr. Krishnan Ramachandran are the members of the Committee. The Committee met once during the year i.e. on May 4, 2022.

The Committee has duly formulated and timely monitors the CSR Policy of the Company. The 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.

Annual Report on Corporate Social Responsibility (CSR) activities is attached herewith as **Annexure 4**.

### **36. ENVIRONMENT SOCIAL & GOVERNANCE (ESG)**

Niva Bupa is committed to conduct its business in a sustainable and responsible manner. We integrated ESG considerations within all our business decisions and key work processes, with the aim of creating long term value by identifying and mitigating future risks and enhancing ESG related opportunities. As a responsible health insurance company, Niva Bupa has shortlisted the following priority areas within its own operations and continuous efforts are made for development of KPIs & targets around these priority areas:

1. **Effective Resource Management (energy, waste and water)** - As a responsible organization, NBHI strives to constantly adopt new methods to optimise waste and energy footprint. We are on our way to achieve zero paper consumption by implementing a three-step process of tracking, reducing, and eliminating paper

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usage. Various Awareness e-mailers are being issued in this direction and monitoring is being done on regular basis

2. **Occupational Health and safety (OHS) programs** - OHS program is developed and implemented to ensure a safe and healthy work environment and workforce. Annual health check-ups were conducted during the year for some employees and various webinars were conducted such as weight management, controlling Blood pressure, Prioritize your Mental Health for employees. Niva Bupa continues to focus on this area on an ongoing basis.
3. **Employment relationships and working conditions** - With regards to Employment relationship, the objective of our policies & processes is to treat all the employees (own and third party) fairly and to respect their dignity, well-being and diversity. Niva Bupa has put in place various programs to uphold the human rights of its employees, our gender diversity ratio is 81:19; we had consciously taken efforts for hiring of specially abled people in last financial year (0.42% hiring was done), other engagement initiatives include Values enablement programs, Mentoring sessions for top talent, the Shukriya program (Value Recognition).
4. **Addressing the impact of climate change** - Addressing the impact of Climate change is important for the insurance sector, as investments/providing insurance coverage and claims to be impacted as a result of natural/man-made calamities. As a strategy to address the impacts of climate change within its business, we plan to undertake Assessment of our carbon footprint.
5. **Community programs (CSR)** - Community programs are conducted to uphold Niva Bupa's responsibility as a corporate citizen, by focusing on wider social issues. Last year, 223 free Health Camps were conducted to promote healthy lifestyles and spread awareness amongst general public, we reached 10k+ people and 7600+ were done; we had also conducted Live well webinars which was open for general public and other campaigns include Pratihtha 2.0 Campaign under which we sponsored Cataract operations for underprivileged elderly (1154 operations sponsored) and Swasthaneev under which we sponsored 5375 meals for underprivileged kids.
6. **Sustainable supplier management** - Niva Bupa considers sustainability as a core principle to conduct business and expects its suppliers to embrace the sustainable and ethical business practices and compliance with the laws and adherence to well-established ESG principles and standards. We have taken awareness initiatives in this direction towards our Network providers.
7. **Customer engagement and satisfaction**- Different initiatives are undertaken to enables Niva Bupa to engage with its customers and also improve their satisfaction in using products/services of the company. Some of these initiatives include, cashless feature for receiving physiotherapy services at home, reduced customer grievance closure time to 5 days as compared to the regulatory timeline of 15 days in 67.13% of cases, Digitization of customer transactions, Digital issuance of policies etc.
8. **Business integrity and corporate governance** - Business integrity and Corporate Governance policies and procedures at NBHI are developed to uphold the highest standards of ethics within its business operations. Niva Bupa drives training and awareness initiatives around ethical conduct, 'Sell SAHI', transparency with shareholders, Regulator and policyholders. This is part of overall Governance framework of the company.

# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

(Formerly Max Bupa Health Insurance Company Limited)

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## 37. SECRETARIAL AUDIT

Your Company in the meeting held on May 5, 2022 has appointed M/s Ranjeet Pandey & Associates, Practicing Company Secretaries, New Delhi to conduct Secretarial Audit for the Financial Year 2022-2023 as per the requirements of Section 204 of the Companies Act, 2013.

M/s. Ranjeet Pandey & Associates, Company Secretaries, New Delhi have submitted their report for the financial year 2022-2023 in the prescribed format MR-3 which is annexed as **Annexure No – 5**.

## 38. DIRECTORS' COMMENTS ON QUALIFICATIONS, RESERVATIONS, DISCLAIMERS AND ADVERSE REMARKS

### a) STATUTORY AUDIT

Joint Statutory Auditors of your Company for the financial year 2022-23 i.e. M/s. T.R. Chadha & Co. and M/s. S.R. Batliboi & Co. LLP in their Auditor's Report for FY 2022-23 have given no qualifications, reservations, disclaimers, comments and/or adverse remarks.

### b) SECRETARIAL AUDIT

M/s. Ranjeet Pandey & Associates, Secretarial Auditors of your Company for the Financial Year 2022-23 have given no significant qualifications, reservations, disclaimers, comments and adverse remarks in its report except below mentioned:

As explained by the Management of the Company, the Company was unable to file e-form DIR-12 with respect to appointment of Chief Financial Officer at the meeting of Board of Directors held on 09th February, 2023 due to technical glitch.

**Management Response:** The Management was unable to file the e-form DIR 12, related to the appointment of Mr. Vishwanath Mahendra as Chief Financial Officer, with Ministry of Corporate Affairs due to technical glitch in the Version 3 portal.

## 39. RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK THAT MAY THREATEN THE EXISTENCE OF THE COMPANY

Your Company's overall approach to managing risk is based on the 'three lines of defense' model with a clear segregation of roles and responsibilities for all the lines. Business Managers are part of the first line of defense and have the responsibility to evaluate their risk environment and put in place appropriate controls to mitigate such risks or avoid them. The Risk Management Function, along with the Compliance Function, Fraud & Risk Control Unit and Chief Information Security Officer, forms the second line of defense. The Internal Audit Function guided by the Audit Committee is the third line of defense and provides an independent assurance to the Board. The Statutory Auditors and regulatory oversight aided by the Appointed Actuary in their fiduciary capacity are also construed to provide an additional line of defense.

Risk management activities are supervised on behalf of the Board by the Risk Committee, whose responsibilities conform to those prescribed by the IRDAI. The Chief Risk Officer assists the Board Committee in overseeing the risk management activities across the Company.

Your Company has an operationally independent Risk Management Function in place, headed by a Chief Risk Officer. The function is responsible for the supervision of all risk management activities in the Company, including developing the risk appetite, maintaining an aggregated risk view across the Company, monitoring the residual risks

# **NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**

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to ensure that they remain within tolerance levels. It also reviews the appropriateness and adequacy of the risk management strategy and develops recommendations to the Risk Committee as necessary. The Risk Management function also ensures that, through various management submissions, the Board is adequately informed on key emerging risk related issues and if necessary, provides supplementary advice to the Board through the Risk Committee. A Management Risk Committee has been constituted which is headed by the CEO and includes key members such as Chief Risk Officer, Chief Financial Officer, Appointed Actuary, Director- Claims, Underwriting & Product, Director & Head – Legal, Compliance & Regulatory Affairs, Director – Operations & Customer Service etc. All important risk related matters are discussed, reviewed and monitored by this Committee on a periodic basis.

Your Company has developed a risk management framework which defines its approach to enterprise wide risk management. The implementation is a continuous cycle of improvement over the Company's existing risk management elements which are progressively integrated into the framework. The Company has the vision of a matured state of risk culture whereby every individual takes responsibility of risks and has a thorough understanding of all risk tolerances.

Within the framework, a Risk Appetite Statement is in place which identifies and addresses each material risk to which the Company is exposed and establishes the degree of risk that the Company is willing to accept in pursuit of its strategic objectives, business plans and the interest of the policyholders. These material risks have been categorized in the areas of Financial, Operational, Legal & Regulatory Compliance and Reputational Risks. The Risk Management Strategy has been developed which defines the Company's approach to manage the identified material risks through acceptance, avoidance, transfer and/ or mitigation. The degree and intensity of the management action are guided by comparing the risk appetite with the potential impact of the risk, likelihood of its occurrence and the costs of implementing the controls. This is supplemented by various policies and procedures in respective operating areas which help to identify, mitigate and monitor risks. The Operational risk incident management process provides an intervention with employees of the organization to become risk ambassadors and report risk incidents in the organization. The reporting of risk incidents enable organization to understand the areas of weaknesses in processes and related mitigation actions are then discussed reviewed and monitored on a periodic basis.

The risk management framework also ensures that the level of risk accepted is within the Company's risk capacity and the level of capital adequacy is in excess of the level prescribed via regulation.

## **40. ADDITIONAL INFORMATION**

### **PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Companies Act, 2013 together with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and IRDAI's Corporate Governance Guidelines is annexed herewith as an **Annexure –6**.

The information in accordance with the provision of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023 is provided hereunder:

### **CONSERVATION OF ENERGY**

In view of the nature of business activity of the Company, the information relating to the conservation of energy, as required under Section 134(3) and Rule 8(3) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

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Your Company has developed an energy efficient model to operate & deliver on its commitments. This model eliminates dependency on non-renewable resources to travel & maintain facilities for both employees & policyholders. Your company has put in a place a flexible & energy efficient business continuity plan which gets tested continuously.

Digital tools, techniques & widespread adoption by stakeholders of your companies' customer app, website & instant communication tools is a key enabler for sustainable growth with remarkable service. Over a period, your Company has reduced dependency on energy dependent assets like printers, papers etc. Your company continues to be environmental friendly, by delivering soft policy copy instead of printed booklets.

## TECHNOLOGY ABSORPTION

### a. Efforts made towards technology absorption:

FY'23 has seen Niva Bupa take on various initiatives aimed at transforming the way we operate, resulting in significant improvement in process automation leading to improved digital index of the company. We aimed at absorbing state of art technology in order to: 1) digitise and enhance our work flow processes, used SaaS payment gateway platform for integration, record keeping and expediting decision making, 2) launch new platforms for segments, 3) claims management and data processing etc. Nivabupa used cloud infrastructure to achieve scalability and system performance.

### b. The benefits derived from technology improvement, cost reduction, new technological development and import substitution:

The technology improvements had a wide impact across various facets of the organization, thereby bringing cost optimization, improvements in customer self service ability for transactions, process efficiency, higher revenue, enhanced partner association, employee self-service and customer satisfaction.

### c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- I. the details of technology imported – Not Applicable
- II. the year of import – Not Applicable
- III. whether the technology been fully absorbed – Not Applicable

### d. The expenditure incurred during the year on Research and Development:

Nil

## FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(INR in thousands)

S. No	Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
i)	Foreign Exchange Earnings	Nil	Nil
ii)	Foreign Exchange Outgo		
	CIF Value of Imports		
	- Capital Goods	Nil	Nil
	- Trading Goods	Nil	Nil
	Others	32,968	25,249



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## 41. MAINTENANCE OF COST RECORDS

The Company is in the insurance industry. In view of the nature of activities which are being carried on by the Company, the maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable on the Company and hence such accounts and records are not maintained.

## 42. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

The Company has neither made any application nor are there any pending proceedings under the Insolvency & Bankruptcy Code, 2016 during the year.

## 43. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

This section is not applicable on the Company.

## 44. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

During the year under review, the statutory auditors have not reported any instances of fraud by its officers or employees against the Company to the Audit Committee, the details of which would need to be mentioned in the Board's report as required under section 143(12) of the Companies Act, 2013.

## 45. COMPLIANCE WITH APPLICABLE SECRETARIAL STANDARDS

During the year, the Company has complied with the applicable provisions of the Secretarial Standard on meetings of the Board of Directors ('SS-1') and the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India.

## 46. DETAILS OF DEBENTURE TRUSTEE & REGSITRAR & TRANSFER AGENT

### DEBENTURE TRUSTEE

- **Name:** Axis Trustee Services Limited (SEBI Registration Number: IND000000494)
- **Registered Office:** Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025.
- **Telephone:** (022) 6230 0451
- **Facsimile:** (022) 6230 0700
- **E-mail:** [debenturetrustee@axistrustee.in](mailto:debenturetrustee@axistrustee.in)
- **Website:** [www.axistrustee.com](http://www.axistrustee.com)

### REGSITRAR & TRANSFER AGENT

- **Name:** MAS Services Limited (SEBI Registration Number: INR000000049)
- **Registered Office:** T - 34, IInd Floor, Okhla, Industrial Area, Phase - II, New Delhi -110020
- **Telephone:** (011) 26387281-83
- **Facsimile:** (011) 2638 7384
- **E-mail:** [demat@masserv.com](mailto:demat@masserv.com)
- **Website:** [www.masserv.com](http://www.masserv.com)

# **NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**

*(Formerly Max Bupa Health Insurance Company Limited)*

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## **47. ACKNOWLEDGEMENTS**

The Directors wish to place on record their deep appreciation for the hard work, dedicated efforts, teamwork and professionalism shown by the employees, agents, advisors and Partners which have enabled your Company to establish itself amongst the leading Health Insurance companies in India.

Your Directors take this opportunity to express their sincere thanks to our valued customers for their continued patronage.

Your Directors also express gratitude to the Insurance Regulatory and Development Authority of India, the Reserve Bank of India, Ministry of Corporate Affairs, Central & State Governments, True North and Bupa for their continued cooperation, support and assistance.

**For and on behalf of the Board of Directors**

**Sd/-**  
**Chandrashekhhar Bhaskar Bhawe**  
**Chairman of the Board and Director**  
**DIN - 00059856**

**Sd/-**  
**Krishnan Ramachandran**  
**Managing Director & Chief Executive**  
**Officer DIN - 08719264**

Place: Gurugram  
Date: May 31, 2023

# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

(Formerly Max Bupa Health Insurance Company Limited)

## LIST OF ANNEXURES

<b>S.No</b>	<b>Particulars</b>	<b>Relevant Rules</b>	<b>Relevant form</b>	<b>Annexure No.</b>
1.	Disclosures for the Financial Year 2022-23 as per Corporate Governance Guidelines	IRDAI Corporate Governance Guidelines	NA	1
2.	Contracts and arrangements with Related Parties	Section 188 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014	Form AOC-2	2
3.	Nomination and Remuneration Policy	Section 134 (3)(e) of the Companies Act, 2013	Policy Copy	3
4.	CSR Report	Section 134 (3)(o) of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014)	Annexure II	4(a)
5.	Certificate on utilisation of funds for CSR Activities	Section 134 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014)	NA	4(b)
6.	Secretarial Audit Report	Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Form MR -3	5
7.	Particulars of Employees	Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	NA	6

# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

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## ANNEXURE-1

**Disclosures for the Financial Year 2022-23 as per IRDAI Corporate Governance Guidelines read with IRDAI Circular no. 309.8/9/F&A-L/CG/127/2022 dated January 27, 2022**

1) During the Financial Year 2022-23, the following Committee and Board Meetings were held:-

Name of the Committee and Board	Audit Committee	Investment Committee	Policyholder's Protection Committee	Risk Committee
<b>Date of holding the meetings</b>	NA	NA	NA	NA
	May 04, 2022	May 04,2022	May 04, 2022	May 04, 2022
	NA	NA	NA	NA
	NA	NA	NA	NA
	August 09,2022	August 09, 2022	August 09, 2022	August 09, 2022
	NA	NA	NA	NA
	November 02, 2022	November 01, 2022	November 02, 2022	November 02, 2022
	NA	NA	NA	NA
	NA	NA	NA	NA
	NA	NA	NA	NA
	NA	NA	NA	NA
	February 09,2023	February 09,2023	February 09, 2023	February 09, 2023
	NA	NA	NA	NA
	NA	NA	NA	NA
NA	NA	NA	NA	

Name of the Committee and Board	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Share Allotment & Transfer Committee	Borrowing Committee	Meeting of Board of Directors
<b>Date of holding the meetings</b>	NA	NA	NA	NA	NA
	May 04, 2022	May 04, 2022	NA	NA	May 05, 2022
	NA	NA	NA	NA	NA
	NA	NA	NA	NA	NA
	August 09, 2022	NA	NA	NA	August 10, 2022
			NA		October 07, 2022
	November 3, 2022	NA	NA	NA	November 03, 2022
	NA	NA	NA	NA	NA
	February 09, 2023	NA	NA	NA	February 09,2023
NA	NA	NA	NA	March 31, 2023	

# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

(Formerly Max Bupa Health Insurance Company Limited)

- 2) Constitution of the Board, number of meetings held and attendance by Directors during the year 2022-23:

Name of the Director and Nature of Directorship	Designation in the Committee and Board	Meeting dated May 05, 2022	Meeting dated August 10, 2022	Meeting dated October 07, 2022	Meeting dated November 03, 2022	Meeting dated February 09, 2023	Meeting dated March 31, 2023
Mr. Chandrashekhar Bhaskar Bhawe (Independent Director)	Chairman	Yes	Yes	Yes	Yes	Yes	Yes
Mr. David Martin Fletcher (Non-Executive Director)	Member	No	Yes	No	Yes	Yes	Yes
Mr. Dinesh Kumar Mittal (Independent Director)	Member	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Divya Sehgal (Non-Executive Director)	Member	No	Yes	No	Yes	No	No
Mr. Krishnan Ramachandran (Executive Director)	Member	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Maninder Singh Juneja (Non-Executive Director)	Member	Yes	Yes	Yes	Yes	Yes	Yes
Ms. Penelope Ruth Dudley (Non-Executive Director)	Member	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Pradeep Pant (Independent Director)	Member	Yes	Yes	No	Yes	Yes	Yes
Ms. Jolly Abraham Plammoottil* (Additional Director)	Member	NA	NA	NA	Yes	Yes	No
Mr. Rajagopalan Santhanam* (Non-Executive Director)	Member	No	Yes	No	No	NA	NA

\*Mr. Rajagopalan ceased to be member of the board with the effect from November 03, 2022.

\*Ms Jolly Abraham Plammoottil appointed as a member of the board with the effect from November 03, 2022.

Leave of absence was granted to the Members who could not attend Board Meetings.

# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

(Formerly Max Bupa Health Insurance Company Limited)

- 3) Constitution of the Audit Committee, number of meetings held and attendance by Members during the financial year 2022-23.

Following are the details of attendance of directors/members:

Name of the Director	Nature of Directorship	Designation in the Committee and Board	Meeting dated May 04, 2022	Meeting dated August 09, 2022	Meeting dated November 02, 2022	Meeting dated February 09, 2023
Mr. Dinesh Kumar Mittal	Independent Director	Chairman	Yes	Yes	Yes	Yes
Mr. Pradeep Pant	Independent Director	Member	Yes	Yes	Yes	Yes
Mr. Rajagopalan Santhanam*	Non-Executive Director	Member	No	Yes	No	NA
Ms. Jolly Abraham Plammoottil*	Additional Director	Member	NA	NA	NA	Yes

\*Mr. David Martin Fletcher attended all of above meetings of Audit Committee as an Observer except audit committee meeting held on May 04, 2022.

\*Mr. Rajagopalan ceased to be member of Audit Committee with the effect from November 03, 2022.

\*Ms. Jolly Abraham Plammoottil appointed as a member of the Audit Committee with the effect from November 03, 2022.

Leave of absence was granted to the Members who could not attend Audit Committee Meeting.

- 4) Constitution of the Investment Committee, number of meetings held and attendance by the Members during the financial year 2022-23.

Following are the details of attendance of directors/members:

Name of the Director	Nature of Directorship	Designation in the Committee and Board	Meeting dated May 04, 2022	Meeting dated August 09, 2022	Meeting dated November 01, 2022	Meeting dated February 09, 2023
Mr. Maninder Singh Juneja	Independent Director	Chairman	Yes	No	Yes	Yes
Ms. Penelope Ruth Dudley	Non-Executive Director	Member	Yes	Yes	Yes	Yes
Mr. Krishnan Ramachandran	Executive Director	Member	Yes	Yes	Yes	Yes
Mr. C Anil Kumar	-	Member	Yes	Yes	Yes	No

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Mr. Vishwanath Mahendra	-	Member	Yes	Yes	Yes	Yes
Mr. Vikas Jain	-	Member	Yes	Yes	Yes	Yes
Mr. Manish Sen*	-	Member	Yes	Yes	Yes	Yes

\*Mr. C Anil Kumar resigned as a member of committee with the effect from 09 February, 2023.

Leave of absence was granted to the Members who could not attend Investment Committee Meeting.

- 5) Constitution of the Risk Committee, number of meetings held and attendance by the Members during the financial year 2022-23.

Following are the details of attendance of directors/members:

<b>Name of the Director</b>	<b>Nature of Directorship</b>	<b>Designation in the Committee and Board</b>	<b>Meeting dated May 04, 2022</b>	<b>Meeting dated August 09, 2022</b>	<b>Meeting dated November 02, 2022</b>	<b>Meeting dated February 09, 2023</b>
Mr. David Fletcher	Non-Executive Director	Chairman	No	Yes	Yes	Yes
Mr. Maninder Singh Juneja	Non-Executive Director	Member	Yes	No	No	Yes
Mr. Pradeep Pant	Independent Director	Member	Yes	Yes	Yes	Yes
Mr. Rajagopalan Santhanam*	Non-Executive Director	Member	No	Yes	No	NA
Ms. Jolly Abraham Plammoottil*	Additional Director	Member	NA	NA	NA	Yes

\*Mr. Rajagopalan ceased to be member of Risk Committee with the effect from November 03, 2022.

\*Ms. Jolly Abraham Plammoottil appointed as a member of the Risk Committee with the effect from November 03, 2022

Leave of absence was granted to the Members who could not attend Risk Committee meetings.

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(Formerly Max Bupa Health Insurance Company Limited)

- 6) Constitution of the Policyholders' Protection Committee, number of meetings held and attendance by Members during the financial year 2022-23.

Following are the details of attendance of directors/members:

Name of the Director	Nature of Directorship	Designation in the Committee and Board	Meeting dated May 04, 2022	Meeting dated August 09, 2022	Meeting dated November 02, 2022	Meeting dated February 09, 2023
Mr. Dinesh Kumar Mittal	Independent Director	Chairman	Yes	Yes	Yes	Yes
Mr. Krishnan Ramachandran	Executive Director	Member	Yes	Yes	Yes	Yes
Mr. Maninder Singh Juneja	Non-Executive Director	Member	Yes	Yes	No	Yes
Mr. Pradeep Pant	Independent Director	Member	Yes	Yes	Yes	Yes
Ms. Penelope Ruth Dudley	Non-Executive Director	Member	Yes	Yes	Yes	Yes

Leave of absence was granted to the Members who could not attend Policyholders' Protection Committee meetings.

- 7) Constitution of the Nomination and Remuneration Committee, number of meetings held and attendance by Members during the financial year 2022-23.

Following are the details of attendance of directors/members:

Name of the Director	Nature of Directorship	Designation in the Committee and Board	Meeting dated May 04, 2022	Meeting dated August 09, 2022	Meeting dated November 02, 2022	Meeting dated February 09, 2022
Mr. Pradeep Pant	Independent Director	Chairman	Yes	Yes	Yes	Yes
Mr. Chandrashekhar Bhaskar Bhawe	Independent Director	Member	Yes	Yes	Yes	Yes
Mr. David Martin Fletcher	Non-Executive Director	Member	No	Yes	Yes	Yes
Mr. Dinesh Kumar Mittal	Independent Director	Member	Yes	Yes	Yes	Yes
Mr. Divya Sehgal	Non-Executive Director	Member	No	Yes	Yes	No
Mr. Maninder Singh Juneja	Non-Executive Director	Member	Yes	Yes	Yes	Yes

Leave of absence was granted to the Members who could not attend Nomination and Remuneration Committee meetings.



# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

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- 8) Constitution of the Corporate Social Responsibility Committee, number of meetings held and attendance by Members during the financial year 2022-23.

Following are the details of attendance of directors/members:

Name of the Director	Nature of Directorship	Designation in the Committee and Board	Meeting dated May 04, 2022
Mr. Dinesh Kumar Mittal	Independent Director	Chairman	Yes
Mr. David Martin Fletcher	Non-Executive Director	Member	No
Mr. Rajagopalan Santhanam	Non-Executive Director	Member	No
Mr. Krishnan Ramachandran	Executive Director	Member	Yes
Ms. Jolly Abraham Plammoottil*	Additional Director	Member	NA

\*Mr. Rajagopalan ceased to be member of Corporate Social Responsibility Committee with the effect from November 03, 2022.

\*Ms. Jolly Abraham Plammoottil appointed as a member of the Corporate Social Responsibility Committee with the effect from November 03, 2022

Leave of absence was granted to the Members who could not attend Corporate Social Responsibility Committee meetings.

- 9) Constitution of the Borrowing Committee, number of meetings held and attendance by the Members during the financial year 2022-23.

Following are the details of attendance of directors/members:

Name of the Director	Nature of Directorship	Designation in the Committee and Board
Mr. Dinesh Kumar Mittal	Independent Director	Chairman
Mr. David Martin Fletcher	Non-Executive Director	Member
Mr. Krishnan Ramachandran	Executive Director	Member
Mr. Maninder Singh Juneja	Non-Executive Director	Member
Mr. Rajagopalan Santhanam*	Non-Executive Director	Member
Ms Jolly Abraham Plammoottil*	Additional Director	Member

\*Mr. Rajagopalan ceased to be member of Borrowing Committee with the effect from November 03, 2022.

\*Ms Jolly Abraham Plammoottil appointed as a member of the Borrowing Committee with the effect from November 03, 2022

No meeting of Borrowing Committee held during the Financial year 2022-23

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- 10) Constitution of the Share Allotment & Transfer Committee, number of meetings held and attendance by the Members during the financial year 2022-23.

Following are the details of attendance of directors/members:

Name of the Director	Nature of Directorship	Designation in the Committee and Board	Meeting dated November 02, 2022
Mr. David Martin Fletcher	Non-Executive Director	Chairman	Yes
Mr. Maninder Singh Juneja	Non-Executive Director	Member	No
Mr. Rajagopalan Santhanam*	Non-Executive Director	Member	No
Mr. Krishnan Ramachandran	Executive Director	Member	Yes
Ms. Jolly Abraham Plammoottil*	Additional Director	Member	NA

\*Mr. Rajagopalan Santhanam ceased to be member of Share Allotment & Transfer Committee with the effect from November 03, 2022.

\*Ms Jolly Abraham Plammoottil appointed as a member of the Share Allotment & Transfer Committee with the effect from November 03, 2022

Leave of absence was granted to the Members who could not attend Share Allotment & Transfer Committee meetings.

- 11) Details of Directors and their status of Directorship and qualifications as on March 31, 2023:

Sl. No	Particular	Status of Directorship	Qualifications and specialization
1.	Mr. Chandrashekhar Bhaskar Bhave DIN-00059856	Chairman of Board and Independent Director	Bachelor of Engineering (Electrical Engineering)
2.	Mr. David Martin Fletcher DIN - 0007004032	Non-Executive Director	BA honors Modern History, Durhan University, UK
3.	Mr. Dinesh Kumar Mittal DIN - 00040000	Independent Director	Master's in Physics
4.	Mr. Divya Sehgal DIN-01775308	Non-Executive Director	Bachelor's degree in Electrical Engineering, IIT, Delhi, Post Graduate Diploma in Management from IIM, Bengaluru
5.	Mr. Krishnan Ramachandran DIN - 08719264	Managing Director and Chief Executive Officer	Bachelor in Technology, IIT Madras, MBA-Concentration in Finance & Economics, IIM Calcutta

# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

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6.	Mr. Maninder Singh Juneja DIN-02680016	Non-Executive Director	MBA, Engineer
7.	Ms. Penelope Ruth Dudley DIN - 0009025006	Non-Executive Director	Bachelor of Laws, Queensland University of Technology, Australia, Bachelor of Business, Queensland University of Technology, Australia
8.	Mr. Pradeep Pant DIN -0000677064	Independent Director	Master's in Management Studies
9.	Ms. Jolly Abraham Plammoottil DIN 007108545	Additional Director	Bachelor of Laws, University of Mumbai, an M.A. in Personnel Management & Industrial Relations, Tata Institute of Social Sciences, and a B.A. in Economics and Statistics, St. Xavier's College, Mumbai

Your Company did not pay any remuneration to the Non-Executive Directors other than sitting fees to Independent Directors.

- 12) There was no pecuniary relationships or transactions of the Non-Executive Directors with the Company during the Financial Year 2022-23.
- 13) Disclosure in respect of Remuneration or Commission, if any, received by Managing or Whole-Time Director of your Company from the Holding company or Subsidiary company, who is also in receipt of commission from the Company:

There is no Whole-time Director in the Company. The Managing Director of the Company has neither received any commission from the Company nor any remuneration or commission from the Holding Company or Subsidiary Company during the year.

#### 14) Sitting Fees

Your Company has paid sitting fees to its Non-Executive - Independent Directors namely Mr. Pradeep Pant, Mr. Dinesh Kumar Mittal and Mr. Chandrashekhar Bhaskar Bhawe for attending the Committee & Board meeting during the Financial Year 2022-23.

Details of which are hereunder:

<b>Board Meeting /Committee Meeting</b>	<b>Total Meetings attended</b>	<b>Total amount paid in INR</b>
<b>Mr. Pradeep Pant</b>		
Board Meeting	5	5,00,000
Audit Committee	4	4,00,000
Nomination and Remuneration Committee	4	4,00,000
Risk Committee	4	4,00,000

# NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

(Formerly Max Bupa Health Insurance Company Limited)

Policyholders Protection Committee Meeting	4	4,00,000
Independent Directors Meeting	1	1,00,000
<b>Total amount paid during the year</b>		<b>22,00,000</b>
<b>Mr. Dinesh Kumar Mittal</b>		
Board Meeting	6	6,00,000
Policyholders Protection Committee Meeting	4	4,00,000
Corporate Social Responsibility Meeting	1	1,00,000
Nomination and Remuneration Committee	4	4,00,000
Audit Committee	4	4,00,000
Independent Directors Meeting	1	1,00,000
Borrowing Committee Meeting		-
<b>Total amount paid during the year</b>		<b>20,00,000</b>
<b>Mr. Chandrashekhar Bhaskar Bhave</b>		
Board Meeting	6	6,00,000
Nomination and Remuneration Committee	4	4,00,000
Independent Directors Meeting	1	1,00,000
<b>Total amount paid during the year</b>		<b>11,00,000</b>

**For and on behalf of the Board of Directors**

**Sd/-**  
**Chandrashekhar Bhaskar Bhave**  
**Chairman of the Board and Director**  
**DIN - 00059856**

**Sd/-**  
**Krishnan Ramachandran**  
**Managing Director & Chief Executive Officer**  
**DIN - 08719264**

Place: Gurugram  
Date: May 31, 2023

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

- I. Details of contracts or arrangements or transactions not at arm's length basis **NONE**
- Name(s) of the related party and nature of relationship
  - Nature of contracts/arrangements/transactions
  - Duration of the contracts / arrangements/transactions
  - Salient terms of the contracts or arrangements or transactions including the value, if any
  - Justification for entering into such contracts or arrangements or transactions
  - Date(s) of approval by the Board
  - Amount paid as advances, if any:
  - Date on which the special resolution was passed in general meeting as required under first proviso to section 188
- II. Details of material contracts or arrangement or transactions at arm's length basis: **NONE**
- Name(s) of the related party and nature of relationship
  - Nature of contracts/arrangements/transactions
  - Duration of the contracts / arrangements/transactions
  - Salient terms of the contracts or arrangements or transactions including the value, if any
  - Date of approval by the Audit Committee
  - Amount paid in advance, if any

**For and on behalf of the Board of Directors**

**Sd/-**  
**Chandrashekhhar Bhaskar Bhave**  
**Chairman of the Board and Director**  
**DIN – 00059856**

**Sd/-**  
**Krishnan Ramachandran**  
**Managing Director & Chief Executive Officer**  
**DIN – 08719264**

Place: Gurugram  
Date: May 31, 2023

**Annexure - 3**  
**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**  
**Nomination and Remuneration Policy**

## **NOMINATION AND REMUNERATION POLICY**

Niva Bupa Health Insurance Company Limited

### **I. PREAMBLE**

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of Niva Bupa Health Insurance Company Limited (“Niva Bupa” or “Company”) is required to constitute the Nomination and Remuneration Committee (“NRC” or “the Committee”). This Committee and the Policy are formulated in compliance with Section 178 of the Companies Act, 2013 read along with Corporate Governance Guidelines for Insurance Companies issued by IRDAI, in this regard.

### **II. DEFINITIONS**

“Board” means Board of Directors of the Company.

“Company” means “Niva Bupa Health Insurance Company Limited.”

“Director” means a director appointed to the Board of the Company.

“Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“Key Managerial Personnel” (KMP) means

- a) Chief Executive Officer or the Managing Director or the Manager,
- b) Company Secretary,
- c) Whole-time Director,
- d) Chief Financial Officer and
- e) Such other officer as may be prescribed under the Companies Act 2013 and IRDAI Corporate Governance Guidelines 2016 and as may be amended from time to time.

“Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

“Policy or This Policy” means, “Nomination and Remuneration Policy.”

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him / her and includes perquisites as defined under the Income-tax Act, 1961.

“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Chief Executive Officer, Whole Time Director or Managing Director, including all the functional heads and KMPs

### **III. GUIDING PRINCIPLES**

The Policy ensures that

- a) The level and composition of remuneration are reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) The Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- c) The Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Policy shall be disclosed in the Board's Report.

#### **IV. ROLE OF THE COMMITTEE**

The role of the Committee shall be to ensure compliance of the relevant provisions of the Companies Act, 2013 and various other obligations as mentioned in the Charter of the Nomination and Remuneration Committee as approved by the Board of Directors from time to time.

#### **V. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT**

Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person being appointed as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the retirement age as per Company Policy.



## **VI. TERM AND TENURE**

- a) **Managing Director/Whole-time Director (Managerial Person):** The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:**
  - i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
  - ii) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
  - iii) For the purpose of determining the term of independent directors, the existing term of the Independent Directors as on April 1, 2014 shall not be counted a term for above clauses.

## **VII. EVALUATION**

The Committee shall carry out evaluation of performance of every Director at a yearly interval, in accordance with Section 178 of the Companies Act, 2013, and present a report thereon to the Board of Directors.

## **VIII. REMOVAL**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

## **IX. RETIREMENT**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **X. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT**

### **a) Remuneration of CEO and Managing Director:**

#### **1. Guidelines, Applicable Laws:**

The remuneration to be paid to the CEO, Whole Time Director and Managing Director shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

- The remuneration of the CEO, Whole Time Director and Managing Director is determined and periodically reviewed by NRC and recommended to the Board of Directors for their consideration and approval of IRDAI.
- The NRC/ Board shall always maintain a fine balance between reasonableness and fairness, while making Remuneration-related decisions including clawback of any unpaid deferred Remuneration.
- The remuneration and commission to be paid to CEO, Whole Time Director and Managing Director shall be as per the applicable statutory provisions of the Companies Act, 2013 read with the Insurance Act, 1938 and amendments and rules made there-under for the time being in force.
- There shall be no limit for payment of remuneration to Managing Director/Chief Executive Officer/Whole-time Directors, however remuneration beyond limits as mentioned in the IRDAI guidelines, and as amended from time to time, should be debited to the Shareholders' Fund.

## **2. Remuneration Structure**

The remuneration of CEO, Whole Time Director and Managing Director inclusive of:

- Fixed pay,
- Benefits/ perquisites,
- Allowances,
- Short term/long-term incentives,
- Retirements, and other components,

The remuneration structure will be determined by the Committee and recommended to the Board for approval.

## **3. Risks and Reward**

Following parameters shall be linked to Remuneration of CEO, Whole Time Director and Managing Director:-

- Remuneration is adjusted for all types of risk
- Remuneration outcomes are symmetric with risk outcomes, and
- Remuneration payouts are sensitive to the time horizon of the risk
- The mix of cash, equity and other forms of remuneration must be consistent with risk alignment
- Credit, Market and Liquidity risks

Among other things, the following parameters may also be considered by the Nomination and Remuneration Committee & the board for assessing performance and suitable risk adjustments:

1. Persistency
2. Solvency

3. Grievance Redressal
4. Expenses of Management
5. Claim settlement
6. Claim repudiations
7. Overall Compliance status
8. Overall financial position such as Net-Worth Position of Insurer, Asset under Management (AUM) etc.

In matters related to risk and reward, the NRC shall consider advice from members of the Risk Committee of the Company, the Appointed Actuary or the Chief Risk Officer as appropriate before making its final determinations and recommendations to the Board.

#### **4. Composition of the Remuneration Package (Pay Mix)**

While designing the total remuneration package of the CEO, Whole time director and Managing Director, it should be ensured by the NRC/Board that there is a proper balance between fixed pay and variable pay which is in accordance with the Remuneration Guidelines.

**Fixed Pay:** Fixed Pay will comprise of Basic Salary, House Rent allowance, other allowances and Retiral benefits like Provident Fund and Gratuity. The Fixed Pay shall be reasonable considering the company's overall performance and the industry remuneration benchmarks.

**Variable Pay (Annual Bonus):** Variable Pay may be paid in the form of cash/deferred cash. In case the variable pay constitutes 60% or more of the total Remuneration (i.e. fixed pay + variable pay), it shall be considered as 'substantial' as per Remuneration Guidelines and 40% of the variable pay shall be deferred over a period of 3 years and be paid in three equal installments.

Any future grant (by whatever name called) that is given, if construed as variable pay, should have a proper balance of pay mix in line with Pay Mix.

Variable pay is dependent on the Company's overall results as captured in the Company's measures of success outcomes and the parameters defined in Risk and Reward section. In case there is deterioration in the same, the variable pay will contract in accordance with adjustment of these parameters.

In the event of termination of employment contract without cause, the variable pay and any other payout which has been awarded but deferred shall be paid at the time of cessation of contract, subject to the final approval of the NRC, Board and IRDAI. However, in the event of termination of employment contract owing to proven misconduct, no variable pay, notice pay, severance payment and any other payout which has been awarded but deferred shall be paid.

In the event of termination of employment contract owing to a resignation, any payout which has been awarded but deferred shall be paid, subject to the final approval of the NRC, Board and IRDAI.

## **5. Clawback of Deferred Pay**

In case of unvested or unpaid portion of the deferred variable pay, appropriate mechanism will be put into place with respect to clawback of such portion, which shall be appropriately linked to risk parameters as provided in Risk and Reward section.

NRC and the Board shall track performance on the basis of parameters provided in Risk and Reward section. In case of negative trends in Company's performance, the Committee and the Board shall review the same and based on facts and due assessment of what is directly attributable to the CEO, Whole time Director and Managing Director actions, the Committee and the Board may take appropriate measures for clawback of unvested or unpaid deferred pay. The Committee and Board's decision shall be final with regard to clawback.

## **6. Guaranteed Bonus**

Guaranteed Bonuses are not consistent with sound risk management or the pay-for performance principles and should not be a part of remuneration plan.

The Company shall not encourage guaranteed bonus of any kind as part of the total remuneration package of CEO, Whole Time Director and Managing Director, except sign-on/joining bonus if required.

The sign-on / joining bonus may be granted only to new staff and will be limited to first year, however, the payout may be deferred beyond the year of joining. The NRC/Board shall approve such a grant.

## **7. Severance Payments**

Subject to provisions of Section 202 of Companies Act 2013, severance pay to CEO, Whole Time Director and Managing Director shall be constituted by accrued benefits (i.e. gratuity, pension, deferred variable pay etc.) only and does not include notice period pay.

Any severance payments, for involuntary separation without cause or due to change of control, to MD/CEO/WTD/Manager shall be made in accordance with contractual obligations and with prior approval of the NRC, Board and IRDAI.

### **b) Remuneration to KMP and Senior Management:**

KMP (other than Whole Time Director and Managing Director) and Senior Management shall be eligible for a remuneration inclusive of fixed pay, perquisites, allowances, short term/ long term incentives, retirals and other components as may be approved by NRC and as per compensation strategy / framework of the Company from time to time.

### **c) Stock Options**

The NRC/Board may consider granting of stock options under the Employee Stock Plan. Issue of stock options shall be governed by the provisions of Remuneration Guidelines, the Companies Act, the Companies (Share Capital and Debenture) Rules, 2014, SEBI (Issue of Sweat Equity) Regulations, 2002 and SEBI (Share based Employee Benefits), 2014 as amended from time to time. Details of stock options to Directors shall be disclosed in line with disclosure requirements stipulated for the financial statements of the Company.

**XI. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:**

**a) Commission to Independent Director**

Subject to the approval of Board and Shareholders in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under, the Independent Directors may be paid profit linked commission from time to time.

Subject to the overall limit in this regard, the Board may, with mutual agreement with such director, determine and pay different commission, to each independent director.

**b) Sitting Fees**

The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**c) Engagement for Professional Services**

The Company may, in line with applicable provisions of Companies Act, 2013, read with Insurance Act, 1938 and amendments and rules there under, wherever applicable, engage any non – executive director to provide professional services from time to time. Any such engagement for professional services shall be made if NRC of the Company is of the opinion that the Director possesses the requisite qualification for practice of profession.

**XII. DISCLOSURE**

1. All above Remuneration, including qualitative and quantitative disclosures as mentioned in the Remuneration Guidelines and fees for all Directors will be disclosed annually in Company's annual report.
2. The Nomination & Remuneration Policy of the Company shall be placed on the website of the Company

**XIII. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary, in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**XIV. OWNER OF THE POLICY**

The Policy is owned by Nomination and Remuneration Committee of the Company and shall be administered by the Director and Chief Human Resources Officer.

-----End of the document -----

**Annual Report on Corporate Social Responsibility (CSR) activities**

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company shall undertake CSR Activities in all or any of the CSR Activities as per the Companies Act, however, it shall give primary importance to the Company's CSR Identified Sectors as follows.

- i. Health, Hygiene & Sanitation
  - a. Supporting and facilitating surgery and high-end treatment for underprivileged Indian patients
  - b. Preventive healthcare for underprivileged Indian patients in identified geographies
  - c. Health camps including immunization camps for underprivileged in identified geographies
  - d. Blood donation camps
  - e. Disability support including artificial limbs and polio callipers support
  - f. Health awareness, including cancer awareness prevention, screening and treatment support for the needy.
  - g. Personal hygiene training and support in those villages which have been adopted by the Company and in those locations where Health and Immunization camps are organized by the Company
  - h. Environmental awareness and care in and around the selected areas of operations of the Company. Propagation of a clean healthy environment to ensure good health. Encourage and facilitate plantation drives.
  - i. Waste management and correct waste disposal – awareness and implementation primarily in adopted villages and in identified locations where the Company has its offices
  - j. Clean drinking water primarily in adopted villages and schools for underprivileged children
  - k. Sewerage system and management in adopted villages.
- ii. Nutrition
  - a. Awareness on how to ensure true nutritious meal to family.
  - b. Vitamin A (children 0-5 years) and other supplements for underprivileged women and children.
  - c. Nutritional support through NGOs to underserved children.
- iii. Livelihood

Vocational training and creating & supporting Self Help Groups for women, adolescent girls and youth in villages adopted by the Company. The vocations for which training will be provided will be focused on health related issues where possible, identified basis the inherent skill sets and commercial opportunities for those vocations in and around the adopted villages.
- iv. Health Insurance Awareness
  - a. Health insurance awareness for students in schools and colleges through simple to understand material in identified locations.
  - b. Health insurance awareness to underprivileged in cities.

- c. Encourage households to enroll in Government promoted health insurance schemes.
- v. Education
- a. Provide support to schools to promote education by providing books, education aids, black boards and equipment for sports & other extra-curricular activities and basic infrastructure.
- b. Education support should be provided in villages adopted by the Company and volunteering activities under Pehal.
- vi. NGOs support in above mentioned areas
- a. Provide support to existing activities of NGOs.
- b. Involve employees in identifying NGOs in their geographical areas and create tailored volunteering programme within specified budget and timeline.
- vii. Disaster Support  
Provide material and financial support to local communities in case of any disaster.
2. The Composition of the CSR Committee as on date of the Board Report:

SL. No	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dinesh Kumar Mittal	Independent Director	1	1
2	David Martin Fletcher	Non-Executive Director	1	1
3	Rajagopalan Santhanam*	Non-Executive Director	1	1
4	Krishnan Ramachandran	CEO & Managing Director	1	1
5	Jolly Abraham Plammoottil**	Additional Director	1	NA

\* Mr. Rajagopalan Santhanam resigned as a member of the Corporate Social Responsibility Committee w.e.f. November 03, 2022

\*\* Ms. Jolly Abraham Plammoottil appointed as a member of the Corporate Social Responsibility Committee w.e.f. November 03, 2022

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
- The Policy is published in the website of the Company i.e. and published in the website of the Company i.e. <https://transaction.nivabupa.com/about-us/aboutuspages/board-of-directors.aspx>.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **Not applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any **Not applicable**

6. Average net profit of the Company as per section 135(5):

Details of net profits (Profit before Tax) earned by Niva Bupa during the three immediately preceding financial years are as under:

Financial Years	Profit Before Tax (in Rs. Lakhs)
2019-20	(6155)
2020-21	(4974)
2021-22	(19653)
<b>Average Profits (loss)</b>	<b>(10261)</b>
<b>2% of Average Profit</b>	<b>(205)</b>

7. (a) Two percent of average net profit of the company as per section 135(5): **(205)**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. **Not applicable**

(c) Amount required to be set off for the financial year, if any **Not applicable**

(d) Total CSR obligation for the financial year (7a+7b-7c). The Company registers losses based on the preceding three years' average net profit(s)/loss(es) and accordingly, the Company does not have to spend any amount on CSR activities for FY 2022-23.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
<u>Not applicable</u>					

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	State.	District.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.
<u>Not applicable</u>												



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number.
Not applicable									

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) **Nil**

(g) Excess amount for set off, if any **Nil**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	<b>(205)</b>
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer.	
Not applicable							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **Not applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not applicable**

**Sd/-**  
**Dinesh Kumar Mittal**  
**(Chairman of CSR Committee)**  
**DIN: 00040000**  
**Address: B-71, Sector-44, Noida, Uttar Pradesh Gurgaon – 201301**

**Sd/-**  
**Krishnan Ramachandran**  
**(Managing Director & Chief Executive Officer)**  
**DIN: 08719264**  
**Address: K2 705, Central Park 1, Golf Course Road, Sector 42, Gurgaon, Haryana 122009**

Place: Gurugram  
Date: May 31, 2023

# **NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**

*(Formerly Max Bupa Health Insurance Company Limited)*

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**Annexure- 4(b)**

## **CERTIFICATE ON UTILISATION OF FUNDS FOR CSR ACTIVITIES**

The Company has incurred losses for the financial years 2019-20, 2020-21 and 2021-2022. Since the Company has incurred losses during immediately preceding three financial years (as mentioned above), CSR obligation for FY 2022-23 is NIL and the Company has not incurred any spends towards CSR activities.

**Sd/-**

**Vishwanath Mahendra  
Chief Financial Officer**

Place: Gurugram

Date: May 31, 2023

**SECRETARIAL AUDIT REPORT  
for the FY 2022-23**

# RANJEET PANDEY & ASSOCIATES

## Company Secretaries

### SECRETARIAL AUDIT REPORT For the financial year ended on 31<sup>st</sup> March, 2023

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

To,  
The Members,  
Niva Bupa Health Insurance Company Limited  
(Earlier known as Max Bupa Health Insurance Company Limited)  
C-98, First Floor, Lajpat Nagar, Part 1  
New Delhi - 110024

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by "Niva Bupa Health Insurance Company Limited" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Niva Bupa Health Insurance Company Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
- iv) Insurance Regulatory and Development Authority (IRDA) Act, 1999;
- v) Insurance Act, 1938 and various Rules, Regulations and guidelines issued thereunder including circulars issued from time to time.
- vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the reporting made herein below:

1. As explained by the Management of the Company, the Company was unable to file e-form DIR-12 with respect to appointment of Chief Financial Officer at the meeting of Board of Directors held on 09<sup>th</sup> February, 2023 due to technical glitch.

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**We further report that:-**


The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors/members of the committee, as the case may be, to schedule the Board Meetings including committee meetings during the financial year under review, agenda and detailed notes on agenda were sent within prescribed timeline, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, we report that all the decisions are carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

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

**We further report that**, during the audit period, the Company has issued and allotted equity shares under Employee Stock Option Plan to employees of the Company and necessary compliance of the Act was made in this regard.

<p>Place: NEW DELHI Date: 04.05.2023</p>	<p style="text-align: right;"><b>FOR RANJEET PANDEY &amp; ASSOCIATES COMPANY SECRETARIES</b></p> <p style="text-align: center;"></p> <p style="text-align: right;"> <b>CS RANJEET PANDEY</b> FCS- 5922, CP No.- 6087 UDIN F005922E000258306</p>
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This report is to be read with our letter of even date which is annexed as **Annexure-I** and forms an integral part of this report.

# RANJEET PANDEY & ASSOCIATES

## Company Secretaries

Annexure-I

To,  
The Members,  
Niva Bupa Health Insurance Company Limited  
(Earlier known as Max Bupa Health Insurance Company Limited)  
C-98, First Floor, Lajpat Nagar, Part 1  
New Delhi - 110024

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events requiring compliance and reporting etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: NEW DELHI  
Date: 04.05.2023



FOR RANJEET PANDEY & ASSOCIATES  
COMPANY SECRETARIES

*Ranjeet Pandey*  
CS RANJEET PANDEY  
FCS- 5922, CP No.- 6087  
UDIN F005922E000258306

**PARTICULARS OF EMPLOYEES**

The aforesaid information can be sought by writing to the Company Secretary of the Company.



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## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
Niva Bupa Health Insurance Company Limited  
(Earlier known as Max Bupa Health Insurance Company Limited)

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Niva Bupa Health Insurance Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Revenue Accounts (also called the "Policyholders' Account"), the Profit and Loss Account (also called the "Shareholders' Account") and the Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required 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 IRDAI Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority of India ("the IRDAI") and the Companies Act, 2013, as amended ("the Act") 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2023;
- (b) in the case of Revenue Account, of the operating profit for the year ended on that date;
- (c) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Insurance Act, the IRDAI Act and the Regulations, the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Emphasis of Matter**

As discussed in Note 16 C (25) to the financial statements, the Company has filed an application for forbearance for exceeding the Expenses of Management (EOM) over the allowable limit for FY 2022-23 with IRDAI, approval for which is yet to be received. The grant of such forbearance is at IRDAI's discretion and the impact of the same on the financial statements will depend on the future developments. Our opinion is not modified in respect of this matter.

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### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<b><u>Claim settlement</u></b>	
<ul style="list-style-type: none"> <li>• Claims are a significant expense for the company.</li> <li>• Provisioning of Outstanding Claims including Claims Incurred but Not Reported (IBNR) and Incurred but Not Enough Reported (IBNER) are significant in magnitude and requires use of judgements and estimates.</li> <li>• With regards to the claims provision, the Company makes a provision for claims upon intimation, on receipt of documents, communication from co-insurer leader in cases of incoming co-insurance business etc. The estimates undergo a revision based on further information and the settlement amount could vary from the provision created.</li> <li>• The estimate of the claim involves a high degree of judgement.</li> </ul>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of controls around the due and intimated claims recording process. Also assessed and tested the operating effectiveness of key controls relating to the claims handling process, including controls over completeness and accuracy of the claim outstanding recorded;</li> <li>• Tested on a sample basis, claims paid and provision created with payment proof, claim intimation documents and communication from co-insurer leader in cases of incoming co-insurance business, which are material to assess whether claims are appropriately paid, estimated and recorded;</li> <li>• Performed analytical review procedures on the outstanding claims;</li> <li>• Tested the arithmetical accuracy of computation of claims provision performed by the Company;</li> <li>• The actuarial valuation of liability in respect of Claims Incurred but Not Reported (IBNR) and those Incurred but Not Enough Reported (IBNER) is as certified by the Company's Appointed Actuary and we have relied upon on the appointed actuary's certificate in this regard;</li> </ul>
<b><u>Valuation of Investments</u></b>	
<p>The carrying values of Investments amounting represents more than 80% of total assets as disclosed in the financial statement which are to be valued in accordance with accounting policy framed as per the extant regulatory guidelines.</p> <ul style="list-style-type: none"> <li>• The valuation of all investments should be as per the investment policy framed by the Company which in turn should be</li> </ul>	<p>To ensure that the valuation of investments and impairment provision considered in the financial statements is adequate, we have performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Reviewed the manner in which the investments have been made by the Company to ensure that the investments are in accordance with Regulation of Investments as stated in the IRDAI guidelines.</li> <li>• Tested the management oversight and controls over valuation of investments.</li> </ul>

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<b>Key audit matters</b>	<b>How our audit addressed the key audit matter</b>
<p>in line with IRDAI Investment Regulations and Preparation of Financial Statement Regulations. The valuation methodology specified in the regulation is to be used for each class of investment.</p> <ul style="list-style-type: none"> <li>• The classification and valuation of these investments is considered to be one of the matters of material significance in the financial statements due to the materiality of the total value of investments to the financial statements.</li> <li>• The Company performs an impairment review of its investments periodically and recognizes impairment charge when the investments meet the trigger/s for impairment provision as per the criteria set out in the investment policy. Further, the assessment of impairment involves significant management judgement.</li> </ul>	<ul style="list-style-type: none"> <li>• Independently test-checked valuation of quoted and unquoted investments.</li> <li>• Reviewed the Fair Value Change Account for specific investments.</li> <li>• Reviewed the basis of provisions accounted in respect of non-performing investments and ensured that the provision meets the IRDAI guidelines.</li> <li>• Reviewed and assessed the adequacy with respect to management assessment of impairment charge on investments outstanding at the year end.</li> </ul> <p>Accordingly based on our audit procedures, we noted no reportable matters regarding investments and its valuation.</p>
<p><b><u>Provision for bad &amp; doubtful debts relating to receivables from other insurance companies (Including Government Receivables), outstanding premium and agent balances:</u></b></p>	
<ul style="list-style-type: none"> <li>• "Dues from Other entities carrying on insurance business" is INR 14,67,657 ('000) as at the year end.</li> <li>• "Outstanding premium" amounting to INR 21,460 ('000) (net of provision of INR 56,044 ('000) in relation to premium due from Central Government, State Government and others).</li> <li>• "Recoverable Agent balances" at the year-end amounted to Nil (net of provision of INR 28,167 ('000)).</li> <li>• Due to the significance of the amount and judgement involved in assessing the recoverability of dues, this has been considered as key audit matter.</li> </ul>	<p>The audit procedures performed by us included the following:</p> <ul style="list-style-type: none"> <li>• Evaluation and testing of controls over the recording, monitoring and ageing of outstanding premium, Agents' Balances and due from other entities carrying on insurance business</li> <li>• Evaluating the adequacy of the process of reconciliation followed by the Company with respect to amounts due from other entities carrying on insurance business</li> <li>• We reviewed the historical provision for bad debts and compared it to the actual amounts written off, to determine whether management's estimates have been prudent and reasonable.</li> <li>• Reviewed the details of co-insurance transactions uploaded on the ETASS portal by the Company and Other Insurance Companies and reconciled with the transactions accounted by the Company.</li> <li>• Sending out direct confirmations of balances to select parties on a test check basis as required under "SA 505- External Confirmations".</li> <li>• We discussed with management and reviewed correspondences, where relevant, to identify disputes, if any, on any of the recoverable balances and review the assessment of the management as to the requirement of provisioning, if any on these disputed dues. Relied on the management estimates with respect to such provisions.</li> </ul>

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Key audit matters	How our audit addressed the key audit matter
	Accordingly, based on our audit procedures, we noted no reportable matter.
<b><u>Information Technology systems</u></b>	
<p>The Company is highly dependent on its information technology (IT) systems for carrying out its operations and owing to the significant number of transactions that are processed on daily basis as part of its operations, which impacts key financial accounting and reporting items such as premium income, claims, commission expense and investments among others.</p> <p>The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of the data that is processed by the applications and is ultimately used for financial reporting. These controls contribute to mitigating risk of potential misstatements caused by fraud or error.</p> <p>Accordingly, our audit was focused on key IT systems and controls due to the pervasive impact on the financial statements.</p>	<p>The audit procedures performed by us included the following:</p> <p>We involved our IT specialists to obtain an understanding of the entity's IT related control environment, perform risk-based testing and identification of IT applications, databases and operating systems that are relevant to our audit.</p> <p>Our area of focus, for the key IT systems relevant to financial reporting, included Access control, Program Change controls and Network Operations.</p> <p>In this regard -</p> <ul style="list-style-type: none"> <li>• we obtained an understanding of the entity's IT environment and key changes, if any, during the audit period that may be relevant to the audit;</li> <li>• we tested the design effectiveness of the general IT controls over the key IT systems and applications that are critical to financial reporting.</li> <li>• we tested the entity's controls to ensure segregation of duties, access rights controls.</li> <li>• we conducted testing of manual and automated IT controls along with related interdependencies, where applicable and critical for financial reporting, to evaluate completeness and accuracy.</li> <li>• we tested the security environment implemented by the entity to prevent, detect and respond to network security incidents; and</li> <li>• we tested compensating controls or performed alternate procedures to assess whether there were any unaddressed IT risks that would impact the controls or completeness and accuracy of data.</li> </ul>

**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 Board report but does not include the financial statements and our auditor's report thereon.

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

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

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### **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 financial position, financial performance and Receipts and Payments of the Company in accordance with the requirement of the Insurance Act read with IRDAI Act, the Regulations, orders/directions/circulars/guidelines/ issued by the Insurance Regulatory and Development Authority of India in this regard and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act to the extent applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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

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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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

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 March 31, 2023 is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary. The Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with guidelines and norms, if any, issued by the IRDAI and the Institute of Actuaries 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 financials statements of the Company.

The comparative financial information of the Company for the corresponding year ended March 31, 2022, included in these financial statements, were audited by T R Chadha & Co. LLP and Nangia & Co LLP (the erstwhile joint auditors) who expressed an unmodified opinion on those financial information on May 5, 2022.

Our opinion is not modified in respect of these above matters.

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

1. As required by the Regulations, we have issued a separate certificate dated May 4, 2023 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the Regulations.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) As the Company's financial accounting system is centralized at Head Office, no returns for the purpose of our audit are prepared at the branches and other offices of the Company;

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- (d) The Balance Sheet, the Revenue Account, 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 Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act to the extent they are not inconsistent with the accounting principles prescribed in the regulation and orders/directions issued by the IRDAI in this regard;
- (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act and the Regulations and/or orders/directions/ issued by the IRDAI in this regard.
- (g) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (h) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” to this report;
- (i) With respect to requirement 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 provision of Section 197 read with Schedule V to the Act are not applicable, and hence reporting under Section 197(16) is not required;
- (j) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 on its financial position in its financial statements – Refer Note 16 C (1) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 16 C (36) to the financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 16 C (37) to the financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons

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or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration Number: 301003E/E300005

**For T R Chadha & Co. LLP**  
Chartered Accountants  
Firm Registration Number:006711N/N500028

**per Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXIYZ9753  
Place of Signature: Mumbai  
Date: May 04, 2023

**Neena Goel**  
Partner  
Membership Number: 057986  
UDIN: 23057986BGVLGO1690  
Place of Signature: New Delhi  
Date: May 04, 2023



**S.R. Batliboi & Co. LLP**  
**Chartered Accountants**  
12th Floor, The Ruby,  
29 Senapati Bapat Marg,  
Dadar (West), Mumbai- 400 028  
India  
Telephone +91 22 6819 8000

**T R Chadha & Co. LLP**  
**Chartered Accountants**  
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Connaught Place  
New Delhi- 110001  
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Telephone +91 11 43259900

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**

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

We have audited the internal financial controls with reference to financial statements of Niva Bupa Health Insurance Company Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 ("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 IRDAI 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial

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

### **Inherent Limitations of Internal Financial Controls With Reference to Financial Statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

### **Other matter**

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 March 31, 2023, is the responsibility of the Company's Appointed Actuary ("Actuary") and has been duly certified by the Actuary. The Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with guidelines and norms, if any, issued by the IRDAI and the Institute of Actuaries 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 financials statements of the Company.

For **S.R. Batliboi & CO. LLP**  
Chartered Accountants  
Firm Registration Number: 301003E/E300005

For **T R Chadha & Co. LLP**  
Chartered Accountants  
Firm Registration Number:006711N/N500028

**per Shrawan Jalan**  
Partner  
Membership Number: 102102  
UDIN: 23102102BGXIYZ9753  
Place of Signature: Mumbai  
Date: May 04, 2023

**Neena Goel**  
Partner  
Membership Number: 057986  
UDIN: 23057986BGVLGO1690  
Place of Signature: New Delhi  
Date: May 04, 2023

FORM-B-RA

NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

(Formerly known as Max Bupa Health Insurance Company Limited)

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in 000's)

Particulars	Schedule	For the year ended March 31, 2023	For the year ended March 31, 2022
1 Premiums earned (net)	1	2,66,27,505	1,75,25,098
2 Profit on sale/redemption of Investments		35,150	53,360
(Loss) on sale/redemption of Investments		-	-
3 Others-			
Contribution from shareholders funds towards excess EOM (refer note 25)		36,41,609	27,17,166
Accretion/amortisation of (premium)/discount		(886)	(40,313)
4 Interest, dividend and rent – gross		13,09,353	8,59,920
<b>Total (A)</b>		<b>3,16,12,731</b>	<b>2,11,15,231</b>
1 Claims Incurred (net)	2	1,43,93,106	1,08,86,260
2 Commission (net)	3	19,08,279	12,04,197
3 Operating expenses related to insurance business	4	1,18,01,915	85,67,344
4 Premium deficiency		-	-
<b>Total (B)</b>		<b>2,81,03,300</b>	<b>2,06,57,801</b>
<b>Operating profit/(loss) [C= (A - B)]</b>		<b>35,09,431</b>	<b>4,57,430</b>
<b>Appropriations</b>			
Transfer to shareholders' account		35,09,431	4,57,430
Transfer to catastrophe reserve		-	-
Transfer to other reserves		-	-
<b>Total (C)</b>		<b>35,09,431</b>	<b>4,57,430</b>

Significant accounting policies and notes to accounts

16

The schedules and accompanying notes referred to herein form an integral part of the revenue account

As per our audit report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

Niva Bupa Health Insurance Company Limited

Shrawan Jalan

Partner

Membership No: 102102

Place: Mumbai

Dinesh Kumar Mittal

Director

DIN: 00040000

Krishnan Ramachandran

Managing Director &

Chief Executive Officer

DIN:08719264

For T R Chadha & Co LLP

Chartered Accountants

ICAI Firm Registration No. 006711N/ N500028

Rajat Sharma

Company Secretary

Mem No. FCS7069

Vishwanath Mahendra

Chief Financial Officer

Neena Goel

Partner

Membership No. 057986

Place: Delhi

Place: Gurugram

Date: May 04, 2023

CIN - U66000DL2008PLC182918

## FORM-B-PL

## NIVA BUPA HEALTH INSURANCE COMPANY LIMITED

(Formerly known as 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, 2023

(Rs. in 000's)

Particulars	Schedule	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1 Operating profit/(loss)</b>			
(a) Miscellaneous insurance		35,09,431	4,57,430
<b>2 Income from investments</b>			
(a) Interest, dividend and rent – gross		5,40,842	3,75,441
(b) Profit on sale/redemption of investments		14,250	9,408
(Loss) on sale/redemption of investments		-	-
(c) Accretion/amortisation of (premium)/discount		4,530	(9,433)
<b>3 Other income</b>			
(a) Gain/(loss) on foreign exchange fluctuation		(140)	(1,270)
(b) Interest income on fixed deposits		7,753	2,125
(c) Provisions written back		54,002	71,077
<b>Total (A)</b>		<b>41,30,668</b>	<b>9,04,778</b>
<b>4 Provisions (other than taxation)</b>			
(a) For diminution in the value of investments		-	(1,99,774)
(b) For doubtful debts		10,245	2,21,707
(c) Penalty		-	-
(d) Others		-	-
<b>5 Other expenses</b>			
(a) Expenses other than those related to Insurance business			
(i) Managerial remuneration		39,270	24,378
(ii) Interest on subordinated debentures		2,67,500	65,226
(iii) Director's sitting fees		5,300	6,600
(iv) Others		41,335	34,725
(b) Contribution to policyholders funds towards excess EOM		36,41,609	27,17,166
(c) Bad debts written off		-	-
(d) Corporate social responsibility expenses		-	-
<b>Total (B)</b>		<b>40,05,259</b>	<b>28,70,028</b>
<b>Profit/(loss) before tax</b>		<b>1,25,409</b>	<b>(19,65,250)</b>
Provision for taxation		-	-
<b>Profit/(loss) after tax</b>		<b>1,25,409</b>	<b>(19,65,250)</b>
<b>Appropriations</b>			
(a) Interim dividends		-	-
(b) Proposed final dividend		-	-
(c) Dividend distribution tax		-	-
(d) Transfer to any reserves or other accounts		-	-
		-	-
<b>Balance of profit/(loss) brought forward from last year/period</b>		<b>(1,02,63,594)</b>	<b>(82,98,344)</b>
<b>Balance carried forward to balance sheet</b>		<b>(1,01,38,185)</b>	<b>(1,02,63,594)</b>
<b>Basic earning/ (loss) per share of Rs. 10/- each ( refer note 22)</b>		<b>0.09</b>	<b>(1.42)</b>
<b>Diluted earning/ (loss) per share of Rs. 10/- each ( refer note 22)</b>		<b>0.08</b>	<b>(1.42)</b>
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

As per our audit report of even date attached

**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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

**Shrawan Jalan**  
  
**Partner**  
Membership No: 102102  
Place: Mumbai

**Dinesh Kumar Mittal**  
  
**Director**  
DIN: 00040000

**Krishnan Ramachandran**  
**Managing Director &**  
**Chief Executive Officer**  
DIN:08719264

**For T R Chadha & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No. 006711N/ N500028

**Rajat Sharma**  
**Company Secretary**  
Mem No. FCS7069

**Vishwanath Mahendra**  
**Chief Financial Officer**

**Neena Goel**  
**Partner**  
Membership No. 057986  
Place: Delhi

Place: Gurugram  
Date: May 04, 2023

CIN - U66000DL2008PLC182918

## FORM-B-BS

**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**  
**(Formerly known as Max Bupa Health Insurance Company Limited)**  
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010

## BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in 000's)

Particulars	Schedule	As at March 31, 2023	As at March 31, 2022
<b>Sources of funds</b>			
Share capital	5	1,51,06,779	1,40,86,022
Share application money pending allotment		-	-
Reserves and surplus	6	33,42,646	12,54,023
Fair value change account			
Shareholders		(33,630)	(20,026)
Policyholders		3,146	91
Borrowings	7	25,00,000	25,00,000
<b>Total</b>		<b>2,09,18,941</b>	<b>1,78,20,110</b>
<b>Application of funds</b>			
Investments - shareholders	8	1,15,54,480	86,96,182
Investments - policyholders	8A	2,21,06,460	1,53,16,969
Loans	9	-	-
Fixed assets	10	5,55,805	4,96,767
<b>Current assets:</b>			
Cash and bank balances	11	10,18,597	5,88,129
Advances and other assets	12	35,30,284	22,86,292
<b>Sub-total (A)</b>	12	<b>45,48,881</b>	<b>28,74,421</b>
Current liabilities	13	1,18,43,920	89,10,907
Provisions	14	1,61,40,950	1,09,16,916
<b>Sub-total (B)</b>		<b>2,79,84,870</b>	<b>1,98,27,823</b>
<b>Net current assets (C) = (A - B)</b>		<b>(2,34,35,989)</b>	<b>(1,69,53,402)</b>
Miscellaneous expenditure (To the extent not written off or adjusted)	15	-	-
Debit balance in profit and loss account		1,01,38,185	1,02,63,594
<b>Total</b>		<b>2,09,18,941</b>	<b>1,78,20,110</b>
Significant accounting policies and notes to accounts (please refer note no 1 in Schedule 16 for Contingent Liabilities)	16		

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 S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

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

**Shrawan Jalan**  
**Partner**  
Membership No: 102102  
Place: Mumbai

**Dinesh Kumar Mittal**  
**Director**  
DIN: 00040000

**Krishnan Ramachandran**  
**Managing Director &  
Chief Executive Officer**  
DIN:08719264

**For T R Chadha & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No. 006711N/ N500028

**Rajat Sharma**  
**Company Secretary**  
Mem No. FCS7069

**Vishwanath Mahendra**  
**Chief Financial Officer**

**Neena Goel**  
**Partner**  
Membership No. 057986  
Place: Delhi

Place: Gurugram  
Date: May 04, 2023

CIN - U66000DL2008PLC182918

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(Rs. in 000's)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flows from the operating activities</b>		
1. Premium received from policyholders, including advance receipts	4,98,02,246	3,40,64,307
2. Other receipts	-	-
3. Payment to the reinsurers, net of commissions and claims	(26,62,887)	(1,89,307)
4. Payments to co-insurers, net of claims recovery	-	-
5. Payments of claims	(1,61,97,169)	(1,34,73,308)
6. Payments of commission and brokerage	(48,58,272)	(32,74,735)
7. Payments of other operating expenses	(1,46,67,793)	(1,10,64,071)
8. Preliminary and pre-operative expenses	-	-
9. Deposits, advances and staff loans	(63,031)	(2,38,195)
10. Income taxes paid (net)	-	-
11. GST paid	(54,27,983)	(24,46,560)
12. Other payments	-	-
13. <b>Cash flows before extraordinary items</b>	<b>59,25,111</b>	<b>33,78,131</b>
14. Cash flow from extraordinary operations	-	-
15. <b>Net cash flows from operating activities</b>	<b>59,25,111</b>	<b>33,78,131</b>
<b>B. Cash flows from investing activities</b>		
1. Purchase of fixed assets	(3,77,922)	(2,87,856)
2. Proceeds from sale of fixed assets	-	-
3. Purchase of investments	(2,76,84,386)	(2,52,22,467)
4. Loans disbursed	-	-
5. Sales of investments	1,81,33,096	1,72,66,380
6. Repayments received	-	-
7. Rents/interests/ dividends received	16,35,274	10,12,306
8. Investments in money market instruments and in liquid mutual funds (net)	-	-
9. Expenses related to investments	-	-
10. <b>Net cash flows from investing activities</b>	<b>(82,93,938)</b>	<b>(72,31,637)</b>
<b>C. Cash flows from financing activities</b>		
1. Proceeds from issuance of share capital	31,08,130	12,72,287
2. Proceeds from borrowing	-	25,00,000
3. Repayments of borrowing	-	-
4. Interest/dividends paid	(2,67,500)	-
5. Other expenses	(41,335)	(34,725)
6. <b>Net cash flow from financing activities</b>	<b>27,99,295</b>	<b>37,37,562</b>
<b>D. Effect of foreign exchange rates on cash and cash equivalents, net</b>	<b>-</b>	<b>-</b>
<b>E. Net Increase/(decrease) in cash and cash equivalents</b>	<b>4,30,468</b>	<b>(1,15,944)</b>
Cash and cash equivalents at the beginning of the year	5,88,129	7,04,073
Cash and cash equivalents at the end of the year	<b>10,18,597</b>	<b>5,88,129</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>4,30,468</b>	<b>(1,15,944)</b>
<b>Reconciliation of cash and cash equivalents with the balance sheet at the end of the year</b>		
Cash and bank balances (refer schedule 11)	10,18,597	5,88,129
<b>Cash and cash equivalents at the end of the year</b>	<b>10,18,597</b>	<b>5,88,129</b>

The above Receipts and Payments Account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 under the 'Direct method' in accordance with Accounting Standard 3 on Cash Flow Statements notified under the Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2016.

As per our audit report of even date attached

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

**For S.R. Battiboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**Shrawan Jalan**  
**Partner**  
Membership No: 102102  
Place: Mumbai

**Dinesh Kumar Mittal**  
**Director**  
DIN: 00040000

**Krishnan Ramachandran**  
**Managing Director &  
Chief Executive Officer**  
DIN:08719264

**For T R Chadha & Co LLP**  
Chartered Accountants  
ICAI Firm Registration No. 006711N/ N500028

**Rajat Sharma**  
**Company Secretary**  
Mem No. FCS7069

**Vishwanath Mahendra**  
**Chief Financial Officer**

**Neena Goel**  
**Partner**  
Membership No. 057986  
Place: Delhi

Place: Gurugram  
Date: May 04, 2023

CIN - U66000DL2008PLC182918

**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**  
**(Formerly known as Max Bupa Health Insurance Company Limited)**  
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010  
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in 000's)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>SCHEDULE – 1</b>		
<b>PREMIUM EARNED [NET OF GST]</b>		
Premium from direct business written*	4,07,30,307	2,80,99,713
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	88,99,240	65,23,426
<b>Net Premium</b>	<b>3,18,31,067</b>	<b>2,15,76,287</b>
Less: Adjustment for change in reserve for unexpired risks	52,03,562	40,51,189
<b>Total Premium Earned (Net)*</b>	<b>2,66,27,505</b>	<b>1,75,25,098</b>
*All premium written, less reinsurance, is from business in India.		
<b>SCHEDULE – 2</b>		
<b>CLAIMS INCURRED [NET]</b>		
<b>Claims paid*</b>		
Direct	1,69,45,190	1,34,67,664
Add: Re-insurance accepted	-	-
Less: Re-insurance Ceded	34,64,426	29,55,675
<b>Net Claims paid</b>	<b>1,34,80,764</b>	<b>1,05,11,989</b>
Add: Claims Outstanding at the end of the period	35,98,447	26,86,105
Less: Claims Outstanding at the beginning of the period	26,86,105	23,11,834
<b>Total Claims Incurred**</b>	<b>1,43,93,106</b>	<b>1,08,86,260</b>
*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. 12,21,909 thousands (previous year ended March 31, 2022 Rs 8,42,991 thousands) allocated to claim handling charges. This amount primarily includes employee and other related costs.		
** Includes an amount of Rs. 1,97,187 thousands during the period ended March 31, 2023 (previous year ended March 31, 2022 Rs. 63,183 thousands) on account of expenses incurred towards product related benefit paid to policyholders.		
<b>SCHEDULE – 3</b>		
<b>COMMISSION</b>		
<b>Commission paid</b>		
Direct*	49,52,673	33,64,965
Add: Commission on Re-insurance accepted	-	-
Less: Commission on Re-insurance Ceded	30,44,394	21,60,768
<b>Net Commission</b>	<b>19,08,279</b>	<b>12,04,197</b>
*includes an amount of Rs 7,65,318 thousands during the year ended March 31, 2023 ( previous year ended March 31, 2022 Rs. Rs. 5,05,282 thousands) towards reward or remuneration to agents & brokers.		
<b>Break up of commission paid to procure business:</b>		
Agents	22,47,150	16,04,539
Brokers	11,96,512	6,51,935
Corporate Agency	15,09,011	11,08,491
	<b>49,52,673</b>	<b>33,64,965</b>

**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED**  
**(Formerly known as Max Bupa Health Insurance Company Limited)**  
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010  
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in 000's)

Particulars	For the year ended March 31, 2023			
	Health	Personal Accident	Travel	Total
<b>SCHEDULE – 1A</b>				
<b>PREMIUM EARNED [NET OF GST]</b>				
Premium from direct business written*	3,98,73,594	8,00,406	56,307	4,07,30,307
Add: Premium on reinsurance accepted	-	-	-	-
Less : Premium on reinsurance ceded	86,94,804	1,74,070	30,366	88,99,240
<b>Net Premium</b>	<b>3,11,78,790</b>	<b>6,26,336</b>	<b>25,941</b>	<b>3,18,31,067</b>
Less: Adjustment for change in reserve for unexpired risks	51,03,159	87,795	12,608	52,03,562
<b>Total Premium Earned (Net) *</b>	<b>2,60,75,631</b>	<b>5,38,541</b>	<b>13,333</b>	<b>2,66,27,505</b>

\*All premium written, less reinsurance, is from business in India.

**SCHEDULE – 2A**  
**CLAIMS INCURRED [NET]**

**Claims paid\***

Direct	1,67,93,518	1,51,542	130	1,69,45,190
Add: Re-insurance accepted	-	-	-	-
Less: Re-insurance Ceded	34,51,733	12,688	5	34,64,426
<b>Net Claims paid</b>	<b>1,33,41,785</b>	<b>1,38,853</b>	<b>124</b>	<b>1,34,80,764</b>
Add: Claims Outstanding at the end of the period	34,77,142	1,18,904	2,401	35,98,447
Less: Claims Outstanding at the beginning of the period	25,80,671	1,05,434	-	26,86,105
<b>Total Claims Incurred**</b>	<b>1,42,38,256</b>	<b>1,52,323</b>	<b>2,526</b>	<b>1,43,93,106</b>

\*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. 12,21,909 thousands (previous year ended March 31, 2022 Rs 8,42,991 thousands) allocated to claim handling charges. This amount primarily includes employee and other related costs.

\*\* Includes an amount of Rs. 1,97,187 thousands during the period ended March 31, 2023 (previous year ended March 31, 2022 Rs. 63,183 thousands) on account of expenses incurred towards product related benefit paid to policyholders.

**SCHEDULE – 3A**  
**COMMISSION**

**Commission paid**

Direct*	48,36,892	1,09,023	6,758	49,52,673
Add: Re-insurance accepted	-	-	-	-
Less: Commission on Re-insurance Ceded	29,84,875	51,309	8,210	30,44,394
<b>Net Commission</b>	<b>18,52,017</b>	<b>57,714</b>	<b>(1,452)</b>	<b>19,08,279</b>

\*includes an amount of Rs 7,65,318 thousands during the year ended March 31, 2023 ( previous year ended March 31, 2022 Rs. Rs. 5,05,282 thousands) towards reward or remuneration to agents & brokers.

**Break up of commission paid to procure business:**

Agents	21,82,059	63,083	2,008	22,47,150
Brokers	11,86,426	5,336	4,750	11,96,512
Corporate Agency	14,68,407	40,604	0	15,09,011
	<b>48,36,892</b>	<b>1,09,023</b>	<b>6,758</b>	<b>49,52,673</b>



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(Rs. in 000's)

	For the year ended March 31, 2022			
	Health	Personal Accident	Travel	Total
<b>SCHEDULE – 1A</b>				
<b>PREMIUM EARNED [NET OF GST]</b>				
Premium from direct business written*	2,74,90,353	6,07,569	1,791	2,80,99,713
Add: Premium on reinsurance accepted	-	-	-	-
Less : Premium on reinsurance ceded	63,95,973	1,26,386	1,067	65,23,426
<b>Net Premium</b>	<b>2,10,94,380</b>	<b>4,81,183</b>	<b>724</b>	<b>2,15,76,287</b>
Less: Adjustment for change in reserve for unexpired risks	41,70,255	(1,19,428)	362	40,51,189
<b>Total Premium Earned (Net) *</b>	<b>1,69,24,125</b>	<b>6,00,611</b>	<b>362</b>	<b>1,75,25,098</b>

\*All premium written, less reinsurance, is from business in India.

**SCHEDULE – 2A**  
**CLAIMS INCURRED [NET]**

**Claims paid\***

Direct	1,33,65,554	1,02,110	-	1,34,67,664
Add: Re-insurance accepted	-	-	-	-
Less: Re-insurance Ceded	29,28,886	26,790	-	29,55,675
<b>Net Claims paid</b>	<b>1,04,36,669</b>	<b>75,320</b>	<b>-</b>	<b>1,05,11,989</b>
Add: Claims Outstanding at the end of the period	25,80,671	1,05,434	-	26,86,105
Less: Claims Outstanding at the beginning of the period	21,85,959	1,25,875	-	23,11,834
<b>Total Claims Incurred**</b>	<b>1,08,31,381</b>	<b>54,879</b>	<b>-</b>	<b>1,08,86,260</b>

\*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. 8,42,991 thousands (previous year ended March 31, 2021 Rs 5,25,233 thousands) allocated to claim handling charges. This amount primarily includes employee and other related costs.

\*\* Includes an amount of Rs. 63,183 thousands during the period ended March 31, 2022 (previous year ended March 31, 2021 Rs. 28,018 thousands) on account of expenses incurred towards product related benefit paid to policyholders.

**SCHEDULE – 3A**  
**COMMISSION**

**Commission paid**

Direct*	32,81,781	82,915	269	33,64,965
Add: Re-insurance accepted	-	-	-	-
Less: Commission on Re-insurance Ceded	21,27,784	32,697	287	21,60,768
<b>Net Commission</b>	<b>11,53,997</b>	<b>50,218</b>	<b>(18)</b>	<b>12,04,197</b>

\*includes an amount of Rs 5,05,282 thousands during the year ended March 31, 2022 ( previous year ended March 31, 2021 Rs. Rs. 3,07,113 thousands) towards reward or remuneration to agents & brokers.

**Break up of commission paid to procure business:**

Agents	15,61,809	42,730	-	16,04,539
Brokers	6,48,672	2,994	269	6,51,935
Corporate Agency	10,71,300	37,191	-	11,08,491
	<b>32,81,781</b>	<b>82,915</b>	<b>269</b>	<b>33,64,965</b>

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**SCHEDULE – 4**  
**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

*(Rs. in 000's)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1 Employees' remuneration and welfare benefits	61,15,932	44,30,887
2 Travel, conveyance and vehicle running expenses	2,31,025	1,25,819
3 Training expenses	1,17,536	8,413
4 Rents, rates and taxes	1,70,553	1,42,452
5 Repairs	1,06,740	77,308
6 Printing and stationery	8,738	5,106
7 Communication	4,65,608	1,11,117
8 Legal and professional charges	2,19,102	1,66,116
9 Auditors' fees, expenses etc.	-	-
(a) as auditor	5,278	4,589
(b) as adviser or in any other capacity, in respect of	-	-
(i) Taxation matters	-	220
(ii) Insurance matters	-	-
(iii) Management services; and	-	-
(c) in any other capacity	-	-
(i) Tax Audit Fees	250	225
(ii) Certification Fees	756	450
10 Advertisement and publicity	35,89,993	29,55,175
11 Interest and bank charges	1,83,829	96,576
12 Others		
(a) Business and Sales Promotion	11,604	4,471
(b) Information Technology Expenses	2,18,097	1,50,895
(c) Membership and Subscription	3,057	3,538
(d) Insurance	23,031	12,750
(e) Board Meeting Expenses	1,859	545
(f) Miscellaneous Expenses	4,065	2,471
13 Depreciation	3,19,925	2,67,649
14 Goods and Service Tax expenses	4,937	572
<b>Total</b>	<b>1,18,01,915</b>	<b>85,67,344</b>

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**SCHEDULE – 4A**  
**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

*(Rs. in 000's)*

Particulars	For the year ended March 31, 2023			
	Personal			Total
	Health	Accident	Travel	
1 Employees' remuneration and welfare benefits	59,87,291	1,20,186	8,455	61,15,932
2 Travel, conveyance and vehicle running expenses	2,26,165	4,540	320	2,31,025
3 Training expenses	1,15,064	2,310	162	1,17,536
4 Rents, rates and taxes	1,66,965	3,352	236	1,70,553
5 Repairs	1,04,495	2,098	147	1,06,740
6 Printing and stationery	8,554	172	12	8,738
7 Communication	4,55,814	9,150	644	4,65,608
8 Legal and professional charges	2,14,493	4,306	303	2,19,102
9 Auditors' fees, expenses etc.	-	-	-	-
(a) as auditor	5,167	104	7	5,278
(b) as adviser or in any other capacity, in respect of	-	-	-	-
(i) Taxation matters	-	-	-	-
(ii) Insurance matters	-	-	-	-
(iii) Management services; and	-	-	-	-
(c) in any other capacity	-	-	-	-
(i) Tax Audit Fees	245	5	0	250
(ii) Certification Fees	741	14	1	756
10 Advertisement and publicity	35,14,482	70,548	4,963	35,89,993
11 Interest and bank charges	1,79,963	3,612	254	1,83,829
12 Others	-	-	-	-
(a) Business and Sales Promotion	11,360	228	16	11,604
(b) Information Technology Expenses	2,13,509	4,286	302	2,18,097
(c) Membership and Subscription	2,992	60	5	3,057
(d) Insurance	22,547	452	32	23,031
(f) Board Meeting Expenses	1,820	37	2	1,859
(g) Miscellaneous Expenses	3,980	80	5	4,065
13 Depreciation	3,13,196	6,287	442	3,19,925
14 Goods and Service Tax A/c	4,833	97	7	4,937
<b>Total</b>	<b>1,15,53,676</b>	<b>2,31,924</b>	<b>16,315</b>	<b>1,18,01,915</b>

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**SCHEDULE – 4A**  
**OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

(Rs. in 000's)

Particulars	For the year ended March 31, 2022			
	Personal			Total
	Health	Accident	Travel	
1 Employees' remuneration and welfare benefits	43,34,800	95,804	283	44,30,887
2 Travel, conveyance and vehicle running expenses	1,23,091	2,720	8	1,25,819
3 Training expenses	8,231	182	0	8,413
4 Rents, rates and taxes	1,39,363	3,080	9	1,42,452
5 Repairs	75,632	1,671	5	77,308
6 Printing and stationery	4,995	111	0	5,106
7 Communication	1,08,707	2,403	7	1,11,117
8 Legal and professional charges	1,62,514	3,592	10	1,66,116
9 Auditors' fees, expenses etc.	-	-	-	-
(a) as auditor	4,489	99	1	4,589
(b) as adviser or in any other capacity, in respect of	-	-	-	-
(i) Taxation matters	215	5	0	220
(ii) Insurance matters	-	-	-	-
(iii) Management services; and	-	-	-	-
(c) in any other capacity	-	-	-	-
(i) Tax Audit Fees	220	5	0	225
(ii) Certification Fees	440	10	0	450
10 Advertisement and publicity	28,91,090	63,897	188	29,55,175
11 Interest and bank charges	94,482	2,088	6	96,576
12 Others	-	-	-	-
(a) Business and Sales Promotion	4,374	97	0	4,471
(b) Information Technology Expenses	1,47,623	3,262	10	1,50,895
(c) Membership and Subscription	3,461	76	1	3,538
(d) Insurance	12,474	276	0	12,750
(f) Board Meeting Expenses	533	12	0	545
(g) Miscellaneous Expenses	2,417	53	1	2,471
13 Depreciation	2,61,845	5,787	17	2,67,649
14 Goods and Service Tax A/c	560	12	0	572
<b>Total</b>	<b>83,81,556</b>	<b>1,85,242</b>	<b>546</b>	<b>85,67,344</b>

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**SCHEDULE – 5**  
**SHARE CAPITAL**

Particulars	(Rs. in 000's)	
	As at March 31, 2023	As at March 31, 2022
<b>1 Authorised Capital</b>		
5,00,00,00,000 (Previous period 1,50,00,00,000) Equity Shares of Rs 10 each	5,00,00,000	1,50,00,000
<b>2 Issued Capital</b>		
1,51,06,77,916 (Previous period 1,40,86,02,228) Equity Shares of Rs 10 each	1,51,06,779	1,40,86,022
<b>3 Subscribed Capital</b>		
1,51,06,77,916 (Previous period 1,40,86,02,228) Equity Shares of Rs 10 each	1,51,06,779	1,40,86,022
<b>4 Called-up Capital</b>		
1,51,06,77,916 (Previous period 1,40,86,02,228) Equity Shares of Rs 10 each	1,51,06,779	1,40,86,022
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	-	-
<b>Total</b>	<b>1,51,06,779</b>	<b>1,40,86,022</b>

**Note:** Out of the above 822,596,790 (as at March 31, 2022: 772,265,272) 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 March 31, 2023		As at March 31, 2022	
	Number of Shares	% of holding	Number of Shares	% of holding
Promoters				
- Indian-Fettle Tone LLP	82,25,96,790	54.45%	77,22,65,272	54.82%
- Foreign-Bupa Singapore Holdings Pte. Ltd	67,03,19,343	44.37%	62,93,05,094	44.68%
Others	1,77,61,783	1.18%	70,31,862	0.50%
<b>Total</b>	<b>1,51,06,77,916</b>	<b>100%</b>	<b>1,40,86,02,228</b>	<b>100%</b>

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in 000's)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE – 6</b>		
<b>RESERVES AND SURPLUS</b>		
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	-	-
Opening Balance	12,51,092	5,67,529
Additions during the period	20,87,374	6,83,563
4 General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
5 Catastrophe Reserve	-	-
6 Other Reserves	-	-
Debenture Redemption Reserve	-	-
Employee Stock Option Reserve	-	-
Opening Balance	2,931	343
Additions during the period	1,249	2,588
7 Balance of Profit in Profit & Loss Account	-	-
<b>Total</b>	<b>33,42,646</b>	<b>12,54,023</b>
<b>SCHEDULE – 7</b>		
<b>BORROWINGS</b>		
1 Debentures/ Bonds (refer note 18)	25,00,000	25,00,000
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
<b>Total</b>	<b>25,00,000</b>	<b>25,00,000</b>

**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED****(Formerly known as Max Bupa Health Insurance Company Limited)****REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010****SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023****SCHEDULE – 8****INVESTMENTS - SHAREHOLDERS***(Rs. in 000's)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>LONG TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	30,27,880	22,74,580
2 Other Approved Securities	10,96,891	10,45,096
3 Other Investments	-	-
(a) Shares	-	-
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	18,08,579	19,54,376
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	24,14,941	11,65,237
5 Other than Approved Investments (net of provision)	11,95,066	-
<b>SHORT TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	1,99,979	1,01,837
2 Other Approved Securities	-	-
3 Other Investments	-	-
(a) Shares	-	-
(i) Equity	1,10,513	30,931
(ii) Preference	-	-
(b) Mutual Funds (refer note (b) below)	5,25,121	8,35,145
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	3,50,004	6,00,225
(e) Other Securities - Fixed Deposits	2,59,900	4,17,900
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	5,00,415	2,00,123
5 Other than Approved Investments (net of provision)	65,191	70,732
<b>Total</b>	<b>1,15,54,480</b>	<b>86,96,182</b>

**Notes:**

- a. Aggregate amount of shareholder's investments other than listed equity securities is Rs. 1,13,78,775 thousand (Previous year ended as on March 31, 2022 Rs. 85,94,519 thousand). Market value of such investments is Rs. 1,12,24,166 thousand (Previous year ended as on March 31, 2022 Rs. 85,06,788 thousand).
- b. The historical cost of investments in mutual funds and equity which have been valued on fair value basis is Rs 7,34,463 thousand (Previous year ended March 31, 2022 is Rs. 9,56,835 thousand).

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**SCHEDULE – 8A**

**INVESTMENTS - POLICYHOLDERS**

*(Rs. in 000's)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>LONG TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	44,50,063	31,22,871
2 Other Approved Securities	12,55,051	8,56,528
3 Other Investments	-	-
(a) Shares	-	-
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	88,04,677	55,36,549
(e) Other Securities	-	1,98,200
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	52,41,315	44,44,969
5 Other than Approved Investments	7,92,507	5,021
<b>SHORT TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	4,02,820	3,47,793
2 Other Approved Securities	1,00,046	50,472
3 Other Investments	-	-
(a) Shares	-	-
(i) Equity	-	-
(ii) Preference	-	-
(b) Mutual Funds (refer note (b) below)	31,912	41,233
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	7,99,575	3,51,140
(e) Other Securities - Fixed Deposits	1,78,300	3,12,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	50,194	50,193
5 Other than Approved Investments	-	-
<b>Total</b>	<b>2,21,06,460</b>	<b>1,53,16,969</b>

**Notes:**

- a. Aggregate amount of policyholder's investments other than listed equity securities is Rs. 2,21,06,460 thousand (Previous year ended as on March 31, 2022 Rs 1,53,16,969 thousand). Market value of such investments is Rs. 2,16,19,597 thousand (Previous year ended as on March 31, 2022 Rs. 1,54,30,392 thousand).
- b. The historical cost of investments in mutual funds and alternate investment funds which have been valued on fair value basis is Rs. 276,380 thousand (Previous year ended 31st March 2022 Rs. 46,163 thousand).



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

**SCHEDULE – 9**

**LOANS**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>1 Security-Wise Classification</b>		
Secured		
(a) On mortgage of property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	-	-
<b>Total</b>	-	-
<b>2 Borrower-Wise Classification</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
<b>Total</b>	-	-
<b>3 Performance-Wise Classification</b>		
(a) Loans classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	-	-
<b>4 Maturity-Wise Classification</b>		
(a) Short Term	-	-
(b) Long Term	-	-
<b>Total</b>	-	-
	-	-

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

**SCHEDULE – 10**

**FIXED ASSETS**

(Rs. in 000's)

SN	Particulars	Cost/ Gross Block				Depreciation				Net Block	
		As at March 31, 2022	Additions	Deductions	As at March 31, 2023	Upto March 31, 2022	For the year	On Sales/ Adjustments	Upto March 31, 2023	As at March 31, 2023	As at March 31, 2022
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles	-	-	-	-	-	-	-	-	-	-
	a) Software's	11,73,172	2,43,466	-	14,16,638	9,21,843	2,27,031	-	11,48,873	2,67,765	2,51,328
	b) Website	11,258	-	-	11,258	11,258	-	-	11,258	-	-
3	Land-Freehold	-	-	-	-	-	-	-	-	-	-
4	Leasehold Property	1,72,335	15,434	589	1,87,180	75,681	16,461	497	91,645	95,535	96,653
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	60,294	10,475	296	70,473	42,419	10,422	281	52,561	17,912	17,875
7	Information Technology Equipment (Other Devices)	1,62,913	22,995	-	1,85,908	1,50,983	7,461	-	1,58,444	27,464	11,930
8	Information Technology Equipment (End User Devices)	1,94,105	36,970	15,739	2,15,336	1,37,178	38,107	15,640	1,59,645	55,691	56,927
9	Vehicles	-	-	-	-	-	-	-	-	-	-
10	Office Equipment	1,39,102	17,739	450	1,56,391	82,212	20,443	444	1,02,211	54,180	56,891
	<b>Total</b>	<b>19,13,179</b>	<b>3,47,079</b>	<b>17,074</b>	<b>22,43,184</b>	<b>14,21,574</b>	<b>3,19,925</b>	<b>16,862</b>	<b>17,24,637</b>	<b>5,18,547</b>	<b>4,91,604</b>
12	Capital work in progress	5,163	1,32,005	99,910	37,258	-	-	-	-	37,258	5,163
	<b>Grand total</b>	<b>19,18,342</b>	<b>4,79,084</b>	<b>1,16,984</b>	<b>22,80,441</b>	<b>14,21,574</b>	<b>3,19,925</b>	<b>16,862</b>	<b>17,24,637</b>	<b>5,55,805</b>	<b>4,96,767</b>
	<b>Previous Period (Mar-22)</b>	<b>16,46,430</b>	<b>3,09,336</b>	<b>37,425</b>	<b>19,18,341</b>	<b>11,71,228</b>	<b>2,67,649</b>	<b>17,303</b>	<b>14,21,574</b>	<b>4,96,767</b>	

**Note :**

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

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in 000's)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE – 11</b>		
<b>CASH AND BANK BALANCES</b>		
1 Cash (including cheques, drafts and stamps)	19,056	13,690
2 Bank		-
(a) Deposit Accounts		-
(aa) Short-term (due within 12 months)	3,58,000	1,83,000
(bb) Others	-	-
(b) Current Accounts*	6,41,541	3,91,439
(c) Others	-	-
3 Money at Call and Short Notice		-
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
<b>Total</b>	<b>10,18,597</b>	<b>5,88,129</b>

\*Balances with non-scheduled banks included in 2 above is Rs.NIL (Previous year ended March 31, 2022 Rs. 149 thousand)

**SCHEDULE – 12**  
**ADVANCES AND OTHER ASSETS**

**ADVANCES**

1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	2,34,085	1,88,575
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source	47,439	26,483
6 Others		-
Advance to Suppliers	36,394	95,758
Less: Provisions	(5,081)	(2,379)
Sub-total	31,313	93,379
<b>Total (A)</b>	<b>3,12,837</b>	<b>3,08,437</b>

**OTHER ASSETS**

1 Income accrued on investments	8,85,428	6,62,754
2 Outstanding Premiums*	77,504	66,653
Less: Provisions	(56,044)	(56,385)
Sub-total	21,460	10,268
3 Agents' Balances	28,167	22,153
Less: Provisions	(28,167)	(22,153)
Sub-total	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business	14,67,657	8,85,947
Less: Provisions made	-	-
Sub-total	14,67,657	8,85,947
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	3,30,894	73,680
(b) GST unutilized credit	4,76,224	3,04,146
(c) Deposits against unclaimed amount of policyholders	26,298	26,298
(d) Interest accrued on deposits against unclaimed amount	4,259	2,706
(e) Other Receivables (refer note no 13 in Schedule 16)	6,59,730	7,18,690
Less: Provisions	(6,54,503)	(7,06,634)
Sub-total	5,227	12,056
<b>Total (B)</b>	<b>32,17,447</b>	<b>19,77,855</b>
<b>Total (A+B)</b>	<b>35,30,284</b>	<b>22,86,292</b>

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

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(Rs. in 000's)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>SCHEDULE – 13</b>		
<b>CURRENT LIABILITIES</b>		
1 Agents' balances	3,45,719	2,57,569
2 Balances due to other insurance companies	27,99,153	20,94,886
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	2,50,702	2,01,681
5 Unallocated premium	1,94,474	2,57,887
6 Sundry creditors	32,92,663	24,30,259
7 Due to subsidiaries/ holding company	-	-
8 Claims Outstanding	35,98,447	26,86,105
9 Unclaimed amount of policyholders	11,211	12,831
10 Due to Officer/ Director	-	-
11 Others	-	-
(a) Tax deducted at source	2,38,710	1,72,496
(b) GST liability	2,66,779	5,33,676
(c) Advance from Corporate Clients	7,33,364	1,59,816
(d) Interest accrued and not due on Subordinated Debentures	65,226	65,226
(e) Interest on unclaimed amount of Policyholders	5,812	5,211
(f) Other statutory dues	41,660	33,264
<b>Total</b>	<b>1,18,43,920</b>	<b>89,10,907</b>

**SCHEDULE – 14**

**PROVISIONS**

1 Reserve for Unexpired Risk*	1,60,16,281	1,08,12,718
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	1,24,669	1,04,198
(b) Premium Deficiency Reserve	-	-
<b>Total</b>	<b>1,61,40,950</b>	<b>1,09,16,916</b>

\* Includes provision for freeloop cancellation Rs. 11,760 thousand (previous year ended March 31, 2022 Rs. 5,689 thousand)

**SCHEDULE – 15**

**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

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

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**SCHEDULE 16**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2023**

**A. BACKGROUND**

Niva Bupa Health Insurance Company Limited (“The Company”) was incorporated in India on 5<sup>th</sup> September, 2008 and received the Certificate of Commencement of Business on 23<sup>rd</sup> December 2008.

The Company is a joint venture between Fettle Tone LLP and Bupa Singapore Holding Pte, Singapore. As on date, Holding company is Fettle Tone LLP.

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 15<sup>th</sup> 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 Companies (Accounting Standards) Rules, 2021 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor’s Report of Insurance Companies) Regulations, 2002 (‘the Regulations’) and orders and directions and various circulars issued by the IRDAI in this behalf, 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. The financial statements are presented in Indian rupees rounded off to the nearest thousand.

**(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

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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 "Goods and Service Tax") 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 at the Company level. 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. Assessment of expected claim cost and related expenses is certified by the Appointed Actuary in accordance with IRDAI (Assets, Liabilities and Solvency margin of General Insurance Business) Regulation, 2016.

**Unallocated Premium**

Unallocated premium includes premium deposit and premium which has been received but for which risk has not commenced.

**(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.

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**(iii) Commission on Reinsurance Premium**

Commission received on reinsurance ceded is recognized as income in the period in which reinsurance premium is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognized in the year of final determination of the profits and as intimated by 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. However in case of securities with put/call option, the accretion of discount or amortization of premium is recognized till the date of such call/put option instead of maturity period of security.

**(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.

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**(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 Actuary in compliance with guidelines issued by IRDAI 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 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 Actuary of the Company.

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.



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**(g) Allocation of Investment Income: segregation between Policyholders and Shareholders funds**

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 on the basis of actual investment holdings bifurcated according to the IRDAI Circular No. IRDA/F&A/CIR/ CPM/056/03/2016 dated 4 April 2016 with effect from 1 October 2016.

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 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.

**Classification:**

Investments maturing within twelve months from Balance Sheet date and investments made with the specific intention to dispose off within twelve months from Balance Sheet date are classified as short-term investments. Investments other than short term investments are classified as long term investments.

The investments funds are segregated into Policyholders' and Shareholders' fund on security level basis in compliance with circular no IRDA/F&A/CIR/CPM/056/03/2016 dated – 4 April 2016. Subsequently, IRDAI issued circular IRDA/F&A/CIR/CPM/010/01/2017 dated – 12 January 2017 to "bifurcate the Policyholders' and Shareholders' funds at the end of each

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quarter at the "fund level" on "notional basis". The Company continues to follow the practice of segregating investments into Policyholders' and Shareholders funds at the end of each quarter at the "fund level" on "notional basis".

**Listed securities**

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**

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.

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'.

**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.

**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.

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**(i) 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.

Subsequent expenditure incurred on tangible assets is expensed out except where such expenditure results in an increase in future benefits from the existing assets beyond its previously assessed standard of performance.

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, 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.

<b>Nature of Fixed Assets</b>	<b>Management Estimate of Useful Life in Years</b>	<b>Useful Life as per the limits prescribed in Schedule II of the Companies Act, 2013 in Years</b>
Furniture & Fixture	5	10
Information Technology equipment - End User Devices	3	3
Information Technology equipment - Servers and Networks	4	6
Office Equipments	5	5

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

Leasehold Improvements are depreciated over the lease period.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

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**Intangibles assets and amortization**

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 straight line method over a period of four years from the date of being ready to use.

Intangibles (including software) are amortized over a period of 4 years on pro-rata basis with reference to the date of purchase/discard, being the management's estimate of the useful life of such intangibles.

**Capital work in progress**

Capital work-in-progress includes assets not ready for the intended use and are carried at cost, comprising direct cost and related incidental expenses.

**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.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life, if any.

**(j) 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.

In accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, Minimum Alternate Tax ('MAT') credit if applicable is recognised as an asset to the extent there is convincing evidence that the Company will pay

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normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement. However company has opted for new tax regime u/s 115BAA in the income tax act 1961, hence provisions of Minimum alternative tax are not applicable.

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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset if the enterprise has a legally enforceable right to set off assets against liabilities representing current tax; and deferred tax assets and deferred tax liabilities relate to same taxation authorities having same taxation governing laws.

**(k) 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.

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**(a) Defined Contribution Plan**

The Company makes monthly contributions to the "Employees' Provident Fund Organisation (EPFO) India" which is based on a specified percentage of the covered employees' salary. 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, "Niva 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 year end 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.

Further in the valuation of leave encashment, Actuary has considered the Last-in-first-out (LIFO) basis to arrive at availment ratio for consumption of leaves expected in the future from the accrued balances. No assumptions pertaining to in-service encashment are considered for the valuation.

- 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

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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.

**(d) Employee Stock Option plan (ESOP)**

Stock options are granted to eligible employees under “Employee Stock Option Plan 2020 (ESOP 2020)” in the financials year 2020-21 effective from 01<sup>st</sup> June 2020. The mode of settlement of the scheme is through equity shares of the company. The options so granted are accounted for based on intrinsic value basis in accordance with the ‘Guidance Note on Accounting for Employee Share based Payments’, issued by the Institute of Chartered Accountants of India (“ICAI”). Intrinsic value of option is the difference between fair value of the underlying stock and the exercise price on the date of grant, which is amortized over the vesting period with a charge to the Revenue Account or Profit and Loss Account.

**(l) Provisions, Contingent Liabilities and Contingent Assets**

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. Contingent asset are neither recognised nor disclosed in the financial statements.

**(m) Earnings per Share (EPS)**

The basic earnings per share is calculated by dividing the net profit after tax by weighted average number of equity shares outstanding during the reporting period. Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for basic earnings per share and also weighted average number of equity shares which would have been issued on conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered. Dilutive potential equity shares are deemed to be converted as at the beginning of the period unless issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented.

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**(n) 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. The total 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. Initial direct costs incurred specifically for an operating lease are charged to the Revenue Account.

**(o) 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.

**(p) 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 on the basis of gross written premium.

**(q) 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.



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**(r) Goods and Service Tax**

Goods and Service Tax ("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.

**(s) 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.

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**C. NOTES FORMING PART OF ACCOUNTS**

**1. Contingent Liabilities**

*(Rs. in 000's)*

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Partly Paid up Investments	-	-
Claims, other than those under Policies, not acknowledged as Debts by the Insurer	-	-
Underwriting Commitments Outstanding	-	-
Guarantees given by or on behalf of the Insurer	-	-
Statutory Demands in Dispute, not provided for	1,20,172	1,20,172
Reinsurance Obligations to the Extent Not provided for in Accounts	-	-
Others- Claims, under policies, not acknowledged as debts*	3,47,382	2,61,356
<b>Total</b>	<b>4,67,554</b>	<b>3,81,528</b>

\* Includes compensation raised by policyholders against rejected claims

**Note:-**

(1) The company has disputed the demand raised by Income Tax Authorities of Rs. 1,15,809 thousands (previous year Rs. 1,15,809 thousands) the appeals of which are pending before the appropriate authorities. This includes income tax demand related to Assessment Year 2013-14 and 2014-15 in respect of which the Company has received the favourable appellate order, which is pending for effect to be given by Assessing Authority. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2023.

(2) The above excludes additional liability that may require outflow of resources on account of unreconciled balances payable to providers/hospitals based on negotiations with them.

(3) Includes demand of Rs. 4,363 thousands (previous year Rs. 4,363 thousands) from Goods & Service Tax authorities, for which show cause notice has been issued by the department and company has filled the reply accordingly.

**Pending Litigations**

The Company's pending litigations comprise of claims against the Company primarily by 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, 2023.

**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, Expected Ultimate Loss Ratio or a mixture of these have been used for IBNR calculations.

The Company's Appointed Actuary has determined valuation assumptions in respect of 'Reserve for Unexpired Risk' and 'Claims incurred But Not Reported' (IBNR) amounting to Rs. 22,76,099 thousands (net) (Previous year Rs. 19,32,863 thousands (net)) that conform with Regulations issued by the IRDAI and professional guidance notes issued by the Institute of Actuaries of India.

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- a. As at March 31, 2023, the Company has made a provision of Rs. 7,37,159 thousands (net) (Previous year Rs. 6,14,306 thousands (net)) towards litigation reserve based on actuarial estimates and the same is included as a part of IBNR reserves. As at March 31, 2023, the Company has not made any provision towards provider reconciliation reserve based on actuarial estimates and the same is also not included as a part of IBNR reserves.
- b. As at March 31, 2023, the Company has provided appropriate IBNR with respect to multiyear policies including policies exceeding 4 years.

**3. Encumbrances on Assets**

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

**4. Capital Commitments**

Estimated amount of commitments pertaining to contracts remaining to be executed in respect of fixed assets (net of advances) is Rs. 1,00,761 thousand (previous year: Rs. 75,294 thousand) .

**5. Other Commitments**

Commitment in respect of loans as on March 31, 2023 is Rs. Nil (previous year: Rs. Nil) and Investment is Rs. Nil (previous year: Rs. Nil)

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

*(Rs. in 000's)*

Class of Business	In India		Outside India	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Health	1,21,66,214	96,33,619	1,382	1,548
Personal Accident	1,28,040	69,212	-	-
Travel	116	-	-	-
<b>Total</b>	<b>1,22,94,369</b>	<b>97,02,832</b>	<b>1,382</b>	<b>1,548</b>

\*Excluding claim handling expense

**7. Age-wise Breakup of Claims Outstanding\*:**

*(Rs. in 000's)*

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Health	15,039	21,967	12,54,251	6,89,117
Personal Accident	192	-	50,485	42,158
Travel	446	-	1,955	-
<b>Total</b>	<b>15,677</b>	<b>21,967</b>	<b>13,06,691</b>	<b>7,31,275</b>

\*Excluding IBNR provision.

Claims settled and remaining unpaid for more than six months is Rs. Nil (previous year: Rs. Nil).

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**Claims where the claim payment period exceeds four years:**

As per “master circular on preparation of financial statements general insurance business October-2012”, the claims made in respect of contracts where claims payment period exceeds four years, are required to be recognized on actuarial basis. Accordingly appointed Actuary has certified the fairness of the liability assessment, assuming ‘NIL’ discount rate.

In this context, no claims have been valued on the basis of a contractually defined benefit amount payable in monthly installments

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

Particulars	As at March 31, 2023				As at March 31, 2022			
	Health	Personal Accident	Travel	Total	Health	Personal Accident	Travel	Total
Claims pending at the beginning	5,987	78	-	6,065	3,571	31	-	3,602
Claims intimated	4,45,382	1,449	100	4,46,931	2,99,990	699	-	3,00,689
Claims paid	3,99,773	711	8	4,00,492	2,70,378	337	-	2,70,715
Claims rejected	41,242	639	18	41,899	27,196	315	-	27,511
Claims pending at the closing	10,354	177	74	10,605	5,987	78	-	6,065

**Ageing of Pending Claims**

Particulars	As at March 31, 2023				As at March 31, 2022			
	Health	Personal Accident	Travel	Total	Health	Personal Accident	Travel	Total
30 days	10,290	163	74	10,527	5,234	55	-	5,289
31 days to 6 Months	64	14	-	78	753	23	-	776
More than 6 months to 1 year	-	-	-	-	-	-	-	-
More than 1 year to 5 years	-	-	-	-	-	-	-	-
5 years and above	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10,354</b>	<b>177</b>	<b>74</b>	<b>10,605</b>	<b>5,987</b>	<b>78</b>	<b>-</b>	<b>6,065</b>

**9. A) Premium less Reinsurance Written During the Year:**

*(Rs. in 000's)*

Class of Business	Year ended March 31, 2023	Year ended March 31, 2022
Health	3,11,78,795	2,10,94,380
Personal Accident	6,26,331	4,81,183
Travel	25,940	724
<b>Total</b>	<b>3,18,31,067</b>	<b>2,15,76,287</b>

**B)** All premiums net of Re-insurance are written and received in India.

**C)** No premium income is recognized on “varying risk” pattern basis.



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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	(416) (416)	- (-)	- (-)	- (-)	- (287)	- (129)	(287) (-)	(129) (-)	- (-)
Cheques issued but not encashed by the policyholder/ beneficiaries	10,795 (12,415)	817 (1,546)	529 (861)	726 (272)	439 (618)	165 (519)	307 (536)	7,165 (8,063)	647 (-)

Figures in brackets are for previous year

**Form C- Details of Unclaimed Amount with Investment Income**

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Policy Dues	Income Accrued	Policy Dues	Income Accrued
<b>Opening Balance</b>	<b>12,831</b>	<b>5,211</b>	<b>15,697</b>	<b>4,733</b>
Add: Amount transferred to unclaimed amount	2,328	-	3,001	-
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (only stale cheques)	-	-	-	-
Add: Investment Income on unclaimed fund	-	1,553	-	1,543
Less: Amount of claims paid during the year	3,424	640	5,356	668
Less: Amount transferred to SCWF(net of claims paid in respect of amount transferred earlier)	523	312	511	397
<b>Closing Balance of Unclaimed Amount*</b>	<b>11,211</b>	<b>5,812</b>	<b>12,831</b>	<b>5,211</b>

\*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. 5,812 thousand (previous year Rs. 5,211 thousand)

**12. Premium Deficiency Reserve**

The Appointed Actuary has reviewed the Unearned premium reserve (UPR) posted in the Financial statements against the estimated liability of the Company under unexpired obligations (including claims and claims related expenses) 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.

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**13. Investments**

- a. There are no contracts outstanding in relation to Purchases where deliveries are pending and Sales where payments are overdue respectively.
- b. The Company does not have any investment in Real Estate as at March 31, 2023 or March 31, 2022.
- c. All investments are made in accordance with Insurance Act, 1938 and IRDAI (Investment) Regulations, 2016, except:
1. Commercial papers issued by ILFS Ltd aggregating to Rs. 3,00,000 thousand that remained unpaid as on March 31, 2023. In accordance with IRDAI regulations, the Company had made a 100% provision of Rs. 3,00,000 thousand and presented as "Other Receivables".
  2. Bonds issued by Reliance Capital aggregating to Rs. 1,00,000 thousand that remained unpaid as on March 31, 2023. In accordance with IRDAI regulations, the Company had made a 100% provision of Rs. 1,00,000 thousand and presented as "Other Receivables".
  3. Bonds issued by IFIN aggregating to Rs. 3,00,000 thousand. The Company has recovered Rs. 54,002 thousand as an interim settlement. In accordance with IRDAI regulations the company has made provision for remaining amount of Rs. 2,45,998 thousand, that remained unpaid as on March 31, 2023, and presented as "Other Receivables".
- d. Historical cost of investments which are valued at Fair Value is:

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Reported/ Fair Value	Historical Cost	Reported/ Fair Value	Historical Cost
Mutual Funds & AIF	8,04,654	7,99,161	8,81,400	8,79,894
Equity	1,75,704	2,11,682	1,01,663	1,23,104
<b>Total</b>	<b>9,80,358</b>	<b>10,10,843</b>	<b>9,83,063</b>	<b>10,02,998</b>

**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:**

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries & Allowances	52,640	37,071
Contribution to Provident and other funds	1,514	2,216
<b>Total</b>	<b>54,154</b>	<b>39,287</b>

Managerial remuneration amounting to Rs. 15,000 thousands for Managing Director has been charged to Revenue Accounts and balance has been transferred to Profit and Loss account. Perquisites are calculated as per Income Tax Rules, 1962. The CEO is granted options pursuant to Company's Employee Stock Option Scheme and above figures does not include perquisites calculated on exercise of such options.

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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. in 000's)*

<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Salaries & Allowances	66,819	1,60,158
Contribution to Provident and other funds	2,766	5,691
<b>Total</b>	<b>69,585</b>	<b>1,65,849</b>

**Note:** Provision 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 for the above disclosure. Additionally, the KMP's based on entitlements are granted options pursuant to Company's Employees Stock Option Scheme and above figures does not include perquisites calculated on exercise of equity stock options.

**15. Expenditure in Foreign Currency**

*(Rs. in 000's)*

<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Software License Fees	20,311	19,648
Board Meeting Expenses	1,158	786
Director Sitting Fees	2,200	2,500
Claim Fees	161	174
Training Fees	-	61
Claim Payment	9,138	2,064
Other-Membership Fees	-	16
<b>Total</b>	<b>32,968</b>	<b>25,249</b>

**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. in 000's)*

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Payable not later than one year	1,50,766	1,29,283
Payable later than one year and not later than five years	6,30,058	5,52,805
Payable later than five years	2,46,068	3,41,050
<b>Total</b>	<b>10,26,892</b>	<b>10,23,138</b>

Aggregate lease rentals charged to Revenue Accounts is Rs. 1,45,960 thousands (previous year Rs. 1,28,586 thousands).

There are no transactions in the nature of sub leases.



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**17. Foreign Currency Exposures**

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

*(Rs. in 000's)*

Particulars	As at March 31, 2023	As at March 31, 2022
Payable in GBP	-	-

**18. Terms of Borrowings**

**(A) Terms of Issue are as follows**

ISIN	INE995S08010
Type , Nature and Security of the Instrument	Unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non-convertible debentures
Face value per security	Rs. 10,00,000
Issue size (Rs. in '000.)	Rs. 15,00,000
Issue date / Allotment date	November 15, 2021
Coupon rate	10.70%
Coupon payment frequency	Annual
Redemption date	November 15, 2031
Listing	Debt market segment on NSE
Credit Rating	"CARE A / Stable"

ISIN	INE995S08028
Type , Nature and Security of the Instrument	Unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non-convertible debentures
Face value per security	Rs. 10,00,000
Issue size (Rs. in '000.)	Rs. 10,00,000
Issue date / Allotment date	March 15, 2022
Coupon rate	10.70%
Coupon payment frequency	Annual
Redemption date	March 15, 2032
Listing	Debt market segment on NSE
Credit Rating	"CARE A / Stable"

**(B) Maturity Pattern of Borrowings**

*(Rs. in '000's)*

Maturity Bucket	Amount
1-5 years	-
Above 5 years	25,00,000

**(C) Debenture Redemption Reserve**

The provisions of section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Amendment Rules are applicable to the company. However, as per rule 18, Debenture Redemption Reserve shall be created out of profits of the company available for payment of dividend, since the company does not have profits which are available for payment of dividend hence no Debenture Redemption Reserve is being created.

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**19. 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
(b)	Holding Company	Fettle Tone LLP
(c)	Significant Influence	Bupa Singapore Holdings Pte Limited
(d)	Key Management Personnel (KMP)	Mr. Krishnan Ramachandran, Managing Director and Chief executive officer Mr. Vishwanath Mahendra, Chief financial officer (w.e.f. 10th January 2023) Mr. C Anil Kumar, Chief financial officer (till 9th January 2023) Mr. Rajat Sharma, Company secretary

- (ii) Details of transaction with related parties for the year ended March 31, 2023 are given below:

*(Rs. in 000's)*

SN	Transactions	Name of the Related Party	Description	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Employee's Remuneration	Mr. Krishnan Ramachandran MD & CEO	Key Management Personnel	54,154	39,287
2	Employee's Remuneration	Mr. C Anil Kumar CFO	Key Management Personnel	13,556	13,221
3	Employee's Remuneration	Mr. Vishwanath Mahendra CFO	Key Management Personnel	3,770	-
4	Employee's Remuneration	Mr. Rajat Sharma, CS	Key Management Personnel	3,226	3,250
5	Issuance of Share capital	Fettle Tone LLP	Holding company	5,03,315	2,85,642
6	Issuance of Share capital	Bupa Singapore Holdings Pte Limited	Investing Party	4,10,142	2,32,764
7	Share premium received	Fettle Tone LLP	Holding company	11,35,972	3,75,558
8	Share premium received	Bupa Singapore Holdings Pte Limited	Investing Party	9,25,683	3,06,036
9	ESOP exercised	Mr. Krishnan Ramachandran MD & CEO	Key Management Personnel	21,047	17,500
10	Issuance of Share capital	Mr. Krishnan Ramachandran MD & CEO	Key Management Personnel	798	-
11	ESOP exercised	Mr. C Anil Kumar CFO	Key Management Personnel	-	3,471

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(iii) Details of Shares with related parties are as given below:

SN	Outstanding Balances	Name of the Related Party	Description	As at March 31, 2023 (Rs. in 000's)	Number of shares as at March 31, 2023	As at March 31, 2022 (Rs. in 000's)	Number of shares as at March 31, 2022
1	Equity Share Capital	Fettle Tone LLP	Holding company	82,25,968	82,25,96,790	77,22,653	77,22,65,272
2	Equity Share Capital	Bupa Singapore Holdings Pte Limited	Investing Party	67,03,193	67,03,19,343	62,93,051	62,93,05,094
3	Equity Share Capital	Key Management Personnel (KMP)	ESOP and Right Shares	56,125	56,12,480	26,344	26,34,448

**Note:** Provision 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 for the above disclosure. Perquisites are calculated as per Income Tax Rules, 1962 and above figures does not include perquisites.

**20. Segment Information**

**a) Business Segments**

The Company's primary reportable segments are identified in accordance with the AS-17- Segment Reporting read 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. in 000)

Year ended March 31, 2023					
Particulars	Health	Personal Accident	Travel	Unallocated	Total
Segmental Revenue	2,60,75,631	5,38,541	13,333	13,43,617	2,79,71,122
Segmental Result	(15,68,318)	96,580	(4,057)	49,85,226	35,09,432
Segmental Liabilities	2,28,66,648	5,07,906	23,394	70,86,922	3,04,84,870
Segmental Assets	14,73,925	12,946	2,246	3,72,76,508	3,87,65,624

(Rs. in 000)

Year ended March 31, 2022					
Particulars	Health	Personal Accident	Travel	Unallocated	Total
Segmental Revenue	1,69,24,125	6,00,611	362	8,72,967	1,83,98,065
Segmental Result	(34,48,712)	3,09,576	(166)	35,90,133	4,50,831
Segmental Liabilities	1,55,37,664	4,16,114	1,429	63,72,616	2,23,27,823
Segmental Assets	8,81,526	14,403	287	2,64,88,124	2,73,84,340

**b) Geographical Segment**

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

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**21. 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:

	<i>(Rs. In '000)</i>	
<b>Provident Fund</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Employers Contribution to Provident and Pension Fund	2,16,515	1,62,866

**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:**

<b>Particulars</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Interest/Discount Rate (Per Annum)	7.10% p.a.	5.45% p.a.
Rate of increase in compensation	8.00% p.a.	8.00% 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:**

	<i>(Rs. in 000's)</i>	
<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Present value of obligations at the beginning of the year	86,314	73,709
Current Service Cost	25,915	19,083
Interest cost	4,436	3,055
Benefits Paid	(9,833)	(27,621)
Actuarial loss/(gain) on obligation	(65)	18,087
Benefits paid directly by the enterprise	-	-
Present value of obligations at end of year	<b>1,06,767</b>	<b>86,314</b>

**Change in Fair Value of Plan Assets during the year:**

	<i>(Rs. in 000's)</i>	
<b>Particulars</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Fair Value of Plan Assets at beginning of year	62,344	60,614
Contributions	24,032	12,923
Expected Return on Plan Assets	3,785	2,716
Actuarial gain/(loss) on obligation	(43)	13,711
Benefits Paid	(9,833)	(27,621)
Benefits paid directly by the enterprise	-	-
Fair Value of Plan Assets at end of year	<b>80,285</b>	<b>62,344</b>

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

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Service Cost	25,915	19,083
Interest Cost	4,436	3,055
Expected Return on Plan Assets	(3,785)	(2,716)
Actuarial (Gain)/loss on obligation	(22)	4,376
Amount recognized in Revenue or/and Profit & Loss Account	<b>26,544</b>	<b>23,798</b>

**iv. Amounts recognized in Balance Sheet:**

*(Rs. In 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of obligations at end of Year (DBO)*	106,767	86,314
Fair Value of Plan Assets at end of Year	80,284	62,344
Funded Status (Deficit)/Surplus	26,483	23,970
Net Asset/(Liability) recognized in the balance sheet	<b>26,483</b>	<b>23,970</b>

\* The DBO as on March 31, 2023 includes unpaid gratuity benefit payment of INR 67 thousands (March 31, 2022: 1,509 thousands) which was not yet settled as on March 31, 2023

**v. Balance Sheet Reconciliation:**

*(Rs. In 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Net Liability/(Asset)	23,970	13,096
Expenses recognized in Profit & Loss Account	26,544	23,798
Contribution Paid	(24,032)	(12,923)
Acquisition/Business Combination/Divestiture	-	-
Closing Net Liability/(Asset)	<b>26,483</b>	<b>23,970</b>

**vi. History of DBO, Asset values, Surplus / Deficit & Experience Gains / Losses**

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
DBO	10,67,67,310	8,63,13,937	7,37,09,492	7,83,15,338	5,93,46,658
Plan Assets	8,02,84,218	6,23,43,458	6,06,13,959	5,36,70,445	4,30,25,092
(Surplus) / Deficit	2,64,83,092	2,39,70,479	1,30,95,533	2,46,44,893	1,63,21,566
Exp Adj - Plan Assets Gain/(Loss)	(42,656)	1,37,10,545	41,61,043	(3,24,654)	4,14,001
Assumptions (Gain)/Loss	(83,17,612)	23,20,232	13,76,611	35,20,531	4,34,883
Exp Adj - Plan Liabilities(Gain)/Loss	82,52,623	1,57,66,418	(8,90,900)	56,33,364	55,65,276
Total Actuarial (Gain)/Loss	(64,989)	1,80,86,650	4,85,711	91,53,895	60,00,159

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.

**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:

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**i. Assumptions Used:**

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Interest/Discount Rate (Per Annum)	7.10% p.a.	5.45% p.a.
Rate of increase in compensation	8.00% p.a.	8.00% 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. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined Benefit Obligation, Beginning of year	62,022	53,021
Current Service Cost	27,694	22,223
Interest Cost	2,615	2,164
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	16,839	5,776
Acquisition/Business Combination/Divestiture	-	-
Actual Benefits Paid	(28,072)	(21,162)
Past Service Cost	-	-
Changes in Foreign Currency Exchange Rates	-	-
Loss / (Gains) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Defined Benefit Obligation at end of year	<b>81,098</b>	<b>62,022</b>

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

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
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. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Service Cost	27,694	22,223
Interest Cost	2,615	2,164
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/loss	16,839	5,776
Amount recognized in Revenue or/and Profit & Loss Account	<b>47,148</b>	<b>30,163</b>

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**v. Amounts recognized in Balance Sheet:**

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligations (DBO)	81,098	62,022
Fair Value of Plan Assets at end of Year	-	-
Funded Status (Deficit)/Surplus	81,098	62,022
Unrecognized Past Service Cost / (Credit)	-	-
Unrecognised Asset due to Limit in Para 59(B)	-	-
Net Asset/(Liability) recognized in the balance sheet	<b>81,098</b>	<b>62,022</b>

**vi. Balance Sheet Reconciliation:**

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Net Liability/(Asset)	62,022	53,021
Expenses recognized in Revenue or/and Profit & Loss Account	47,149	30,163
Actual Benefits Paid	(28,072)	(21,162)
Acquisition/Business Combination/Divestiture	-	-
Closing Net Liability/(Asset)	<b>81,098</b>	<b>62,022</b>

**vii. History of DBO, Asset values, Surplus / Deficit & Experience Gains / Losses**

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
DBO	8,10,97,869	6,20,21,722	5,30,21,236	4,49,95,576	3,16,95,122
Plan Assets	-	-	-	-	-
(Surplus) / Deficit	8,10,97,869	6,20,21,722	5,30,21,236	4,49,95,576	3,16,95,122
Exp Adj - Plan Assets Gain/(Loss)	-	-	-	-	-
Assumptions (Gain)/Loss	(46,95,584)	13,03,095	8,18,385	16,59,592	1,91,343
Exp Adj - Plan Liabilities (Gain)/Loss	2,15,34,452	44,72,571	43,12,820	77,48,611	35,87,836
Total Actuarial (Gain)/Loss	1,68,38,868	57,75,666	51,31,205	94,08,203	37,79,179

**D. Sick Leave**

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

**i. Assumptions Used:**

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Interest/Discount Rate (Per Annum)	7.10% p.a.	5.45% p.a.
Rate of increase in compensation	8.00% p.a.	8.00% 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. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined Benefit Obligation, Beginning of year	9,889	7,483
Current Service Cost	3,967	2,631
Interest Cost	539	382
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(1,000)	(607)
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	<b>13,395</b>	<b>9,889</b>

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

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
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. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Service Cost	3,967	2,631
Interest Cost	539	382
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/loss	(1,000)	(607)
Amount recognized in Revenue or/and Profit & Loss Account	<b>3,506</b>	<b>2,406</b>

**v. Amounts recognized in Balance Sheet:**

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligations (DBO)	13,395	9,889
Fair Value of Plan Assets at end of Year	-	-
Funded Status (Deficit)/Surplus	13,395	9,889
Unrecognized Past Service Cost / (Credit)	-	-
Unrecognised Asset due to Limit in Para 59(B)	-	-
Net Asset/(Liability) recognized in the balance sheet	<b>13,395</b>	<b>9,889</b>



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**vi. Balance Sheet Reconciliation:**

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Net Liability/(Asset)	9,889	7,483
Expenses recognized in Revenue or/and Profit & Loss Account	3,506	2,406
Actual Benefits Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Closing Net Liability/(Asset)	<b>13,395</b>	<b>9,889</b>

**vii. History of DBO, Asset values, Surplus / Deficit & Experience Gains / Losses**

Particulars	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19
DBO	1,33,95,373	98,89,084	74,83,390	58,06,584	40,55,309
Plan Assets	-	-	-	-	-
(Surplus) / Deficit	1,33,95,373	98,89,084	74,83,390	58,06,584	40,55,309
Exp Adj - Plan Assets Gain/(Loss)	-	-	-	-	-
Assumptions (Gain)/Loss	(7,49,593)	2,02,322	1,11,585	2,12,789	-
Exp Adj - Plan Liabilities(Gain)/Loss	(2,50,033)	(8,09,217)	(4,82,665)	(58,080)	-
Total Actuarial (Gain)/Loss	(9,99,627)	(6,06,895)	(3,71,080)	1,54,709	-

**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 March 31, 2023	As at March 31, 2022
Discount Rate	6.50%	3.90%
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 (2012-14) U1t.

**Amounts recognized in Balance Sheet:**

*(Rs. in 000's)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligations (DBO)	3,759	9,826
Fair Value of Plan Assets at end of Year	-	-
Net Asset/(Liability) recognized in the balance sheet	3,759	9,826

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**22. 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.

<b>SN</b>	<b>Particulars</b>	<b>Units</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>a.</b>	Profit/(loss) available to equity shareholder's	Rs. in 000's	1,25,409	(19,65,250)
<b>b.</b>	Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in 000's	14,63,317	13,87,377
<b>c.</b>	Weighted average of number of potential equity shares	No. of shares in 000's	39,647	38,088
<b>d.</b>	Nominal Value per share	in Rs.	10	10
<b>e.</b>	Basic earnings per share [a/b]	in Rs.	0.09	(1.42)
<b>f.</b>	Diluted earnings per share [a/(b+c)]	in Rs.	0.08	(1.42)

**23. Disclosures on Audit Fees**

As per the clause 7.1 (g) of Corporate Governance Guidelines issued by IRDAI on May 18, 2016 the services of the statutory auditors are disclosed below:

**A) Work as Statutory Auditors**

*(Rs. in 000's)*

<b>Name of the Auditor</b>	<b>Services Rendered</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Nangia & Co. LLP	Statutory Audit fees	-	2,100
	Out of pocket expenses	-	182
T R Chadha & Co. LLP	Statutory Audit fees	2,200	2,100
	Out of pocket expenses	195	207
S R Batliboi & Co	Statutory Audit fees	2,700	-
	Out of pocket expenses	183	-

**B) Additional work entrusted to Statutory Auditors**

*(Rs. in 000's)*

<b>Name of the Auditor</b>	<b>Services Rendered</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Nangia & Co. LLP	Tax Audit fees	-	225
	Certification fees	-	150
	Taxation matters	-	220
T R Chadha & Co. LLP	Certification fees	386	300
S R Batliboi & Co	Certification fees	370	-

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24. Pursuant to Circular 067 dated 28<sup>th</sup> March, 2008 issued by IRDAI, following operating expenses are separately disclosed:

(Rs. in 000's)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Outsourcing Expenses*	31,13,383	20,09,563
Marketing Support	35,89,993	29,55,175
Business Development	11,604	4,471

\*Outsourcing expenses have been calculated basis on the Outsourcing guidelines issued by IRDAI. The outsourcing expenses are inclusive of GST

**25. Expenses of Management**

The Company has filed an application for forbearance for exceeding the Expenses of Management (EOM) over the allowable limit for FY 2022-23 with IRDAI on April 24, 2021 and June 08, 2022. An approval for forbearance is yet to be received for the FY 2022-23. The grant of such forbearance is at IRDAI's discretion and the impact of the same on the financial statements will depend on the future developments. The Company believes that they shall get this approval and in accordance with Expense of Management Regulations 2016, a sum of Rs 36,41,609 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 for the year to date ended March 31, 2023.

**26. 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. 4,07,30,307 thousands (Previous year Rs. 2,80,99,713 thousands), out of which the bifurcation of Rural and social sector business is as under:

Business Sector	Year ended March 31, 2023			Year ended March 31, 2022		
	GDPI (Rs.'000s)	No of Policy	% of Policy	GDPI (Rs.'000s)	No of Policy	% of Policy
Rural	45,05,287	3,07,518	16.02%	26,59,689	2,10,679	14.43%
Social	27,414	6	0.00%	1,769	2	0.00%
Urban	3,61,97,606	16,12,513	83.98%	2,54,38,255	12,49,253	85.57%
Total	4,07,30,307	19,20,037	100.00%	2,80,99,713	14,59,934	100%

**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
2022-23	4,07,30,307	45,05,287	11.06%	3.50%	Yes
2021-22	2,80,99,713	26,59,689	9.47%	3.50%	Yes

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**Social Sector**

Financial Year	Total Business (lives) in the Preceding Financial Year	Number of Lives covered under Social Sector in the Financial Year	Social Sector Lives as % to the Column (1)	Required % as per the above Regulations	Compliance with the above Regulations
2022-23	65,64,707	3,77,810	5.76%	5.00%	Yes
2021-22	40,87,738	2,10,075	5.14%	5.00%	Yes

**27. Micro Small and Medium Enterprises**

As at March 31, 2023, 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.

Particulars	As at March 31, 2023	As at March 31, 2022
a)The principal amount remaining unpaid to any supplier at the end of the year	NIL	NIL
b)Interest due remaining on above amount	NIL	NIL
c)The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	NIL	NIL
d)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	NIL	NIL
e)The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	NIL
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	NIL	NIL

**28. Penal Actions Details by Various Government Authorities**

Details of Penal actions taken by various Government Authorities as below:

SN	Authority	Non-Compliance/ Violation	Amount in Rs. thousand		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	- (-)	- (-)	- (-)	- (-)
2	Goods and Service Tax Authorities	- (-)	40 (-)	40 (-)	- (-)

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3	Income Tax Authorities	-	-	-	-
		(-)	(-)	(-)	(-)
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	-	-	-	-
		(-)	(-)	(-)	(-)

Figures in brackets pertain to year ended March 31, 2022

**29. Summary of Financial Statements**

*(Rs. in Lakhs)*

SN	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
<b>OPERATING RESULTS</b>						
1	Gross Direct Premiums	4,07,303	2,80,997	1,75,078	1,24,289	94,702
2	Net Premium Income (net of reinsurance)	3,18,311	2,15,763	1,34,852	95,368	73,140
3	Income from Investments (net)	13,436	8,730	5,643	4,114	3,371
4	Other Income	-	-	-	-	-
5	Total Income	3,31,747	2,24,493	1,40,496	99,482	76,511
6	Commission (Net) including brokerage	19,083	12,042	6,348	4,288	3,085
7	Operating Expenses (net of amount transferred from shareholder account{EOM Impact})*	81,603	58,502	37,331	27,210	22,097
8	Net incurred claims	1,43,931	1,08,863	64,556	45,007	35,564
9	Premium Deficiency	-	-	-	-	-
10	Change in unexpired risk reserve	52,036	40,512	19,766	11,261	7,192
11	Operating Profit/(Loss)	35,094	4,574	12,496	11,716	8,573
<b>NON OPERATING RESULTS</b>						
12	Total income under shareholder's account (net of expenses)	33,840	(24,227)	(17,470)	(17,871)	(13,411)
13	Profit /(loss) before tax	1,254	(19,653)	(4,974)	(6,155)	(4,839)
14	Provision for Tax	-	-	-	-	-
15	Profit/(Loss) after tax	1,254	(19,653)	(4,974)	(6,155)	(4,839)
<b>MISCELLANEOUS</b>						

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16	Policyholder's Account:					
	a) Total funds	2,21,065	1,53,170	98,419	66,435	48,563
	b) Total Investments	2,21,065	1,53,170	98,419	66,435	48,563
17	Shareholder's Account					
	a) Total funds	1,15,545	86,962	63,737	40,286	32,994
	b) Total Investments	1,15,545	86,962	63,737	40,286	32,994
18	Paid Up Equity Capital	1,51,068	1,40,860	1,34,973	1,12,600	98,100
19	Net Worth	83,112	50,765	57,668	34,590	26,246
20	Total Assets	3,87,656	2,73,843	1,89,904	1,23,731	99,950
21	Yield on total investments	6.70%	6.60%	6.91%	7.77%	7.76%
22	Basic Earnings Per Share (Rs.)**	0.09	(1.42)	(0.43)	(0.58)	(0.51)
	Diluted Earnings Per Share (Rs.)**	0.08	(1.42)	(0.43)	(0.58)	(0.51)
23	Book value per Share (Rs.)	5.50	3.60	4.27	3.07	2.68
24	Total Dividend	-	-	-	-	-
25	Dividend Per share (Rs.)	-	-	-	-	-

\*A sum of Rs. 36,41,609 thousand (Previous year Rs. 27,17,166 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 in accordance with the circular no. IRDAI/Reg./12/124/2016.

\*\*Weighted average number of equity shares for Basic EPS is 14,63,317 thousand (previous year 13,87,377 thousand) and weighted average number of equity shares for Diluted EPS is 15,02,964 thousand (previous year 14,25,466 thousand) is used in computing earnings per share.

**30. Accounting Ratios**

Performance Ratios	2022-23	2021-22	2020-21	2019-20	2018-19
Gross Direct Premium Growth Rate (Overall)	45%	60%	41%	31%	26%
Gross Direct Premium Growth Rate (Health)	45%	62%	44%	29%	23%
Gross Direct Premium Growth Rate (Personal Accident)	32%	10%	(14%)	96%	190%
Gross Direct Premium to Net Worth Ratio	4.90 times	5.54 times	3.04 times	3.59 times	3.61 times
Growth Rate of Net Worth	64%	(12%)	67%	32%	3%
Net Retention Ratio (Overall)	78%	77%	77%	77%	77%
Net Retention Ratio (Health)	78%	77%	77%	76%	77%
Net Retention Ratio (Personal Accident)	78%	79%	86%	83%	81%
Net Commission Ratio (Overall)	6%	6%	5%	4%	4%
Net Commission Ratio (Health)	6%	5%	4%	4%	4%
Net Commission Ratio (Personal Accident)	9%	10%	11%	12%	12%
Expenses of Management to Gross Direct Premium Ratio (Note-2)	41%	42%	44%	46%	50%
Expenses of Management to Net written Premium Ratio (Note-2)	53%	55%	57%	60%	64%
Net incurred claims to Net earned premium	54%	62%	56%	54%	54%
Combined Ratio	97%	107%	102%	102%	107%
Technical Reserves to Net Premium Ratio	0.62 times	0.63 times	0.67 times	0.61 times	0.62 times

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Underwriting Balance Ratios	(0.06) times	(0.18) times	(0.09) times	(0.08) times	(0.13) times
Operating Profit Ratio	13%	3%	11%	14%	13%
Liquid Assets to Liability Ratio	0.23 times	0.30 times	0.52 times	0.54 times	0.75 times
Net Earnings Ratio	0%	(9%)	(4%)	(6%)	(7%)
Return on Net Worth Ratio	2%	(39%)	(9%)	(18%)	(18%)
Reinsurance Ratio	22%	23%	23%	23%	23%
Available Solvency margin Ratio to Required Solvency Margin Ratio (times) (Note-3)	1.67	1.72	2.09	1.77	1.77
NPA Ratio	1.88%	2.83%	4.95%	7.43%	7.03%

**Notes:**

- 1) Ratios are calculated as per IRDAI Master Circular on Preparation of Financial Statements 2012.
- 2) Expense of Management ratio is computed on basis of Gross Direct Commission.
- 3) Required Solvency Margin Ratio (times) is 1.50.

**31. 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 a "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 the Corporate Social Responsibility Policy which has been adopted by the CSR Committee and Board. 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 during FY 2022-23.

**32. Provision for Free Look period**

The provision for Free Look period is Rs. 11,760 thousand (previous year Rs. 5,689 thousand), as certified by the Appointed Actuary.

- 33. (A)** The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/ accounting standard

(B) As at March 31, 2023, the Company did not have any outstanding long term derivative contracts (previous year Rs. Nil).

**34. Foreign exchange gain/loss**

The foreign exchange loss (net) debited to Revenue Account for the year ended March 31, 2023 is Rs. 140 thousands (March 31, 2022 exchange loss (net) Rs. 1,270 thousands).

**35. Investor Education & Protection Fund**

For the year ended March 31, 2023 the Company has transferred Rs. Nil (previous year Rs. Nil) to the Investor Education & Protection Fund.

- 36.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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37. No funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
38. The Company has not declared or paid any dividend during the year ended March 31, 2023.

**39. Risk Management Architecture –**

The Board and other stakeholders of Niva 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, Niva 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 Niva Bupa is willing to take, a set of Risk Appetite Statements have been defined which state in both quantitative and qualitative terms the Niva 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.

**Strategic Risk Assessment:**

Niva 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.



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**Risk Identification and Assessment process:**

Niva 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.

**40. 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. Krishnan Ramachandran
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, 2023	Niva Bupa Health Insurance Company Limited

**41. REPO/Reverse repo transactions –**

*(Rs.in '000)*

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2023
<b>Securities sold under repo</b>				
Government securities	- (-)	- (-)	- (-)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)
<b>Securities purchased under reverse repo</b>				
Government securities	- (-)	- (-)	- (-)	- (-)
Corporate Debt Securities	- (-)	- (-)	- (-)	- (-)

Figures in bracket pertains to year ended March 31, 2022

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**42. Share Capital and Allotment**

Authorize share capital of the company as on March 31, 2023 is 5,00,00,000 thousand. During the year the company has allotted 10,20,75,688 equity shares (previous year 5,88,72,428 equity shares) out of which equity shares 1,07,29,921 (previous year 70,31,862) were allotted under ESOP which includes 7,20,041 (previous year 71,162) shares issued under right issue. During the year Company has not made any preferential allotment (previous year: Rs. Nil).

**43.** The Insurance Regulatory and Development Authority (IRDAI) on January 07, 2022 issued an inspection report for the year ended March 31, 2021 under Section 14 (2) of the IRDA Act 1999. The Board of the Company has taken cognizance of the report. Further, the Company has submitted the responses as per the directions received from regulator (IRDAI) during the previous year. The Company does not foresee any material adjustment in these financial statements and operations of the Company.

**44.** Pursuant to an inquiry by Directorate General of GST Intelligence (DGGI) relating to certain input credit availed by the Company, it has provided all information and clarifications to DGGI. As directed by DGGI authorities, the Company has paid Rs. 2,50,000 thousands under section 74(5) of the CGST Act 2017. The Company believes, it has taken input credit in accordance with relevant provisions of the statute. The Company has also received summons under section 131 (1A) from the income tax authorities and has provided all the information and clarifications to them. Pending completion of such inquiry, there is no impact considered on the financial statements for the year ended March 31, 2023.

**45. Employee stock option plan**

The company had introduced “Employee Stock Option Plan - 2020 (ESOP 2020)” in the financial year 2020-21 effective from 01<sup>st</sup> June 2020 (date of grant). Under the ESOP Scheme 2020 the company has given options to eligible Employees to acquire equity shares in the company. The options have been granted under various tranches.

**ESOP Scheme 2020**

Series	Date of grant	Numbers granted	Exercise period from each vesting date (in month)	Vesting conditions	Exercise price per option	Estimated fair value of share granted
Series-1	01-Jun-20	6,26,00,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 3 <sup>rd</sup> anniversary from date of grant 20% at 4 <sup>th</sup> anniversary from date of grant 20% at 5 <sup>th</sup> anniversary from date of grant	10.00	10.00
Series-2	01-Sep-20	77,50,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 1 <sup>st</sup> June 2023 20% at 1 <sup>st</sup> June 2024 20% at 1 <sup>st</sup> June 2025	10.00	10.00
Series-3	05-Sep-20	2,50,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 1 <sup>st</sup> June 2023 20% at 1 <sup>st</sup> June 2024 20% at 1 <sup>st</sup> June 2025	10.00	10.00
Series-4	06-Oct-20	2,50,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 1 <sup>st</sup> June 2023 20% at 1 <sup>st</sup> June 2024 20% at 1 <sup>st</sup> June 2025	10.00	10.00
Series-5	10-Oct-20	4,00,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 1 <sup>st</sup> June 2023 20% at 1 <sup>st</sup> June 2024 20% at 1 <sup>st</sup> June 2025	10.00	10.00

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<b>Series-6</b>	02-Nov-20	10,00,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 1 <sup>st</sup> June 2023 20% at 1 <sup>st</sup> June 2024 20% at 1 <sup>st</sup> June 2025	10.00	10.00
<b>Series-7</b>	23-Feb-21	29,50,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 1 <sup>st</sup> June 2023 20% at 1 <sup>st</sup> June 2024 20% at 1 <sup>st</sup> June 2025	10.00	12.66
<b>Series-8</b>	01-Apr-21	2,00,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 1 <sup>st</sup> June 2023 20% at 1 <sup>st</sup> June 2024 20% at 1 <sup>st</sup> June 2025	10.00	12.66
<b>Series-9</b>	11-Jun-21	14,50,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 1 <sup>st</sup> June 2024 20% at 1 <sup>st</sup> June 2025 20% at 1 <sup>st</sup> June 2026	12.66	10.00
<b>Series-10</b>	13-Oct-21	68,15,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 3 <sup>rd</sup> anniversary from date of grant 20% at 4 <sup>th</sup> anniversary from date of grant 20% at 5 <sup>th</sup> anniversary from date of grant	23.46	23.46
<b>Series-11</b>	25-Oct-21	1,25,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 3 <sup>rd</sup> anniversary from date of grant 20% at 4 <sup>th</sup> anniversary from date of grant 20% at 5 <sup>th</sup> anniversary from date of grant	23.46	23.46
<b>Series-12</b>	01-Nov-21	12,50,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 3 <sup>rd</sup> anniversary from date of grant 20% at 4 <sup>th</sup> anniversary from date of grant 20% at 5 <sup>th</sup> anniversary from date of grant	23.46	23.46
<b>Series-13</b>	01-Jun-22	26,24,500	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 3 <sup>rd</sup> anniversary from date of grant 20% at 4 <sup>th</sup> anniversary from date of grant 20% at 5 <sup>th</sup> anniversary from date of grant	31.92	31.92
<b>Series-14</b>	23-Jan-23	24,67,000	60	20% at 1 <sup>st</sup> anniversary from date of grant 20% at 2 <sup>nd</sup> anniversary from date of grant 20% at 3 <sup>rd</sup> anniversary from date of grant 20% at 4 <sup>th</sup> anniversary from date of grant 20% at 5 <sup>th</sup> anniversary from date of grant	33.25	33.25

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A summary of status of ESOP schemes in terms of options forfeited, options exercised, options outstanding and options exercisable is as given below:

**For the year ended March 31, 2023**

Schemes	Outstanding at the beginning of the year	Granted during the year	Cancellation of options due to resignation/ surrender during the year	Exercised during the year	Outstanding at the end of the year	Exercisable as at March 31, 2023
Series -1	5,09,90,800	-	-	79,29,180	4,30,61,620	43,51,140
Series -2	43,73,300	-	23,38,200	5,00,475	15,34,625	8,300
Series -3	2,16,500	-	-	54,125	1,62,375	-
Series -4	2,16,500	-	-	-	2,16,500	54,125
Series -5	3,46,400	-	-	86,600	2,59,800	-
Series -6	8,66,000	-	-	2,16,500	6,49,500	-
Series -7	22,70,000	-	-	3,50,000	19,20,000	3,30,000
Series -8	2,00,000	-	-	-	2,00,000	40,000
Series -9	14,50,000	-	-	2,90,000	11,60,000	-
Series -10	64,90,000	-	7,80,000	3,08,000	54,02,000	3,41,000
Series -11	1,25,000	-	-	25,000	1,00,000	-
Series -12	12,50,000	-	-	2,50,000	10,00,000	-
Series -13	-	26,24,500	79,000	-	25,45,500	-
Series -14	-	24,67,000	-	-	24,67,000	-

**For the year ended March 31, 2022**

Scheme	Outstanding at the beginning of the year	Granted during the year	Cancellation of options due to resignation/ surrender during the year	Exercised during the year	Outstanding at the end of the year	Exercisable as at March 31, 2022
Series -1	5,91,00,000	-	25,00,000	56,09,200	5,09,90,800	12,30,160
Series -2	67,50,000	-	16,59,800	7,16,900	43,73,300	-
Series -3	2,50,000	-	-	33,500	2,16,500	-
Series -4	2,50,000	-	-	33,500	2,16,500	-
Series -5	4,00,000	-	-	53,600	3,46,400	-
Series -6	10,00,000	-	-	1,34,000	8,66,000	-
Series -7	29,50,000	-	3,00,000	3,80,000	22,70,000	1,50,000
Series -8	-	2,00,000	-	-	2,00,000	-
Series -9	-	14,50,000	-	-	14,50,000	-
Series -10	-	68,15,000	3,25,000	-	64,90,000	-
Series -11	-	1,25,000	-	-	1,25,000	-
Series -12	-	12,50,000	-	-	12,50,000	-

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For options outstanding, the exercise price ranges between Rs. 10 to Rs. 33.25 and weighted average remaining contractual life of these grants ranges between 2.5 to 5 years.

The weighted average price of options exercised during the year ended on March 31, 2023 is Rs.10.86 (Previous year: Rs. 10)

In accordance with the "Securities and Exchange Board of India (Share Based Employee Benefits) regulations 2014" and the "Guidance Note on Accounting for Share-based Payments", the cost of equity settled transactions is measured using the intrinsic value method. Compensation cost is recognized as deferred stock option expense and is charged to Revenue Account on straight line basis over the vesting period of options.

**46. Disclosure of Fire and Marine Revenue accounts**

As the company operates in single insurance business class viz. health insurance business, the reporting requirements as prescribed by IRDA with respect to presentation of Fire and Marine insurance revenue accounts are not applicable.

**47. Taxation**

In the absence of virtual certainty regarding availability of sufficient future taxable Income to set off the taxable accumulated business losses in future, within, the deferred tax assets on account of timing differences as stipulated in Accounting Standard 22 on "Accounting for Taxes on Income" has not been recognized. Further, the Government of India on December 12, 2019 vide the Taxation Laws (Amendment) Act 2019 inserted a new section 115BAA in the Income Tax Act 1961, which provides an option to the company for paying Income Tax at reduced rates as per provisions/conditions defined in said section and the company has opted for the same.

**48. Implementation of Indian Accounting Standard (Ind AS) In Insurance Sector**

IRDAI vide its letter dated July 14, 2022 advised the insurance companies to set up a cross functional Steering Committee to oversee the implementation of Ind AS. The Company has accordingly set up an Ind AS Steering Committee which meets at regular intervals to oversee the progress on the matter. The Company has had discussions with various knowledge partners and technology partners in FY.22-23 to understand the implementation of IFRS 17. The Company also sent its key executives for a training program on IFRS 17 organized by the Institute of Actuaries of India.

**49. Code on Social Security , 2020**

The Indian Parliament had approved the Code on Social Security, 2020 which could impact the contributions by the company towards Provident fund and Gratuity. The Ministry of Labour and Employment and state governments has pre-published draft rules for the Code on Social Security, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry/Government. The Company will complete its evaluation once the Rules are notified and will give appropriate impact in the financial statements in the year in which the related Rules becomes effective.

**NIVA BUPA HEALTH INSURANCE COMPANY LIMITED (FORMERLY KNOWN AS MAX BUPA HEALTH INSURANCE COMPANY LIMITED)**

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

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

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**50. Comparative Figures**

Previous period figures have been regrouped and reclassified wherever necessary to conform to current period's presentation.

<b>Previous year statements/Schedule number, Line item &amp; description</b>	<b>Amount regrouped (000's)</b>	<b>Current year statements/Schedule number, Line item &amp; description</b>	<b>Amount regrouped(000's)</b>	<b>Reason for change</b>
Schedule 4 Opex- Others- sitting fees	6,600	Profit and loss account – Other expenses- Director sitting fees	6,600	For better presentation

As per our report of even date  
For S.R. Batliboi & Co. LLP  
Chartered Accountants

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

**Shrawan Jalan**  
Partner  
Membership No: 102102  
Place: Mumbai

**Director**  
**Dinesh Kumar Mittal**  
DIN: 00040000

**Managing Director &  
Chief Executive Officer**  
**Krishnan Ramachandran**  
DIN: 08719264

For T R Chadha & Co. LLP  
Chartered Accountants

**Neena Goel**  
Partner  
Membership No:057986  
Place: Delhi

**Company Secretary**  
**Rajat Sharma**  
Membership No. FCS 7069

**Chief Financial Officer**  
**Vishwanath Mahendra**

Date: May 04, 2023

Place: Gurugram

## NIVA BUPA HEALTH INSURANCE COMPANY LIMITED (FORMERLY KNOWN AS MAX BUPA HEALTH INSURANCE COMPANY LIMITED)

### MANAGEMENT REPORT

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Niva 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 is a joint venture between Fettle Tone LLP and Bupa Singapore Holding Pte. Singapore. Fettle Tone LLP is the holding company of Niva Bupa Health Insurance Company Limited 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, 2023 is submitted:

1. The Company obtained Regulatory approval to undertake Health & Personal Accident Insurance business on 15<sup>th</sup> 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 Company is exposed to a variety of risks associated with its insurance business operations and the investment portfolio. To help define the level of risk that the Company is willing to take, a set of Risk Appetite Statements have been defined which state in both quantitative and qualitative terms the Company's desired risk profile / overall level of risk exposure. These risk appetite statements are reviewed and approved by the Board to ensure alignment of the Company's risk strategy to the business plan approved by the Board.

To execute the risk strategy and manage the overall risk exposure, the Company has adopted "Three Line of Defence" model with clearly defines responsibilities for each group of risk and control professionals including but not limited to internal audit, risk management, compliance, and fraud investigation function. Risk management activities are supervised on behalf of the Board by the Risk Committee, whose responsibilities conform to those prescribed by the IRDAI. The Chief Risk Officer assists the Board Committee in overseeing the risk management activities across the Company through a well-defined Risk Management Framework, which defines its approach to enterprise wide risk management. The implementation is a continuous cycle of improvement over the Company's existing risk management elements which are progressively integrated into the framework. The Company has the vision of a matured state of risk culture whereby every individual takes responsibility of risks and has a thorough understanding of all risk tolerances.

The Company maintains a diversified product portfolio between the retail and group business and undertakes an underwriting philosophy appropriate for its products, distribution channels, geographies and target market segments. In addition, the Company has kept its risk exposure at a level commensurate with its capacity through an appropriate reinsurance program. The investment portfolio is diversified within the limits set under IRDAI regulations as well as governed by the various internal policies and norms as set out the Investment Committee of the Company. Operational risks are sought to be managed by a system of limits, internal controls, and segregation of duties, wherever feasible. All key risks are regularly reviewed and acted on as appropriate by the management team.

The Company has an Information Security Committee to oversee the information security and cyber risk exposure and all such risks are monitored with appropriate mitigation measures implemented under the guidance of a Chief Information Security Officer. The Company has a robust internal audit function and all relevant internal controls, key operational risks and compliances are reviewed and audited on a regular basis.

8. We confirm that there were no operations of the Company outside India during the year ended March 31, 2023.



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

Particulars	FY 2022-23*		FY 2021-22*		FY 2020-21*		FY 2019-20		FY 2018-19	
	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	10,527	7,408	5,289	3,888	3,140	2,445	1,050	721	3,359	2542
30 days to 6 Months	78	243	776	1090	462	936	40	27	538	572
6 months to1 year	-	-	-	-	-	-	2	1	26	19
1 year to 5 years	-	-	-	-	-	-	-	-	-	-
5 years and above	-	-	-	-	-	-	-	-	-	-

\*Includes only Claim outstanding but does not include Pre-Auth outstanding.

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

Line of Business	FY 2022-23		FY 2021-22		FY 2020-21		FY 2019-20		FY 2018-19	
	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	3,99,773	8 days	2,70,378	9 days	1,24,978	13 days	1,32,750	10 days	79,010	16 days
Personal Accident	711	7 days	337	8 days	76	6 days	59	20 days	21	13 days
Travel	8	8 days	-	-	-	-	-	-	-	-

10. As at March 31, 2023, the investments of the Company are mainly in Government Securities including Central and State Government bonds, Debt Securities including Corporate Bonds, 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, 2023 has been calculated as per guidelines issued by SEBI approved rating agency (CRISIL)

Exposure to Equities and mutual fund Investments are stated at fair value, being the closing net assets value as at balance sheet date.

Acquisition cost of Debt Securities is Rs. 3,22,948 lakhs (Previous year Rs. 2,03,394 lakhs), amortized value is Rs. 3,22,424 lakhs (Previous year Rs. 2,02,666 lakhs) and market value at Rs. 3,16,609 lakhs (Previous year Rs. 2,03,015 lakhs).

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+, and AA), Liquid Mutual Funds, Equity Securities, Alternate Investment Funds and Deposits with various Scheduled Banks.

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 or earlier, as the case may be, in order to align the same with the Company business plans.

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 1.67 times against the required solvency ratio of 1.50 times.
- 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 2022-23 are as under:

SN	Name of the Director	Entity in which Director is interested	Interested as	Payment made (Rs. Lakhs)
1	Mr. Dinesh Kumar Mittal	Bharti Airtel Limited	Director	129
2	Mr. Pradeep Pant	Max Life Insurance Company Limited	Independent Director	252

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

**Director**  
**Dinesh Kumar Mittal**  
DIN: 00040000

**Managing Director & Chief Executive Officer**  
**Krishnan Ramachandran**  
DIN: 08719264

**Company Secretary**  
**Rajat Sharma**  
Membership No.- FCS7069

**Chief Financial Officer**  
**Vishwanath Mahendra**

Place: Gurugram  
Date: May 04, 2023