

Aditya

**Aditya Birla Health Insurance Co.
Limited**

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED**



INDEPENDENT AUDITORS' REPORT

To
The Members of
ADITYA BIRLA HEALTH INSURANCE CO. LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ADITYA BIRLA HEALTH INSURANCE CO. LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Revenue account, the Profit and Loss account and the Receipts and Payments account for the year then ended, the schedules annexed thereto, a summary of the significant accounting policies and other explanatory notes thereon.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, underwriting results, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ("the Regulations") and orders /directions prescribed by the Insurance Regulatory and Development Authority of India ("IRDAI") in this behalf and current practices prevailing within the insurance industry in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ("the Regulations") and orders / directions prescribed by the Insurance Regulatory and Development Authority of India ("IRDAI") in this behalf, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002 ("the Regulations").



P Y S & Co (a partnership firm) converted into P Y S & Co LLP (a Limited Liability Partnership with LLP Identification No AAG-9715) w.e.f. 26th July 2016.

Mumbai Office : Saraswati Bhuvan, Sahakar Road, Tejpal Scheme Road No. 5, Vile Parle (East), Mumbai - 400 057.

Tel : 9987068582 / 8286051811 Email: emails@pys.ind.in

Registered Office : No. 777/D, New Bridge Corporate Centre, 100 Feet Road, Indiranagar, Bengaluru - 560 038.

Other Offices: New Delhi-NCR and Surat



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

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 Act, Insurance Act, 1938, Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Insurance Regulatory and Development Act, 1999 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India as applicable to insurance companies:

- a. in the case of Balance Sheet, of the state affairs of the Company as at March 31, 2017;
- b. in the case of Revenue Account, of the operating loss for the year ended on that date;
- c. in the case of Profit and Loss Account, of the loss for the year ended on that date;
- d. and in case of Receipts and Payments Account, of the Receipts and Payments for the year ended on that date.

Other matters

The actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') included under claims outstanding as at March 31, 2017, has been duly certified by the Appointed Actuary of the Company. The Appointed Actuary has also certified that the assumptions considered for such valuation are in accordance with the guidelines and norms prescribed by the IRDAI and the Actuarial Society of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company.

Report on Other Legal and Regulatory Requirements

As required by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies Regulations), 2002, in our opinion and according to the information and explanations given to us, 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) As the Company's accounts are centralized and maintained at the corporate office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
- (c) 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;
- (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 applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles prescribed by the Regulations and orders/ directions prescribed by IRDAI in this regard;





- (f) In our opinion and to the best of our information and explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, 1938 and Insurance Laws (Amendment) Act, 2015 (to the extent notified), the Regulations and orders/directions issued by IRDAI in this regard;
- (g) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations on its financial position in its 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; and
 - iv. The disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company.

For PYS & Co. LLP
Chartered Accountants
Firm's Reg. No.: 12388S

(Anand Mohta)
Partner
Membership No. 111128



Place: Mumbai
Dated:



ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ADITYA BIRLA HEALTH INSURANCE COMPANY LIMITED
Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Aditya Birla Health Insurance Company Limited ("the Company") as of March 31, 2017 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". 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matter

The Actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') as at March 31, 2017, has been duly certified by the Appointed Actuary of the Company as per the Regulations and has been relied upon by us as mentioned in Other matter paragraph of our Audit Report on the financial statements for the year ended March 31, 2017. Accordingly, our opinion on the internal financial controls over financial reporting does not include reporting on the adequacy and operating effectiveness of the internal controls over the valuation and accuracy of the aforesaid actuarial liabilities.

For PYS & Co. LLP
Chartered Accountants
Firm's Reg. No.: 12388S

(Anand Mohta)
Partner
Membership No. 111128



Place: Mumbai
Dated:



INDEPENDENT AUDITOR'S CERTIFICATE

(Referred to in paragraph 1 of our report on Other Legal and Regulatory Requirements forming part of the Independent Auditor's Report dated 8 April, 2017)

This certificate is issued to **Aditya Birla Health Insurance Company Limited** (the Company) to comply with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of financial statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements") read with Regulation 3 of the IRDA Financial Statements Regulations.


The Company's Management is responsible for complying with the provision of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act") read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/CPM/056/03/2016 dated April 4, 2016, the Insurance Regulatory and Development Authority Act, 1999 (the "Act"), the IRDA Financials Statements Regulations, orders/ directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid.

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

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of accounts and other records maintained by the Company for the year ended March 31, 2017, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2017, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on the Management representations and compliance certificates submitted to the Board of Directors by the Officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by the IRDA;
3. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2017, by actual inspection or on the basis of certificates/confirmations received from the Custodian and/or Depository Participants appointed by the Company as the case may be;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

For PYS & Co. LLP
Chartered Accountants
Firm's Reg. No.: 12388S


(Anand Mohta)
Partner
Membership No. 111128



Place: Mumbai
Dated:

FORM-B-RA
 Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
 REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2017

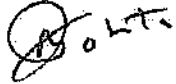
Particulars	Schedule	For the year ended 31-Mar-17 (Rs.'000)
1 Premiums earned (Net)	1	
2 Profit/ Loss on sale/redemption of Investments		134,831
3 Others		48,432
4 Interest, Dividend & Rent – Gross		-
Total (A)		10,959
		194,222
1 Claims Incurred (Net)	2	
2 Commission	3	149,232
3 Operating Expenses related to Insurance Business	4	32,497
4 Premium Deficiency		851,938
Total (B)		37,847
		1,071,514
Operating Profit/(Loss) [C= (A - B)]		(877,292)
Appropriations		
Transfer to Shareholders' Account		
Transfer to Catastrophe Reserve		(877,292)
Transfer to Other Reserves		-
Total (C)		-
		(877,292)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Schedule 16)
 The Schedules referred to above form an integral part of the Financial Statements.

We hereby certify that all expenses of management in respect of Health Insurance business transactions in India by the Company have been fully recognised in the revenue account as expenses.

As per our report of even date attached.

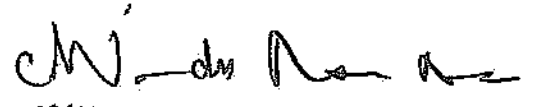
For PYS & CO. LLP
 Chartered Accountants



ANAND MOHTA
 Partner
 (Membership No: 111128)

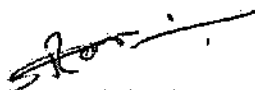


AJAY SRINIVASAN
 Director
 DIN-00121181

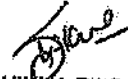


ASOKAN NAIDU
 Director
 DIN-07425396

MAYANK BATHWAL
 Director
 DIN-06804440



SETHURATHNAM RAVI
 Director
 DIN-00009790



SHIKHA BAGAI
 Chief Financial Officer



RAJIV JOSHI
 Company Secretary

Date : 08 May 2017
 Place : Mumbai



FORM-B-PL
Aditya Birla Health Insurance Co. Limited
CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the year ended 31-Mar-17 (Rs.'000)	For the period ended 31-Mar-16 (Rs.'000)
1 Operating Profit(Loss)		
(a) Miscellaneous Insurance	(877,292)	-
2 Income From Investments		
(a) Interest, Dividend and Rent – Gross	13,385	-
(b) Profit on sale of investments	59,939	386
Less: Loss on sale of investments	(785)	-
3 Other Income		
(a) Gain on Foreign Exchange Fluctuation	-	-
(b) Interest Income	-	-
(c) Liabilities no longer required written back	-	-
Total (A)	(804,753)	386
4 Provisions (Other than Taxation)		
(a) For diminution in the value of investments	-	-
(b) For doubtful debts	-	-
(c) Others	-	-
5 Other Expenses		
(a) Expenses other than those related to Insurance Business	61,968	152,267
(b) Bad debts written off	-	-
(c) Others	-	-
Total (B)	61,968	152,267
Profit/(Loss) Before Tax	(866,721)	(151,881)
Provision for Taxation	-	(126)
Profit/(Loss) After Tax	(866,721)	(152,007)
Appropriations		
(a) Interim dividends	-	-
(b) Proposed final dividend	-	-
(c) Dividend distribution tax	-	-
(d) Transfer to any Reserves or Other Accounts	-	-
Balance of Profit/(Loss) brought forward from last year	(152,007)	-
Balance carried forward to Balance Sheet	(1,018,728)	(152,007)
Basic and Diluted Earning per Share of Rs. 10/- each (Schedule 22)	(10.22)	(9.38)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Schedule 16)
The Schedules referred to above form an integral part of the Financial Statements.

We hereby certify that all expenses of management in respect of Health Insurance business transactions in India by the Company have been fully recognised in the revenue account as expenses.

As per our report of even date attached.


ANURAG MISHRA


ARKAN NAIDU


MAYANK BATHWAL

FORM-B-BS
Aditya Birla Health Insurance Co. Limited
CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016.
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Schedule	As at 31-Mar-17 (Rs.'000)	As at 31-Mar-16 (Rs.'000)
Sources of Funds			
Share Capital	5	1,004,412	180,000
Reserves and Surplus	6	1,470,588	-
Fair Value Change Account		313	452
Borrowings	7	-	-
Total		<u>2,475,313</u>	<u>180,452</u>
Application of Funds			
Shareholders' Investments	8	1,518,255	76,844
Policyholders' Investments	8A	770,979	-
Loans	9	-	-
Fixed Assets	10	285,970	5,246
Current Assets:			
Cash and Bank Balances	11	363,690	405
Advances and Other Assets	12	193,386	17,856
Sub-total (A)		<u>557,076</u>	<u>18,271</u>
Current Liabilities	13	1,222,334	20,080
Provisions	14	453,381	51,836
Sub-total (B)		<u>1,675,695</u>	<u>71,916</u>
Net Current Assets (C) = (A - B)		<u>(1,118,619)</u>	<u>(53,645)</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		<u>1,018,728</u>	<u>152,007</u>
Total		<u>2,475,313</u>	<u>180,452</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Schedule 16)
The Schedules referred to above form an integral part of the Financial Statements.

We hereby certify that all expenses of management in respect of Health Insurance business transactions in India by the Company have been fully recognised in the revenue account as expenses.

As per our report of even date attached.

For PYS & CO. LLP
Chartered Accountants

[Signature]

ANAND.MOHTA
Partner
(Membership No: 111128)

[Signature]
AJAY SRINIVASAN
Director
DIN-00121181

[Signature]
ASOKAN NAIDU
Director
DIN-07425396

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MAYANK BATHWAL
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SETHURATHNAM RAVI
DIRECTOR
DIN-00009790

[Signature]
SHIKHA BAGAI
Chief Financial Officer

[Signature]
RAJIV JOSHI
Company Secretary

Date :08 May 2017
Place : Mumbai



Aditya Birla Health Insurance Co. Limited
CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
RECEIPTS AND PAYMENT ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	For the year ended 31-Mar-17 (Rs.'000)	For the period ended 31-Mar-16 (Rs.'000)
Cash-Flows from the Operating Activities:		
Premium received from Policyholders, including Advance Receipts	1,214,837	-
Other Receipts	-	-
Payments to the re-insurers, net of commissions and claims	3,338	-
Payments to co-insurers, net of claims recovery	-	-
Payments of claims	(82,328)	-
Payments of commission and brokerage	(23,187)	-
Payments of Other Operating Expenses	(569,090)	(97,473)
Preliminary and Pre-operative Expenses	-	-
Deposits, Advances and Staff Loans	(55,277)	(6,618)
Income Taxes Paid (Net)	(76)	(50)
Service tax paid	(10,830)	(11,241)
Other Payments	24,592	17,039
Cash Flows before Extraordinary Items	502,179	(88,343)
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	502,179	(88,343)
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(280,724)	(5,246)
Proceeds from sale of fixed assets	-	-
Purchases of Investments(Net)	(8,532,012)	(119,150)
Loans disbursed	-	-
Sales of Investments	6,354,498	43,144
Repayments received	-	-
Rents/interests/ Dividends received	24,344	-
Investments in money market instruments and in liquid mutual funds (Net)	-	-
Expenses related to Investments	-	-
Net cash flow from investing activities	(2,433,894)	(81,252)
Cash flows from financing activities:		
Proceeds from Share Capital (including share premium)	2,295,000	180,000
Share Application Money	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	2,295,000	180,000
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net Increase/(decrease) in cash and cash equivalents:	363,285	405
Cash and cash equivalents at the beginning of the year	405	-
Cash and cash equivalents at the end of the year	363,690	405
Net Increase/(decrease) in cash and cash equivalents:	363,285	405

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS (Schedule 16)
The Schedules referred to above form an Integral part of the Financial Statements.

For PYS & CO: LLP
Chartered Accountants

Signature

ANAND MOHTA
Partner
(Membership No: 111128)

Signature
AJAY SRINIVASAN
Director
DIN-09121181

Signature
SETHURATHNAM RAVI
DIRECTOR
DIN-99999790

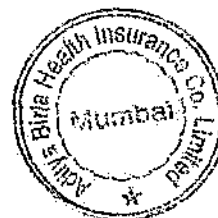
Signature
ASOKAN NAIDU
Director
DIN-07425396

Signature
SHIKHA BAGAI
Chief Financial Officer

Signature
MAYANK BATHWAL
Director
DIN-06804440

Signature
RAJIV JOSHI
Company Secretary

Date :08 May 2017
Place : Mumbai



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended 31-Mar-17 (Rs.'000)
SCHEDULE - 1	
PREMIUM EARNED [NET]	
Premium from direct business written*	540,424
Add: Premium on reinsurance accepted	28,227
Less: Premium on reinsurance ceded	-
Net Premium	512,197
Less: Adjustment for change in reserve for unexpired risks	377,366
Total Premium Earned (Net)	134,831
Premium Income from business effected:	
In India	134,831
Outside India	-
Total Premium Earned (Net)	134,831
SCHEDULE - 2	
CLAIMS INCURRED [NET]	
Claims paid	
Direct	
Add: Re-insurance accepted	82,328
Less: Re-insurance Ceded	-
Net Claims paid	4,411
Add: Claims Outstanding at the end of the period	77,917
Less: Claims Outstanding at the beginning	71,315
Total Claims Incurred*	149,232
SCHEDULE - 3	
COMMISSION	
Commission paid	
Direct	
Add: Re-insurance accepted	35,273
Less: Commission on Re-insurance Ceded	-
Net Commission	2,776
Break Up of expenses incurred to procure business:	
Agents	2,615
Brokers	32,467
Corporate Agency	32
Others	159
	35,273



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended 31-Mar-17 Retail		For the year ended 31-Mar-17 Group Personal Accident		
	Health	Total	Health	Personal Accident	Total
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
SCHEDULE – 1A					
PREMIUM EARNED [NET]					
Premium from direct business written*	29,495	29,495	501,311	9,618	510,929
Add: Premium on reinsurance accepted	-	-	-	-	-
Less: Premium on reinsurance ceded	1,475	1,475	25,066	1,686	26,752
Net Premium	28,020	28,020	476,245	7,932	484,177
Less: Adjustment for change in reserve for unexpired risks	25,358	25,358	344,909	7,105	352,014
Total Premium Earned (Net)	2,662	2,662	131,342	827	132,169
* Net of Service Tax					
SCHEDULE – 2A					
CLAIMS INCURRED [NET]					
Claims paid					
Direct	402	402	81,921	4	81,925
Add: Re-insurance accepted	-	-	-	-	-
Less: Re-insurance Ceded	16	16	4,395	-	4,395
Net Claims paid	386	386	77,526	4	77,530
Add: Claims Outstanding at the end of the period	27,341	27,341	42,492	1,482	43,974
Less: Claims Outstanding at the beginning	-	-	-	-	-
Total Claims Incurred*	27,727	27,727	120,018	1,486	121,505
SCHEDULE – 3A					
COMMISSION					
Commission paid					
Direct	3,483	3,483	30,757	1,033	31,790
Add: Re-insurance accepted	-	-	-	-	-
Less: Commission on Re-insurance Ceded	221	221	2,507	48	2,555
Net Commission	3,262	3,262	28,250	985	29,235
Break Up of expenses incurred to procure business:					
Agents	2,338	2,338	266	11	277
Brokers	955	955	30,491	1,022	31,512
Corporate Agency	32	32	-	-	-
Others	159	159	-	-	-
	3,483	3,483	30,767	1,033	31,790



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8
SHAREHOLDERS' INVESTMENTS

SN	Particulars	As at	As at
		31-Mar-17 (Rs.'000)	31-Mar-16 (Rs.'000)
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	435,824	-
2	Other Approved Securities	153,859	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	202,890	-
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	307,733	-
5	Other than Approved Investments	-	-
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note (a.) below)	-	-
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	199,695	76,844
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities	167,825	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	50,429	-
5	Other than Approved Investments	-	-
	Total	1,518,255	76,844
	Investments in India	1,518,255	76,844
	Investments outside India	-	-
Notes:			
a.	Aggregate book value of quoted investments other than Equity Shares	1,517,942	-
b.	Aggregate market value of quoted investments other than Equity Shares	1,500,964	-
c.	Historical cost of Equity Shares valued on fair value basis	-	-
d.	Historical cost of Mutual funds valued on fair value basis	199,382	76,392
e.	Aggregate book value of unquoted investments	-	-
f.	Includes Government securities of book value held under Section 7 of the Insurance Act, 1939.	-	-



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 8A
POLICYHOLDERS' INVESTMENTS

SN	Particulars	As at 31-Mar-17 (Rs.'000)	As at 31-Mar-16 (Rs.'000)
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	205,002	-
2	Other Approved Securities	52,338	-
3	Other Investments	-	-
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities	203,556	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	-	-
5	Other than Approved Investments	310,083	-
		-	-
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note (a.) below)	-	-
2	Other Approved Securities	-	-
3	Other Investments	-	-
	(a) Shares	-	-
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	-
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	-	-
5	Other than Approved Investments	-	-
	Total	770,979	-
	Investments in India	770,979	-
	Investments outside India	-	-
Notes:			
a.	Aggregate book value of quoted investments other than Equity Shares	770,979	-
b.	Aggregate market value of quoted investments other than Equity Shares	768,427	-
c.	Historical cost of Equity Shares valued on fair value basis	-	-
d.	Historical cost of Mutual funds valued on fair value basis	-	-
e.	Aggregate book value of unquoted investments	-	-
f.	Includes Government securities of book value held under Section 7 of the Insurance Act, 1938.	-	-



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9
LOANS

SN	Particulars	As at 31-Mar-17 (Rs.'000)	As at 31-Mar-16 (Rs.'000)
1	Security-Wise Classification		
	Secured		
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On Shares, Bonds, Govt. Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	Total	<u>-</u>	<u>-</u>
2	Borrower-Wise Classification		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	Total	<u>-</u>	<u>-</u>
3	Performance-Wise Classification		
	(a) Loans classified as standard		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non-performing loans less provisions		
	(aa) In India	-	-
	(bb) Outside India	-	-
	Total	<u>-</u>	<u>-</u>
4	Maturity-Wise Classification		
	(a) Short Term	-	-
	(b) Long Term	-	-
	Total	<u>-</u>	<u>-</u>



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SN	Particulars	As at 31-Mar-17 (Rs.'000)	As at 31-Mar-16 (Rs.'000)
SCHEDULE - 6			
RESERVES AND SURPLUS			
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	1,470,588	-
4	General Reserves	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy-back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves	-	-
7	Balance of Profit in Profit & Loss Account	-	-
	Total	<u><u>1,470,588</u></u>	<u><u>-</u></u>
SCHEDULE - 7			
BORROWINGS			
1	Debentures/ Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	Total	<u><u>-</u></u>	<u><u>-</u></u>



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2016PLC263677 and IRDA Registration No. 163 Dated 11 July 2016
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	For the year ended 31-Mar-17 (Rs.'000)	For the period ended 31-Mar-16 (Rs.'000)
1 Employees' remuneration and welfare benefits	396,977	-
2 Travel, conveyance and vehicle running expenses	30,462	-
3 Training expenses	6,257	-
4 Rents, rates and taxes	37,113	-
5 Repairs	2,852	-
6 Printing and stationery	3,394	-
7 Communication	4,597	-
8 Legal and professional charges	66,409	-
9 Auditors' fees, expenses etc		-
(a) as auditor	262	-
(b) as adviser or in any other capacity, in respect of		-
(i) Taxation matters	-	-
(ii) Insurance matters	-	-
(iii) Management services; and	295	-
(c) in any other capacity		-
(i) Tax Audit Fees	-	-
10 Advertisement and publicity	215,377	-
11 Interest and bank charges	187	-
12 Others		-
(a) Business and Sales Promotion	-	-
(b) Membership and Subscription	1,697	-
(c) Loss on Disposal of Fixed Assets	-	-
(d) Loss on Foreign Exchange Fluctuation	1	-
(e) Charity & Donation	-	-
(f) Insurance	188	-
(g) Sitting Fee	915	-
(h) Miscellaneous Expenses	1,336	-
(i) Stamp duty	785	-
(j) IT expenses	7,423	-
(k) Electricity	4,538	-
(l) Recruitment	20,704	-
(m) Housekeeping	5,402	-
(n) Data center charges	1,403	-
(o) Agent training expenses	1,149	-
(p) Wellness expense	1,992	-
(q) Medical fees	1,381	-
13 Depreciation	38,842	-
Total	851,938	-



SCHEDULE – 4A
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	RETAIL		GROUP		Total
	For the year ended 31-Mar-17		For the year ended 31-Mar-17		
	Health	Health	Personal	Accident	
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
1 Employees' remuneration and welfare benefits	348,601	39,438	8,937		396,977
2 Travel, conveyance and vehicle running expense	1,662	28,258	541		30,462
3 Training expenses	341	5,804	111		6,257
4 Rents, rates and taxes	32,590	3,687	836		37,113
5 Repairs	2,504	283	64		2,852
6 Printing and stationery	3,061	230	103		3,394
7 Communication	251	4,264	82		4,597
8 Legal and professional charges	3,624	61,605	1,180		66,409
9 Auditors' fees, expenses etc					
(a) as auditor	14	243	5		262
(b) as adviser or in any other capacity, in respect of					
(i) Taxation matters	-	-	-		-
(ii) Insurance matters	-	-	-		-
(iii) Management services; and	16	274	5		295
(c) in any other capacity					
(i) Tax Audit Fees	-	-	-		-
10 Advertisement and publicity	215,377	-	-		215,377
11 Interest and bank charges	10	173	3		187
12 Others					
(a) Business and Sales Promotion	-	-	-		-
(b) Membership and Subscription	93	1,574	30		1,697
(c) Loss on Disposal of Fixed Assets	-	-	-		-
(d) Loss on Foreign Exchange Fluctuation	0	1	0		1
(e) Charity & Donation	-	-	-		-
(f) Insurance	10	174	3		188
(g) Sitting Fee	50	849	16		915
(h) Miscellaneous Expenses	73	1,239	24		1,336
(i) Stamp duty	708	53	24		785
(j) IT expenses	6,695	503	226		7,423
(k) Wellness expense	248	4,210	81		4,538
(l) Recruitment	1,130	19,206	368		20,704
(m) Housekeeping	295	5,011	96		5,402
(n) Data center charges	77	1,302	25		1,403
(o) Agent training expenses	63	1,066	20		1,149
(p) Wellness expense	1,797	135	61		1,992
(q) Medical fees	1,246	93	42		1,381
13 Depreciation	2,120	36,032	690		38,842
	622,656	216,709	13,573		851,938



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
 SCHEDULES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

**SCHEDULE – 5
 SHARE CAPITAL**

SN	Particulars	As at 31-Mar-17 (Rs.'000)	As at 31-Mar-16 (Rs.'000)
1	Authorised Capital 101,000,000 Equity Shares of Rs 10 each	1,010,000	1,000,000
2	Issued Capital 100,441,178 Equity Shares of Rs 10 each (Previous year: 18,000,000 Equity Shares of Rs.10 each)	1,004,412	180,000
3	Subscribed Capital 100,441,178 Equity Shares of Rs 10 each (Previous year: 18,000,000 Equity Shares of Rs.10 each)	1,004,412	180,000
4	Called-up Capital		
	Less: Calls unpaid	-	-
	Add: Equity Shares forfeited (Amount originally paid up)	-	-
	Less: Par Value of Equity Shares bought back	-	-
	Less: Preliminary Expenses	-	-
	Less: Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	Total	1,004,412	180,000

Of the above, 51,225,001 shares are held by the holding company, Aditya Birla Financials Service Limited along with its nominee (previous year: 18,000,000 shares).

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

Shareholders	As at 31-Mar-17		As at 31-Mar-16	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	51,225,001	51%	18,000,000	100%
- Foreign	49,216,177	49%	-	0%
Others	-	-	-	-
Total	100,441,178	100.00%	18,000,000	100.00%



SN	Particulars	Cost/Gross Block		Depreciation			Net Block				
		As at 1st Apr, 2016	Additions	Deductions	As at 31st Mar, 2017	Upto 31st Mar, 2016	For the year	On Sales/ Adjustments	To date 31st Mar, 2017	As at 31st Mar, 2017	As at 31st Mar, 2016
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles - Software	-	179,489	-	179,489	-	24,993	-	24,993	154,496	-
3	Land-Freehold	-	-	-	-	-	-	-	-	-	-
4	Leasehold Property	-	-	-	-	-	-	-	-	-	-
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	-	2,897	-	2,897	-	279	-	279	2,618	-
7	Leasehold Improvement	-	14,257	-	14,257	-	932	-	932	13,325	-
8	Information Technology Equipment	1,747	80,353	753	81,347	123	10,754	115	10,762	70,585	1,624
9	Vehicles	-	4,045	-	4,045	-	1,065	-	1,065	2,980	-
10	Office Equipment	1,011	10,801	-	11,812	119	1,765	-	1,884	9,928	892
	Total	2,758	291,842	753	293,847	242	39,788	115	39,915	253,932	2,516
	Capital work in progress	2,730	224,724	195,416	32,038	-	-	-	-	32,038	2,730
	Grand total	5,488	516,566	196,169	325,885	242	39,788	115	39,915	285,970	5,246
	Previous year	-	5,488	-	5,488	-	242	-	242	-	-



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SN	Particulars	As at 31-Mar-17 (Rs.'000)	As at 31-Mar-16 (Rs.'000)
SCHEDULE – 11			
CASH AND BANK BALANCES			
1	Cash (including cheques, drafts and stamps)	35,478	-
2	Bank Balances		
	(a) Deposit Accounts	-	-
	(aa) Short-term (due within 12 months) #	500	-
	(bb) Others	-	-
	(b) Current Accounts	327,712	405
	(c) Others	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	363,690	405
	Balances with non-scheduled banks included in 2 above	-	-
SCHEDULE – 12			
ADVANCES AND OTHER ASSETS			
ADVANCES			
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	12,271	-
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source	-	-
6	Others (to be specified)	-	-
	(a) Advance to Suppliers	910	-
	(b) Other advances	14,093	-
	Total (A)	27,274	-
OTHER ASSETS			
1	Income accrued on investments	72,572	-
2	Outstanding Premiums	-	-
3	Agents' Balances	-	-
	Less: Provisions made	-	-
	Sub-total	-	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business	7,186	-
6	Due from subsidiaries/ holding*	17,346	-
7	Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8	Others		
	(a) Rent and other deposits	46,892	6,618
	(b) Service tax on input services (net)	22,116	11,249
	Total (B)	166,112	17,866
	Total (A+B)	193,386	17,866

Notes:

The Deposit is lien marked against Bank Guarantee.

* Subsidiaries also includes fellow subsidiaries.



Aditya Birla Health Insurance Co. Limited
 CIN:U66000MH2015PLC263677 and IRDA Registration No. 153 Dated 11 July 2016
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SN	Particulars	As at 31-Mar-17 (Rs.'000)	As at 31-Mar-16 (Rs.'000)
SCHEDULE – 13			
CURRENT LIABILITIES			
1	Agents' balances	12,086	-
2	Balances due to other insurance companies	31,564	-
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	-	-
5	Unallocated premium	674,286	-
6	Sundry creditors	406,433	15,700
7	Due to subsidiaries/ holding company*	8,038	-
8	Claims Outstanding	71,315	-
9	Unclaimed amount of policyholders/insured	-	-
10	Due to Officer/ Director	-	-
11	Others		
	(a) Tax deducted payable	10,676	3,289
	(b) Other statutory dues	245	8
	(c) Provident fund payable	3,483	1,084
	(d) Premium refund payable	127	-
	(e) Due to employees	4,081	-
	Total	1,222,334	20,080
SCHEDULE – 14			
PROVISIONS			
1	Reserve for Unexpired Risk	377,366	-
2	For taxation (less advance tax paid and taxes deducted at source)	-	76
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others	-	-
	(a) For Gratuity	31,044	14,106
	(b) For Leave Encashment	7,104	1,849
	(c) For Other operating expense related	-	35,805
	(d) Premium Deficiency Reserve	37,847	-
	Total	453,361	51,836
SCHEDULE – 15			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
1	Discount Allowed in issue of shares/ debentures	-	-
2	Others	-	-
	Total	-	-

Notes:

* Subsidiaries also includes fellow subsidiaries



Schedule 16 – Significant Accounting Policies And Notes to Financial Statements

1. BACKGROUND

Aditya Birla Health Insurance Co. Limited ("the Company") was incorporated on April 22, 2015 as a Company under the Companies Act, 2013. As on March 31, 2017, Aditya Birla Financial Services Limited holds 51% and MMI Strategic Investment Pty Ltd. holds 49% of paid up capital of the Company respectively. The Company is registered with the Insurance Regulatory and Development Authority of India ("IRDAI") for conducting health insurance business, under section 3 of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015.

The Certificate of Registration (Form – IRDA/ R3) has been issued by the Authority on July 11, 2016. Pursuant to Section 3 read with Section 3A of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, said certificate shall consequentially continue to be in force from the date of registration.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention, on an accrual basis and in accordance with the applicable provisions of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, circulars/notifications issued by IRDAI from time to time (including circular no. IRDA/F&A/CIR/CPM/ 056/03/2016 dated April 04, 2016), the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, to the extent applicable and the relevant provisions of the Companies Act, 2013.

The management evaluates, all recently issued or revised accounting pronouncements, on an ongoing basis.

(b) Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosures of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates. Differences between the actual and estimates, if any, are recognised in the year in which they materialize or are known.

(c) Revenue Recognition

(i) Premium Income

Premium including Reinsurance accepted (net of service tax) is recognised as income over the contract period or period of risk, as appropriate, after adjusting for unearned premium (unexpired risk). Reinstatement premium is recorded as and when such premiums are recovered. Any subsequent revisions to or cancellations of premiums are accounted for in the year in which they occur. Premium received in advance represents premium received prior to commencement of the risk.



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

(ii) Income earned on investments

Interest income on investments is recognised on an accrual basis. Accretion of discount and amortization of premium relating to government securities and corporate bonds is recognized on constant yield method and for CP, CD and T-bills over the holding/maturity period on a straight-line basis.

The net realized gains or losses on the debt securities are the difference between the net sale consideration and the amortized cost, which is computed on a weighted average basis, as on the date of sale. In case of mutual fund units, the profit or loss on sale of investment includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account".

Sale consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any, and excludes interest received on sales.

Such investments income shall be allocated between the revenue account and profit and loss account in the proportion of average technical reserve. Within the Revenue Account, the interest income shall be further allocated among the lines of business in the proportion of the gross written premium.

(d) Reinsurance ceded

Reinsurance premium ceded is accounted in the year in which the risk commences and over the period of risk in accordance with the treaty arrangements with the reinsurers. Reinsurance premium ceded on unearned premium is carried forward to the period of risk and is set off against related unearned premium. Any subsequent revisions to or cancellations of premiums are accounted for in the year in which they occur.

(e) Commission received

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

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

(f) Reserve for Unexpired Risk

Reserve for unexpired risk represents that part of the net premium written which is attributable to and allocated to the succeeding accounting period. Reserve for unexpired risk is calculated on the basis of 1/365th method on the unexpired period of the respective policies.

(g) Premium deficiency

Premium deficiency is recognised for the Company at segmental revenue account level. Premium deficiency is recognised if the sum of the expected claim costs, related expenses and maintenance cost (related to claims handling) exceeds related reserve for unexpired risk. The expected claim costs is calculated and duly certified by the Appointed Actuary.

(h) Claims incurred

Claims incurred comprises of claims paid, change in estimated liability for outstanding claims made following a loss occurrence reported, change in estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) and specific settlement costs comprising legal and investigation fees and other directly attributable expenses.

Provision is made for estimated value of outstanding claims at the Balance Sheet date net of reinsurance. Such provision is made on the basis of the ultimate amounts that are likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and include claim settlement costs likely to be incurred to settle outstanding claims.



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

Claims (net of amounts receivable from reinsurers/coinsurers) are recognised on the date of intimation based on estimates from surveyors/insured in the respective revenue accounts.

The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) has been estimated by the Appointed Actuary in compliance with guidelines issued by IRDAI vide circular No. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 2005 and applicable provisions of Guidance Note 21 issued by the Institute of Actuaries of India. The Appointed Actuary has used generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data as well as appropriateness of the different methods to the different lines of businesses.

(i) Acquisition Costs

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

(j) Fixed Assets and Depreciation

(i) Tangible:

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.

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

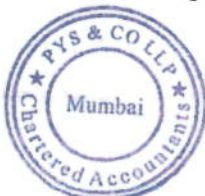
Depreciable amount for assets is the cost of an asset or other amount substituted for cost, less its estimated residual value.

Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are different than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimates of useful lives of the assets are based on a technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, and the operating conditions surrounding the use of the asset, etc. Estimated useful lives over which assets are depreciated / amortised are as follows:

Category of Fixed Assets	Useful Life
Leasehold improvements and Furniture and fittings at leased premises	6 years or the maximum renewable period of the respective leases, whichever is lower
Furniture & fittings (other than (1) above)	7 years
Information Technology Equipment	4 years
Vehicles	4/5 Years (As per OYCS Policy)
Office Equipment (Electronic)	4 Years
Office Equipment (Others)	5 Years
Mobile Phones (included in office equipment under schedule 10)	2 Years
Servers	6 years

(ii) Intangible:

Intangible assets comprising of computer software are stated at cost of acquisition, including any cost attributable for bringing the same to its working condition for its intended use, less accumulated



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

amortization and impairment. These are amortized over the useful life of the software subject to a maximum of four years.

Subsequent expenditure incurred on existing assets expensed out except where such expenditure increases the future economic benefits from the existing assets, in which case the expenditure is amortized over the remaining useful life of the original asset.

Any expenditure for support and maintenance of the fixed assets is charged to Revenue Account. Assets individually costings less than Rs. 5,000/-, being low value assets, are fully depreciated in the year of purchase.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Impairment of assets

The carrying values of assets forming part of any cash generating units at Balance Sheet date are reviewed for impairment at each balance sheet date. If any indication for such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

(l) Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as Operating lease. Operating lease rentals including escalations, in respect of an asset taken on operating lease, are charged to the Revenue Account on a straight line basis over the lease term. Initial direct costs incurred specifically for an operating lease are charged to the Revenue Account.

(m) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

At the Balance Sheet date, monetary items denominated in foreign currencies are converted into rupee equivalents at the exchange rates prevailing at that date.

All exchange differences arising on settlement/conversion of foreign currency transactions are included in the Revenue Account.

(n) Investments

Investments are made and accounted for in accordance with the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended and various other circulars/notifications issued by the IRDAI in this context from time to time.

Investments are recorded at cost, which include brokerage, taxes, if any, stamp duty and excludes broken period interest.

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to be disposed off within twelve months from the balance sheet date are classified as short-term investments.



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

Investments other than short-term investments are classified as long-term investments.

The Investment made by the Company are recognised and segregated between Policyholder's funds and Shareholder's funds.

All debt securities and non-convertible preference shares are considered as 'held to maturity' and accordingly stated at historical cost subject to amortization of premium or accretion of discount on constant yield basis in the Revenue Account and in the Profit and Loss Account over the period of maturity/holding.

All mutual fund investments are valued at net asset value as at Balance Sheet date.

In accordance with the Regulations, any unrealized gains/losses arising due to change in fair value of mutual fund investments are accounted in "Fair Value Change Account" and carried forward in the Balance Sheet and is not available for distribution.

The Company assesses, whether any impairment has occurred on its investments, at each Balance Sheet date. If any such indication exists, then carrying value of such investment is reduced to its recoverable amount/market value on the Balance Sheet date and the impairment loss is recognised in the Profit and Loss Account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists then impairment loss, earlier recognised in Profit and loss Account, is reversed in Profit and loss account and the investment is restated to that extent.

(o) Employee Benefits

(i) Short-term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, bonuses, short term compensated absences and other non-monetary benefits are recognised in the period in which the employee renders the related service. All short term employee benefits are accounted on undiscounted basis.

(ii) Long term employee benefits

The Company has both defined contribution and defined benefit plans, of which some have assets in special funds or similar securities. The plans are financed by the Company and in case of some defined contribution plans, by the Company along with its employees.

Defined contribution plans

These are plans in which the Company pays predefined amounts to recognised provident fund and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined contribution plans are reported as expenses during the period in which the employees perform the services that the payment covers.

Defined benefit plans

Expenses for defined benefit gratuity and supplemental payment plans are calculated as at the Balance Sheet date by independent actuaries using projected unit credit method in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, utilizing a discount rate corresponding to the interest rate estimated by the actuary, having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees.



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

The Company recognizes the net obligation of the scheme in Balance Sheet as an asset or liability in accordance with AS 15 "Employee Benefits". The discount rate used for estimation of liability is based on Government securities yield. Gain or loss arising from change in actuarial assumptions / experience adjustments is recognised in the Revenue Account for the period in which they emerge. Expected long term rate of return on assets has been determined based on historical experience and available market information.

(iii) Other long term benefits

Other long term employee benefits include accumulated long term compensated absences and long term incentive plans.

i. Long term compensated absences are entitled to be carried forward for future encashment subject to the rules framed by the Company in this regards. Accumulated leave entitlements outstanding at the close of year are accounted on the basis of an independent actuarial valuation.

ii. The cost of performance based compensation incentive under long term incentive plan is measured considering the achievement of the performance indicators applicable to the plans and applying the actuarial assumptions and principles in accordance with AS 15 (Revised 2005) Employee Benefits as valued by an independent actuary.

(p) Taxation

Income tax expense comprises current tax (i.e. amount of tax payable on the taxable income for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the period). Current tax is the amount expected to be paid to the tax authorities after taking credit for allowances and exemptions in accordance with the Income-tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realized.

In accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India and in accordance with the provisions of the Income Tax Act, 1961, Minimum Alternate Tax ('MAT') credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

(q) Service Tax

Service Tax collected is considered as a liability against which Service Tax paid for eligible input services, 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 under 'Others – Unutilized Service Tax Carried Forward' and disclosed in Schedule 12 for adjustments in subsequent periods and service tax liability to be remitted to the appropriate authority is disclosed under 'Others-Service Tax Payable' in Schedule 13. Service Tax paid for eligible input services not recoverable by way of credits is recognized in the Revenue Account as expenses.



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

(r) Segment Reporting

In case of Health insurance business, based on the primary segments identified under Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 read with AS 17 on "Segment Reporting" specified under Section 133 of the Companies Act, 2013, the Company has classified and disclosed segment information for Health Insurance and Personal Accident insurance.

There are no reportable geographical segments, since all business is written in India.

The allocation of revenue and expenses to specific segments is done in the following manner, which is applied on a consistent basis.

The Revenue is directly attributable and identifiable to the business segments and is apportioned on an actual basis.

Operating Expenses relating to Insurance Business: are allocated on the following basis

- (i) Acquisition Cost shall be directly allocated to the respective business segment.
- (ii) Expenses, which are directly attributable and identifiable to the business segments, are apportioned on an actual basis.
- (iii) Expenses, which are not directly identifiable though attributable to a class of business segments collectively, are apportioned amongst the respective segments on a gross written premium basis.

The accounting policies used in segment reporting are same as those used in the preparation of financial statements.

(s) Earnings Per Share ("EPS")

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted EPS comprises of weighted average number of shares considered for deriving basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

(t) Provisions and Contingencies

A provision is recognised when the Company has a present legal obligation as a result of past event and it is probable that an outflow of resources embodying economic resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect current best estimates. Contingent liabilities are not recognised. A Contingent asset is neither recognised nor disclosed.

(u) Receipts and Payments Account

- (i) Receipts and Payments Account is prepared and reported using the Direct Method, in conformity with para 2.2 of the Master Circular on Preparation of Financial Statements - General Insurance Business dated October 5, 2012, issued by the IRDAI.



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

(ii) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

8 Claims Settled and Remaining Unpaid for a period of more than six months upon class of business #
(Rs in '000)

Class of business	As at March 31, 2017	As at March 31, 2016
Health	-	NA
Personal Accident	-	NA

9 Number of Claims intimated, disposed of and pending #

(Rs in '000)

Particulars	As at March 31, 2017			As at March 31, 2016		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Claims pending at the beginning	-	-	-	NA	NA	NA
Claims intimated	3,718	4	3,722	NA	NA	NA
Claims paid	2,418	1	2,419	NA	NA	NA
Claims rejected	131	-	131	NA	NA	NA
Claims pending at the closing	1,031	3	1,034	NA	NA	NA

10 Ageing of Pending Claims #

(Rs in '000)

Particulars	As at March 31, 2017			As at March 31, 2016		
	Health	Personal Accident	Total	Health	Personal Accident	Total
0 to 30 days	36,881	60	36,941	NA	NA	NA
31 days to 6 months	7,013	-	7,013	NA	NA	NA
6 months to 1 year	-	-	-	NA	NA	NA
1 year to 5 years	-	-	-	NA	NA	NA
5 years and above	-	-	-	NA	NA	NA
Total	43,893	60	43,953	NA	NA	NA



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

3 Contingent liability

The Company does not have any contingent liability as of 31 March 2017.

4 Encumbrances on Assets

All the assets of the Company are free from any encumbrances except deposits in banks amounting to Rs.500 thousands (Previous year Rs.NIL thousand). The deposits have been placed with banks for the purposes of executing bank guarantees. The Company has all assets within India.

5 Commitments

(Rs in '000)

Particulars	As at March 31, 2017	As at March 31, 2016
Loans	-	-
Investment	-	-
Fixed Asset	40,764	-
Total	40,764	-

6 Claims, less Reinsurance paid to Claimants #

(Rs in '000)

Class of business	In India		Outside India	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Health	82,324	NA	-	NA
Personal Accident	4	NA	-	NA
Total	82,328	NA	-	NA

7 Age-wise Breakup of Claims Outstanding*#

(Rs in '000)

Class of business	Outstanding for more than six months		Outstanding for six months or less	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Health	-	NA	43,893	NA
Personal Accident	-	NA	60	NA
Total	-	NA	43,953	NA

*Excluding IBNR provisions, amounts payable to service providers and third party administrator.



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

11 (a) Premiums, less reinsurance written from business in/outside India

Class of business	(Rs in '000)			
	In India		Outside India	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Health	5,04,265	NA	-	NA
Personal Accident	7,932	NA	-	NA
Total	5,12,197	NA	-	NA

(b) Premium income recognized on "Varying Risk Pattern" is NIL (Previous Year ` NA).

12 Extent of risk retained and reinsured #

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

For the year ended on March 31, 2017:

Particulars	Basis	(Rs in '000)				
		Gross Premium	Retention	Ceded	Retention	Ceded
		(` '000)	(` '000)	(` '000)	%	%
Health	Sum Insured	5,30,806	5,04,265	26,541	95%	5%
Personal Accident	Sum Insured	9,618	7,932	1,686	82%	18%
Total		5,40,424	5,12,197	28,227	94.8%	5.5%

13 Investment

"Value of contracts in relation to investments for:

Purchases where deliveries are pending ` NIL (Previous year: ` NIL); and

Sales where payments are overdue ` NIL (Previous year: ` NIL).

Historical cost of investments that are valued on (at) fair value basis is ` 199,382.02 thousand (Previous year: ` 76,392.40 thousand).

All investments are made in accordance with Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 and Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016. The Company has no non-performing assets for the purpose of income recognition as per the directions of IRDAI.

(A) Allocation of investment

- Investments that are earmarked, are allocated separately to policy holders or share holders, as applicable;

(B) Allocation of investment income

Investment income has been allocated on the basis of the technical ratio.

Further, investment income across segments within the revenue account(s) has also been allocated on the basis of segment-wise policyholders funds.

(C) Investment Properties – Real Estate

The Company does not have any Investment Properties - Real Estate as at March 31, 2017 (Previous year: NIL)"



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

14 Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders #

(Rs in '000)

Particulars	Total Amount	Age-wise analysis (in months)					
		04-12 m	13-18 m	19-24 m	25-30 m	31-36 m	Beyond 36 m
Claims settled out not paid to the policyholders / insured due to any reasons except under litigation from the insured /policyholders /policyholders	-	-	-	-	-	-	-
Sum due to the insured /policyholders on maturity or otherwise	-	-	-	-	-	-	-
Excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	-	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder/insured •	-	-	-	-	-	-	-

15 Segment Information #

The statement on segment reporting is included in Annexure 1.

16 Managerial Remuneration #

The CEO is remunerated in terms of the approval granted by IRDAI. Details of their remuneration included in employee remuneration and welfare benefits are as follows:

(Rs. in '000)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salary, perquisites and bonus	21,308	-
Contribution to Provident Fund	841	-
Total	22,149	-

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

17 (a) Expenditure in Foreign Currency: #

(Rs in '000)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling	102	-
Remuneration	-	-
Software License Fees	-	-
Purchase of Fixed Assets	-	-
Professional fees Others	-	-
Total	102	-



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

(b) During the year foreign exchange gain / (loss) aggregating 0.893 thousand (Previous year: NIL included in Schedule 4 - Operating Expenses, under the Miscellaneous Expenses.

(c) The year end foreign currency exposure is Rs. 34.9 thousand (Previous year: NIL)

18. Leases #

In respect of premises taken on operating lease, the lease agreements are generally mutually renewable / cancellable by the lessor/lessee.

"Non-Cancellable operating lease"

The detail of future rentals payable are given below:

Particulars	(Rs in '000)	
	As at March 31, 2017	As at March 31, 2016
a. not later than one year	40,304	-
b. later than one year and not later than five years	1,85,702	-
c. later than five years	-	-

An amount of Rs. 29,826 thousand (Previous year: Rs. 7,828 thousand) towards said lease payments has been recognized in the statement of revenue account.

19 Related Party Disclosure

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

1. Name of the related parties and description of their relationship:

(i) **Holding Company**

1. Aditya Birla Financial Services Limited
2. Aditya Birla Nuvo Ltd. and its units

(ii) **Subsidiaries of immediate Holding Companies**

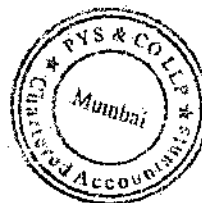
1. Aditya Birla Capital Advisors Private Limited
2. Aditya Birla Commodities Broking Limited
3. Aditya Birla Customer Services Limited
4. Aditya Birla Finance Ltd.
5. Aditya Birla Financial Shared Services Limited
6. Aditya Birla Housing Finance Limited
7. Aditya Birla Money Limited
8. Aditya Birla Wellness Private Limited
9. Birla Sun Life Asset Management Company Limited
10. Birla Sun Life Insurance Company Limited
11. Aditya Birla Nuvo Ltd.
12. Aditya Birla Nuvo Ltd. - Units

(iii) **Associates and joint ventures**

1. MMI Strategic Investment Pty Ltd.

(vi) **Key management personnel**

1. Mayank Bathwal (Chief Executive Officer)



2. Summary of significant related party transactions

Particulars	Holding Company		Fellow Subsidiaries		Key Management Personnel		Joint Venture	
	Year ended March 31, 2017	Year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Allotment of Equity Shares	332,250	180,000					1,962,750	
Expenses								
Insurance Premium Paid	-	-	930	203	53	-	-	-
Reimbursement Of Expenses	1,084	12,738	6,643	24,294	-	-	51,229	-
Insurance Commission	-	-	19,688	-	-	-	-	-
Advertisement Cost	-	-	1,725	-	-	-	-	-
Income								
Insurance Premium Received	1,077	-	274,060	-	-	-	-	-
Reimbursement of Expenses Recovered	312	-	8,421	15,588	-	-	7,582	-
Transfer of Assets								
	-	-	1,644	-	-	-	-	-
Transfer of Liability								
	5,128	-	3,457	-	-	-	-	-

(Rs in '000)

Note : For Managerial Remuneration to CEO (KMP) please refer note:16



3. Transactions included in (b) above which are in excess of 10% of the total related party transactions of the same type are given below:

Particulars	Holding Company		Fellow Subsidiaries		Key Management Personnel		Joint Venture		For the year ended March 31, 2016
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017		
Allotment of Equity Shares									
Aditya Birla Financial Services Limited	332,250	80,000	-	-	-	-	-	-	-
MMI Strategic Investment Pty Ltd.	-	-	-	-	-	-	1,962,750	-	-
Aditya Birla Nuvo Limited	-	100,000	-	-	-	-	-	-	-
Insurance Expenses									
Birla Sun Life Insurance Company Limited	-	-	930	203	-	-	-	-	-
Insurance Premium									
Birla Sun Life Insurance Company Limited	-	-	133,699	-	-	-	-	-	-
Aditya Birla Nuvo Limited - Units*	-	-	38,194	-	-	-	-	-	-
Reimbursement of Expenses Paid									
MMI Strategic Investment Pty Ltd.	-	-	-	-	-	-	-	51,229	-

(Rs in '000)



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

Reimbursement of Expenses Recovered										
MMI Strategic Investment Pty Ltd.	-	-	-	-	-	-	-	-	7,583	-
Aditya Birla Wellness Private Limited	-	-	6,100	-	-	-	-	-	-	-
Transfer of Fixed Assets										
Birla Sun Life Insurance Company Limited	-	-	857	-	-	-	-	-	-	-
Aditya Birla Wellness Private Limited	-	-	638	-	-	-	-	-	-	-
Transfer of Liability										
Birla Sun Life Insurance Company Limited	-	-	3,326	-	-	-	-	-	-	-
Aditya Birla Financial Services Limited	5,129	-	-	-	-	-	-	-	-	-
Advertisement Cost										
Aditya Birla Customer Services Limited (Formerly Known as Aditya Birla Customer Services Private Limited)	-	-	1,500	-	-	-	-	-	-	-
Insurance Commission										
Aditya Birla Insurance Brokers Limited	-	-	19,689	-	-	-	-	-	-	-

4. Closing Balances of Related Party transaction as on 31.03.2017

	(Rs. In '000)	
Other Receivables		
MMI Strategic Investment Pty Ltd.	7,583	-
Aditya Birla Wellness Private Limited	7,654	-



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

Aditya Birla Financial Shared Services Limited	108	719
Aditya Birla Financial Services Limited	119	-
Birla Sun Life Asset Management Company Limited	420	1,185
Aditya Birla Finance Ltd.	1,101	-
Aditya Birla Housing Finance Limited	63	-
Aditya Birla Money Limited	308	-
	17,534	1,904
Other Payables		
MMI Strategic Investment Ply Ltd.	71,663	20,424
Aditya Birla Wellness Private Limited	3,814	-
Birla Sun Life Insurance Company Limited	-	473
Aditya Birla Financial Services Limited	-	563
Aditya Birla Financial Shared Services Limited	1,397	-
Aditya Birla Customer Services Limited (Formerly Known as Aditya Birla Customer Services Private Limited)	1,725	-
Aditya Birla Money Mart Limited	236	-
Aditya Birla Insurance Brokers Limited	10	-
	78,835	1,036
CD Balance		
Aditya Birla Wellness Private Limited	101	
Birla Sun Life Insurance Company Limited	28,510	
Aditya Birla Financial Services Limited	1,077	
Aditya Birla Financial Shared Services Limited	2,202	
Aditya Birla Customer Services Limited (Formerly Known as Aditya Birla Customer Services Private Limited)	5,375	
Birla Sun Life Asset Management Company Limited	21,901	
Aditya Birla Finance Ltd.	25,816	
Aditya Birla Housing Finance Limited	14,332	
Aditya Birla Commodities Broking Limited	587	



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

Aditya Birla Insurance Brokers Limited	9,281
Aditya Birla Nuvo Limited	1,483
Aditya Birla Nuvo Limited - Units*	38,194
Aditya Birla Money Limited	17,329
Aditya Birla Capital Advisors Private Limited	485
	166,679

- No amount in respect of the related parties have been written off/back are provided for during the quarter.
- Related party relationship have been identified by the management and relied upon by the auditors.

* ABNL Units includes :-

- ABNL Indogulf Fertilizer
- ABNL Indian Rayon
- ABNL Aditya Birla Insulators Limited Rishra
- ABNL Aditya Birla Insulators Limited Halol
- ABNL Jaya Shree Textiles



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

20 Employee Benefits

(a) Defined Contribution Plan:

(Rs in '000)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Contribution to Provident Fund	13,776	1,679
Contribution to Superannuation Fund	-	-
Contribution to National Pension Scheme	-	-

(b) Defined Benefit Plans - Gratuity and Leave Encashment

The following tables summarize the components of the net employee benefit expenses recognized in the Profit and Loss Account, the fund status and amount recognized in the balance sheet for the gratuity and leave encashment.

Disclosures relating to actuarial valuation of Leave encashment and gratuity liability:

	Gratuity		Leave Encashment	
	2016-17	2015-2016	2016-17	2015-2016
(i) Assumptions				
	Indian Assured lives Mortality {2006-08} Modified Ultimate*	Indian Assured lives Mortality {2006-08} Modified Ultimate*	Indian Assured lives Mortality (2006-08) Modified Ultimate*	Indian Assured Lives Mortality {2006-08} Modified Ultimate
Mortality Rate	100%	100%	100%	100%
Discount Rate	7.4%	7.7%	7.7%	7.4%
Rate of increase in compensation	7%	7%	7%	7%
Rate of Leave Availment (per annum)	NA	NA	2%	2%
Rate of Leave Encashment during employment (per annum)	NA	NA	0%	0%
(ii) Changes in present value of obligations				
PBO at beginning of year	14,106	-	1,849	-
Interest Cost	1,085	121	142	-
Past Service Cost	-	3,149	-	-
Current Service Cost	6,537	233	2,607	-



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

(iii) Amounts to be recognised in the balance sheet				
PBO at the end of year	31,044	14,106	7,104	1,849
Net (Asset)/Liability recognised in the balance sheet	31,044	14,106	7,104	1,849
(iv) Expense Recognised				
Current Service Cost	6,537	233	2,607	-
Interest Cost	1,085	121	142	-
Past Service Cost	-	3,149	-	-
Transfer (In)/Out	-	-	-	(2,980)
Present Value of Obligation as at the end	-	-	-	1,849
Net Actuarial Gain / (loss) recognised for the year	-	-	-	-
- change in financial assumptions	1,214	-	235	-
-change in experience variance	2,374	-	(92.66)	-
Expense recognised in the statement of P & LI A/c	11,211	3,502	2,891	(1,131)
(v) Movements in the liability recognised in Balance Sheet				
Opening Net liability	14,106	-	1,849	-
Expenses as above	11,211	3,502	2,891	(1,131)
Benefits paid	5,727	-	2,364	-
Transfer In/Out	-	10,603	-	2,980
Closing Net Liability	31,044	14,106	7,104	1,849
-Current liability	569	286	7,104	112
-Noncurrent liability	30,475	13,819	-	1,737



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

21 Deferred Tax

In accordance with the Accounting Standard (AS) - 22 "Accounting for taxes on Income" prescribed by the Companies (Accounting Standards) Rules, 2006 notified by the Central Government, the deferred tax assets has to be determined. However, in the opinion of Management, as there is no virtual and reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized, hence deferred tax assets as at 31 March 2017 have not been recognized.

22 Earnings Per Share (EPS)

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Net Profit After Tax for the year ('000)	(866,721)	(152,007)
Weighted Average No. of Equity Shares for Basic	84,775,227	3,860,036
Weighted Average No. of Equity Shares for Diluted	84,775,227	3,860,036
Basic Earnings per Share (Rs.)	(10.22)	(39.38)
Diluted Earnings per Share (Rs.)	(10.22)	(39.38)
Nominal Value Per Share (Rs.)	10.00	10.00

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

(Rs in '000)

Particulars	For the year ended	For the year ended
	March 31, 2017	March 31, 2016
Operating Expenses		
Electricity and Water	5,018	-
Medical Charges-Policy Issuance	1,381	-

24 Expenses of Management #

As per the IRDA's Order No.: IRDA/F&A/ORD/EMT/042/03/2013 dated 04-Mar-2013, the Company has been exempted from necessary compliances required u/s 40C(l) of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 read with Rule 17E of the Insurance Rules, 1939 for the first five years of its operations.

25 Sector Wise Business #

"Aditya Birla Health Insurance Co. Limited has started its operation w.e.f. October 05, 2016 and accordingly has been in operation for less than 6 Months as on March 31, 2017.

In view of Regulation 3 of the IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015, no Rural and Social sector obligation are applicable on Aditya Birla Health Insurance Co. Limited for FY 2016-17 and the annual obligations as indicated in the Regulations shall be reckoned from the next financial year which shall be considered as the first year of operations.

26 Premium Deficiency Reserve #

In accordance with Master Circular and Corrigendum on Master Circular on preparation of financial statement issued by IRDAI vide circular number IRDA/F&I/CIR/F&A/231/10/2012 dated October 5, 2012 and circular number IRDA/F&A/CIR/FA/126/07/2013 dated July 3, 2013 respectively, in respect of calculation and recognition of Premium deficiency, the premium deficiency for the following segments:



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

(Rs in '000)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Health	37,847	-
Personal Accident	-	-

27 Actuarial valuation of claims where claims period exceeds four years #

Currently the Company does not offer any product where the claim payment term exceeds four years. Hence, no actuarial assumptions have been disclosed.

28 Micro Small and Medium Enterprises

There is no Micro, Small and Medium Enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2017 and March 31, 2016. 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.

29 Share Capital

During the year the Company has increased its authorized share capital from -: Rs. 1,000,000 thousand to Rs.1, 010,000 thousand

The Company has allotted Rs. 2,295,000 thousand worth of equity shares as per below details:

Name of Shareholder	No. of shares	Price per share	Amount ('000)	Proportion of holding
Aditya Birla Financial Services Ltd	51,225,001	10	512,250	51%
MMI Strategic Investments Pty Ltd.	49,216,177	10	492,162	49%
Total	100,441,178		1,004,412	100%

30 Penal action taken by various Authorities #

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

(Rs in '000)

Authority	Non-Compliance / Violation	Penalty Awarded	Penalty Paid	Penalty Waived / Reduced
1. Insurance Regulatory and Development Authority	N/A	-	-	-
	(N/A)	(-)	(-)	(-)
2. Service Tax Authorities	N/A	-	-	-
	(N/A)	(-)	(-)	(-)
3. Income Tax Authorities	N/A	-	-	-
	(N/A)	(-)	(-)	(-)
4. Any other Tax Authorities	N/A	-	-	-
	(N/A)	(-)	(-)	(-)



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

5. Enforcement Directorate/ Adjudicating Authority/Tribunal or any Authority under FEMA	N/A	-	-	-
6. Registrar of Companies/ NCLT/CLB/Department of Corporate Affairs or any Authority under Companies Act, 2013/1956	(N/A)	(-)	(-)	(-)
7. Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	N/A	-	-	-
8. Securities and Exchange Board of India	(N/A)	(-)	(-)	(-)
9. Competition Commission of India	(N/A)	(-)	(-)	(-)
10. Any other Central/State/Local Government/Statutory Authority	(N/A)	(-)	(-)	(-)
	(N/A)	(-)	(-)	(-)

31 Summary of Financial Statements is provided as under: #

Particulars	(Rs in '000)	
	2016-17	2015-16
OPERATING RESULTS		
Gross Premium Written		NA
Net Earned Premium Income	540,424	NA
Income from Investments (net)	134,831	NA
Other Income	59,391	NA
Total Income		NA
Commissions (Net) (Including Brokerage)	194,222	
Operating Expenses	35,273	NA
Net Incurred Claims	851,937	NA
Premium Deficiency Reserve	149,232	NA
Total Expenses	37,847	NA
Operating Profit/(Loss)	1,071,513	
NON-OPERATING RESULTS	(877,291)	
Total Income under Shareholders Account	10,571	-
Profit/(loss) before tax	(866,720)	-
Provision for Tax	-	-
Profit/(Loss) after tax	(866,720)	(151,881)
		(151,881)



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

MISCELLANEOUS		
Policyholder's Account:		
a) Total funds		
b) Total Investments	1,192,504	NA
c) Yield on Investments	770,979	NA
	6.33%	NA
Shareholder's Account:		
a) Total funds		NA
b) Total Investments	1,456,273	NA
c) Yield on Investments	1,518,255	NA
	7.85%	NA
Paid Up Equity Capital		180,000
Net Worth*	1,004,412	27,993
Total Assets	1,456,273	180,452
Yield on total investments	31,32,283	NA
	7.72%	NA
Earnings Per Share** (Rs.)	(10.22)	(39.38)
Book value per Share (Rs.)		
Total Dividend	10	10
Dividend Per share	-	-
	-	-

32. Accounting Ratios: #

Performance Ratios	As at March 31, 2017	As at March 31, 2016
Gross Direct Premium Growth Rate	NA	NA
Gross Direct Premium to Net worth ratio	37%	NA
Growth rate of Net Worth	5102%	NA
Net Retention Ratio	95%	NA
Net Commission Ratio	6%	NA
Expense of Management to Gross Direct Premium Ratio	164%	NA
Expense of Management to Net Written Premium Ratio	173%	NA
Net Incurred Claims to Net Earned Premium	111%	NA
Combined Ratio	283%	NA
Technical Reserves to net premium ratio	95%	NA
Underwriting balance ratio	-695%	NA
Operating profit ratio	-651%	NA
Liquid Assets to liabilities ratio	161%	NA
Net earnings ratio	-169%	NA
Return on net worth ratio	-60%	NA
Available Solvency Margin (ASM) to Required Solvency Margin (RSM) ratio	2.88	NA



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

33 Corporate Social Responsibility

The Company is not required to constitute a CSR Committee as the Company does not fulfill the conditions given under Section 135 of the Companies Act, 2013.

34 Provision for Free Look period #

The provision for Free Look period is NIL and duly certified by the Appointed Actuary.

35 Loan Restructuring

The Company has not given any loans during the financial year and in the previous year.

There has been no regrouping in the previous year figures.

The Company has started insurance operations in October-2016



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

Annexure 1

Segmental Breakup of the Balance Sheet as at March 31, 2017

Segment revenue and segment results have been incorporated in the financial statements. However given the nature of business, segment assets and liabilities, have been allocated amongst various segments to the extent possible.

Particulars	(Rs in '000)		
	Health	Personal Accident	Unallocated
Claims Outstanding	43,920	60	-
Reserve for Unexpired Risk	370,261	7,105	-
			Total
			43,980
			377,366

Particulars	(Rs in '000)		
	Health	Personal Accident	Total
Premium Earned (Net) (Schedule - A)	134,004	827	134,831
Profit on Sale of Investments	47,570	862	48,432
Interest, Rent and Dividend	10,764	195	10,959
(Net of Amortisation)	-	-	-
Investment Income from Pool	-	-	-
Other Income	-	-	-
Total Segmental Revenue	192,338	1,884	194,222
Claims Incurred (Net) (Schedule - B)	147,746	1,486	149,232
Commission (Net) (Schedule - C)	31,512	985	32,497
Operating Expenses Related to Insurance Business (Schedule - D)	838,365	13,573	851,938
Premium Deficiency	37,847	-	37,847
Total Segmental Expenditure	1,055,470	16,044	1,071,514
Segmental Profit/(Loss)	(863,132)	(14,160)	(877,292)

SCHEDULE - A to Annexure 1
PREMIUM EARNED [NET]

Particulars	(Rs in '000)		
	Health	Personal Accident	Total
Premium from direct business written	530,806	9,618	540,424
Add: Premium on Re-insurance accepted	-	-	-
Less: Premium on Re-insurance ceded	26,541	1,686	28,227
Net Premium	504,265	7,932	512,197
Add/(Less): Adjustment for changes in reserve for unexpired risks	370,261	7,105	377,366
Total Premium Earned	134,004	827	134,831



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

Schedule- B to annexure 1

CLAIMS INCURRED [NET]

Particulars	(Rs in '000)		
	Health	Personal Accident	Total
Claims paid direct	82,323	4	82,328
Add: Claims on Re-insurance accepted	-	-	-
Less: Re-insurance ceded	4,410	-	4,411
Net Claims paid	77,913	4	77,917
Claims Outstanding	69,833	1,482	71,315
Less: Claims Outstanding at the beginning of the year	-	-	-
Total Claims Incurred	147,746	1,486	149,232

SCHEDULE - C to Annexure 1

COMMISSION PAID [NET]

Particulars	(Rs in '000)		
	Health	Personal Accident	Total
Commission paid direct	34,240	1,033	35,273
Add: Commission paid on Re-insurance accepted	-	-	-
Less: Commission received on Re-insurance ceded	2,728	48	2,776
Net commission paid/(received)	31,512	985	32,497

SCHEDULE - D to Annexure 1

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS:

Particulars	(Rs in '000)		
	Health	Personal Accident	Total
Employees' remuneration and welfare benefits	388,040	8,937	396,977
Travel, conveyance and vehicle running expenses	29,921	541	30,462
Training expenses	6,146	111	6,257
Rents, rates and taxes	36,277	836	37,113
Repairs	2,788	64	2,852
Printing and stationery	3,291	103	3,394
Communication	4,515	82	4,597
Legal and professional charges	65,229	1,180	66,409
Auditors' fees, expenses etc	-	-	-
(a) as auditor	257	5	262
(b) as adviser or in any other capacity, in respect of	-	-	-
(i) Taxation matters	-	-	-
(ii) Insurance matters	-	-	-
(iii) Management services; and	290	5	295
(c) in any other capacity	-	-	-
(i) Tax Audit Fees	-	-	-
Advertisement and publicity	215,377	-	215,377



ADITYA BIRLA HEALTH INSURANCE CO. LIMITED
NOTES TO ACCOUNTS

Interest and bank charges	184	3	187
Others	-	-	-
(a) Business and Sales Promotion	-	-	-
(b) Membership and Subscription	1,667	30	1,697
(c) Loss on Disposal of Fixed Assets	-	-	-
(d) Loss on Foreign Exchange Fluctuation	1	-	1
(e) Charity & Donation	-	-	-
(f) Insurance	185	3	188
(g) Sitting Fee	899	16	915
(h) Miscellaneous Expenses	1,312	24	1,336
(i) Stamp duty	761	24	785
(j) IT expenses	7,198	226	7,423
(k) Wellness expense	4,457	81	4,538
(l) Recruitment	20,336	368	20,704
(m) Housekeeping	5,306	96	5,402
(n) Data center charges	1,378	25	1,403
(o) Agent training expenses	1,129	20	1,149
(p) Wellness expense	1,931	61	1,992
(q) Medical fees	1,339	42	1,381
Depreciation	38,152	690	38,842
Total Operating Expenses	838,365	13,573	851,938

On behalf of the Board of Directors

For PYS & CO. LLP
Chartered Accountants

AJAY SRINIVASAN
Director
DIN-00121181

ASOKAN NAIDU
Director
DIN-07425396

MAYANK BATHWAL
Director
DIN-06804440

ANAND MOHTA
Partner
(Membership No: 111128)

SETHURATHNAM RAVI
Director
DIN-00009790

SHIKHA BAGAI
Chief Financial Officer

RAJIV JOSHI
Company Secretary

Mumbai
May 8, 2017



ADITYA BIRLA HEALTH INSURANCE COMPANY LIMITED
IRDA Registration No: 153
Date of Registration with the IRDAI: 11 July 2016

Management Report

In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, the Management submits the following Report:

1. We confirm the validity of Certificate of Registration granted by the Insurance Regulatory and Development Authority to transact health insurance business.
2. To the best of our knowledge and belief, all the material dues payable to the statutory authorities have been duly paid.
3. We confirm that the shareholding pattern and the transfer of shares during the year ended March 31, 2016 are in accordance with the statutory or regulatory requirements.
4. We declare that funds of holders of policies issued in India have not been directly or indirectly invested outside India.
5. We confirm that the Company has maintained the required solvency margins laid down by Insurance Regulatory and Development Authority.
6. We certify that the all assets of the Company have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the several headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts" except debt securities which are stated at cost/ amortised cost.
7. The Company is exposed to a variety of risks associated with health insurance business such as quality of risks undertaken, fluctuations in value of assets and higher expenses in the initial years of operation. The Company monitors these risks closely and effective remedial action is taken wherever deemed necessary.
8. The Company has, through an appropriate reinsurance program kept its risk exposure at a level commensurate with its capacity.
9. The Company does not have operations outside India.

10. Ageing Analysis of Claims outstanding and the average claims settlement period is given below:

Particulars	As at March 31, 2017*		
	Health	Personal Accident	Total
0 to 30 days	30,919	60	30,979
31 days to 6 months	7,013	-	7,013
6 months to 1 year	-	-	-
1 year to 5 years	-	-	-
5 years and above	-	-	-

*The company started Insurance Operation in FY 2016-17 so details of previous years are not provided.

Trend in Claim Settlement

Particulars	2016-17*
Overall Average Claims Settlement Period (In Working Days)	10

*The company started Insurance Operation in FY 2016-17 so details of previous years are not provided.

11. Details of payments to individuals, firms, Companies and organizations in which directors are interested during the year ended on March 31, 2016:

Sr. No.	Name of the Director	Entity in which Director is interested	Interested As	Payment during the year ('000)
1	Ajay Srinivasan	Aditya Birla Management Corporate Pvt Limited	Director	1,450
2	Mayank Bathwal	Aditya Birla Wellness Pvt Ltd	Director	3,813

12. We certify that all debt securities and non convertible preference shares are considered as 'held to maturity' and accordingly stated at historical cost subject to amortisation of premium or accretion of discount on constant yield to maturity basis in the Revenue Accounts and in the Profit and Loss Account over the period of maturity/holding. All mutual fund investments are valued at net asset value as at balance sheet date.
13. In accordance with the Regulations, any unrealized gains/losses arising due to change in fair value of mutual fund investments or listed equity shares are accounted in "Fair Value Change Account" and carried forward in the balance sheet and is not available for distribution.
14. The Company has adopted a prudent investment policy with emphasis on optimizing return with minimum risk. Investments are managed in consonance with the investment policy laid down by the board from time to time and are within the investment regulation and guidelines of IRDA. The Company has carried out periodic review of the investment portfolio. There are no non-performing assets as at the end of the financial year.

15. The Management of Aditya Birla Health Insurance Company Limited certifies that:

- i. The financial statements have been prepared in accordance with the applicable provisions of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015, the Insurance Regulatory and Development Authority Act, 1999, circulars/notifications issued by IRDA from time to time (including Circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 04, 2016), the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, to the extent applicable and the relevant provisions of the Companies Act, 2013, and disclosures have been made, wherever the same is required. There is no material departure from the said standards, principles and policies.
- ii. The Company has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the operating profit for the year ended on that date.
- iii. The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938, (4 of 1938) as amended by Insurance Laws (Amendment) Act, 2015 / Companies Act, 1956, (1 of 1956) / the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The financial statements of the Company have been prepared on a going concern basis.
- v. The Company's internal audit is conducted by an in-house audit team and an appointed audit firm. The scope of work of internal audit is commensurate with the size and nature of the Company's business. The management has ensured that an internal audit system commensurate with the size and nature of business exists and is operating effectively.

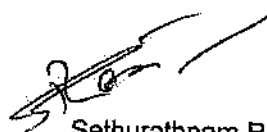
On behalf of the Board of Directors



Ajay Srinivasan
Chairman
DIN - 00121181



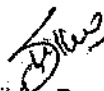
Asokan Naidu
Director
DIN - 07425396



Sethurathnam Ravi
Director
DIN - 00009790



Mayank Bathwal
CEO and Director
DIN - 06804440



Shikha Bagai
Chief Financial Officer



Rajiv Joshi
Company Secretary

Mumbai
May 8, 2017