

May 09, 2020

Ref No: HEHI/BSE/Debt/2020-21/06

To
The Manager
Listing Department
Wholesale Debt Segment
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street, Mumbai - 400 001

Ref: Script Code of Debt: BSE: 956906, ISIN: INE092V08010, Security ID: 840HEHICL27
Script Code of Debt: BSE: 958265, ISIN: INE092V08028, Security ID: 1025HEHI28

Sub: Submission of Annual Financial Results for the Financial Year 2019-20 along with Auditors Report

Ref: Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam

We wish to inform you that the Board of Directors in its meeting held today i.e. May 09, 2020 has approved and taken on records the Annual Financial Results for the financial year ended 2020 along with the Auditors Report by the Joint Statutory Auditors of the Company.

In accordance with the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following:

- Audited Annual Financial Results for the Financial Year 2019-20
- Auditors Report
- Certificate under regulation 52(5) issued by the Debenture Trustees, Axis Trustee Services Limited

We request you to kindly take the same on records.

Thanking you,

Yours faithfully,
For HDFC ERGO Health Insurance Limited



Srikanth Kandikonda
Chief Financial Officer & Company Secretary
Enclosed: as above

HDFC ERGO Health Insurance Limited
"Formerly Known as "Apollo Munich Health Insurance Company Limited"
 Registration No.131 dated 3rd August, 2007
 Audited Financial Results for the year ended 31st March, 2020

Health Insurance Revenue Account
For the Year ended 31st March 2020

Balance Sheet As at 31st March 2020

(Rs. In Lakhs)

(Rs in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Premium Earned (Net)	190,833	167,290
Profit/ Loss on sale/redemption of Investments	2,452	665
Others	413	432
Interest, Dividend & Rent – Gross	10,119	7,847
Contribution from Shareholder Funds towards Excess EOM	11,639	8,893
Total (A)	215,456	185,127
Claims Incurred (Net)	140,623	104,709
Commission	13,053	13,698
Operating Expenses related to Insurance Business	61,907	55,463
Premium Deficiency	-	-
Total (B)	215,583	173,870
Operating Profit/(Loss) from Health Insurance Business C= (A - B)	(127)	11,257
Appropriations		
Transfer to Shareholders' Account	(127)	11,257
Transfer to Catastrophe Reserve	-	-
Transfer to Other Reserves	-	-
Total (C)	(127)	11,257

Particulars	As at 31.03.2020	As at 31.03.2019
Sources of Funds		
Share Capital	40,567	35,841
Share Application Money Pending Allotment	-	25
Reserve and Surplus	55,584	26,385
Fair Value Change Account - Shareholders	-	-
Fair Value Change Account - Policyholders	9	16
Borrowings	15,400	15,400
Total	111,560	77,667
Application of Funds		
Investments - Shareholders	52,473	22,786
Investments - Policyholders	136,549	123,915
Deferred Tax Asset	1,498	1,498
Loans	-	-
Fixed Assets	4,014	4,276
Current Assets :		
Cash and Bank Balances	24,859	30,250
Advances and Other Assets	15,510	14,622
Sub-Total (A)	40,369	44,872
Current Liabilities	67,444	51,454
Provisions	91,356	86,866
Deferred Tax Liability	-	-
Sub-Total (B)	158,800	138,320
Net Current Assets (C) = (A - B)	(118,431)	(93,448)
Miscellaneous Expenditure (to the extent not written off or adjusted)		
Debit Balance in Profit & Loss Account	35,457	18,640
Total	111,560	77,667



**Profit and Loss Account
For the Year ended 31st March 2020**

(Rs In Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Operating Profit/(Loss)		
(a) Health Insurance Business	(127)	11,257
Income from Investments		
(a) Interest, Dividend & Rent – Gross	2,654	1,805
(b) Amortization of Discount/Premium	(35)	(1)
(C) Profit on sale of Investments	134	99
Less: Loss on sale of Investments	-	-
Other Income		
(a) Profit on sale of Fixed Assets	9	16
(b) Others	121	37
Total (A)	2,756	13,213
Provisions (Other than Taxation)		
(a) For diminution in the value of investments	5,760	1,033
(b) For doubtful debts	-	-
Other Expenses		
(a) Expenses other than those related to Insurance Business	659	997
(b) Fund raising expenses and Interest on NCD	1,440	1,116
(c) Corporate Social Responsibility (CSR) expenses	75	53
(d) Contribution to Policyholders Funds towards Excess EOM	11,639	8,893
Total (B)	19,573	12,092
Profit/(Loss) Before Tax	(16,817)	1,121
Less : Provision for Taxation		
Current Tax/MAT Payable	-	487
Less: Mat Credit Entitlement	-	(487)
Deferred Tax	-	-
Profit/(Loss) After Tax	(16,817)	1,121
Appropriations		
(a) Interim dividends paid during the year	-	-
(b) Proposed final dividend	-	-
(c) Dividend distribution tax	-	-
(d) Debenture Redemption Reserve	-	299
(e) Transfer to any Reserves or Other Accounts	-	-
Balance of Profit/ Loss brought forward from last year	(18,640)	(19,462)
Balance carried forward to Balance Sheet	(35,457)	(18,640)

Analytical Ratios

S.N o.	Particulars	As at 31.03.2020 (%/Times)	As at 31.03.2019 (%/Times)
1	Gross Premium Growth Rate	15%	28%
2	Gross Direct Premium to Net Worth Ratio	4.18	5.08
3	Growth Rate of Net Worth	40%	2%
4	Net Retention Ratio	77%	85%
5	Net Commission Ratio	7%	7%
6	Expenses of Management to Gross Direct Premium Ratio	37%	37%
7	Expenses of Management to Net Written Premium Ratio	48%	43%
8	Net Incurred Claims to Net Earned Premium	74%	63%
9	Combined Ratio	112%	100%
10	Technical Reserves to Net Premium Ratio	0.61	0.58
11	Underwriting Balance Ratio	(0.13)	(0.04)
12	Operating Profit Ratio	-0.07%	6.73%
13	Liquid Assets to Liabilities Ratio	0.43	0.48
14	Net Earnings Ratio	-8.61%	0.60%
15	Return on Net Worth	-27.89%	2.59%
16	Available Solvency Margin to Required Solvency Margin Ratio	1.74	1.64
	NPA Ratio		
	Gross NPA Ratio (Policyholders Funds)	5.98	4.80
	Net NPA Ratio (Policyholders Funds)	1.53	4.03
	Gross NPA Ratio (Shareholders Funds)	-	-
17	Net NPA Ratio (Shareholders Funds)	-	-

Place: Mumbai
Date: 9th May 2020

HDFC ERGO Health Insurance Limited
Registration No. 131 dated 3rd August, 2007


Regd Office: 101, First Floor, Inizio, Cardinal Gracious Road, Chakala, Opposite P&G Plaza, Andheri (East)

CPC Office: 2nd & 3rd Floor, iLabs Centre, Plot No 404-405, udyog Vihar Phase III, Gurugram -122016

Telephone No: +91-124-4584333 Fax No.: +91-124-4584111

Email: customerservice@hdfcergohealth.com

Website: www.hdfcergohealth.com



Anuj Tyagi
Managing Director & CEO



Notes:

1. The above results for the year ended March 31, 2020 which have been audited by the Statutory Auditors, were reviewed by the Audit and Compliance Committee of Directors and subsequently approved by the Board of Directors at its meeting held on May 09, 2020, in terms of circular on Public Disclosure by Insurers dated January 28, 2010 issued by Insurance Regulatory and Development Authority of India.
2. Ratios are computed in accordance with and as per definition given in the Master Circular on Preparation of Financial Statements dated October 5, 2012 & subsequent corrigendum thereon dated July 3, 2013.
3. Borrowing as at March 31, 2020 includes Non-Convertible Debentures (NCDs) amounting Rs. 15,400 lakhs details as under :
 - (a) Credit Rating for Unsecured Non-Convertible Debentures (NCDs) is 'AA' by Acuite and AA by CARE.
 - (b) The previous due date for payment of Interest on NCD was April 30, 2020 and the interest was paid on the said due date.
 - (c) The next due date for payment of Interest on NCD is April 30, 2021 and total interest due and payable on NCD on April 30, 2021 is Rs. 1,430 lakhs.
 - (d) Net worth as on March 31, 2020: Rs. 60,288 lakhs [Previous year: Rs. 43,180 lakhs] (Computed as per definition laid down by IRDAI).
 - (e) During the year the Company, has not created Debenture redemption reserve on the NCDs since there are no profits in the year (Previous year ended March 31, 2019 Rs. 299 lakhs). Consequent to the issuance of the Companies (Share Capital and Debentures) Amendment Rules, 2019 ("Rules") on August 16, 2019 and in terms of Rule 18, sub-rule (7)(b)(iii)(B) of the said Rules, there is no requirement of creation of Debenture Redemption Reserve from the date of issuance of the said Rules.
4. During the year, the Company allotted 4,72,61,795 shares which includes Rights issue to existing shareholders and shares allotted under ESOP scheme.
5. In terms of SEBI circular on fund raising by issuance of Debt Securities by Large Entities, the Company has been Identified as a Large Corporate. During the year, the Company did not borrow any money, either through issuance of Debt Securities or otherwise.
6. On 9th January 2020, HDFC Limited has purchased 50.80 per cent stake of Apollo Hospitals Group and 0.36 per cent stake from past and present employees after the receipt of requisite approvals from the Competition Commission of India (CCI), Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority of India (IRDAI). Consequent to this, the company's name has been changed to HDFC ERGO Health Insurance Limited (HDFC ERGO Health) and has been operating as a subsidiary of HDFC Limited since then. Further, the Board of Directors of the Company at its meeting held on January 15, 2020, approved the Scheme of Amalgamation of the company with HDFC ERGO General Insurance Company Limited (HEGI) with the Appointed Date of March 1, 2020. Thereafter, the Company along with HEGI has filed, The Company Scheme Application with the Honourable National Company Law Tribunal, Mumbai Bench on February 17, 2020. The said merger is subject to regulatory approvals.
8. The Company has reviewed the impact of COVID-19 for the year ended March 31, 2020. The assessment of the Impact was performed on its operations and various aspects of financial statements. There is no material change in the controls or processes followed in the closing processes of the Company. However, the company is closely monitoring the COVID 19 scenario and geared up to make changes required, if any
9. Earnings per share for the year ended 31 Mar 20: Basic Rs. -4.37 (Previous year Rs. 0.31), Diluted Rs. -4.37 (previous year Rs. 0.31).
10. Previous Year Figures have been reclassified wherever necessary.

"The public Disclosure is made in accordance with the IRDAI Circular no. IRDA/F&I/CIR/F&A/012/01/2010 dated January 28, 2010 on public disclosure by insurers" and regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .



Independent Auditor's Report

To the Board of Directors of HDFC Ergo Health Insurance Limited

Report on the Audit of Financial Results

Opinion

We have audited the accompanying results prepared in Form NL comprising the Balance sheet of HDFC Ergo Health Insurance Ltd (Formerly known as Apollo Munich Health Insurance Company Limited) ("the Company") for the year ended March 31, 2020 and the year to date financial results for the period April 1, 2019 to March 31, 2020, included in the accompanying Statement, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations"), Insurance Regulatory and Development Authority of India ("IRDAI") Circular reference: IRDAI/F&I IRDAI/F841/CIR/F&A/012/01/2010 dated 28 January 2010.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard read with IRDAI/F&I IRDAI/F841/CIR/F&A/012/01/2010 dated 28 January 2010; and
- ii. gives a true and fair view in conformity with the applicable Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder, including the relevant provisions of the Insurance Act, 1938, as amended ("the Insurance Act"), the Insurance Regulatory and Development Act, 1999 ("the IRDA Act"), and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of these financial results and which are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ("the IRDA Regulations") and orders/directions/circulars issued by the IRDAI to the extent applicable, of the net loss and other financial information of the Company for the year ended 31 March 2020.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Statement

This Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these Financial Results that give a true and fair view of the net loss and other financial information of the Company in accordance with in the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, including the relevant provisions of the Insurance Act, the IRDA Act, and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of yearly



financial results and which are not inconsistent with the accounting principles as prescribed in the IRDA Regulations and orders/directions/circulars issued by the IRDAI in this regard to the extent applicable and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

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

- Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters



The actuarial valuation of liabilities in respect of Claims Incurred but Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) as at 31 March, 2020 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities in respect of Claims Incurred but Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) as at 31 March, 2020 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ("IRDAI" / "Authority") and the Institute of Actuaries of India. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for Claims Incurred but Not Reported (IBNR) and Claims Incurred But Not Enough Reported (IBNER) which exists in the financial statements.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm's Registration No.: 000050N/ N500045

UDIN: 20077974AAAAAX2547



Rajeev Kumar Saxena

Partner

Membership No.: 077974

Place: Noida

Date: 09 May 2020

For S Viswanathan LLP

Chartered Accountants

Firm's Registration No. 004770S/S200025

UDIN:



V C Krishnan

Partner

Membership No: 22167

Place: Chennai

Date: 09 May 2020



ATSL/DEL/2020-21/84
May 9, 2020

HDFC ERGO Health Insurance Ltd (Erstwhile Apollo Munich Health Insurance Company Limited)

Central Processing Centre
Plot No. 404-405, Phase III
Udyog Vihar, Gurgaon-122022

Sub: Letter of Debenture Trustee pursuant to Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015 – Half Year ending on March, 2020.

Dear Sir,

This has reference to the privately placed Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures issued by **HDFC ERGO Health Insurance Ltd (Erstwhile Apollo Munich Health Insurance Limited)** ("Company") and listed on the Bombay Stock Exchange (BSE) ("Listed Debt Securities").

Pursuant to Regulation 52(4) read with Regulation 52 (5) of the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Company is required to submit its half yearly/annual financial results to the Stock Exchange, with a letter of the Debenture Trustee (Axis Trustee Services Limited) that the Debenture Trustee has noted the contents furnished by the Company as per Regulation 52(4).

In pursuance thereof, we hereby confirm that we have received the said aforesaid information, along with the relevant/necessary supporting and we have noted the contents in respect of the Listed Debt Securities issued by the Company.

Further please note that we have not independently verified the contents submitted vide your above letter and the aforesaid noting is subject to the following:

1. The Debenture Trustee is relying on the information/ status as submitted by the Company for the purpose of submission to the Stock Exchange; without reconfirming; &
2. Any commitment pertaining to the Interest/ Principal payable on the future due dates are sole commitment on the Company's part and Trustee is not liable in any manner if Company fails to fulfil/ does not fulfil its commitment.

Thanking You,

Yours Faithfully
For **Axis Trustee Services Limited**

SUBHAS
H KUMAR
JHA

Digitally signed
by SUBHASH
KUMAR JHA
Date: 2020.05.09
18:33:07 +05'30'

(Subhash Jha)
Assistant General Manager

Corporate Identity Number: U74999MH2008PLC182264 | MSME Registered UAN: MH19E0033585

Registered Office:

Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025

Corporate Office:

The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai - 400 028

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