

NOTICE OF 8TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth Annual General Meeting of the members of Max Bupa Health Insurance Company Limited will be held on **Tuesday, August 02, 2016** at 1500 hrs (IST) at 2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi - 110011 at a shorter notice to transact the following businesses:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited Financial Statements comprising the Balance Sheet of the state of affairs of the Company as at March 31, 2016 along with Revenue Account for the financial year ended March 31, 2016, Profit & Loss Account for the financial year ended March 31, 2016, Receipts & Payments Account for the financial year ended March 31, 2016, the Management Report together with Board's Report and Independent Auditor's Report thereon.
- (2) To appoint a Director in place of Mr. Rahul Khosla (DIN 03597562), who retires by rotation, and being eligible, offers himself for re-appointment.
- (3) To appoint a Director in place of Mr. Rajesh Sud (DIN 02395182), who retires by rotation, and being eligible, offers himself for re-appointment.
- (4) **To reappoint M/s Nangia & Co, Chartered Accounts, New Delhi (ICAI FRN - 002391C) as Joint Statutory Auditors**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT on the basis of recommendation of the Board Audit Committee and pursuant to section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz; the Companies (Audit and Auditors) Rules, 2014 as may be applicable (including any statutory modifications and re-enactments thereof for the time being in force), pursuant to the Shareholder's approval at their 7th Annual General Meeting held on July 17, 2015, and IRDAI Regulations and Corporate Governance Guidelines, M/s Nangia & Co, Chartered Accountants, Mumbai (ICAI FRN- 002391C) retiring auditors of the Company, being eligible, be and are hereby re-appointed as the Joint Statutory Auditor of the Company to hold office from the conclusion of the 8th Annual General Meeting (AGM) of the Company until the conclusion of the 9th Annual General Meeting of the Company to be held in the year 2017, on such terms & conditions including remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, plus service tax and other tax (es) as may be applicable, and reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company;

RESOLVED FURTHER THAT Mr. Rahul Ahuja (Chief Financial Officer), Mr. Rajat Sharma (Company Secretary) and Mr. Anand Roop Choudhary (Head of

Legal) be and is/are hereby authorized jointly and/ or severally on behalf of the Company to take all actions as they may severally deemed expedient to give effect to the resolution, including making necessary filing/intimation, if any, with the Authorities and do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

(5) **Appointment of M/s M.P. Chitale & Co., Chartered Accountants, (ICAI FRN - 101851W) as Joint Statutory Auditors of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

“RESOLVED THAT on the basis of recommendation of the Board Audit Committee and pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. the Companies (Audit and Auditors) Rules, 2014 as may be applicable (including any statutory modifications and re-enactments thereof for the time being in force), pursuant to IRDAI Regularization and Corporate Governance Guidelines, M/s M.P. Chitale & Co., Chartered Accountants, (ICAI FRN - 101851W), being eligible, be and are hereby appointed as the Joint Statutory Auditor of the Company, to hold office from the conclusion of 8th Annual General Meeting (AGM) of the Company until the conclusion of the 10th Annual General Meeting to be held in the year 2018 subject to ratification of their appointment by shareholders of the Company at every Annual General Meeting on such terms & conditions including remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, plus service tax and other tax(es) as may be applicable, and reimbursement of all out of pocket expenses in connection with the audit of the accounts of the Company;

RESOLVED FURTHER THAT Mr. Rahul Ahuja (Chief Financial Officer), Mr. Rajat Sharma (Company Secretary) and Mr. Anand Roop Choudhary (Head of Legal) be and is/are hereby authorized jointly and/ or severally on behalf of the Company to take all actions as they may severally deemed expedient to give effect to the resolution, including making necessary filing/intimation, if any, with the Authorities and do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

SPECIAL BUSINESS

(6) **Regularization of appointment of Mr. Ashish Mehrotra as a Director (DIN:7277318) of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made

thereunder, (including any statutory modifications or re-enactments thereof) Mr. Ashish Mehrotra (DIN - 07277318) who was appointed as an Additional Director of the Company with effect from November 04, 2015, and who holds office up to the date of this Annual General Meeting and who is eligible for re-appointment and in respect of whom the Company has received a notice in writing, from a member proposing his candidature, be and is hereby appointed as a Director of the Company liable to retire by rotation;

RESOLVED FURTHER THAT Mr. Rajat Sharma (Company Secretary) and Mr. Anand Roop Choudhary (Head of Legal) be and is/are hereby authorized jointly and/ or severally on behalf of the Company to take all actions as they may severally deemed expedient to give effect to the resolution, including making necessary filing/intimation, if any, with the Authorities and do all such acts, deeds and things as may be required or considered necessary or incidental thereto."

(7) **Further issue of share Capital**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment or re-enactment thereof) read with Memorandum and Articles of Association of the Company and other applicable laws Rules, the consent of the Company be and is hereby accorded to the Board to issue and allot on Rights Basis, from time to time, in one or more tranches, up to 10.1 crore equity shares of Rs. 10 each fully paid up for cash at par in the share capital of the Company within a period of 12 months from the date of this resolution, on Rights basis, to the shareholders of the Company appearing as Members in the Register of Members, on the date of Rights offer, as the Board may decide and that such equity shares shall rank pari passu with the existing shares of the Company:

RESOLVED FURTHER THAT any of the Directors of the Company and/or Mr. Rajat Sharma, Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto."

(8) **To approve the amendments in the Articles of Association**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

rajat

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, the consent of the shareholders of the Company be and is hereby accorded to amend the Articles of Association of the Company as follows:

- (i) Definition of “Financial Investor Transferee” is introduced after the definition of “Fair Market Value”:

“Financial Investor Transferee means:

- (a) A banking company as defined under the Banking Regulation Act, 1949;
- (b) Foreign banks regulated by a banking supervisory authority in the country of their incorporation;
- (c) Financial institutions including non-banking financial company, incorporated in India, which are primarily engaged in the business of lending;
- (d) Investment funds primarily engaged in investing in capital (including mutual funds, alternative funds, private equity funds, pension funds or corporate funds engaged in investing in capital);
- (e) Financial institutional investors/their sub-accounts or foreign portfolio investors registered with the Securities Exchange Board of India;
- (f) Any investment entity or special purpose vehicle controlled, directly or indirectly, by persons referred in clauses (a) to (e) above.”

- (ii) In Article 7.1, the following is to be inserted as Article 7.1(e)(ii) after Article 7.1(e)(i):

“(ii) Transfer of Equity Securities by Max or Bupa (as applicable) to a third Person, provided such Person is a Financial Investor Transferee, and further provided that:

- (A) such Transfer by Max, aggregated with any Equity Securities that may have been Transferred to any Financial Investor Transferee by Max would not result in the total shareholding of Max in the Company falling below 36% (thirty six per cent) on a fully diluted basis;

Nejo.

- (B) such Transfer by Bupa, aggregated with any Equity Securities that may have been Transferred to any Financial Investor Transferee by Bupa would not result in the total shareholding of Bupa in the Company falling below 34% (thirty four per cent) on a fully diluted basis;
- (C) each Financial Investor Transferee shall execute a Deed of Adherence simultaneously with and as a condition to such Transfer of Equity Securities;
- (D) the Financial Investor Transferee shall not have any special rights conferred upon it by Max, Bupa or the Company including without limitation: (i) the right to nominate Directors on the Board of the Company; or (ii) any Reserved Matter rights;
- (E) neither Max nor Bupa shall Transfer its Equity Securities to more than 2 (two) Financial Investor Transferees each and no such Transfer shall result in the Company having more than 4 (four) Financial Investor Transferees as shareholders of the Company at the same time and the aggregate shareholding of the Financial Investor Transferees shall not exceed the limits specified under Applicable Law; and
- (F) any Consents required under Applicable Law (including but not limited to approvals from the Foreign Investment Promotion Board, if applicable, and the Insurance Regulatory and Development Authority) are obtained prior to any transfer to the Financial Investor Transferee.”
- (iii) In Article 7.2, in the first sentence, third line, the phrase “, a Financial Investor Transferee” is inserted after the phrase “in compliance with Article 7.1 to any Person other than a Free Transferee”
- (iv) In Article 14, the following is to be inserted as Article 14.1(b)(ii) after Article 14.1(b)(i):
“(ii) no special rights available to any Shareholder under these Articles or as agreed upon, including without limitation, the right to nominate a Director on the Board and Reserved Matter rights, may be assigned to a Financial Investor Transferee; and”
- (v) In Article 14.1(c), in the second sentence, the phrase “and the Financial Investor Transferee” is inserted after the phrase “It is clarified that the transferor Shareholder”

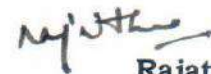
and

- (vi) In *Schedule 2* of the Restated Articles i.e. Form of Deed of Adherence, the following note is to be inserted immediately after paragraph 4:

“Note: Bracketed portion not to be included for transfers to Financial Investor Transferees”

RESOLVED FURTHER THAT Mr. Ashish Mehrotra (CEO and Managing Director), Mr. Rahul Ahuja (Chief Financial Officer), Mr. Anand Roop Choudhary (Head of Legal) and Mr. Rajat Sharma (Company Secretary) be and are hereby jointly and/or severally authorized on behalf of the Company to take all actions as they may severally deem fit, including making necessary filing/intimation, if any, with the Authorities and do all such acts deeds and things as may be required or considered necessary or incidental thereto.”

By order of the Board of Directors



Rajat Sharma
Company Secretary
M.No. FCS7069

Address: Address: B1 / I-2, Mohan Cooperative Industrial Area,
Mathura Road, New Delhi: 110044

Email ID: rajat.sharma@maxbupa.com

Dated: August 02, 2016
Place: New Delhi

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS (FORTY-EIGHT) BEFORE THE MEETING.**

Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A proxy form is attached to the notice herewith.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above resolutions is annexed hereto.
3. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company during working days of the Company between 10.00 A.M. and 1.00 P.M. except on holidays. This shall be kept open up to the date of the Annual General Meeting and at the Venue of the meeting to any person having the right to attend the meeting.
4. Registers shall be placed in the meeting and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
5. The Registrar and Transfer Agent of the Company M/s. MAS Services T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110020 is handling Registry work in respect of shares held in electronic/demat form.
6. As per the requirements of Section 113 of the Companies Act, 2013, corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. A Route Map along with prominent landmark for easy location to reach the venue of Annual General Meeting is annexed to the notice.
8. Attendance slip has been annexed to the notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 (Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 6, 7 and 8 of the accompanying Notice:-

1. Item No. 6

Mr. Ashish Mehrotra was appointed as an Additional Director of the Company by the Board of Directors with effect from November 04, 2015. His appointment was pursuant to Section 161 of the Companies Act, 2013 read with Articles of Association of the Company.

Under Section 161 of the Act, Mr. Ashish Mehrotra can hold office up to the date of this Annual General Meeting. The Company has received from a member notice under Section 160 of the Act along with requisite deposit of Rs. 1 Lac (Rupees One Lakh) proposing the candidature of Mr. Ashish Mehrotra as a Director on the Board of the Company.

The Board of Directors of your Company intend to appoint Mr. Ashish Mehrotra who was appointed as additional director, subject to being regularized by members, be appointed as Managing Director & CEO with effect from November 04, 2015.

A brief profile of Mr. Ashish Mehrotra is given herein for the information of the shareholders.

Mr. Ashish Mehrotra has approximately 22 years of consumer banking experience with Citibank spread across business management, P&L, sales & distribution, product management, operations, service, credit & risk management and projects. He is considered as an industry expert in mortgages and commercial real estate and has been instrumental in rolling out various industry first products like 'offset mortgage'. He has also had exposure to and an understanding of retail financial services marketplace and environment across countries in Asia-Pacific and Middle East.

The Board has recommended appointment of Mr. Ashish Mehrotra as a Director of the Company as per the provisions of the Companies Act 2013.

Other details of the director are given in the Corporate Governance Report.

Your Directors recommend passing of the resolution contained in Item No. 5 and 6 as an Ordinary Resolution.

Save and except Mr. Ashish Mehrotra and his relatives to the extent of his shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at item no. 5 & 6.

Details of Directors as per Secretarial Standard – 2

Name	Ashish Mehrotra
Date of Birth	11.02.1969
Age	47 Years
Nationality	Indian
Date of first appointment	November 04, 2015
Date of appointment/ reappointment	August 02, 2016
Remuneration last drawn	Rs. 1,76,88,743/-
Shareholding in the Company	Nil
Qualifications	B.Com and MBA
Expertise in specific functional areas	Banking
No. of Board meetings attended during the year	One
Relationships with other Directors, Manager & other KMP	Nil
Experience	22 Years
Chairmanship/ Directorship held in other companies (excluding foreign companies and Section 8 companies)	None
Chairmanships/ Memberships of Committees in other companies	None

A statement setting out the material facts in the nature of concern or interest, financial or otherwise of every director and the manager and every other key managerial person and relatives thereof, concerning item of special business to be transacted at a general meeting:-

S. NO.	DIN of Director/ Manager/KMP/ Relative	Name of KMP/Director	Nature of concern or interest, Financial or otherwise	Nature of Other Interest
1.	07277318	Mr. Ashish Mehrotra	NIL	Appointment as Director

Handwritten signature/initials

2. Item No. 7

In order to meet the business requirements in line with the business plan of the Company for the financial year 2016-17, the Company shall be receiving share subscription moneys, in one or more tranches, during this period.

It is required to be capitalized by issue of equity shares in the share capital of the Company to Max India Limited and Bupa Singapore Holdings Pte. Ltd. Accordingly, it is proposed to accord members' approval for issue and allotment of up to 10.1 crores equity shares of Rs. 10/- each for cash at par on right basis within a period of ensuing 12 months from the date of this resolution in one or more tranches pursuant to Section 62 and other applicable provisions, if any of Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7, except to the extent of their shareholding in the Company.

3. Item No. 8

Approval for the Amendment in the Articles of Association

Information and facts to enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.

The shareholders are informed that Bupa Singapore Holdings Pte. Ltd. (**Bupa**), Max India Limited (**Max**) and the Company had entered into an Amended and Restated Shareholders' Agreement on 29 April, 2016 (**Amended and Restated SHA**). It is further informed that in terms of the Restated and Amended SHA, the Articles of Association (**AoA**) of the Company were amended and a revised set of AoA were adopted by the Company in its Extra-ordinary General Meeting dated May 2, 2016. In these AoA, certain terms of the Restated and Amended SHA were not incorporated as these terms would become applicable only when the revised shareholding ratio of 51%: 49% between Max and Bupa (in each case with their respective nominees) was achieved.

Given that the revised shareholding ratio, as aforesaid, has been achieved pursuant to the transfer of equity shares by Max to Bupa pursuant to the Share Purchase Agreement dated April 29, 2016 amongst Max, Bupa and the Company, below-mentioned additions need to be made to the present set of AoA of the Company. The draft of the altered set of AoA is being circulated with this notice. The said changes are as follows:

- (i) Definition of "Financial Investor Transferee" is introduced after the definition of "Fair Market Value":

"Financial Investor Transferee means:

- (g) A banking company as defined under the Banking Regulation Act, 1949;
 - (h) Foreign banks regulated by a banking supervisory authority in the country of their incorporation;
 - (i) Financial institutions including non-banking financial company, incorporated in India, which are primarily engaged in the business of lending;
 - (j) Investment funds primarily engaged in investing in capital (including mutual funds, alternative funds, private equity funds, pension funds or corporate funds engaged in investing in capital);
 - (k) Financial institutional investors/their sub-accounts or foreign portfolio investors registered with the Securities Exchange Board of India;
 - (l) Any investment entity or special purpose vehicle controlled, directly or indirectly, by persons referred in clauses (a) to (e) above."
- (ii) In Article 7.1, the following is to be inserted as Article 7.1(e)(ii) after Article 7.1(e)(i):

"(ii) Transfer of Equity Securities by Max or Bupa (as applicable) to a third Person, provided such Person is a Financial Investor Transferee, and further provided that:

- (A) such Transfer by Max, aggregated with any Equity Securities that may have been Transferred to any Financial Investor Transferee by Max would not result in the total shareholding of Max in the Company falling below 36% (thirty six per cent) on a fully diluted basis;
- (B) such Transfer by Bupa, aggregated with any Equity Securities that may have been Transferred to any Financial Investor Transferee by Bupa would not result in the total shareholding of Bupa in the Company falling below 34% (thirty four per cent) on a fully diluted basis;

rajul

- (C) *each Financial Investor Transferee shall execute a Deed of Adherence simultaneously with and as a condition to such Transfer of Equity Securities;*
- (D) *the Financial Investor Transferee shall not have any special rights conferred upon it by Max, Bupa or the Company including without limitation: (i) the right to nominate Directors on the Board of the Company; or (ii) any Reserved Matter rights;*
- (E) *neither Max nor Bupa shall Transfer its Equity Securities to more than 2 (two) Financial Investor Transferees each and no such Transfer shall result in the Company having more than 4 (four) Financial Investor Transferees as shareholders of the Company at the same time and the aggregate shareholding of the Financial Investor Transferees shall not exceed the limits specified under Applicable Law; and*
- (F) *any Consents required under Applicable Law (including but not limited to approvals from the Foreign Investment Promotion Board, if applicable, and the Insurance Regulatory and Development Authority) are obtained prior to any transfer to the Financial Investor Transferee.”*
- (iii) In Article 7.2, in the first sentence, third line, the phrase “, a Financial Investor Transferee” is inserted after the phrase “in compliance with Article 7.1 to any Person other than a Free Transferee”
- (iv) In Article 14, the following is to be inserted as Article 14.1(b)(ii) after Article 14.1(b)(i):
- “(ii) no special rights available to any Shareholder under these Articles or as agreed upon, including without limitation, the right to nominate a Director on the Board and Reserved Matter rights, may be assigned to a Financial Investor Transferee; and”*
- (v) In Article 14.1(c), in the second sentence, the phrase “and the Financial Investor Transferee” is inserted after the phrase “It is clarified that the transferor Shareholder”
- And
- (vi) In Schedule 2 of the Restated Articles i.e. Form of Deed of Adherence, the following note is to be inserted immediately after paragraph 4:

ref

Note: Bracketed portion not to be included for transfers to Financial Investor Transferees”

Your Directors recommend passing of the resolution contained in Item No. 7 as a Special Resolution.

By order of the Board of Directors



Rajat Sharma
Company Secretary
M.No. FCS7069

Address: Address: B1 / I-2, Mohan Cooperative Industrial Area,
Mathura Road, New Delhi: 110044

Email ID: rajat.sharma@maxbupa.com

Dated: August 02, 2016
Place: New Delhi

Form No. MGT-11

8TH ANNUAL GENERAL MEETING

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: - U66000DL2008PLC182918

Name of the Company: - Max Bupa Health Insurance Company Limited

Registration Office: - Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020

Name of the Member (s) :-

Registered Address :-

E-mail ID :-

Folio No/Client Id:

DP ID :-

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature: _____, or failing him
2. Name:
Address:
E-mail Id:
Signature: _____, or failing him
3. Name:
Address:
E-mail Id:
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the Company to be held on Tuesday August 02, 2016 at 1500 hrs (IST) at 2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi - 110011 and at any adjournment thereof in respect of such resolutions as are indicated below:

15

Max Bupa Health Insurance Company Limited

CIN - U66000DL2008PLC182918

Corporate Office: Block B1/1-2, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi - 110044

Tel.: + 91-11-30902000, Fax No.: +91-11-30902010, www.maxbupa.com

Registered Office: Max House, 1 Dr. Jha Marg, Okhla, New Delhi - 110020

Resolution No:-

1. Ordinary business
 - a) Consider and adopt Annual Financial Statements for the Financial year 2015-16
 - b) Director liable by rotation
 - i) Mr. Rahul Khosla
 - ii) Mr. Rajesh Sud
 - c) Ratification of appointment of Joint Statutory Auditors of the Company
2. Special business
 - a) Regularization of Mr. Ashish Mehrotra as Director
 - b) Further issue of Share Capital
 - c) Alteration of Articles of Association

Signed this..... day of..... 20....

Affix Revenue
Stamp

Signature of Shareholder:

Signature of Proxy holder(s):

Instructions:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

Attendance Slip
(to be presented at the entrance)

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

CIN: U66000DL2008PLC182918

Registered Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020

8th Annual General Meeting to be held on Tuesday, August 02, 2016 at 1500 hrs at 2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi – 110011.

I certify that I am a member / proxy for the member(s) of the Company.

I hereby record my presence at the 8th Annual General Meeting of the Company being held at 2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi – 110011, on Tuesday, 2nd Day of August, 2016, at 1500 Hrs.

Folio No :	DP ID No:	Client ID No:
Number of Shares:		
Name of the Member:	Signature:	
Name of the Proxy holder:	Signature:	

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

Route Map and landmark to the Venue



2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi-110011

BOARD'S REPORT

Your Directors are pleased to present the Eighth Board's Report of your Company together with the audited accounts for the financial year ended March 31, 2016.

1. BUSINESS HIGHLIGHTS

The highlights for the Financial Year ended March 31, 2016 are as under:

Particulars	(Rs in '000)	
	Financial Year 2015-16	Financial Year 2014-15
Gross Written Premium	47,60,092	37,26,574
Add Reinsurance Accepted	-	-
Less Reinsurance Premium	2,44,564	1,92,172
Net Premium	45,15,528	35,34,402
Unexpired Risk Reserve	5,84,433	3,82,038
Earned Premium	39,31,095	31,52,364
Total Underwriting Revenue	39,31,095	31,52,364
Net Incurred Claims	23,40,226	18,22,037
Commission paid (net)	4,47,973	3,21,985
Expenses of Management	22,12,348	22,43,651
Premium Deficiency Reserve	-	(5,653)
Total Underwriting expenses	50,00,547	43,82,020
Underwriting Profit/(Loss)	(10,69,452)	(12,29,656)
<u>Investment Income:</u>		
Allocated to Revenue Account	2,54,765	1,79,510
Allocated to P&L Account	1,75,565	1,57,610
Other Income	1,725	2,162
Other Expenses	11,698	24,296
Provisions	35,884	18,462
Profit/(Loss) before Tax	(6,84,979)	(9,33,132)
Key Business Parameters		
Solvency Ratio	2.16:1	2.10:1
Share Capital (Rs. crores)	898.00	790.50
Foreign Direct Investment (Rs. crores)	233.48	205.53
No. of Employees	1,386	1,444
No. of offices	27	26
No. of Agents	16,619	11,020
No. of Policies	265,089	232,042

1. INDUSTRY OVERVIEW

The Health Insurance sector continues to be the fastest growing segment in non-life insurance industry. The total health insurance premium in Financial Year 2015 – 2016 grew to Rs. 27,362 Crores from Rs. 22,580 Crores in Financial Year 2014 – 2015, reflecting a strong growth of 21%. Increase in lifestyle and chronic illnesses like diabetes, cancer and cardiovascular diseases along with improved customer awareness and double digit growth in medical inflation is leading to an increase in demand for health insurance.

During the year, the regulatory environment has changed significantly due to the amendment of the Insurance Act and modifications in some policies of the central government. In addition to introducing new avenues and distribution like Point of Sale and Insurance Marketing Firms, the IRDAI has also amended important regulations related to Corporate Agency, Individual Agents and Rural Social Obligations for insurers. These changes will lead to opening up of new distribution channels and will help insurers increase penetration in a cost effective manner.

The regulator has also issued a number of draft regulations including draft health insurance regulations and draft payment of commission/remuneration to insurance agent regulations. Implementation of some of the recommendations, should lead to tangible benefits and proper industry growth. These include: a) putting curbs on mis-selling, improving transparency through standardized norms on disclosures, b) reform enabling ability to increase premiums in a manner linked to an inflation index and c) have an entry age based premium pricing model, to enable the industry cater to the elderly.

2. STATE OF COMPANY'S AFFAIRS

Your company posted a Gross Written Premium of Rs. 476.01 Crores for the year thereby registering a 28% growth over previous year. The loss for the year at Rs. 68.5 Crore has improved by 27% as compared to the previous year.

Financial year 2015-16 has been a year that marked significant market-related developments, increasing claims cost, medical inflation and rising incidence of non-communicable diseases, thereby resulting in increasing margin pressure on the business.

Your company's key priorities going forward have been shaped by the changing external environment & our current business performance:

- Primary focus on B2C segment led by Agency & Bancassurance, while evaluating a comprehensive digital strategy
- Improve persistency
- Better manage claims through case management, healthcare purchasing and fraud control
- Improve the suite of products to meet the needs of the customers whilst managing risk and delivering value to the customers and shareholders
- Deliver best-in-class service based on customer segments and partners
- Continued focus on cost optimization
- Leadership development and building talent pipeline
- Robust IT strategy for a stable, secure and scalable infrastructure

Your Company focuses on affluent segments in the top 20-25 cities in India and aims to be the preferred family health insurer for B2C customers. Your company offers quality health insurance services through its comprehensive distribution network comprising of Agency, Bancassurance, & Alliances (NBFC's and brokers) & Direct channel (tele-assisted, online sales and direct sales team).

Your Company has reported a good overall performance in FY 2015-16, in line with our strategic priorities, across different operational areas.

A. MULTI CHANNEL DISTRIBUTION SET-UP

Your company's strategic priorities focus on profitable and sustainable growth led by Agency and bancassurance. Your company has relentlessly focused on building its distribution network by consistently improving the quality of its Agency sales force, building bancassurance channel and strengthening its Direct channels by evaluating a comprehensive 'digital' strategy.

1. Agency

Agency is the Company's largest distribution channel, spanning 26 branches across 16 cities and contributes over 55% of overall revenue. The Agency sales force comprises of 400 Agency Managers and 13,000 agents. Your Company's agency force is one of the most productive agency force amongst SAHIs (Stand Alone Health Insurers). FY 15-16 saw the Agency channel focus on process standardization, frontline staffing & retention, performance management, agent recruitment & activation and growth through sub-verticals. Going forward, in line with the strategic priorities, your company has identified 4 focus areas for Agency channel – agent empowerment through digital enablement, drive fixed-benefit product adoption, launch variable agency program and focus on capability enhancement of supervisors.

2. Bancassurance & Alliances

Your Company is the first SAHI player to sign 6 Bancassurance Corporate Agency relationships in India between Oct' 2013–June' 2016 with reputed banks like Standard Chartered, Federal, Deutsche, Ratnakar Bank, SUPGB and Bank of Baroda. Your Company now has a robust bancassurance infrastructure with 200+ FOS (Feet-on-Street) and around 6700 bank branches. Banca channel contributed around 40% of Company's new sales in FY 15-16. The early relationship with the Banks has enabled your Company to plan/create segment wise focused initiatives which will help in consolidation of the relationship. Your company also has tied up with leading NBFC's like Bajaj Finserv and Muthoot under alliances vertical. Growth in this channel would primarily be driven by focus on branch activation penetration in different customer segments and opportunities for sale to retail asset customers. Your Company is also exploring new opportunities in Bancassurance and Alliances channels.

3. Direct channels (E-sales and Direct sales team)

Direct channels at your company comprises of E-sales (tele-assisted as well as online sales) and the Direct sales team contributing to 23% of revenue in FY15-16. Your company has one of the largest captive telesales team in the health insurance industry, with ~130 dedicated out-bound tele-callers. The channel is equipped with state-of-the-art technology infrastructure (Dialler/CRM) within a secure environment. Your company is exploring the 'digital' opportunity in the



HEALTH INSURANCE

Health insurance space in India which is currently estimated to be ~ Rs 270 cr. new sales and currently dominated by web aggregators and a select few insurers. Your company's digital roadmap will focus on addressing the category's unmet needs and leveraging your company's current strengths in brand and technology. Your company aims to maintain profitable direct channels with a focus on building a comprehensive digital strategy.

4. Business to Business (B2B)& Rural business

Apart from the retail segment, your company also has limited presence in the Group business where we focus on select profitable business opportunities. Your Company also has underwritten rural business under RSBY scheme of Government.

B. IMPROVED CUSTOMER MANAGEMENT

In line with your Company's commitment towards exemplar service and being transparent, customer focused, equitable and fair in its dealing with customers, your Company continued to focus on raising the standard of customer interaction at every touch point, right from pre-sales engagement to payment of claims.

Your Company proactively captures customer feedback through multiple formal and informal customer listening initiatives including Customer Transactional Assessments (CTA) for key customer processes, online customer feedback through portals and blogs, Max Bupa's website, and welcome calling. The top two box CTA score Policy Servicing improved to 52% from 44% as compared to the last financial year. Service excellence is key to your Company's success and therefore there is considerable focus on customer experience and related metrics. The Customer Experience Index is calculated annually and for 2015-16 it stood at 65% as compared to 59% for Financial Year 2014-15.

Your Company's 30 minutes pre - authorization service commitment, introduced in the Financial Year 2014 - 15, continues to out perform in the industry for the Financial Year 2015-16.

In continuation of our Philosophy of service being a key differentiator, we have launched interactive voice response which has enabled us to provide 24*7 self service options for basic queries. Customer Relationship Management (CRM) system has enabled us to service our customer promptly. Both our initiatives has helped us to improve our C - SAT scores and productivity.

C. COST MANAGEMENT

Your Company continues to focus on higher efficiency, improved productivity and a reduction of expenditure. A Cost Council has been formed which is driving optimization of expenses through activity based costing, segmental analysis and identifying opportunities across functions where expenses can be reduced. This team leveraged best practices across the Max India Group and the industry to optimize spends. The cost optimization focus is reflected in the management expense ratio which is improved from 72% in Financial Year 2015 to 57% in Financial Year 2016.

D. INVESTMENT PERFORMANCE

Your Company ensures management of investment assets in accordance with the asset liability management policy of the company. The performance of the fund has been commensurate with the risk assumed in the fund.

The fund is invested with 97% of the portfolio in highest safety instruments (viz. sovereign and AAA or equivalent instruments). Your Company's Assets under Management (AUM) of Rs 566.45 Crores recorded a growth of 32% over the last year.

During the financial year, your Company generated an investment yield of 8.6% (9.0% including portfolio rebalancing) for the financial year ended Mar 31, 2016 versus 9.1% for the financial year ended Mar 31, 2015.

E. BUSINESS EXCELLENCE

In the Max Performance Excellence Framework (MPEF) assessment for Financial Year 2014 - 2015 cycle (MPEF assessment did not happen for Financial Year 2015 - 2016); your company is working towards moving from early development stage to early result stage. The MPEF scores received for Financial Year 2014-15 of 342, was an improved score from the last assessment. This assessment report identified that your company has a systematic and effective program for gathering, analysis and responding to the 'Voice of Customer' (VOC) and using this for strategic and operational decision making. It also highlighted that your company has continued to improve brand awareness among employees, customers and partners. The assessors also believed that your company has the opportunity to build innovation culture, improve knowledge management and people practices to breach the early results stage in the MPEF score bands.

F. AWARDS AND RECOGNITIONS

During the Financial Year 2015-2016, your Company has been felicitated with Awards and Recognitions across functional areas. Some of these were:

1. First Health Insurer to be listed as a Superbrand in India. Your Company was selected as the most preferred brand in the Health Insurance segment for 2015 by 7,000 consumers in India.
2. Emerged as the most trusted Health Insurance brand in the Brand Trust Report 2015. This was the second time that your company emerged as the no. 1 Health Insurance Brand chosen through an independent consumer survey conducted in 6 cities by TRA, a Global research and advisory firm.
3. Heartbeat Health Insurance Plan recognized as Innovation of the Year at the Golden Peacock Awards 2015 for its industry first features like coverage for 14 relationships in a single family and cashless treatment for critical illnesses abroad.
4. Recognized as 'Claim Service Leader of the Year' at the 5th Indian Insurance Awards 2015 for superior claims experience offered to its customers through its 30 minutes cashless claims promise
5. Max Bupa Walk for Health was awarded 'Best CSR Campaign Linked to Loyalty' at the 8th Loyalty Awards 2015. The initiative was recognized for strengthening our healthcare agenda and enhancing brand loyalty.
6. Recognized for best solution for Data Management at the E- Governance BFSI Leadership Awards 2015. This is an important acknowledgement for our IT expertise and differentiated approach to customer service with our WDMS solutions that aims bringing overall improvements in customer facing metrics.

7. Listed among Asia's 100 most admired brands for its differentiated brand positioning and marketing efforts.

3. PHILOSOPHY

Your Company's mission is to help customer live healthier and more successful lives. With an aim to build long-term healthcare partnerships, providing expertise for life, your company is working towards helping people put their health first.

Your Company's vision is to become India's most admired health insurance company by building capability in people, technology, infrastructure, delivering high quality products and services to its customers

4. OPERATIONS

Your Company has invested extensively in building Health Risk Management (HRM) capabilities over the last two years. HRM, as a philosophy, aims to strike a balance between treating customers fairly, enabling product profitability and affordability of comprehensive health insurance products for the customers i.e. ensuring access to most appropriate care, in the most appropriate setting at the most appropriate time and at the most affordable price to the customers. HRM forms the basis of key business decisions relating to selection, assessment and management of health risk. Key operating decisions related to product design, underwriting & claims philosophy, choice of market segments as well product and geographical mix are guided by HRM principles and are enabled by strong health and clinical data analytics. It also includes partnering with health service providers (especially hospitals) to not just enhance the access but also the quality of healthcare to your Company's customers. Your Company has also made significant progress in enhancing payment integrity, reducing overcharging by providers, fraud detection and control to ensure only genuine claims are paid by mobilizing claims leakage control measures and thereby maintaining affordable premiums for its suite of health insurance products.

Your Company brings together Bupa's global health insurance and customer service expertise with Max India's understanding and experience of the Indian health and insurance sectors. Your Company has developed a strong network of over 3500 quality hospitals and services its customers directly through its in-house team of professionals including doctors who process the claims. Your Company offers individual and family oriented health insurance policies for Indians across all age groups.

5. HEALTH INSURANCE PRODUCTS

Your Company has its flagship product, Heartbeat, for retail customers, offering comprehensive health insurance cover for both individuals and families. Keeping the customer need at the core, Heartbeat product offers comprehensive health insurance coverage which includes in-patient, pre and post hospitalization, day care treatments, emergency ambulance, maternity benefit, new born baby cover, organ donor, health check-up, health relationship loyalty program, etc. Along with these benefits, your company's product also covers international medical treatment and assistance. With its cashless international coverage, the overall offering is significant. It not only provides treatment for 9 specified illnesses but also covers medical evacuation. While the product's unique selling proposition has always been coverage from 91st day (except for accidents & emergencies) and no specific waiting period of 24 months for insured persons who are below 60 years of age.

Further, your company's Health Companion product primarily caters to mass affluent and upper affluent segment who are seeking health insurance cover at a competitive price. Your company has also used comprehensive and flexible structure of Group Health Insurance (GHI) to come up with multiple propositions to meet the needs of bancassurance customers. Different plans under GHI help our bank and affinity partners to target their unique customer segments with specific propositions. In addition to the above, your company also has a comprehensive bouquet of products in indemnity and fixed benefit segments which includes Health Assurance (offering 3 in 1 coverage for personal accident, critical illness, hospital cash), Group Personal Accident, Employee First Health Insurance Plan, Swasth Parivar – Health Insurance Plan and Swasthya Pratham – Micro Insurance Product.

6. BOARD OF DIRECTORS AND ITS COMMITTEES

Conscious efforts were made to continue strengthening the Board of Directors in terms of its effectiveness and corporate governance. The Board of Directors is responsible for the approval of overall corporate strategy and other Board related matters. The Board of Directors of your Company comprises of Ten (10) members as on March 31, 2016.

1. During the year, the following Directors were appointed to the Board of your Company:-

a) Mr. Ashish Mehrotra (DIN 07277318) was appointed as Chief Executive Officer & Managing Director of the Company with effect from November 04, 2015.

2. Your Company is proposing to regularize the appointment of Mr. Ashish Mehrotra (DIN 07277318), being Additional Director as Director of your Company at the ensuing Annual General Meeting. Your Company has also received notice from member pursuant to Section 160 of the Companies Act 2013 proposing candidature of the above Director at the ensuing AGM. Mr. Ashish Mehrotra is Managing Director of your Company. His appointment will be regularized at the forthcoming AGM in accordance with the provisions of the Companies' Act, 2013 for a period of five years since the date of his appointment, i.e. November 04, 2015 till November 03, 2020.

3. In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Rahul Khosla (DIN - 03597562) and Mr. Rajesh Sud (DIN - 02395182), being liable to retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offered themselves for reappointment.

4. During the year, following Directors stepped down from the Directorship of your Company:-

a) Mr. Anthony Maxwell Coleman (DIN 03149224) ceased to be a Director of your Company with effect from October 27, 2015.

b) Mr. Amit Sharma (DIN 00050254) ceased to be a Director of your Company with effect from January 15, 2016.

The Company places on record its deep appreciation of the contribution made by the above referred Directors during their association with the Company.

5. In accordance with the requirements of the Companies Act 2013, the composition of following Committees of the Board are as follows :

- a) The Audit Committee of the Board was constituted wherein Mr. K. Narasimha Murthy (Independent Director) as Chairman of the Committee and Mr. Pradeep Pant (Independent Director) and Mr. David Fletcher as members of the Committee. The constitution of the Audit Committee is in accordance with the provisions of section 177 of the Companies Act 2013.
- b) The Nomination and Remuneration Committee of the Board was constituted wherein Mr. K. Narasimha Murthy (Independent Director) as Chairman of the Committee, Mr. Rajesh Sud, Mr. Pradeep Pant (Independent Director) and Mr. David Fletcher as members of the Committee. The constitution of the Nomination and Remuneration Committee is in accordance with the provisions of section 178 of the Companies Act 2013.

7. KEY MANAGERIAL PERSONNEL("KMP") U/S SECTION 203 OF THE COMPANIES ACT, 2013

Section 2(51) of the Companies Act, 2013 introduced the term Key Managerial Personnel ("KMP"). KMP, in relation to a company, means the Chief Executive Officer or the Managing Director or the Manager, the Company Secretary, the Whole-Time Director and the Chief Financial Officer of the Company.

During the year, the following employees were holding the position of KMP :-

- a) Mr. Ashish Mehrotra as a Chief Executive Officer and Managing Director of the Company with effect from November 04, 2015;
- b) Mr. R Mahesh Kumar as Company Secretary of the Company upto April 10, 2016
- c) Mr. Vishal Garg as a Chief Financial Officer of the Company upto May 31, 2015 and
- d) Mr. Rahul Ahuja a Chief Financial Officer of the Company with effect from June 01, 2015.
- e) Mr. Rajat Sharma as Company Secretary of the Company with effect from May 06, 2016.

8. CORPORATE GOVERNANCE

Your Company follows high standards of corporate governance and the Directors have embraced this belief and taken various steps to raise the bar for Corporate Governance. Your Company has an independent minded Board constituted of domain experts from diverse functional areas.

The Board of your Company as on March 31, 2016 comprises of seven Non-Executive Directors, one Executive Director and two Independent Directors.

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

Further, the Board has the following Committees, functioning in line with IRDAI Corporate Governance Guidelines:

- a) Audit Committee

- b) Investment Committee
- c) Risk Committee
- d) Policyholders' Protection Committee
- e) Product and Actuarial Committee
- f) Nomination and Remuneration Committee

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

9. MATERIAL CHANGES AND COMMITMENT, IF ANY

There are no material changes and/or commitments that have an effect on the financial position of your Company.

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

Your Company did not have any Subsidiaries, Joint Ventures or Associate Companies during the year.

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

There were no significant and material orders passed by the Regulators or Courts or Tribunals which impact the going concern status or company's operations during the year as well as in the future.

However, IRDAI on basis of onsite Inspection of Max Bupa Health Insurance Company Limited has imposed a penalty of INR 20 lacs vide its letter no. IRDA /ENF/ORD/ONS/079/04/2016, dated 26th April 2016

12. DIVIDEND

The Directors do not recommend any dividend for the financial year 2015-16.

13. CAPITAL

The authorized share capital of the Company is Rs. 1,000 crores (One Thousand crores) divided into 100,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each. During the financial year 2015-16, the paid up equity share capital of your Company was increased from Rs. 790.50 Crore to Rs. 898.00 Crore.

Your Company has issued shares, on Rights basis, four (4) times during the year to the existing shareholders. Nominee Shareholders of Max India Limited and Bupa Singapore Holdings Pte. Ltd. have renounced their rights entitlement in favor of Max India Limited and Bupa Singapore Holdings Pte. Ltd. respectively, which were accepted and subscribed in full by the joint venture partners.

14. SOLVENCY

Your Company regularly monitors its solvency margins to ensure that the solvency margin is maintained in line with the requirements of IRDAI (Assets, Liabilities and

Solvency Margin of Insurers) Regulations, 2000. As on March 31, 2016, the solvency ratio of your Company stood at 216 % against required solvency of 150 %(with margin).

15. RESERVES

Your Company has not transferred any amount to reserves, during the financial year 2015-16.

16. PARTICULARS OF DEPOSITS

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

17. IMPLEMENTATION OF INDIAN ACCOUNTING STANDARD (Ind AS) IN INSURANCE SECTOR

The Ministry of Corporate Affairs (MCA) has outlined the roadmap for implementation of Ind AS in the insurance sector. Consequently, IRDA has set up various working groups to prepare a roadmap for implementation of Ind AS in the Insurance sector.

Your company has also initiated the process to ensure preparedness to comply with and implement Ind AS in a time bound manner. To this effect MBHI CFO and Financial Controller have attended an IRDAI and GI Council meeting with regard to Ind AS implementation in March and May 2016.

Your company has initiated the process of preparing the plan for compliance with Ind AS and the Chief Financial Officer (CFO) /Finance Controller will actively interact with the Committee formed by GI Council for implementation of IND AS to keep abreast of the developments

18. RURAL & SOCIAL SECTOR OBLIGATIONS

Disclosure of sector wise business based on Gross Direct Written Premium (GWP) as per IRDA (Obligations of Insurers to Rural or Social Sectors) Regulations, 2002 is as under:

Business Sector	Year ended March 31, 2016	
	GWP Rs.'000s	% of GWP
Rural	302,506	6.35%
Social	8,022	0.17%
Urban	4,456,863	93.48%

The Company achieved a rural target of 6.35% of GWP against the prescribed obligation of 5% of GWP. Under the social sector, the Company covered 197,186 lives against the prescribed obligation of 85,000 lives thereby fulfilling the social sector obligation.

19. JOINT STATUTORY AUDITORS

The Statutory Auditors of company namely M/s S. R. Batliboi and Associates LLP, Chartered Accountants (ICAI FRN – 101049W) and M/s Nangia & Co. Chartered Accountants, New Delhi, (ICAI FRN- 002391C) shall retire at the conclusion of the ensuing 8th Annual General Meeting.

M/s S. R. Batliboi and Associates LLP, Chartered Accountants (ICAI FRN – 101049W) have expressed their unwillingness to continue as auditors of the company.

It is proposed to appoint M/s. M.P. Chitale & Co, Chartered Accountants, (ICAI FRN- 101851W) as joint statutory auditor for the FY 2016-17 at the ensuing 8th Annual General Meeting.

It is proposed to ratify the appointment of M/s Nangia & Co. Chartered Accountants, New Delhi as joint statutory auditor for the FY 2016-17 at the ensuing 8th Annual General Meeting. The appointment of M/s Nangia & Co. Chartered Accountants is valid till 2016-17.

Your Company has received certificates from M/s M.P. Chitale & Co, Chartered Accountants and M/s Nangia & Co. Chartered Accountants that their appointment as Auditors, if made, shall be in accordance with the conditions laid down in the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified from appointment under Section 141 and Section 144 of the Companies Act, 2013.

Hence, based on the recommendation of the Audit Committee, the Board further recommends the appointment of M/s Nangia & Co., Chartered Accountants and M/s M.P. Chitale & Co, Chartered Accountants as Joint Statutory Auditors of your Company.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

20. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company confirms that:-

1. In the preparation of annual accounts for the financial year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the loss of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis;

5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

One complaint have been received by the Sexual Harassment Committee during the Financial Year 2015-16. The investigation in respect the case have been completed. The cases were investigated within 30 days from the date of receipt of Complaint.

22. ANNUAL EVALUATION

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

The performance evaluation was carried out by obtaining feedback from all directors through a confidential online survey mechanism. The outcome of this performance evaluation was placed before the Nomination and Remuneration Committee on August 01, 2016 and further placed before the Board in the meeting held on Tuesday August 02, 2016.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

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

Further, an Internal Audit mechanism is in place, wherein various processes and functions (including finance and accounts) are audited on an annual basis. Internal audits are carried out at two levels:

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

Further, detailed financial Standard Operating Procedures (SOPs) are defined and key controls are mapped in the finance manual. A limited review is conducted by the

Statutory Auditors on the quarterly financial statements and a detailed annual audit is conducted at the end of each financial year.

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

A quarterly Director's questionnaire is furnished to the Audit Committee to certify that, to the best of management's knowledge and belief, the financial results for the quarter do not contain any false or misleading statements or figures and nothing material has been concealed or suppressed. The document is certified by Chief Financial Officer, Appointed Actuary and Director – Legal and Compliance. This document covers the following aspects:

- Part 1 : Accounting
- Part 2 : Taxation
- Part 3 : Actuarial
- Part 4 : Risk & Compliance
- Part 5 : Banking Operations

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

All related party transactions that were entered into during the financial year 2015-16 were on an arm's length basis and in the ordinary course of business. Therefore, the provisions of sub-section (1) of Section 188 are not applicable.

Your Company has a Board approved Related Party Transaction Policy and SOP.

The requisite disclosure of the Related Party Transaction has been made in the Notes to Accounts of your Company.

In addition, the particulars of contracts or arrangements as entered in the ordinary course of business on an arm's length basis, with related parties of the Company are enclosed herewith in the prescribed format i.e. Form AOC - 2 as **Annexure No - 3**.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

In accordance with Section 186 (11) (a) together with the clarification issued by ministry of corporate affairs on February 13, 2015, Section 186 does not apply to an Insurance Company. Accordingly, your Company does not have any loan given, investment made or guarantee given or security provided as required under Section 186 of the Companies Act, 2013.

26. THE EXTRACT OF THE ANNUAL RETURN U/S 92 OF THE COMPANIES ACT, 2013

The extract of the Annual Return in the prescribed format i.e. form MGT - 9 as per the requirements of Section 92 of the Companies Act, 2013 is annexed as **Annexure No - 4**.

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

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

Your Company has put in place the relevant framework and a Nomination & Remuneration Policy as required in section 178. Any shareholder, interested in obtaining a copy of the Policy, may write to the Company Secretary at the Registered Office of Company, which in due course will also be put up on your Company's website.

28. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes during the year affecting the financial position of your Company.

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

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet with the criteria of independence as prescribed under sub section (6) of Section 149 of the Companies Act, 2013.

30. CODE OF CONDUCT & WHISTLE BLOWER POLICY

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

Your Company also has a Whistle Blower Policy approved by the Board which empowers and provides a channel to employees for communicating any breaches of your Company's Values, Code of Conduct, Anti Money Laundering Policy and other regulatory and statutory requirements. Appropriate disciplinary actions are taken against any violation. In October 2015, your Company also introduced a EDAP (Employee Disciplinary Action Process) that serves as a guide for all consequence management actions for employees

31. CORPORATE SOCIAL RESPONSIBILITY

Currently the provisions of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) are not applicable to your Company.

Even though the Company is not required to mandatorily comply with the CSR requirements, the Company has been taking initiatives to promote good health amongst Indians as a good corporate citizen. The "Walk for Health" initiative of the Company has been awarded the best CSR initiative in the country.

32. SECRETARIAL AUDIT

Your Company in the meeting held on July 17, 2015 has appointed M/s Chandrasekaran Associates, Practicing Company Secretary, New Delhi to conduct

Secretarial Audit for the Financial Year 2015-16 as per the requirements of Section 204 of the Companies Act, 2013.

M/s Chandrasekaran Associates, Practicing Company Secretary, New Delhi have submitted their report for the financial year 2015-16 in the prescribed format MR-3 which is annexed as **Annexure No - 5**.

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

a) STATUTORY AUDIT

Joint Statutory Auditors of your Company for the financial year 2015-16 i.e. M/s S. R. Batliboi and Associates LLP, Chartered Accountants, New Delhi (ICAI FRN - 101049W) and M/s Nangia & Co. Chartered Accountants, New Delhi (ICAI FRN-002391C) in the Audit Report for FY 2015-16 have given no qualifications, reservations, disclaimers and/or adverse remarks.

b) SECRETARIAL AUDIT

M/s. Chandrasekaran Associates, Practicing Company Secretary, Delhi, Secretarial Auditors of your Company for the Financial Year 2015-16 has given no qualifications, reservations, disclaimers and adverse remarks in their report except one which is mentioned below:-

- i. Mr. Manasije Mishra, Chief Executive Officer & Whole Time Director of the Company has resigned on January 09, 2015. Mr. Ashish Mehrotra was appointed as Chief Executive Officer & Managing Director of the Company on November 04, 2015.

The Company has taken approval from the IRDAI w.r.t to appointment of CEO and MD and a letter addressing to Ministry of Corporate affairs to condone the deviation from the regulations, due to delay in appointment of CEO and to provide six months time to comply with the requirements for appointment of CEO.

The Company also highlighted the reason for delay that :

1. Pursuant to the office of CEO having fallen vacant, company has undertaken efforts to find a suitable candidate for the position of CEO and also engaged a reputed executive search firm to initiate a search for such candidate. After conducting an extensive review of candidate over the last few months, 3 (three) candidates were shortlisted for final interview and consideration.
2. Following a rigorous interview process coupled with psychometric tests, only one of three shortlisted candidates was found suitable for the position of CEO. Accordingly, the candidate was finalized for the position of CEO and nomination and remuneration committee of Max Bupa recommended to the Board the appointment of such person as CEO by way of its circular resolution passed on June 01, 2015, subject to approval of the IRDAI.
3. However, the finalized candidate withdrew his candidature due to personal reasons shortly before his appointment.

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

Your Company has adopted the risk management architecture approved by the Board which is revised and changed from time to time. The risk management structure is currently undergoing another revision and update.

The Board and other stakeholders of your Company get assurance on risk management processes and its effectiveness from External audit, Internal Audit, Risk Management, Compliance and Fraud & Investigation Unit. Your Company's risk management strategy comprises of the following elements.

- 1) **Three Lines of Defense Model** - your company has adopted the 'Three Line of Defense' model. The model defines a clear set of responsibilities for each group of risk and control professionals.
 - a) **First Line:** Involved in day to day risk management, in accordance with agreed risk policies, appetite and controls, at the operational level. This role is performed by Executive Leadership Team & Functional Heads.
 - b) **Second Line:** Responsible for compliance and risk oversight, guidance and reporting. This role is performed by Risk Management, Compliance, Fraud & Investigation teams.
 - c) **Third Line:** Independent assurance to the board and senior management of the effectiveness of risk management processes. This role is performed by Internal and External Auditors.
- 2) **Enterprise Risk Management (ERM) Policy** - your company has adopted a robust, consistent and proportionate approach towards the identification, analysis, mitigation and control of the key risks that could threaten the assets, solvency, earning capacity, business objectives or reputation of our organization through a formally documented and approved ERM policy.

However, to enhance the effectiveness of the existing risk management framework and to further develop risk management culture within the organization, your Company is in the process of revising the existing framework to include certain additional elements such as involvement of Risk management in business planning exercise, Risk control and assurance standards and risk management design and effectiveness review. Further, the existing elements related to Risk strategy, risk appetite, risk registers and risk categories are also being revisited and aligned with the current business scenario.

- 3) **Risk Assessment Process** - Key risks are identified and mitigation plans are reviewed, improved and implemented on a quarterly basis.

Once the revised framework is implemented, detailed risk registers would be refreshed/maintained for all functions across organization to capture the inherent risks, assessment of each risk, control mapping and remediation plans for the mitigation of identified residual risks.

- 4) Risk Appetite Statements** – As a risk prevention tool, your company has a set of Risk Appetite Statements which state in both quantitative and qualitative terms the company's maximum risk profile. The statements are reviewed and approved by the Board on an annual basis.

The risk appetite statements are currently under revision and will be aligned with risk strategy and the 3 year Business Plan approved by the Board.

- 5) Quarterly Risk Reporting** – To ensure comprehensive monitoring mechanism, deliverables of quarterly risk assessment exercise are reviewed by the Risk Committee of the Board. These include :-
- a) **Key Risks Summary:** Top-down view of Leadership team on key risks faced by the business and their mitigation plans
 - b) **Risk Templates:** Bottoms up assessment of key risks within each category of risks with residual risk rating done through risk management team and reported to the Risk committee of the Board.
 - c) **Risk Heat Map:** Summarized view of risk ratings across all risk categories.
 - d) **Risk appetite status:** Evaluation and statement of risk against risk appetite statements as approved by the Board. This is done on a quarterly basis.

The Board of Directors believes that there are no risks that threaten the immediate continuity of the organization. Health Insurance is receiving special focus from the Regulator and Government with the objective of improving the health of the citizens. This will provide significant opportunities to the Company to increase penetration of Health Insurance.

35. ADDITIONAL INFORMATION

The information required under Section 197 of the Companies Act, 2013 together with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is annexed herewith as an **Annexure - 2**

The information in accordance with the provision of section 134 (3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2015 is provided hereunder:

CONSERVATION OF ENERGY: NOT APPLICABLE

- (i) the steps taken or impact on conservation of energy;
- (ii) the steps taken by the company for utilizing alternate sources of energy
- (iii) the capital investment on energy conservation equipments;

As your Company is not a manufacturing Company, the provisions relating to conservation of energy is not applicable to your Company.

The Company has installed solar panels which are used for office lighting as proactive measure to reduce the carbon footprint.

TECHNOLOGY ABSORPTION

1) The efforts made towards technology absorption:

Technology has been leveraged to improve cost/process efficiency and provide seamless experience to the customer and service processes. The Company has invested in CRM and customer communication management (CCM) solution to provide efficient service to the customers. Bancassurance partners have been on boarded on to the OTC tablet based solution to do instant issuance. Investments are being made in agent mobile apps to enable agents complete a sale and service to their customers by leveraging technology.

2) The benefits derived from technology improvement, cost reduction, new technological development and import substitution:

Technology has enabled faster issuances, lesser documentation and improved customer experience. The customer relationship management solution (CRMs) has enabled us improving our CSATs by increasing the FTRs (first time right). Customer communication management solution has helped generating the softcopies of the policy pack which are being emailed to the customer resulting in cost reductions. Leveraging the digital platform has helped onboard multiple banca partners on microsites and tab based solutions, integration with NBFCs and third party distributors have helped in improving the top line.

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

- i) the details of technology imported – Not Applicable
- ii) the year of import – Not Applicable
- iii) whether the technology been fully absorbed – Not Applicable

4) The expenditure incurred during the year on Research and Development:

Nil

36. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(Rs. in thousands)			
#	Particular	For the year ended March 31, 2016	For the year ended March 31, 2015
i)	Foreign Exchange Earnings	Nil	Nil
ii)	Foreign Exchange Outgo		
	CIF Value of Imports		
	- Capital Goods	Nil	Nil
	- Trading Goods	Nil	Nil
	Others	28,498	23,281


37. ACKNOWLEDGEMENTS

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

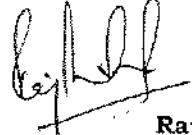
Your Directors take this opportunity to express their sincere thanks to valued customers for their continued patronage.

Your Directors also express gratitude to the Insurance Regulatory and Development Authority of India, the Reserve Bank of India, Central and State Governments and the joint venture partners, Max India Limited and Bupa Singapore Holdings Pte. Ltd. for their continued cooperation, support and assistance.

For and on behalf of the Board of Directors



Ashish Mehrotra
Chief Executive Officer &
Managing Director
DIN - 07277318



Rajesh Sud
Chairman and Director
DIN - 02395182

Place: New Delhi
Date: August 02, 2016

LIST OF ANNEXURES

S.No	Particulars	Relevant Rules	Relevant form	Annexure No.
1.	Disclosures for the Financial Year 2015-16 as per Corporate Governance Guidelines	IRDA Corporate Governance Guidelines	NA	1
2.	Particulars of Employees	Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	NA	2
3.	Contracts and arrangements with Related Parties	Section 188 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014	Form AOC-2	3
4	Extract of Annual Return	Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014	Form MGT-9	4
5	Secretarial Audit Report	Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014	Form MR -3	5

ANNEXURE I

I. Disclosures for the Financial Year 2015-16 as per IRDA Corporate Governance

Guidelines

- 1) During the Financial Year 2015-16, the following Committee and Board Meetings were held:-

S.No	Name of the Committee and Board	Date of Holding the Meetings						
		April 20, 2015	June 15, 2015	July 16, 2015	September 21, 2015	October 26, 2015	January 18, 2016	February 01, 2016
1.	Audit Committee Meeting	April 20, 2015	June 15, 2015	July 16, 2015	September 21, 2015	October 26, 2015	January 18, 2016	February 01, 2016
2.	Investment Committee Meeting	April 20, 2015	N.A	July 16, 2015	N.A	October 26, 2015	N.A	February 01, 2016
3.	Policyholder's Protection Committee Meeting	April 20, 2015	N.A	July 16, 2015	N.A	October 26, 2015	N.A	February 01, 2016
4.	Product and Actuarial Committee Meeting	April 20, 2015	N.A	July 16, 2015	N.A	October 26, 2015	N.A	February 01, 2016
5.	Risk Committee Meeting	April 20, 2015	N.A	July 16, 2015	N.A	October 26, 2015	N.A	February 01, 2016
6.	Nomination and Remuneration Committee Meeting	April 20, 2015	N.A	July 16, 2015	N.A	October 27, 2015	N.A	February 01, 2016
7.	Board Meeting	April 21, 2015	June 04, 2015	July 17, 2015	September 02, 2015	October 27, 2015	N.A	February 02, 2016

- 2) Constitution of the Board, number of meetings held and attendance by Directors during the year 2015-2016

S.No.	Name of the Director	No. of Board Meetings held	No. of Board Meetings attended
1.	Rajesh Sud	6	5
2.	Rahul Khosla	6	5
3.	David Martin Fletcher	6	5
4.	Mohit Talwar	6	6
5.	Anthony Maxwell Coleman*	5	3
6.	K Narasimha Murthy	6	6
7.	Amit Sharma**	5	3

8.	Evelyn Brigid Bourke	6	4
9.	Pradeep Pant	6	5
10.	Marielle Theron	6	6
11.	John Lorimer	6	4
12.	Ashish Mehrotra***	1	1

*Cease to be the member of the Board w.e.f October 27, 2015.

** Cease to be the member of the Board w.e.f January 15, 2016.

*** Appointed as member of the Board w.e.f November 04, 2015.

Leave of absence was granted to the Directors who could not attend various Board meetings.

- 3) Constitution of the Audit Committee, number of meetings held and attendance by Members during the year 2015-2016

Name of the Member	No. of meetings held	No. of Meetings attended
K. Narasimha Murthy	7	7
Pradeep Pant	7	7
David Martin Fletcher	7	7

- 4) Constitution of the Investment Committee, number of meetings held and attendance by the Members during the year 2015-2016

Name of the Member	No. of meetings held	No. of Meetings attended
Marielle Theron	4	4
Evelyn Brigid Bourke	4	3
Anthony Maxwell Coleman*	3	3
Vishal Garg	4	4
Biresh Giri	4	4
John Howard Lorimer**	1	1
Rahul Ahuja***	3	3
Ashish Mehrotra****	1	1

* Ceased to be the member effective October 27, 2015 due to resignation.

** Co-opted as Member effective July 15, 2015 for the Board meeting July 17, 2015.

***Appointed as member effective July 15, 2015.

****Appointed as member effective January 21, 2016.

- 5) Constitution of the Risk Committee, number of meetings held and attendance by the Members during the year 2015-2016

Name of the Member	No. of meetings held	No. of Meetings attended
John Howard Lorimer	4	4
Mohit Talwar	4	4
Anthony Maxwell Coleman*	3	3
Marielle Theron	4	4
Amit Sharma**	3	3
K. Narasimha Murthy	4	3
Evelyn Brigid Bourke***	1	1

- * Ceased to be the member effective October 27, 2015 due to resignation.
 **Ceased to be the member effective January 15, 2016 due to resignation.
 *** Appointed as member effective January 21, 2016.

- 6) Constitution of the Policyholders' Protection Committee, number of meetings held and attendance by Members during the year 2015-2016

Name of the Member	No. of meetings held	No. of Meetings attended
David Martin Fletcher	4	4
Anthony Maxwell Coleman*	3	3
Marielle Theron	4	4
John Howard Lorimer	4	4
Ashish Mehrotra**	1	1

- * Ceased to be the member effective October 27, 2015 due to resignation.
 **Appointed as member effective January 21, 2016.

- 7) Constitution of the Product and Actuarial Committee, number of meetings held and attendance by Members during the year 2015-2016

Name of the Member	No. of meetings held	No. of Meetings attended
Anthony Maxwell Coleman*	3	3
Marielle Theron	4	4
David Martin Fletcher	4	4
Evelyn Brigid Bourke	4	3
John Howard Lorimer**	1	1
Ashish Mehrotra***	1	1
Biresh Giri****	1	1

- *Ceased to be the member effective October 27, 2015 due to resignation.
 ** Co-opted as Member effective July 15, 2015 for the Board meeting July 17, 2015.
 ***Appointed as member effective January 21, 2016.
 ****Appointed as member effective January 21, 2016.

- 8) Constitution of the Nomination and Remuneration Committee number of meetings held and attendance by Members

Name of the Member	No. of meetings held	No. of Meetings attended
K. Narasimha Murthy	4	4
Pradeep Pant	4	4
David Martin Fletcher	4	4
Rajesh Sud	4	4

- 9) Details of Directors and their status of Directorship and qualifications as on March 31, 2016:

S.No	Particular	Status of Directorship	Qualifications and specialization
------	------------	------------------------	-----------------------------------

1.	Rajesh Sud DIN - 02395182	Chairman and Non Executive	MBA from FMS, Delhi University, Advanced Management Program from Wharton Business School, University of Pennsylvania, Philadelphia, USA
2.	Rahul Khosla DIN - 03597562	Co-Vice Chairperson and Non Executive	Bachelor degree with honors in Economics from St. Stephen, New Delhi and Chartered Accountant
3.	Mohit Talwar DIN - 02394694	Non Executive	Post Graduation in Arts from St. Stephen's College and Post Graduation in Hospitality Management from the Oberoi School.
4.	Marielle Theron DIN - 02667356	Non Executive	BSC in Statistics and Actuary Science Fellow of society of Actuary
5.	David Martin Fletcher DIN - 07004032	Co-Vice Chairperson and Non Executive	BA honors Modern History, Durham University, UK
6.	Evelyn Brigid Bourke DIN - 07004041	Non Executive	Masters in Business Administration
7.	John Lorimer DIN - 07138581	Non Executive	Bachelor of Commerce
8.	K Narasimha Murthy DIN - 00023046	Independent	B.SC, FCA, FCMA
9.	Pradeep Pant DIN - 00677064	Independent	Master in Management Studies
10.	Ashish Mehrotra DIN - 07277318	Managing Director and Chief Executive Director	Graduate in Business Management and MBA

- 10) Your Company did not pay any remuneration to the Directors other than sitting fees to Independent Directors.
- 11) Disclosure in respect of Remuneration or Commission, if any, received by Managing or Whole-Time Director of your Company from the Holding company or Subsidiary company, who is also in receipt of commission from the Company.

No remuneration or Commission were received by Managing Director or Whole Time Director of the Company from the Holding Company or Subsidiary Company during

the year.


12) Sitting Fees

Your Company has paid sitting fees to its Non-Executive - Independent Directors namely Mr. K. Narasimha Murthy and Mr. Pradeep Pant for attending the Committee & Board meeting during Financial Year 2015 - 2016. As per the requirements of the Companies Act 2013, payment of sitting fees to independent directors was approved in January 23, 2015 meeting.

Details of which is hereunder:

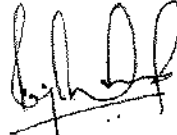
S. No.	Name of Independent Director	Total Meetings attended	Board Meeting /Committee Meeting	Total amount paid in INR
1.	Mr. K Narasimha Murthy	6	Board Meeting	6,00,000/-
2.	Mr. K Narasimha Murthy	7	Audit Committee	7,00,000/-
3.	Mr. K Narasimha Murthy	3	Risk Committee	3,00,000/-
4.	Mr. K Narasimha Murthy	4	Nomination and Remuneration Committee	4,00,000/-
5.	Mr. Pradeep Pant	5	Board Meeting	5,00,000/-
6.	Mr. Pradeep Pant	7	Audit Committee	7,00,000/-
7.	Mr. Pradeep Pant	4	Nomination and Remuneration Committee	4,00,000/-

For and on behalf of the Board of Directors


Ashish Mehrotra
Chief Executive Officer
& Managing Director

Address:- 401, Ann Abode Apartments, St Martin Road, Bandra West, Mumbai, 400050, Maharashtra, India.

DIN - 07277318


Rajesh Sud
Chairman and Director

Address - E-801, Central Park-1, Sector-42, Sector Road, Gurgaon - 122002

DIN - 02395182

Place: New Delhi
Date: August 02, 2016



HEALTH INSURANCE

Certification from the Compliance Officer

I, Rajat Sharma, hereby certify that the Company has complied with the requirements of Corporate Governance Guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Rajat Sharma
Company Secretary
Membership No – F7069

Place: New Delhi

Date: August 02, 2016

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

INFORMATION AS PER SECTION 197 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED MARCH 31, 2015

Annex

S/No.	Name	Age (Years)	Designation	Nature of duties	Remuneration (Rs.)	Qualification	Date of commencement of employment	Experience (Years)	Organisation	Last Employment Held Designation	DOB
1	Mr. Sibarajan Pattnaik	52	Senior Vice President - Agency Channel	Sales and Distribution	4,206,598	LLB, MSc	01-Apr-2009	27	Max New York Life Insurance Co. Ltd.	Senior Vice President and National Head of Group Business	11-Feb-19
2	Mr. Bhrish Giri	36	Vice President and Appointed Actuary	Actuarial	9,547,167	M Stat, FIAI	26-Dec-2011	13	Milliman India Private Limited	Consulting Actuary	19-Nov-19
3	Mr. Manasije Mishra	51	Chief Executive Officer	General Management	9,064,112	ACIB & PGDM	01-May-2012	25	Canara HSBC OBC Life Insurance Company	Managing Director & Chief Executive officer	31-Jul-19
4	Mrs. Taranum Hasib	45	Senior Vice President Bancassurance and Alliances	Sales and Distribution	5,014,055	B.Com & CA	01-Aug-2012	18	Canara HSBC OBC Life Insurance Company	Head Business	18-Aug-19
5	Mr. Somesh Chandra	41	Chief Operations Officer and Chief Quality Officer	Customer Services, Operations and Technology	15,642,888	Bachelor of Technology (B. Tech.)	11-Apr-2013	22	Religare Enterprises Limited	Director and Head O & T Strategy and shared Services	30-Jun-19
6	Mr. R. Mahesh Kumar	45	Director - Compliance, Secretarial & Legal	Legal, Compliance & Secretarial	8,065,096	B.Sc. ACA, ICWA, ACS	03-Jun-2013	18.7	Kotak Mahindra Old Mutual Life Insurance Co Ltd	Head - Legal & Compliance, Risk Control Unit and Company Secretary	21-Jun-19
7	Ms. Alexandra May Mihos	33	Associate Vice President-Corporate Strategy	Development - Management	8,623,852	Master of Finance	01-Aug-2013	9	Bupa	Senior Consultant	19-Nov-19
8	Mrs. Anika Agarwal	36	Head-Marketing, Digital and Direct Sales	Marketing	7,050,196	Post Graduate Diploma in Marketing Management	01-Nov-2011	14	Nokia Corporation	Marketing Activation Manager	06-May-19
9	Mr. Rahul Ahuja	44	Chief Financial Officer	Finance	12,167,429	Chartered Accountant, Bachelor of Commerce	01-Jun-2015	20	Max India Ltd	Chief Financial Officer	20-Apr-19
10	Mr. Debraj Sinha	43	Director & Chief Human Resources Officer	Human Resource Development	6,599,284	Masters in Personnel Management	02-Jul-2015	19	Max Life Insurance Co. Ltd.	Corporate Vice President - HR	07-Aug-19
11	Mr. Ashish Mehrotra	47	Managing Director & CEO	CEO - Office	17,688,743	Master of Business Administration	04-Nov-2015	22	Citibank N.A. Global Consumer Bank	Managing Director & Head - Retail Bank	11-Feb-19
E. Employed for part of the year and were in receipt of remuneration of not less than Rs. 500,000/- per month					103,669,400						
NIL											

Notes:

1. Remuneration includes salary, allowances, value of rent free accommodation, bonus, medical reimbursements, leave travel assistance, term insurance, personal accident and health insurance, Company's contribution to Provident, Pension, Gratuity and Superannuation funds, leave encashment and monetary value of perquisites.
2. None of the above employees is relative of any Director of the Company.
3. None of the above employee holds by himself or along-with his/her spouse and dependent children 2% or more of the Equity Shares of the Company as of the date of this report.

New Delhi
02-Aug-16


Ashish Mehrotra
Chief Executive Officer & Managing Director
DIN - 07277318


Rajesh Sud
Chairman and Director
DIN - 02395182

Form No. AOC-2

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

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

I. Details of contracts or arrangements or transactions not at arm's length basis - **NONE**

- a) Name(s) of the related party and nature of relationship
- b) Nature of contracts/arrangements/transactions
- c) Duration of the contracts / arrangements/transactions
- d) Salient terms of the contracts or arrangements or transactions including the value, if any
- e) Justification for entering into such contracts or arrangements or transactions
- f) date(s) of approval by the Board
- g) Amount paid as advances, if any:
- h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

II. Details of material contracts or arrangement or transactions at arm's length basis

(1) Purchase of Future Service Liability Policy from Max Life

- a) Name(s) of the related party and nature of relationship:-
 - Max Life Insurance Co. Ltd
 - Fellow subsidiary
- b) Nature of contracts/arrangements/transactions :-
 - Future Service Liability (FSL) Cover.
 - Service contract.
- c) Duration of the contracts / arrangements/transactions:-
 - Duration 1 year from the date of signing
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - The policy is group term policy associated with Gratuity scheme, where in case of unfortunate death of any member (excluding suicide), the gratuity for the service rendered is paid by Max Bupa and gratuity from the date of death to the normal retirement age is paid by us.
 - Sum Insured is Future Service Gratuity Liability with no limit on the amount of Gratuity, subject to minimum Sum Insured of Rs.5,000/-
 - Cost of policy Rs243,129/-
- e) Date(s) of approval by the Audit Committee, if any: April 20, 2015
- f) Amount paid as advances, if any: NIL

(2) Charges for Provident Fund Related Services from New Delhi House Services Ltd

- a) Name(s) of the related party and nature of relationship:-
- New Delhi House Services Limited (NDHSL).
 - Public Company wholly owned by Max India Promoters
- b) Nature and Duration of contracts/arrangements/transactions :-
- Effective 1st April 2014, NDHSL has been providing services related to PF trust maintenance and compliances.
 - The cost of the employees providing the services will be shared based on the number of active Max Bupa employees enrolled in PF trust.
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The cost of the employees providing the services will be shared based on the number of active Max Bupa employees enrolled in PF trust.
 - Sharing is done on a cost basis without any mark up supported by list of employees and details of activities performed
 - Estimated expenses for Max Bupa FY 14-15 – Rs. 265,000 (Aug 14 to Mar 15)
 - This amount will vary every year based on the change in number of active employees in Max Bupa.
- d) Date(s) of approval by the Audit Committee, if any: April 20, 2015
- e) Amount paid as advances, if any: NIL

(3) Sharing of cost of employees and application (Procurement function and Facilities function)

- a) Name(s) of the related party and nature of relationship:-
- Max Life Insurance Co. Ltd
 - Fellow subsidiary
- b) Nature and Duration of contracts/arrangements/transactions :-
- Effective 1st July 2015, MLIC has been providing functional support through its Procurement department by sharing learnings, best practices and e-sourcing tool (Ariba).
 - Effective 1st July 2015, MLIC has been providing functional support through its Facilities department by sharing learnings and best practices
 - The cost of the employees providing the services and the cost of the application/ software (Ariba) will be shared based on the actual services provided supported by function-wise list and details of activities performed by each of such functions for Max Bupa Health Insurance Company Limited (MBHI)
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- Mr. Amit Mangla, Mr. Karan Bhatia, and Mr. Pankaj Soni are Max Life Insurance Company Limited employees with primary responsibility of providing on ground support to the MBHI team in managing Procurement and Facilities operations at MBHI.

- Ariba is an e-sourcing tool procured by MLIC. The terms of usage of Ariba enables sharing it among group companies. The tool will be used by the above employees in procurement function of MBHI.
- Recovery is made on a cost basis without any mark up and the percentage allocation has been decided based on scope of work
- Estimated expenses to be paid for FY 15-16:

Resource	Est. time utilization at Max Bupa	Annual Cost (In Rs. Lacs)	Annual Proposed Charge Back Cost (In Rs. Lacs)
Procurement function			
Karan Bhatia	80%	17.4	13.9
Amit Mangla	10%	60.3	6.0
Ariba	15%	24.2	3.6
Total Annualized Cost			23.53
Facilities function			
Pankaj Soni	90%	10.7	9.6
Amit Mangla	10%	60.3	6.0
Total Annualized Cost			15.6

- This amount will vary every year based on the change in compensation of the employee on account of annual increments.
 - MLIC HR or Internal Audit team to confirm the actual cost (salary) of the employees once a year or in event of any change in the mentioned salary.
 - Time sheet to be maintained by all the employees to support the time allocation and to be agreed by both the parties.
- d) Date(s) of approval by the Audit Committee, if any: July 16, 2015
- e) Amount paid as advances, if any: NIL

(4) Provider agreement with Max Healthcare Limited

- a) Name(s) of the related party and nature of relationship:-
- Max Healthcare Limited
 - Fellow Subsidiary Company
- b) Nature and Duration of contracts/arrangements/transactions :-
- Service contract.
 - It provides cashless service to customers of Max Bupa who are covered under the services as per policy T & C.

- Contract bears a termination clause which states „either party can terminate the agreement by giving three months written notice to other party. Tariff chart of the hospital offered to Max Bupa members is renewed every year.
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The contract is a standard contract signed with any other network provider and clauses of the contract covers all aspects of cashless services addressed in Patient journey in hospital.
 - Total claim spend in Max Healthcare Limited through cashless business in FY 14-15 is ~INR 3.9 Cr and through reimbursement route is ~INR 83 lacs.
- d) Date(s) of approval by the Audit Committee, if any: July 16, 2015
- e) Amount paid as advances, if any:
- Max Bupa is holding a float of INR 1.00 Cr with Max Healthcare group which is in line with standard industry practice. This float is reconciled on regular frequency and replenished accordingly.

(5) Amendment to Software Licensing Agreement For Caesar (Maximus) Administration System with Bupa (Asia) Limited

- a) Name(s) of the related party and nature of relationship:-
- Bupa (Asia) Limited
 - Fellow subsidiary
- b) Nature and Duration of contracts/arrangements/transactions :-
- Amendment to Software Licensing Agreement to revise the schedule of payment.
 - The Original Agreement provides Max Bupa license to use the Software Caesar Administration System “Version 4.0” in India solely for Max Bupa’s internal business purposes for total consideration of GBP 1,685,000 payable in installments over a period of 9 years as per schedule attached herewith, last installment being payable in May, 2018 by Max Bupa
 - The Amendment Agreement proposes to extend the schedule of payment by three years with no change in the amount to be paid. The original and proposed revised scheduled is attached herewith.
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The amendment agreement suspends the payment of installment without any interest or penalty for 3 years from May, 2016 to May, 2018 allowing Max Bupa to pay the balance amount in three yearly installments starting from May, 2019 and ending on May, 2021.
 - Total value of the original contract is GBP 1,685,000 out of which Max Bupa has already paid GBP 850,000 as at May, 2015 balance GBP 835,000 is agreed to be paid in three yearly installments starting from May, 2019 to May, 2021.
- d) Date(s) of approval by the Audit Committee, if any: September 21, 2015
- e) Amount paid as advances, if any: Nil

(6) Transfer of Assets consequent to transfer of employment of Mr. Rahul Ahuja from Max India Ltd. To Max Bupa Health Insurance Company Ltd

- a) Name(s) of the related party and nature of relationship:-
 - Max India Limited
 - Holding Company
- b) Nature and Duration of contracts/arrangements/transactions :-
 - Mr. Rahul Ahuja was employed with Max India till May 31, 2015. Since June 1, 2015 he has joined Max Bupa as Chief Financial Officer (KMP) of the Company
 - Transfer of Assets (laptop and mobile) consequent to transfer of employee (actual/probable) to MBHI
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - Transfer of assets during FY 2015-16
 - Book value of laptop transferred – Rs. 3100
 - Book value of Mobile transferred – Rs. 18,155
- d) Date(s) of approval by the Audit Committee: September 21, 2015
- e) Amount paid as advances, if any: Nil

(7) Sales and Service Training with Max Skill First Ltd

- a) Name(s) of the related party and nature of relationship:-
 - Max Skill First Limited
 - Fellow Subsidiary Company
 - Max India Limited holds approx 99 % of Max Skill First Ltd. Max India Ltd also holds 74% in Max Bupa Health Insurance Company Ltd.
- b) Nature of contracts/arrangements/transactions :-
 - Service contract
 - Max Skill First Ltd. to provide Sales & Service training to Employees and Agents of Max Bupa Ltd.
- c) Duration of the contracts / arrangements/transactions:-
 - Contract is for 3 years with a termination clause which states either party can terminate the agreement by giving three months written notice to other party
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - The total contract value for the year is estimated to be approx Rs. 2 Crores
- e) Date(s) of approval by the Audit Committee: September 21, 2015
- f) Amount paid as advances, if any: Nil

(8) Travel desk sharing agreement with Max India Ltd

- a) Name(s) of the related party and nature of relationship:-
 - Max India Limited
 - Holding Company
- b) Nature and Duration of contracts/arrangements/transactions :-
 - Service contract.

- It provides travel desk services including ticketing, hotel arrangement and conferences, VISA services, insurance, forex exchange, international calling cards to the employees and associates of Max Bupa who are travelling for the official purposes within and outside country. This does-not include transport arrangement
 - Contract bears a termination clause which states either party can terminate the agreement by giving three months written notice to other party.
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The contract is a standard contract signed with any other service provider. Max Bupa is not paying any advance for this contract and all the travel desk bills will be paid directly to the third party as of now –Kuoni travels India or any other party from time to time.
 - The cost allocation so fixed for the RPT is Rs. 4,50,000/- (Rupees four lacs fifty thousand only) on annualized basis. This cost contains actual compensation and operating expenses of the Travel function in Max India. It contains no mark up.
 - The cost charged to MBHI is the proportionate share of time spent on MBHI by the centralized travel desk team in Max India. The same will be supported by time sheets on a quarterly basis.
 - No additional rates have been charged for this arrangement except for the third party services charges, which have been benchmarked with similar services provided by other vendors.
- (e) Date(s) of approval by the Audit Committee: October 26, 2015
(f) Amount paid as advances, if any: Nil

(9) Arrangement for providing analytics services by Max Life

- a) Name(s) of the related party and nature of relationship:-
- Max Life Insurance Company Limited
 - Fellow subsidiary Company
- b) Nature and Duration of contracts/arrangements/transactions :-
- Service contract.
 - Provision of Analytics services to Max Bupa.
 - Contract bears a termination clause which states either party can terminate the agreement by giving three months written notice to other party
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The payment envisaged under the transaction is Rs. 30 Lakh towards the complete assignment
- d) Date(s) of approval by the Audit Committee: October 26, 2015
e) Amount paid as advances, if any: Nil

(10) Group term life agreement with Max Life Insurance Company Limited

- (a) Name(s) of the related party and nature of relationship:-
- Max Life Insurance Company Limited

- Fellow subsidiary Company
- (b) Nature and Duration of contracts/arrangements/transactions :-
- Renewal of Group Term Life insurance for Max Bupa employees.
 - The current policy from Max Life Insurance is expiring on 31st Oct 2015 and the new policy would be effective 1st Nov 2015.
- (c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- This is a renewal contract and the premium is Rs 13,73,480
- (d) Date(s) of approval by the Audit Committee: October 26, 2015
- (e) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors



Ashish Mehrotra
Chief Executive Officer
& Managing Director

Address:- 401, Ann Abode
Apartments, St Martin Road,
Bandra West, Mumbai,
400050, Maharashtra, India.

DIN - 07277318



Rajesh Sud
Chairman and Director

Address - E-801, Central
Park-1, Sector-42, Sector
Road, Gurgaon - 122002

DIN - 02395182

Place: New Delhi

Date: August 02, 2016

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS					
(i)	CIN - U66000DL2008PLC182918				
(ii)	Registration Date - September 5, 2008				
(iii)	Name of the Company - Max Bupa Health Insurance Company Limited				
(iv)	Category / Sub-Category of the Company - Public Unlisted Company				
(v)	Address of the Registered office and contact details - Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020				
(vi)	Whether listed company - NO				
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any - Name - MAS Services Limited. Address - T - 34, 1 st Floor Okhla, Industrial area, Phase - II, New Delhi - 110020 Contact No. - 011-26387281. Email Address - info@masserv.com				
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)					
S.NO.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company		
1	Stand Alone Health Insurance Company	6512 (NIC 2008)	100%		
III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S.NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Max India Limited Address - Bhai Mohan Singh Nagar, Rail Mejra, Tehsil Balaehaur, District Nawanshahr, Punjab - 144533	L24223PB1988 PLC008031	Holding Company	74	2(46)

2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
a)	Allotment on May 16, 2015				
i	Max India Limited	11,840,000	73.999999	596,810,000	73.999999
ii	Bupa Singapore Holdings Pte Ltd	4,160,000	25.999999	209,690,000	25.999999
b)	Allotment on August 20, 2015				
i	Max India Limited	17,760,000	73.999999	614,570,000	73.999999
ii	Bupa Singapore Holdings Pte Ltd	6,240,000	25.999999	215,930,000	25.999999
c)	Allotment on November 27, 2015				
i	Max India Limited	33,670,000	73.999999	648,240,000	73.999999
ii	Bupa Singapore Holdings Pte Ltd	11,830,000	25.999999	227,760,000	25.999999
d)	Allotment on January 30, 2015				
i	Max India Limited	16,280,000	73.999999	664,520,000	73.999999
ii	Bupa Singapore Holdings Pte Ltd	5,720,000	25.999999	233,480,000	25.999999
3	At the End of the year	898,000,000	100*	898,000,000	100*
	* Nominee shareholders are holding 10 equity shares of Rs. 10/- each as nominee shareholders of Max India Limited and Bupa Singapore Holdings Pte Ltd				

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) - ENTIRE SHAREHOLDING IS HELD BY MAX INDIA LIMITED AND BUPA SINGAPORE HOLDINGS PTE LTD AS JOINT VENTURE PARTNERS AND PROMOTER OF THE COMPANY**

#	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
3	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) **Shareholding of Directors and Key Managerial Personnel in the Company - DIRECTORS OF THE COMPANY ARE HOLDING 10 EQUITY SHARES OF THE COMPANY AS A NOMINEE SHAREHOLDER OF JOINT VENTURE PARTNERS I.E. MAX INDIA LIMITED AND BUPA SINGAPORE HOLDINGS PTE LTD. FURTHER NO SHARE ARE HELD BY KMP DURING THE FY 2015-16**

#	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
a)	Mr. Anajjit Singh	10	0.00001	Nil	Nil
b)	Mr. Mohit Talwar	10		Nil	Nil
c)	Mr. C V Raghu	10		Nil	Nil
d)	Ms. Elizabeth Alison Platt	10	0.00001	Nil	Nil
e)	Dr. Damien Vincent Marmion	10		Nil	Nil
f)	Mr. James Gordon Wheaton	10		Nil	Nil
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NO ALLOTMENT DURING THE YEAR TO THE NOMINEE SHAREHOLDERS. HENCE, NO CHANGE			
3	At the End of the year				
a)	Mr. Sujatha Ratnam	10	0.00001	Nil	Nil
b)	Mr. Jatin Khanna	10		Nil	Nil
c)	Mr. Mohit Talwar	10		Nil	Nil
d)	Mr. David Martin Fletcher	10	0.00001	Nil	Nil
e)	Mr. John Howard Lorimer	10		Nil	Nil
f)	Ms. Evelyn Brigid Bourke	10		Nil	Nil
(vi)	INDEBTEDNESS (Indebtedness of the Company including interest outstanding/accrued but not due for payment)				
	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year	Nil	Nil	Nil	Nil
i	Principal Amount	Nil	Nil	Nil	Nil
ii	Interest due but not paid 2	Nil	Nil	Nil	Nil
iii	Interest accrued but not	Nil	Nil	Nil	Nil
	Total (i+ii+iii)	Nil	Nil	Nil	Nil
	Change in Indebtedness during the financial year	Nil	Nil	Nil	Nil
i	Addition	Nil	Nil	Nil	Nil

ii	Reduction	Nil	Nil	Nil	Nil
	Net Change	Nil	Nil	Nil	Nil
	Indebtedness at the end of the financial year	Nil	Nil	Nil	Nil
i	Principal Amount	Nil	Nil	Nil	Nil
ii	Interest due but not paid	Nil	Nil	Nil	Nil
iii	Interest accrued but not	Nil	Nil	Nil	Nil
	Total (i+ii+iii)	Nil	Nil	Nil	Nil

(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration to Mr. Ashish Mehrotra		Total Amount (in Rs.)
1	Gross salary	
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,378,951
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	816,095
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission a. as % of profit. b. others, specify	Nil
5	Others, please specify	Nil
	Total (A)	17,195,046

Ceiling as per the Companies Act, 2013 - THERE IS NO LIMIT UNDER COMPANIES ACT, 2013 FOR MANAGERIAL REMUNERATION. BEING AN INSURANCE COMPANY, PAYMENT TO WHOLE TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER IS GOVERNED BY INSURANCE ACT, 1938

B Remuneration to other directors

#	Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors	Mr. K Narasimha Murthy	Mr. Pradeep Pant	

	Fee for attending Board / Committee meetings	2,000,000	1,600,000	3,600,000
	Commission	Nil	Nil	Nil
	Others, please specify - Travelling Expenses	Nil	604,733	Nil
	Total (1)	2,000,000	2,204,733	3,600,000
	Other Non-Executive Directors	Nil	Nil	Nil
	Fee for attending Board / Committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (1)	2,000,000	1,600,000	3,600,000
	Total (B)=(1+2)	2,000,000	1,600,000	3,600,000
	Total Managerial Remuneration under Companies Act 2013	2,000,000	1,600,000	3,600,000
	Overall Ceiling as per the Companies Act 2013 (for sitting fee)	100,000	100,000	100,000
C	REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD			
#	Particulars of Remuneration	Key Managerial Personnel ("KMP")		
		Mr. Ashish Mehrotra (CEO/WTD) w.e.f November 04, 2015	Mr. R Mahesh Kumar (Company Secretary)	Mr. Rahul Ahuja (Chief Financial Officer) w.e.f June 01, 2015
	Gross Salary			Mr. Vishal Garg (Chief Financial Officer) till May 31, 2015
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16,378,951	7,564,539	11,140,619
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	816,095	147,875	191,262
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil

2	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4	Commission as % of profit Others, please specify.....	Nil	Nil	Nil	Nil	Nil	Nil
5	PF employer part + Gratuity + Group Medical insurance + Term Insurance + Personal Accident Insurance	493,697	352,682	835,548	42,889		
	Total	17,688,743	8,065,096	12,167,429	3,115,146		
IX PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES							
	Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)	
A COMPANY							
	Penalty	Nil	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil	Nil
B DIRECTORS							
	Penalty	Nil	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil	Nil
C OTHER OFFICERS IN DEFAULT							
	Penalty	Nil	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil	Nil

Annexure - A

The Members

Max Bupa Health Insurance Company Ltd

B 1/ 1-2, Mohan Co-Operative Industrial Area,
Mathura Road,
New Delhi 110044

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

Date: 16.07.2016

Place: New Delhi

For Chandrasekaran Associates
Company Secretaries


Rupesh Agarwal
Partner

Membership No. A16302

Certificate of Practice No. 5673




Manish

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

The Members
Max Bupa Health Insurance Company Ltd
B 1/ 1-2, Mohan Co-Operative Industrial Area,
Mathura Road,
New Delhi 110044

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained the Company for the financial year ended on March 31, 2016, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not Applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Not Applicable



Manisha

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- Not Applicable

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:

1. Insurance Regulatory and Development Authority Act, 1999,
2. Insurance Act, 1938 and various Rules, Regulations & Guidelines issued thereunder, including circulars issued from time to time

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and effective from 01.07.2015.



(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; Not applicable

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above subject to the following observation:

Mr. Manasije Mishra, Chief Executive Officer & Whole Time Director of the Company has resigned on January 09, 2015. Mr. Ashish Mehrotra was appointed as Chief Executive Officer & Managing Director of the Company on November 04, 2015.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at-least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the company has following specific events / actions that having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Allotment of 1.6 crore equity shares of RS. 10 each on rights basis in the Board Meeting held on 16.05.2015



2. Allotment of 2.4 crore equity shares of RS. 10 each on rights basis in the Board Meeting held on 20.08.2015
3. Allotment of 4.55 crore equity shares of RS. 10 each on rights basis in the Board Meeting held on 27.11.2015
4. Allotment of 2.2 crore equity shares of RS. 10 each on rights basis in the Board Meeting held on 04.03.2016

Date: 16.07.2016

Place: New Delhi

For Chandrasekaran Associates
Company Secretaries

Rupesh

Rupesh Agarwal
Partner

Membership No. A16302

Certificate of Practice No. 5673



Manisha

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

S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

14th Floor, The Ruby,
2nd, Senapati Bapat Marg, Dadar (W),
Mumbai 400 021, India.
Telephone: +91 22 6192 0000
Fax: +91 22 6192 1000

NANGIA & CO.
Chartered Accountants

Suite - 4A, Plaza M-6,
Jasola, New Delhi-110 025
India
Telephone: +91 11 4737 1000
Fax: +91 11 4737 1010

Independent Auditors' Report

To the Members of
Max Bupa Health Insurance Company Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Max Bupa Health Insurance Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the Balance Sheet, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account of the Company in accordance with accounting principles generally accepted in India, including the provisions of The Insurance Act, 1938 (the "Insurance Act") (amended by the Insurance Laws (Amendment) Act, 2015), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions issued by the Insurance Regulatory and Development Authority (the "IRDAI"/ "Authority") in this regard, and the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 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 controls relevant to the Company's preparation of the financial statements.



Independent Auditors' Report (continued)
Max Bupa Health Insurance Company Limited

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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required in accordance with the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations and the Act to the extent applicable and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to Insurance Companies:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of Revenue Account, of the net surplus for the year ended on that date;
- (c) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.

Other Matter

The actuarial valuation of liabilities in respect of claims Incurred but Not Reported ('IBNR) including claims Incurred but Not Enough Reported ('IBNER) at March 31, 2016 is the responsibility of the Company's Appointed Actuary ("Appointed Actuary") and has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms, if any, issued by Insurance Regulatory Development Authority of India ("IRDAI") and the Actuarial Society of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for the purpose of this report.

Report on Other Legal and Regulatory Requirements

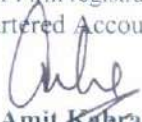
1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated May 6, 2016 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required by the IRDAI Financial Statements Regulations, read with section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) 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



Independent Auditors' Report (continued)
Max Bupa Health Insurance Company Limited


- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and with the accounting principles as prescribed in the IRDAI Financial Statements Regulations and orders/directions issued by IRDAI in this regard;
- (e) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and/or orders/directions issued by IRDAI in this regard;
- (f) On the basis of written representations received from the Directors of the Company, as on March 31, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (g) 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 "Annexure A" to this report;
- (h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer schedule 16 note C - 34 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts;
 - iii. There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants


per **Amit Kabra**
Partner
Membership No.: 094533
Place: GURGAON
Date: May 06, 2016



For **NANGIA & CO.**
ICAI Firm registration number: 002391C
Chartered Accountants


per **Vikas Gupta**
Partner
Membership No.: 076879
Place: New Delhi
Date: May 06, 2016



S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

14, 15, 16, The Park,
25, Saranil, Bagat Marg, Badli (W),
Meharokhera, Delhi, India
Telephone: +91 22 47421000
Fax: +91 22 47421000

NANGIA & CO.
Chartered Accountants

Office: 4A, Plaza M-9,
Jasola, New Delhi-110025,
India
Telephone: +91 11 4737 1300
Fax: +91 11 4737 1400

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

To the Members of
Max Bupa Health Insurance Company Limited

We have audited the internal financial controls over financial reporting of Max Bupa Health Insurance Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 internal financial controls system over financial reporting.



Independent Auditors' Report (continued)
Max Bupa Health Insurance Company Limited

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, 2016, 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 claims Incurred but Not Reported ('IBNR) including claims Incurred but Not Enough Reported ('IBNER) is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), and has been relied upon by us, as mentioned in "Other Matter" para of our audit report on the financial statements of the Company as at and for the year ended March 31, 2016. Accordingly the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation is also certified by the Appointed Actuary and has been relied upon by us. Our opinion is not qualified in respect of above matter.

For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm registration number: 101049W/E300004
Chartered Accountants


per Amit Kabra
Partner

Membership No.: 094533


Place: GURGAON

Date: May 06, 2016



For NANGIA & CO.

ICAI Firm registration number: 002391C
Chartered Accountants


per Vikas Gupta
Partner

Membership No.: 076879

Place: New Delhi

Date: May 06, 2016



S. R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

11, House, The Bhub
7/75, Rajan Bazar, Mayapuri, Delhi (India)
Delhi 110028, India
Telephone: +91 11 4737 1000
Fax: +91 11 4737 1000

NANGIA & CO.
Chartered Accountants

Suite - 4A, Plaza A-66,
Jasola, New Delhi 110 025
India
Telephone: +91 11 4737 1000
Fax: +91 11 4737 1000

INDEPENDENT AUDITORS' CERTIFICATE

To,
The Board of Directors,
Max Bupa Health Insurance Company Limited,
New Delhi

Dear Sirs,

(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditors' Report dated May 06, 2016)

This certificate is issued 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 "Regulations") read with regulation 3 of the Regulations.

The Company's Board of directors is responsible for complying with the provisions of The Insurance Act, 1938 (the "Insurance Act"), (amended by the Insurance Laws (Amendment) Act, 2015), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI"/Authority) 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 paragraphs 3 and 4 of Schedule C of the Regulations. We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (the 'ICAI'), which 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 account and other records maintained by Max Bupa Health Insurance Company Limited ('the Company') for the year ended March 31, 2016, we certify that:

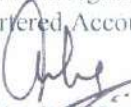
1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2016, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on management representations and compliance certificates 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 Insurance Regulatory and Development Authority of India (IRDAI);



Max Bupa Health Insurance Company Limited

3. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2016, 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. As at March 31, 2016, the Company does not have reversions and life interests;
4. The Company is not a trustee of any trust; and
5. No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), relating to the application and investments of the Policyholders' Funds.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm registration number: 101049W/E300004
Chartered Accountants


per **Amit Kabra**
Partner
Membership No.: 094533
Place: **GURGAON**
Date: May 06, 2016



For **NANGIA & CO.**
ICAI Firm registration number: 002391C
Chartered Accountants


per **Vikas Gupta**
Partner
Membership No.: 076879
Place: New Delhi
Date: May 06, 2016



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Schedule	For the year ended March 31, 2016 (Rs.'000)	For the year ended March 31, 2015 (Rs.'000)
1 Premiums earned (Net of service tax)	1	39,31,095	31,52,364
2 Profit/ Loss on sale/redemption of Investments		24,828	-
3 Others		-	-
4 Interest, Dividend & Rent – Gross		2,29,937	1,79,510
Total (A)		41,85,860	33,31,874
1 Claims Incurred (Net) (refer note 2 in schedule 16)	2	23,40,226	18,22,037
2 Commission (Net)	3	4,47,973	3,21,985
3 Operating Expenses related to Insurance Business	4	22,12,348	22,43,651
4 Premium Deficiency		-	(5,653)
Total (B)		50,00,547	43,82,020
Operating Profit/(Loss) [C= (A - B)]		(8,14,687)	(10,50,146)
Appropriations			
Transfer to Shareholders' Account		(8,14,687)	(10,50,146)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		(8,14,687)	(10,50,146)

**SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO THE ACCOUNTS**

16

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

As required by Section 40C(2) of the Insurance Act, 1938 as amended by Insurance (Amendment Act, 2015), we hereby certify that to the best of our knowledge and according to the information and explanations given to us, and so far as appears from our examination of the Company's books of accounts all the expenses of management incurred during the year ended March 31, 2016 in respect of Miscellaneous-"Health" insurance business transactions in India by the Company have been fully recognized in the revenue account

As per our report of even date attached.

For Nangia & Co.

Chartered Accountants

ICAI Firm Registration No. 002391C



per Vikas Gupta

Partner

Membership No. 076879

Place: Delhi

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

Director

K. Narasimha Murthy

DIN: 00023046




Director

Rajesh Sud

DIN: 2395182

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004



per Amit Kabra

Partner

Membership No. 094533

Place: GURGAON



Company Secretary

Rajat Sharma

Membership No. FCS7069



CEO & Managing Director

Ashish Mehrotra

DIN: 07277318




Appointed Actuary

Biresh Giri

Membership No. 00061

Place: Delhi



Chief Financial Officer

Rahul Ahuja

Date: May 6, 2016

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Schedule	For the year ended March 31, 2016 (Rs.'000)	For the year ended March 31, 2015 (Rs.'000)
1 Operating Profit/(Loss)			
(a) Miscellaneous Insurance		(8,14,687)	(10,50,146)
2 Income From Investments			
(a) Interest, Dividend and Rent – Gross		1,58,455	1,32,830
(b) Profit on sale of investments		17,110	24,780
Less: Loss on sale of investments		-	-
3 Other Income			
(a) Gain on Foreign Exchange Fluctuation		-	-
(b) Interest income		1,715	2,038
(c) Provisions written back		10	124
Total (A)		(6,37,397)	(8,90,374)
4 Provisions (Other than Taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		33,991	18,462
(c) Penalty (refer note 29 in Schedule 16)		2,000	-
(d) Others		(107)	-
5 Other Expenses			
(a) Expenses other than those related to Insurance Business		11,698	24,296
(b) Bad debts written off		-	-
(c) Others		-	-
Total (B)		47,582	42,758
Profit/(Loss) Before Tax		(6,84,979)	(9,33,132)
Provision for Taxation		-	-
Profit/(Loss) After Tax		(6,84,979)	(9,33,132)
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		(62,08,218)	(52,75,086)
Balance carried forward to Balance Sheet		(68,93,197)	(62,08,218)
Basic and Diluted Earning per Share of Rs. 10/- each (also refer note 23 in Schedule 16)		(0.82)	(1.28)

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO THE ACCOUNTS

16

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

As per our report of even date attached.

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


per Vikas Gupta
Partner
Membership No. 076879
Place: Delhi



For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Amit Kabra
Partner
Membership No. 094533
Place: GURGAON

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


Director
K. Narasimha Murthy
DIN: 00023046


Director
Rakesh Sud
DIN: 2395182


Company Secretary
Rajat Sharma
Membership No. FCS7069


CEO & Managing Director
Ashish Mehrotra
DIN: 07277318


Appointed Actuary
Biresh Giri
Membership No. 00061
Place: Delhi


Chief Financial Officer
Rahul Ahuja



Date: May 6, 2016

FORM-B-BS

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Schedule	As at March 31, 2016 (Rs.'000)	As at March 31, 2015 (Rs.'000)
Sources of Funds			
Share Capital	5	89,80,000	79,05,000
Share Application Money		-	-
Reserves and Surplus	6	-	-
Fair Value Change Account		3,050	931
Borrowings	7	-	-
Total		89,83,050	79,05,931
Application of Funds			
Investments	8	56,64,542	43,00,315
Loans	9	-	-
Fixed Assets	10	2,33,963	3,21,266
Current Assets:			
Cash and Bank Balances	11	1,32,579	1,19,379
Advances and Other Assets	12	4,20,110	3,47,766
Sub-total (A)		5,52,689	4,67,145
Current Liabilities	13	17,01,484	13,17,320
Provisions	14	26,59,857	20,73,693
Sub-total (B)		43,61,341	33,91,013
Net Current Assets (C) = (A - B)		(38,08,652)	(29,23,868)
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		68,93,197	62,08,218
Total		89,83,050	79,05,931

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

As per our report of even date attached.

For Nangia & Co.

Chartered Accountants

ICAI Firm Registration No. 002391C



per Vikas Gupta

Partner

Membership No. 076879

Place: Delhi



For and on behalf of the Board of Directors of

Max Bupa Health Insurance Company Limited



Director

K. Narasimha Murthy

DIN: 00023046



Director

Rajesh Sud

DIN: 2395182



For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W/E300004



per Amit Kabra

Partner

Membership No. 094533

Place: GURGAON




Company Secretary

Rajat Sharma

Membership No. FCS7069



Appointed Actuary

Biresh Giri

Membership No. 00061

Place: Delhi



CEO & Managing Director

Ashish Mehrotra

DIN: 07277318



Chief Financial Officer

Rahul Ahuja

Date: May 6, 2016

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
 REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
 RECEIPTS AND PAYMENT ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	For the year ended March 31, 2016 (Rs.'000)	For the year ended March 31, 2015 (Rs.'000)
Cash Flows from the Operating Activities:		
Premium received from Policyholders, including Advance Receipts	54,84,891	41,47,445
Other Receipts	-	-
Payments to co-insurers, net of claims recovery	(1,275)	-
Payments of claims	(23,07,535)	(15,54,793)
Payments of commission and brokerage	(4,85,026)	(3,03,039)
Payments of Other Operating Expenses	(20,96,481)	(24,13,714)
Preliminary and Pre-operative Expenses	-	-
Deposits, Advances and Staff Loans	15,768	34,380
Income Taxes Paid (Net)	-	-
Payments to the re-insurers, net of commissions and claims	(80,444)	(60,409)
Service tax paid	(5,49,176)	(3,20,595)
Other Payments	-	-
Cash Flows before Extraordinary Items	(19,278)	(4,70,725)
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	(19,278)	(4,70,725)
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(43,958)	(1,57,579)
Proceeds from sale of fixed assets	-	-
Purchases of investments	(1,08,37,511)	(87,85,394)
Sales of investments	95,54,620	64,57,545
Rents/Interests/ Dividends received	2,84,327	2,53,869
Investments in money market instruments and in liquid mutual funds (Net)	-	14,65,486
Net cash flow from investing activities	(10,42,522)	(7,66,073)
Cash flows from financing activities:		
Proceeds from Share Capital	10,75,000	12,15,000
Net cash flow from financing activities	10,75,000	12,15,000
Effect of foreign exchange rates on cash and cash equivalents, net		
	-	-
Net increase/(decrease) in cash and cash equivalents:	13,200	(21,798)
Cash and cash equivalents at the beginning of the year	1,19,379	1,41,177
Cash and cash equivalents at the end of the year	1,32,579	1,19,379
Net increase/(decrease) in cash and cash equivalents:	13,200	(21,798)

As per our report of even date attached

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


per Vikas Gupta
Partner
Membership No. 076879
Place: Delhi



For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004


per Amit Kumar
Partner
Membership No. 094533
Place: GURGAON



Date: May 6, 2016

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


Director
K. Narasimha Murthy
DIN: 00023046


Company Secretary
Rajat Sharma
Membership No. FCS7069


Appointed Actuary
Biresh Giri
Membership No. 00061
Place: Delhi


Director
Rajesh Sud
DIN: 2395182


CEO & Managing Director
Ashish Mehrotra
DIN: 07277318


Chief Financial Officer
Rahul Ahuja



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2016 (Rs.'000)	For the year ended March 31, 2015 (Rs.'000)
SCHEDULE – 1		
PREMIUM EARNED [NET OF SERVICE TAX]		
Premium from direct business written	47,60,092	37,26,574
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	2,44,564	1,92,172
Net Premium	45,15,528	35,34,402
Less: Adjustment for change in reserve for unexpired risks	5,84,433	3,82,038
Total Premium Earned (Net)	39,31,095	31,52,364
SCHEDULE – 2		
CLAIMS INCURRED [NET]		
Claims paid		
Direct	23,33,543	18,74,673
Add: Re-insurance accepted	-	-
Less: Re-insurance Ceded	1,16,801	95,186
Net Claims paid	22,16,742	17,79,487
Add: Claims Outstanding at the end of the period	4,95,649	3,72,165
Less: Claims Outstanding at the beginning	3,72,165	3,29,615
Total Claims Incurred*	23,40,226	18,22,037
* Includes an amount of Rs 1,06,133 thousand during the year (previous year Rs 92,821 thousand) on account of expenses incurred towards product related benefit paid to policyholders.		
SCHEDULE – 3		
COMMISSION		
Commission paid		
Direct	4,84,405	3,50,307
Add: Re-insurance accepted	-	-
Less: Commission on Re-insurance Ceded	36,432	28,322
Net Commission	4,47,973	3,21,985
Break up of commission paid to procure business:		
Agents	3,14,993	2,51,639
Brokers	61,513	58,258
Corporate Agency	1,07,899	40,410
	4,84,405	3,50,307



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Health	Personal	Others	Total	Health	Personal	Others	Total
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)
SCHEDULE – 1A								
PREMIUM EARNED [NET OF SERVICE TAX]								
Premium from direct business written	47,55,521	4,571	-	47,60,092	37,20,559	6,015	-	37,26,574
Add: Premium on reinsurance accepted	-	-	-	-	-	-	-	-
Less: Premium on reinsurance ceded	2,42,724	1,840	-	2,44,564	1,90,318	1,854	-	1,92,172
Net Premium	45,12,797	2,731	-	45,15,528	35,30,241	4,161	-	35,34,402
Less: Adjustment for change in reserve for unexpired risks	5,84,113	320	-	5,84,433	3,87,505	(5,467)	-	3,82,038
Total Premium Earned (Net)	39,28,684	2,411	-	39,31,095	31,42,736	9,628	-	31,52,364

SCHEDULE – 2A
CLAIMS INCURRED [NET]
Claims paid

Direct

Add: Re-insurance accepted

Less: Re-insurance Ceded

Net Claims paid

Add: Claims Outstanding at the end of the period

Less: Claims Outstanding at the beginning

Total Claims Incurred*

Direct	23,31,797	1,746	-	23,33,543	18,67,616	7,057	-	18,74,673
Add: Re-insurance accepted	-	-	-	-	-	-	-	-
Less: Re-insurance Ceded	1,16,714	87	-	1,16,801	94,826	360	-	95,186
Net Claims paid	22,15,083	1,659	-	22,16,742	17,72,790	6,697	-	17,79,487
Add: Claims Outstanding at the end of the period	4,95,414	235	-	4,95,649	3,71,220	945	-	3,72,165
Less: Claims Outstanding at the beginning	3,71,220	945	-	3,72,165	3,28,963	652	-	3,29,615
Total Claims Incurred*	23,39,277	949	-	23,40,226	18,15,047	6,990	-	18,22,037

* Includes an amount of Rs 1,06,133 thousand during the year (previous year Rs 92,821 thousand) on account of expenses incurred towards product related benefit paid to policyholders

SCHEDULE – 3A
COMMISSION
Commission paid

Direct

Add: Re-insurance accepted

Less: Commission on Re-insurance Ceded

Net Commission

Direct	4,83,783	622	-	4,84,405	3,50,072	235	-	3,50,307
Add: Re-insurance accepted	-	-	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	35,811	621	-	36,432	28,069	253	-	28,322
Net Commission	4,47,972	1	-	4,47,973	3,22,003	(18)	-	3,21,985

Break Up of expenses incurred to procure business:

Agents

Brokers

Corporate Agency

Agents	3,14,888	105	-	3,14,993	2,51,533	106	-	2,51,639
Brokers	61,487	26	-	61,513	58,129	129	-	58,258
Corporate Agency	1,07,408	491	-	1,07,899	40,410	-	-	40,410
	4,83,783	622	-	4,84,405	3,50,072	235	-	3,50,307



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE – 4

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	For the year ended March 31, 2016 (Rs.'000)	For the year ended March 31, 2015 (Rs.'000)
1 Employees' remuneration and welfare benefits	11,02,361	10,71,540
2 Travel, conveyance and vehicle running expenses	72,737	91,589
3 Training expenses	1,04,054	54,563
4 Rents, rates and taxes	1,12,571	1,07,348
5 Repairs	1,41,086	1,15,413
6 Printing and stationery	22,906	23,455
7 Communication	74,523	71,383
8 Legal and professional charges	1,98,423	2,02,363
9 Auditors' fees, expenses etc		
(a) as auditor (refer note 32 in Schedule 16)	2,745	2,371
(b) as adviser or in any other capacity, in respect of		
(i) Taxation matters	761	-
(ii) Insurance matters	-	-
(iii) Management services; and	-	-
(c) in any other capacity		
(i) Tax Audit Fees	77	80
(ii) Certification Fees	1,272	-
10 Advertisement and publicity	2,33,190	3,59,313
11 Interest and bank charges	17,282	14,095
12 Others		
(a) Business and Sales Promotion	1,385	264
(b) Membership and Subscription	2,594	2,914
(c) Loss on Disposal of Fixed Assets	1,961	1,380
(d) Loss on Foreign Exchange Fluctuation	774	63
(e) Charity & Donation	-	5
(f) Insurance	1,737	1,125
(g) Sitting Fee	3,100	-
(h) Miscellaneous Expenses*	2,297	2,830
13 Depreciation	1,14,512	1,21,557
Total	22,12,348	22,43,651

* None of the items individually are higher than 1% of Net Written Premium



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

SCHEDULE – 4A
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	For the year ended March 31, 2016				For the year ended March 31, 2015			
	Personal				Personal			
	Health (Rs.'000)	Accident (Rs.'000)	Others (Rs.'000)	Total (Rs.'000)	Health (Rs.'000)	Accident (Rs.'000)	Others (Rs.'000)	Total (Rs.'000)
1 Employees' remuneration and welfare benefits	11,01,302	1,059	-	11,02,361	10,69,810	1,730	-	10,71,540
2 Travel, conveyance and vehicle running expenses	72,667	70	-	72,737	91,441	148	-	91,589
3 Training expenses	1,03,954	100	-	1,04,054	54,475	88	-	54,563
4 Rents, rates and taxes	1,12,463	108	-	1,12,571	1,07,175	173	-	1,07,348
5 Repairs	1,40,951	135	-	1,41,086	1,15,227	186	-	1,15,413
6 Printing and stationery	22,884	22	-	22,906	23,417	38	-	23,455
7 Communication	74,451	72	-	74,523	71,268	115	-	71,383
8 Legal and professional charges	1,98,232	191	-	1,98,423	2,02,036	327	-	2,02,363
9 Auditors' fees, expenses etc								
(a) as auditor	2,742	3	-	2,745	2,367	4	-	2,371
(b) as adviser or in any other capacity, in respect of								
(i) Taxation matters	761	-	-	761	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-
(c) in any other capacity								
(i) Tax Audit Fees	77	-	-	77	80	-	-	80
(ii) Certification Fees	1,271	1	-	1,272	-	-	-	-
10 Advertisement and publicity	2,32,966	224	-	2,33,190	3,58,733	580	-	3,59,313
11 Interest and bank charges	17,265	17	-	17,282	14,072	23	-	14,095
12 Others								
(a) Business and Sales Promotion	1,384	1	-	1,385	264	-	-	264
(b) Membership and Subscription	2,592	2	-	2,594	2,909	5	-	2,914
(c) Loss on Disposal of Fixed Assets	1,959	2	-	1,961	1,378	2	-	1,380
(d) Loss on Foreign Exchange Fluctuation	773	1	-	774	63	-	-	63
(e) Charity & Donation	-	-	-	-	5	-	-	5
(f) Insurance	1,735	2	-	1,737	1,123	2	-	1,125
(g) Sitting Fee	3,097	3	-	3,100	-	-	-	-
(h) Miscellaneous Expenses	2,295	2	-	2,297	2,825	5	-	2,830
13 Depreciation	1,14,402	110	-	1,14,512	1,21,361	196	-	1,21,557
Total	22,10,223	2,125	-	22,12,348	22,40,029	3,622	-	22,43,651



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

**SCHEDULE - 5
SHARE CAPITAL**

Particulars	As at	As at
	March 31, 2016 (Rs.'000)	Mar 31, 2015 (Rs.'000)
1 Authorised Capital		
1,00,00,00,000 Equity Shares of Rs 10 each	1,00,00,000	1,00,00,000
2 Issued Capital		
89,80,00,000 Equity Shares of Rs 10 each	89,80,000	79,05,000
(Previous year ended as at March, 2015 79,05,00,000 Equity Shares of Rs 10 each)		
3 Subscribed Capital		
89,80,00,000 Equity Shares of Rs 10 each	89,80,000	79,05,000
(Previous year ended as at March 2015, 79,05,00,000 Equity Shares of Rs 10 each)		
4 Called-up Capital		
89,80,00,000 Equity Shares of Rs 10 each	89,80,000	79,05,000
(Previous year ended as at March 2015, 79,05,00,000 Equity Shares of Rs 10 each)		
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	89,80,000	79,05,000

Out of the above, 66,45,20,000 (Previous year ended as at March, 2015 were 58,49,70,000) Equity Shares of Rs. 10/- each are held by the holding company along with its nominees.

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

Shareholders	As at		As at	
	March 31, 2016		March 31, 2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	66,45,20,000	74.00%	58,49,70,000	74.00%
- Foreign	23,34,80,000	26.00%	20,55,30,000	26.00%
Others	-	-	-	-
Total	89,80,00,000	100.00%	79,05,00,000	100.00%



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at	As at
	March 31, 2016 (Rs.'000)	March 31, 2015 (Rs.'000)
SCHEDULE – 6		
RESERVES AND SURPLUS		
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	-	-
4 General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
5 Catastrophe Reserve	-	-
6 Other Reserves	-	-
7 Balance of Profit in Profit & Loss Account	-	-
Total	-	-
SCHEDULE – 7		
BORROWINGS		
1 Debentures/ Bonds	-	-
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
Total	-	-



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

SCHEDULE – 8
INVESTMENTS

Particulars	As at March 31, 2016 (Rs.'000)	As at March 31, 2015 (Rs.'000)
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	14,96,793	9,89,500
2 Other Approved Securities	3,08,369	53,378
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	5,04,678	5,16,865
(e) Other Securities	1,89,600	1,97,076
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	11,14,441	2,55,084
5 Other than Approved Investments	-	-
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills (refer Note (a) below)	-	2,92,933
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	1,60,995	72,681
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	4,60,988	2,38,504
(e) Other Securities	10,34,528	13,30,930
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	-	2,50,162
5 Other than Approved Investments*	3,94,150	1,03,202
Total	56,64,542	43,00,315

* Represents investments in mutual funds

Notes:

- Aggregate amount of Company's investments other than listed equity securities and derivative instruments is Rs.56,64,542 thousands (Previous year: Rs.43,00,315 thousands). Market value of such investments is Rs. 57,30,050 thousands (Previous year Rs.43,60,005 thousands)
- Includes Rs. NIL (Previous year: Rs. 98,305 thousands) of securities under Section 7 of Insurance Act, 1938 at March 31, 2016. Market value of such investments is Rs. NIL (Previous year: Rs. 98,350 thousands)



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at March 31, 2016 (Rs.'000)	As at March 31, 2015 (Rs.'000)
SCHEDULE – 13		
CURRENT LIABILITIES		
1 Agents' balances	45,757	50,672
2 Balances due to other insurance companies	81,837	69,079
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	34,088	28,207
5 Unallocated premium	68,771	52,133
6 Sundry creditors (refer note 28 in Schedule 16)	8,42,190	6,14,481
7 Due to subsidiaries/ holding company	-	177
3 Claims Outstanding*	4,95,649	3,72,165
9 Unclaimed amount of policyholders/insured	26,990	20,458
10 Due to Officer/ Director** (refer note 16 in Schedule 16)	25,992	34,900
11 Others		
(a) Tax deducted payable	49,409	38,788
(b) Other statutory dues	9,256	11,272
(c) Advance from Corporate Clients	21,545	24,988
Total	17,01,484	13,17,320

*includes IBNR and IBNER reserves

** Amount payable to Former Chief Executive Officer's (CEO's) subject to IRDAI approval

SCHEDULE – 14**PROVISIONS**

1 Reserve for Unexpired Risk	26,24,460	20,40,027
2 For taxation (less advance tax paid and taxes deducted at source)	-	-
3 For proposed dividends	-	-
4 For dividend distribution tax	-	-
5 Others		
(a) For Gratuity	9,977	4,081
(b) For Leave Encashment	25,415	29,555
(c) For Superannuation	5	30
(d) For Other manpower related	-	-
(e) For Commission	-	-
(f) For Other operating expense related	-	-
(g) Premium Deficiency Reserve	-	-
Total	26,59,857	20,73,693

SCHEDULE – 15**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

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



MAX BUPA HEALTH INSURANCE COMPANY LIMITEDREGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**SCHEDULE – 9
LOANS**

Particulars	As at March 31, 2016 (Rs.'000)	As at March 31, 2015 (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	-	-
2 Borrower-Wise Classification		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
Total	-	-
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	-	-
4 Maturity-Wise Classification		
(a) Short Term	-	-
(b) Long Term	-	-
Total	-	-
	-	-
	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
**SCHEDULE – 10
FIXED ASSETS**

(Rs.'000)

SN	Particulars	Cost/ Gross Block			Depreciation				Net Block		
		As at April 1, 2015	Additions	Deductions	As at March 31, 2016	Upto March 31, 2015	For the year	On Sales/ Adjustments	Upto March 31, 2016	As at March 31, 2016	As at March 31, 2015
1	Intangibles										
	a) Softwares	2,87,646	31,931	-	3,19,577	1,91,481	44,709	-	2,36,190	83,387	96,165
	b) Website	11,258	-	-	11,258	7,960	2,182	-	10,142	1,116	3,298
2	Leasehold Property	1,55,658	1,045	3,208	1,53,495	60,597	26,427	1,638	85,386	68,109	95,061
3	Furniture & Fittings	29,617	142	9	29,750	20,464	2,789	3	23,250	6,500	9,153
4	Information Technology Equipment	63,762	176	158	63,780	26,923	13,645	101	40,467	23,313	36,839
5	Information Technology Equipment (End User Devices)	80,019	1,893	-	81,912	55,178	14,653	-	69,831	12,081	24,841
6	Office Equipment	61,630	8,774	661	69,743	31,179	10,107	330	40,956	28,787	30,451
	Total	6,89,590	43,961	4,036	7,29,515	3,93,782	1,14,512	2,072	5,06,222	2,23,293	2,95,808
7	Work in progress	25,458	-	14,788	10,670	-	-	-	-	10,670	25,458
	Grand total	7,15,048	43,961	18,824	7,40,185	3,93,782	1,14,512	2,072	5,06,222	2,33,963	3,21,266
	Previous year	5,92,527	1,39,857	17,336	7,15,048	2,78,472	1,21,557	6,247	3,93,782	3,21,266	-

Notes:

- Leasehold property consists of civil and other improvements at premises taken on long term lease by the Company.
- Work in progress includes capital advances of Rs 10,670 thousands (Previous year Rs. 25,458 thousands).



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SN	Particulars	As at	As at
		March 31, 2016 (Rs.'000)	March 31, 2015 (Rs.'000)
SCHEDULE – 11			
CASH AND BANK BALANCES			
1	Cash (including cheques, drafts and stamps)	21,602	22,943
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	85,500	66,445
	(bb) Others	-	-
	(b) Current Accounts	25,477	29,991
	(c) Others	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	1,32,579	1,19,379
Balances with non-scheduled banks included in 2 and 3 above is Rs. 276 thousand (Previous period: Nil).			
SCHEDULE – 12			
ADVANCES AND OTHER ASSETS			
ADVANCES			
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	26,927	22,393
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source	393	393
	Less: Provisions made	(393)	-
	Sub-total	-	393
6	Others (to be specified)		
	(a) Advance to Suppliers	51,095	26,398
	Less: Provisions made	(9,186)	-
	Sub-total	41,909	26,398
	(b) Other advances (Gross Amount)	191	920
	Less: Provisions made	(172)	(247)
	Sub-total	19	673
	Total (A)	68,855	49,857
OTHER ASSETS			
1	Income accrued on investments**	1,90,650	1,22,147
2	Outstanding Premiums*	75,036	91,726
	Less: Provisions made	(37,839)	(15,273)
	Sub-total	37,197	76,453
3	Agents' Balances	2,375	2,774
	Less: Provisions made	(2,375)	(2,660)
	Sub-total	-	114
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business	52,008	35,299
	Less: Provisions made	(2,033)	-
	Sub-total	49,975	35,299
6	Due from subsidiaries/ holding	-	-
7	Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8	Others		
	(a) Rent and other deposits***	48,982	53,204
	Less: Provisions made	(1,073)	(707)
	Sub-total	47,909	52,497
	(b) Other receivable	6,551	-
	(c) Service tax on input services (net)	18,973	11,399
	(d) Cenvat credit on capital goods	-	-
	Total (B)	3,51,255	2,97,909
	Total (A+B)	4,20,110	3,47,766

* Includes Rs. 75,036 thousand (Previous year ended as on March 2015 - Rs. 91,726 thousand) receivable from Central / State Government on account of premium under RSBY Scheme against which provision of Rs. 37,839 thousand (Previous year ended as on March 2015 - Rs. 15,273) has been created.

** Income Accrued on investments includes interest on deposits also.

*** Includes deposits of Rs. 684 thousand (Previous year ended as on March 2015 - Rs. 2,845 thousand) with bank for providing guarantee to network hospitals.



FORM HG
MAX BUPA HEALTH INSURANCE COMPANY LIMITED

TABLE 1 - STATEMENT OF LIABILITIES AS AT MARCH 31, 2016
Classification: Business within India / Total Business (All Business underwritten in India)

(Rs. lakhs)

Item No	Description	Reserve for Unexpired risks	Reserve for Outstanding Claims	IBNR Reserves	Total Reserves
(1)	(2)	(3)	(4)	(5)	(6)
1.	Fire	-	-	-	-
2.	Marine				
	Sub-class				
	Marine Cargo	-	-	-	-
	Marine Hull	-	-	-	-
3.	Miscellaneous				
	Sub-class				
	Motor	-	-	-	-
	Engineering	-	-	-	-
	Aviation	-	-	-	-
	Liabilities	-	-	-	-
	Rural Insurance	-	-	-	-
	Others	-	-	-	-
4.	Health Insurance	26,245	1,424	3,533	31,202
5	Total Liabilities	26,245	1,424	3,533	31,202

Certification from Auditor

We certify that the above statement represents the liabilities of the insurer which have been determined in the manner prescribed in the Insurance Regulatory and Development Authority (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000 and the amounts of such liabilities are fair and reasonable. We also further certify that the above statement includes the IBNR reserves which have been determined by the appointed actuary and his certificate is furnished herein below.

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

Vikas Gupta
per Vikas Gupta
Membership No. 076879
Place: Delhi

Date: May 6, 2016



For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

Amit Kabra
per Amit Kabra
Membership No. 094533
Place: GURGAON

Date: May 6, 2016



Certification from the Appointed Actuary

I certify that the IBNR reserves in the statement above represent, in my opinion, true and fair amount.

Biresh Gini
Biresh Gini, FIAI
Membership No. 00061
Address: G480 Sushant lok 2
Sector 57, Gurgaon
Place: New Delhi

Date: May 6, 2016



AK

**MAX BUPA HEALTH INSURANCE COMPANY LIMITED
FORM IRDAI - ASSETS - AA**

STATEMENT OF ASSETS AS AT MARCH 31, 2016

Classification : Business within India / Total Business (All Business underwritten in India)

(Rs. lakhs)

Item No. (1)	Category of Asset (2)	Policyholders' funds (3)	Shareholders' funds (4)	TOTAL ASSETS
1	Approved Securities	11,143	6,909	18,052
2	Approved Investments	11,420	10,991	22,411
3	Deposits	8,639	3,602	12,241
4	Non-Mandated Investments	-	3,941	3,941
5	Other Assets:			
	Fixed Assets	-	1,351	1,351
	Cash and Bank balances	-	1,326	1,326
	Advances and Other Assets	-	3,829	3,829
6	Total	31,202	31,949	63,151
7	Fair Value Change Account	-	(31)	(31)
	Adjusted Value of Assets (6-7)	31,202	31,918	63,120

We certify that the statement has been prepared in accordance with Schedule I of the Insurance Regulatory & Development Authority (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000.

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

per Vikas Gupta
Membership No. 076879
Place: Delhi
Date: May 6, 2016



Appointed Actuary

per Biresh Giri
Biresh Giri, FIAI
Membership No. 00061
Address: G480 Sushant lok 2
Sector 57, Gurgaon

Place: Delhi
Date: May 6, 2016

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Amr Kabra
Membership No. 094533
Place: GURGAON

DATE: MAY 06, 2016



MAX BUPA HEALTH INSURANCE COMPANY LIMITED
FORM KG

TABLE I - STATEMENT OF SOLVENCY MARGIN AS AT MARCH 31, 2016

Table I - REQUIRED SOLVENCY MARGIN BASED ON NET PREMIUM AND NET INCURRED CLAIMS
Classification : Business within India / Total Business (All Business underwritten in India)

(Rs. lakhs)

Item No.	Description (Class of Business)	Gross Premiums	Net Premiums	Gross Incurred Claims	Net Incurred Claims	RSM-1	RSM-2	RSM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Fire	-	-	-	-	-	-	-
	Marine							
2	Marine Cargo	-	-	-	-	-	-	-
3	Marine Hull	-	-	-	-	-	-	-
	Miscellaneous							
4	Motor	-	-	-	-	-	-	-
	Engineering	-	-	-	-	-	-	-
	Aviation	-	-	-	-	-	-	-
7	Liability	-	-	-	-	-	-	-
8	Rural Insurance	-	-	-	-	-	-	-
9	Others	-	-	-	-	-	-	-
10	Health Insurance	47,601	45,155	24,447	23,402	9,031	7,021	9,031
	TOTAL	47,601	45,155	24,447	23,402	9,031	7,021	9,031

TABLE II - AVAILABLE SOLVENCY MARGIN AND SOLVENCY RATIO

(Rs. lakhs)

Item	Description	Notes No.	Amount
(1)	(2)	(3)	(4)
1	Available Assets in Policyholders' Funds:		31,202
	Deduct:		
2	Liabilities		31,202
3	Other Liabilities		-
4	Excess in Policyholders' funds (1-2-3)		-
5	Available Assets in Shareholders Funds:		31,918
	Deduct:		
6	Other Liabilities		12,412
7	Excess in Shareholders' funds (5-6)		19,506
8	Total ASM (4+7)		19,506
9	Total RSM		9,031
10	Solvency Ratio (Total ASM / Total RSM)		2.16

Certification

We certify that the above statements have been prepared in accordance with the Section 64VA of the Insurance Act, 1938, and the amounts mentioned therein are true to the best of our knowledge.

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

per Vikas Gupta
Membership No. 076879

Place: Delhi
Date: May 6, 2016

Appointed Actuary
Biresh Giri, FIAI
Membership No. 00061
Address: G480 Sushant lok 2,
Sector 57, Gurgaon

Place: Delhi
Date: May 6, 2016



For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

per Amit Kabra
Membership No. 094533

Place: GURGAON
DATE: MAY 06, 2016

CEO & MD
Ashish Mehrotra



JK

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2016

A. BACKGROUND

Max Bupa Health Insurance Company Limited ("The Company") was incorporated on September 05, 2008 and received the Certificate of Commencement of Business on 23rd Dec 2008.

The Company is a joint venture between Max India Limited and Bupa Singapore Holding Pte, Singapore.

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

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

The accompanying financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The company has prepared the financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and in accordance with the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India. Accounting policies applied have been consistent with previous year except where differential treatment is required as per new pronouncements made by the regulatory authorities.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Revenue Recognition

(i) Premium Income

Premium and cessation thereof is recognized as income over the contract period or period of risk as appropriate, on a gross basis net of service tax. Any subsequent



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

revision of premium or cancellation of the policies is accounted for in the year in which they occur.

(ii) **Commission on Reinsurance Premium**

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

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

(iii) **Interest / Dividend Income**

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

Dividend income is recognized when the right to receive the dividend is established.

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

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

(v) **Profit/Loss on Sale/Redemption of Investments**

Profit or loss on sale/redemption of investments, being the difference between sale consideration/redemption values and carrying value of investments is credited or charged to Profit and Loss account. The profit/loss on sale of investment includes accumulated changes in the fair value previously recognized in 'Fair Value Change Account' in respect of a particular security.

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

(d) **Premium Deficiency**

Premium deficiency is recognised for the Company as a whole when the sum of expected claim costs and related expenses and maintenance costs (related to claims handling) exceed the reserve for unexpired risks.

(e) **Reserve for unexpired risk**

Reserve for unexpired risk represents that part of net premium (i.e. premium, net of reinsurance ceded) which is attributable to and set aside for subsequent risks to be borne by the company under contractual obligations on contract period basis or risk period basis, whichever is appropriate subject to minimum reserve to be created on Miscellaneous – "Health" business under Section 64V (1) (ii) (b) of the Insurance Act, 1938.

(f) **Acquisition Cost of Insurance Contracts**

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



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(g) Advance Premium

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

(h) Claims Incurred

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

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

Claims (net of amounts receivable from reinsurers/coinsurers) are recognized 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 IRDA 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.

(i) Reinsurance ceded

Reinsurance cost, in respect of proportional reinsurance ceded, is accrued at policy inception. Non-proportional reinsurance cost is recognized when incurred and due. Any subsequent revision to, refunds or cancellations of premium are recognized in the year in which they occur.

(j) Allocation of Investment Income

Investment income on investments backing the policyholders' liability has been allocated to Revenue Account and balance to Profit & Loss Account.

(k) Investments

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

Investments are recorded at cost including acquisition charges (such as brokerage, transfer charges, stamps etc) if any and exclude interest accrued upto the date of purchase.

Debt securities, including Government securities are considered as 'held to maturity' and accordingly stated at historical cost subject to amortisation of premium or accretion of



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

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

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

Intangibles

Intangible assets comprising software are stated at cost less amortisation. Significant expenditure on improvements to software are capitalised when it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably. Subsequent expenditures are amortised over the remaining useful life of original software. Software expenses are amortised using SLM over a period of 4 years from the date of being ready to use

Capital work in progress

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

Impairment of Assets

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



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

discount on constant yield to maturity basis in the Revenue Accounts and in the Profit and Loss Account over the period of maturity/holding.

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

Unlisted Securities are stated at cost.

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

Unrealized loss on listed and actively traded investments held for long term are not considered to be of a permanent nature and hence not considered as impaired. However the company, at each balance sheet date, assesses investments for any impairment and necessary provisions are made for the same where required.

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

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

(l) Fair Value Change Account

'Fair Value Change Account' represents unrealized gains or losses due to change in fair value of traded securities and mutual fund units outstanding at the close of the year. The balance in the account is considered as a component of shareholder's funds and not available for distribution as dividend.

(m) Fixed Assets and Depreciation

Tangible assets and depreciation

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

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



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(n) **Operating Lease**

Payments made towards assets/premises taken on operating lease are recognized as an expense in the revenue account(s) and profit and loss account over the lease term on straight-line basis.

(o) **Taxation**

Income tax expense comprises current tax (i.e. amount of tax payable on the taxable income for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the period) Current income tax is the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961.

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

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

(p) **Employee Benefits**

Employees' benefits have been recognized in accordance with the relevant provisions of the Accounting Standard 15 (revised 2005)

(a) **Defined Contribution Plan**

- a. Certain employees of the Company are participants of a defined superannuation plan. The Company makes contributions under the superannuation plan to "Max Bupa Health Insurance Limited Employees Superannuation Trust" based on a specified percentage of each covered employee's salary.
- b. The Company makes monthly contributions to the "Max India Limited Employees Provident Fund Trust" which is based on a specified percentage of the covered employees' salary. The fund is administered through trustees and the Company's contribution thereto is charged to Revenue Account.

(b) **Defined Benefit Plans**

- a. The liability in respect of Gratuity is provided for on the basis of an actuarial valuation carried out at the year-end using the Projected Unit Credit Method. Actuarial gain and loss are recognized in full in the Profit and Loss Account for the year in which they occur. The Company has a recognized Trust for Gratuity benefits.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

"Max Bupa Health Insurance Ltd Employees' Group Gratuity Fund" to administer the Gratuity funds. The Trust has taken master policy with the Max Life Insurance Company Limited" to cover its liabilities towards employees' Gratuity. The Gratuity obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of the gratuity fund.

- b. The liability in respect of long term accumulating leave encashment is provided for on the basis of actuarial valuation carried out at the yearend for long term compensated absences using Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Revenue Account or/and Profit and Loss Account, as applicable for the year in which they occur. Short term compensated absences are provided for based on estimates. Non-accumulated compensated absences are accounted for as and when availed / encashed.
- c. Deferred compensation, which is a long term employee benefit is provided for based on the independent actuarial valuation carried out as at the Balance Sheet date and charged to Revenue Account or/and Profit and Loss Account, as applicable based on services rendered by employees.

(q) Provisions and Contingent Liabilities

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

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

(r) Earnings per Share (EPS)

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

(s) Leases

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

(t) Foreign Currency Transactions



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

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

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

(u) Operating Expenses

Operating expenses are the costs associated with main operating activities of the Company. The expenses which pertain to the current financial year are debited to Profit & Loss Account and any expenses paid for the period beyond current financial year is debited to Prepaid Expenses and disclosed as 'Prepayment' in Balance Sheet. Any fee paid to third party administrators (TPA) is provided in the books of accounts at an agreed proportion of premium and endorsements. Professional charges paid to the service providers towards enrollment of lives on Rashtriya Swasthya Bima Yojna (RSBY) business is accrued evenly over the contract period.

(v) Allocation of Operating Expenses

Operating expenses relating to insurance business are allocated to specific classes of business on the following basis:

- Expenses which are directly attributable and identifiable to a business class are apportioned on an actual basis
- Other expenses, that are not directly identifiable, are allocated on the basis of Gross Written Premium (GWP) in each business class.

(w) Service Tax

Service Tax collected is considered as a liability against which service tax paid for eligible inputs 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 "Advance and other assets" in Schedule 12 for adjustment in subsequent periods. Service tax paid for eligible input services not recoverable by way of credits are recognized in the revenue account as expense forming as separate line item in Schedule 4.

(x) 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 IRDA.
- (ii) Cash and cash equivalents



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**6. Age-wise Breakup of Claims Outstanding*:***(Rs. '000)*

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Health	3,183	-	1,39,178	61,498
Personal Accident	-	-	-	482
Total	3,183	-	1,39,178	61,980

*Excluding IBNR provision.

7. Claims Settled and Remaining Unpaid for a period of more than six months:*(Rs. '000)*

Class of Business	As at 31.03.2016	As at 31.03.2015
Health	-	-
Personal Accident	-	-

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

Particulars	As at 31.03.2016			As at 31.03.2015		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Claims pending at the beginning	2,926	3	2,929	3,560	-	3,560
Claims intimated	60,261	14	60,275	62,366	59	62,425
Claims paid	52,840	10	52,850	50,705	26	50,731
Claims rejected	8,215	7	8,222	12,295	30	12,325
Claims pending at the closing	2,132	-	2,132	2,926	3	2,929

Ageing of Pending Claims

Particulars	As at 31.03.2016			As at 31.03.2015		
	Health	Personal Accident	Total	Health	Personal Accident	Total
1 month	1,843	-	1,843	2,735	2	2,737
1-3 months	229	-	229	189	1	190
3-6 Months	55	-	55	2	-	2
6 months – 1 year	4	-	4	-	-	-
>1 year	1	-	1	-	-	-
Total	2,132	-	2,132	2,926	3	2,929

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

Class of Business	In India		Outside India	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Health	45,12,797	35,30,241	-	-
Personal Accident	2,731	4,161	-	-
Total	45,15,528	35,34,402	-	-

(b) No premium income is recognized on "Varying Risk Pattern" basis.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**10. Extent of Risk Retained and Reinsured:**

Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
Health	94.90%	94.88%	5.10%	5.12%
Personal Accident	59.75%	69.18%	40.25%	30.82%

11. Age-wise Analysis of the Unclaimed Amount of the Policyholders

(Pursuant to IRDAI Circular No. IRDAI/F&I/CIR/CMP/174/11/2010 dated November 04, 2010)

(Rs. '000)

Particulars	Total Amount	Age-wise Analysis (in months)						
		1-6	7-12	13-18	19-24	25-30	31-36	>36
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / 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	4,435 (2,475)	4,146 (2,475)	289 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Cheques issued but not encashed by the policyholder/ insured	21,140 (19,546)	1,872#* (4,514)	3,387* (3,784)	2,161* (2,414)	3,397* (2,211)	1,699* (2,391)	2,114* (1,299)	6,510* (2,933)

Figures in brackets are for previous year.

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

Cheques issued which are within the validity period but not yet presented for payment by the policyholders/insured

12. Reserve for Unexpired Risk (URR)

The Company has created the Reserve for Unexpired Risk (URR) as at the end of the Accounting period based on the 1/365 method in the health segment as per IRDAI Circular No. IRDAI/F&I/CIR/015/02/2011 dated February 02, 2011. Further URR on the basis of 1/365 method is higher than the URR based on Section 64V(1)(ii)(b) of the Act.

13. Premium Deficiency Reserve

The Appointed Actuary has reviewed the expected claims ratio including claims related expenses for all business segments. The expected claims ratios for all the segments are well within 100%, thus, no premium deficiency reserve has been created for any segment.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**C. NOTES FORMING PART OF ACCOUNTS****1. Contingent Liabilities***(Rs. '000)*

Particulars	As at 31.03.2016	As at 31.03.2015
Partly Paid up Investments	-	-
Claims, other than against Policies, not acknowledged as Debts by the Insurer	47,010	1,140
Underwriting Commitments Outstanding	-	-
Guarantees given by or on behalf of the Insurer	500	500
Statutory Demands / Liabilities in Dispute, Not provided for	-	-
Reinsurance Obligations to the Extent Not provided for in Accounts	-	-
Total	47,510	1,640

2. Actuarial Assumptions

The Company's Appointed Actuary has determined valuation assumptions in respect of 'Reserve for Unexpired Risk' and 'Claims Incurred But Not Reported' (IBNR) that conform with Regulations issued by the IRDAI and professional guidance notes issued by the Institute of Actuaries of India.

- During the year ended March 31, 2016, the Company has changed its estimates related to Deferred Benefit Reserve provisioning which forms part of IBNR reserves. Consequent to the change in such estimate, IBNR reserve for the year ended March 31, 2016 is lower by Rs. 88,000 thousands.
- As at March 31, 2016, the Company has made a provision of Rs. 1,37,500 thousands towards provider reconciliation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.
- As at March 31, 2016, the Company has made a provision of Rs. 54,000 thousands towards litigation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.

3. Encumbrances on Assets

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

4. Estimated Amount of Commitments made and Outstanding for:*(Rs. '000)*

Particulars	As at 31.03.2016	As at 31.03.2015
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	8,202	21,265

5. Claims, less Reinsurance paid to Claimants:*(Rs. '000)*

Class of Business	In India		Outside India	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Health	22,15,083	17,72,790	-	-
Personal Accident	1,659	6,697	-	-
Total	22,16,742	17,79,487	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**14. Investments**

There are no contracts outstanding in relation to Purchases where deliveries are pending and Sales where payments are overdue respectively. All the investments are made in accordance with Insurance Act, 1938 and IRDAI (Investment) Regulations, 2000 and are performing assets. The Company does not have any investment in Real Estate as at March 31, 2016 or March 31, 2015. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 5,52,095 thousands (Previous year Rs. 1,74,952 thousands).

Investments made pursuant to Section 7 of Insurance Act 1938, are as follows:

Particulars	(Rs. '000)	
	As at 31.03.2016	As at 31.03.2015
6.25% GOI CG 02-01-2018 (Refer Schedule – 8)	-	47,434
8.07% GOI CG 03-07-2017 (Refer Schedule – 8)	-	50,871

These investments were held in the Constituent Subsidiary General Ledger account with The Hongkong and Shanghai Banking Corporation Limited.

15. Managerial Remuneration

Particulars	(Rs. '000)	
	Year ended 31.03.2016	Year ended 31.03.2015
Salaries & Allowances	16,673	38,613
Contribution to Provident and other funds	338	611
Perquisites	811	72
Total	17,822	39,296

Out of the above Rs. 6,125 thousands (Previous year Rs. 15,000) remuneration for Managing Director has been charged to Revenue Accounts and balance has been transferred to Profit and Loss account. Expenses towards gratuity funding and leave encashment provisions are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information.

16. Former Chief Executive Officer's Remuneration

Dr. Damien Marmion was the CEO of the Company from January 1, 2009 to August 2nd, 2012. In March 2014, the Company had filed an application with IRDAI for approval of revision in the remuneration of Dr. Damien Marmion, relating to his entitlement for the payment of bonus of Rs. 9,111 thousands for the period January 1, 2012 to July 31, 2012 and long term incentive of Rs. 16,881 thousands pertaining to his tenure with the Company. As the aforesaid approval is still awaited from IRDAI, these amounts are appearing as liability in Schedule 13 and would be paid by the Company as and when such approval is received from IRDAI.

17. Expenditure in Foreign Currency (on accrual basis)

Particulars	(Rs. '000)	
	Year ended 31.03.2016	Year ended 31.03.2015
Software License Fees	20,488	14,896
Professional fees	4,017	3,764
Travelling	1,839	4,040
Sitting Fees	1,600	-
Membership & Subscription	554	581
Total	28,498	23,281



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**18. Operating Lease Commitments**

The Company has taken on lease office premises under various agreements with various expiration dates extending upto 9 years. Lease payments made under operating lease agreements have been fully recognized in the books of accounts. The lease rental charged under operating leases during the current year and maximum obligation on such leases at the balance sheet date are as follows:

Particulars	(Rs. '000)	
	As at 31.03.2016	As at 31.03.2015
Payable not later than one year	83,005	85,652
Payable later than one year but not later than five years	2,86,645	3,20,508
Payable later than five years	91,058	1,59,423
Total	4,60,708	5,65,583

Aggregate lease rentals charged to Revenue Accounts is Rs. 95,238 thousands (Previous year Rs. 94,144 thousands) and there are no sub leases.

19. Foreign Currency Exposures

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

Particulars	(Rs. '000)	
	As at 31.03.2016	As at 31.03.2015
Payable in Indian Rupee	-	-
Payable in GBP	-	-

20. Related Parties & Transactions:

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

SN	Description of Relationship	Name of Party
(a)	Holding Company	Max India Limited
(b)	Fellow Subsidiaries	Max Life Insurance Company Limited Max Neeman Medical International Limited Max Neeman Medical International Inc, USA Pharmax Corporation Limited Max Ateev Limited Max UK Limited, UK Max Skill First Limited Max One Distribution and Services Limited Antara Senior Living Limited Antara Gurgaon Senior Living Limited Antara Purukul Senior Living Pvt. Limited
(c)	Investing Party	Bupa Singapore Holdings Pte Limited
(d)	Key Management Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director and CEO



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(ii) Details of transaction with related parties for the year ended March 31, 2016 are given below:

(Rs. '000)

Particulars	Holding Company		Fellow Subsidiaries		Investing Party		Key Management Personnel (including relatives)	
	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015	Year Ended 31.03.2016	Year Ended 31.03.2015
INCOME								
Premium from direct business written	-	-	-	5	-	-	-	-
Others income (Reimbursement of Expenses)	1,017	-	-	-	6,551	1,792	-	-
Total	1,017	-	-	5	6,551	1,792	-	-
EXPENSES								
Rent, rates and taxes	-	-	2,909	2,292	-	-	-	-
Training expenses	-	-	15,664	-	-	-	-	-
Legal and Professional charges	457	585	4,333	2,539	-	-	-	-
Employees' remuneration and welfare benefits	-	-	-	-	-	-	17,822	39,296
Insurance premium	416	374	1,390	1,969	-	-	-	-
Others	1,593	523	34	-	-	-	-	-
Total	2,466	1,482	24,330	6,800	-	-	17,822	39,296
ASSETS								
Other Receivable	-	26	-	93	6,551	-	-	-
Total	-	26	-	93	6,551	-	-	-
LIABILITIES								
-Share Capital	7,95,500	8,99,100	-	-	2,79,500	3,15,900	-	-
Other payables	-	177	10,682	229	-	-	-	-
Total	7,95,500	8,99,277	10,682	229	2,79,500	3,15,900	-	-

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

The Company's primary reportable segments are identified in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002. Segment revenue and segment results have been incorporated in the financial statements. However, due to the nature of the business, segment assets and liabilities have been allocated to the various segments to the extent possible.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Rs. '000)

Year ended 31.03.2016			
Particulars	Health	Personal Accident	Total
Segmental Revenue	41,83,204	2,656	41,85,860
Segmental Result	(8,14,268)	(419)	(8,14,687)
Segmental Liabilities			4,361,341
Premium Received in Advance	34,088	-	34,088
Net Claims Outstanding (including IBNR)	4,95,414	235	4,95,649
Reserve for Unexpired Risk	26,23,202	1,258	26,24,460
Unallocated Liabilities			12,07,144
- Sundry Creditors	-	-	8,42,190
- Agents' Balances	-	-	45,757
- Balances due to Other Insurance Companies	-	-	81,837
- Others	-	-	2,37,360
Segmental Assets			64,51,194
Outstanding Premium	37,197	-	37,197
Unallocated Assets			64,13,997
- Investments	-	-	56,64,542
- Fixed Assets	-	-	2,33,963
- Cash and Bank Balances	-	-	1,32,579
- Advances and Other Assets	-	-	3,82,913

(Rs. '000)

Year ended 31.03.2015			
Particulars	Health	Personal Accident	Total
Segmental Revenue	33,21,956	9,918	33,31,874
Segmental Result	(10,49,479)	(667)	(10,50,146)
Segmental Liabilities			33,91,013
Premium Received in Advance	28,207	-	28,207
Net Claims outstanding (including IBNR)	3,71,220	945	3,72,165
Reserve for Unexpired Risk	20,39,090	937	20,40,027
Unallocated Liabilities			9,50,614
- Sundry Creditors	-	-	6,14,481
- Agents' Balances	-	-	50,672
- Balances due to Other Insurance Companies	-	-	69,079
- Others	-	-	2,16,382
Segmental Assets			50,88,726
Outstanding Premium	76,453	-	76,453
Unallocated Assets			50,12,273
- Investments	-	-	43,00,315
- Fixed Assets	-	-	3,21,266
- Cash and Bank Balances	-	-	1,19,379
- Advances and Other Assets	-	-	2,71,313



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

b) Geographical Segment

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

22. Employee Benefits**A. Defined Contribution Plans – Provident Fund**

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

Provident Fund	(Rs. '000)	
	Year Ended 31.03.2016	Year Ended 31.03.2015
Employers Contribution to Provident Fund*	36,002	35,968

*Included in Employees' remuneration and welfare benefits in Schedule 4 of the Revenue Account.

B. Defined Benefit Plans – Gratuity

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

i. Assumptions Used:

Particulars	As at 31.03.2016	As at 31.03.2015
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Interest/Discount Rate (Per Annum)	7.25% p.a.	8.00% p.a.
Rate of increase in compensation	7.00% p.a.	7.00% p.a.
Withdrawal rate:	40% for frontline staff and 20% for other staff	40% for frontline staff and 20% for other staff

ii. Changes in benefit obligations:

Particulars	(Rs. '000)	
	Year Ended 31.03.2016	Year Ended 31.03.2015
Present value of obligations at the beginning of the year	21,127	17,647
Current Service Cost	6,184	6,457
Interest cost	1,399	1,554
Benefits Paid	(7,281)	(3,498)
Actuarial loss/(gain) on obligation	3,373	(1,033)
Acquisition/Business Combination/Divestiture	2,510	-
Present value of obligations at end of year	27,312	21,127

iii. Fair Value of Plan Assets:

Particulars	(Rs. '000)	
	Year Ended 31.03.2016	Year Ended 31.03.2015
Fair Value of Plan Assets at beginning of year	17,046	16,633
Contributions	6,591	665
Expected Return on Plan Assets	1,253	1,141
Actuarial gain/(loss) on obligation	(274)	2,105
Benefits Paid	(7,281)	(3,498)
Fair Value of Plan Assets at end of year	17,335	17,046



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

Operating expenses	(Rs '000)	
	Year ended 31.03.2016	Year ended 31.03.2015
Outsourcing Expenses	2,14,516	1,24,519
Marketing Support	2,33,190	3,59,461
Business Promotion	1,385	264

25. Expenses of Management

The Company had received exemption from IRDA under the provisions of Sec 40 C (1) of the Insurance Act, 1938 read with rule 17 E of the Insurance Rules, 1939. The Exemption was valid for a period of 5 financial years starting from FY 2010-11 to FY 2014-15. The Company has represented to General Insurance Council and is in the process of seeking IRDA approval for exemption from complying with requirement of Section 40 C (1) of Insurance Act, 1938 read with rule 17E of the Insurance Rules 1939 for the FY 2015-16.

26. Sector Wise Business

Disclosure of Sector wise business based on Gross Direct Written Premium (GWP) as per Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations 2002, as certified by the management, is as under:

Business Sector	Year ended 31.03.2016		Year ended 31.03.2015	
	GWP (Rs.'000s)	% of GWP	GWP (Rs.'000s)	% of GWP
Rural	3,02,506	6.35%	1,46,508	3.93%
Urban	44,56,863	93.62%	35,79,354	96.05%

Social Sector	Year ended 31.03.2016	Year ended 31.03.2015
Number of lives	1,97,186	1,97,392
GWP (Rs.'000s)	8,022	3,133

27. Disclosure of Fire and Marine Revenue accounts:

As the Company operates in single insurance business class viz. Health Insurance Business, the reporting requirements as prescribed by IRDAI with respect to presentation of Fire and Marine Insurance revenue accounts are not applicable.

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, 2016 and March 31, 2015. 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.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

iv. Amounts recognized in Profit & Loss Account:

(Rs. '000)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Current Service Cost	6,184	6,457
Interest Cost	1,399	1,554
Expected Return on Plan Assets	(1,253)	(1,141)
Actuarial (Gain)/loss on obligation	3,647	(3,138)
Amount recognized in Profit & Loss Account	9,977	3,732

v. Amounts recognized in Balance Sheet:

(Rs. '000)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Present value of obligations at end of Year	27,312	21,127
Fair Value of Plan Assets at end of Year	17,335	17,046
Funded Status (Deficit)/Surplus	(9,977)	(4,081)
Net Asset/(Liability) recognized in the balance sheet	(9,977)	(4,081)

vi. Balance Sheet Reconciliation:

(Rs. '000)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Opening Net Liability/(Asset)	4,081	1,014
Expenses recognized in Profit & Loss Account	9,977	3,732
Contribution Paid	(6,591)	(665)
Acquisition/Business Combination/Divestiture	2,510	-
Closing Net Liability/(Asset)	9,977	4,081

As the Gratuity Fund is managed by Max Life Insurance Company Limited, details of investments are not available with the Company.

C. Other Long Term Benefits:

The Company has recognized liability towards cost of accumulating compensated absences of Rs. 25,415 thousands (Previous year Rs. 23,623 thousands) and long term incentives of Rs. 1,10,504 thousands (Previous year Rs. 54,771 thousands) on an accrual basis as per Accounting Standard-15 (Employee Benefits).

23. Earnings Per Share

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

Particulars	Units	Year ended 31.03.2016	Year ended 31.03.2015
a. Net profit/(loss) after tax	Rs in '000s	(6,84,979)	(9,33,132)
b. Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	8,36,340	7,29,782
c. Basic/Diluted earnings per share (a/b)	Rs.	(0.82)	(1.28)



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**29. Penal Actions Details by Various Government Authorities**

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

(Rs '000)

SN	Authority	Non-Compliance/ Violation	Amount in Rs.		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	Non-compliance towards IRDAI guidelines	2,000	-	-
2	Service Tax Authorities	-	-	-	-
3	Income Tax Authorities	-	-	-	-
4	Any Other Tax Authorities	-	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	-	-	-	-
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	-	-	-	-
7	Penalty awarded by any Court/ tribunal for any matter including claim settlement but excluding Compensation	-	-	-	-
8	Securities and Exchange Board of India	-	-	-	-
9	Competition Commission of India	-	-	-	-
10	Any other Central/State/local Government/ Statutory Authority	-	-	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS
30. Summary of Financial Statements is provided as under:

(Rs '000)

SN	Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
1	Gross Premium Written	47,60,092	37,26,574	30,88,549	20,72,184	9,91,715
2	Net Earned Premium Income	39,31,095	31,52,364	23,76,598	12,83,719	5,09,163
3	Income from Investments (net)	2,54,765	1,79,510	1,40,690	97,520	41,807
4	Other Income	-	-	-	-	-
5	Total Income	41,85,860	33,31,874	25,17,288	13,81,239	5,50,970
6	Commission (Net of Reinsurance)	4,47,973	3,21,985	2,78,760	1,28,634	54,969
7	Brokerage	-	-	-	-	-
8	Operating Expenses	22,12,348	22,43,651	22,76,676	17,70,942	14,92,550
9	Claims, increase in Unexpired Risk Reserve & Other Outgoes	23,40,226	18,16,384	14,09,615	7,50,352	2,88,573
10	Operating Profit/(Loss)	(8,14,687)	(10,50,146)	(14,47,763)	(12,68,689)	(12,85,122)
11	Total Income under Shareholders Account	1,29,708	1,17,014	1,19,050	1,09,065	96,466
12	Profit/(loss) before tax	(6,84,979)	(9,33,132)	(13,28,713)	(11,59,624)	(11,88,656)
13	Provision for Tax	-	-	-	-	-
14	Profit/(Loss) after tax	(6,84,979)	(9,33,132)	(13,28,713)	(11,59,624)	(11,88,656)
15	Miscellaneous	-	-	-	-	-
16	Policyholder's Account:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	a) Total funds	being General Insurance Company	being General Insurance Company	being General Insurance Company	being General Insurance Company	being General Insurance Company
	b) Total Investments					
	c) Yield on Investments					
17	Shareholder's Account:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	a) Total funds	being General Insurance Company	being General Insurance Company	being General Insurance Company	being General Insurance Company	being General Insurance Company
	b) Total Investments					
	c) Yield on Investments					
18	Paid Up Equity Capital	89,80,000	79,05,000	66,90,000	50,40,000	35,20,000
19	Net Worth*	20,89,853	16,97,713	14,21,740	11,71,248	10,64,911
20	Total Assets	64,51,194	50,88,726	42,42,033	31,48,864	22,85,877
21	Yield on total investments	8.60%	9.10%	8.80%	8.90%	8.50%
22	Earning Per Share** (Rs.)	(0.82)	(1.28)	(2.29)	(2.57)	(3.95)
23	Book value per Share (Rs.)	2.33	2.15	2.13	2.32	3.03
24	Total Dividend	-	-	-	-	-
25	Dividend Per share	-	-	-	-	-

* Including Fair Value Change Account

** Weighted average of number of equity shares i.e. 8,36,340 thousands (Previous year 7,29,782 thousands) is used in computing Earnings per share



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**31. Accounting Ratios is provided as under:**

Performance Ratios	2015-16	2014-15	2013-14	2012-13	2011-12
	(in times)	(in times)	(in times)	(in times)	(in times)
Gross Premium Growth Rate (Overall)	1.28	1.21	1.49	2.09	3.88
Gross Premium Growth Rate (Health)	1.28	1.21	1.48	2.09	3.88
Gross Premium Growth Rate (Personal Accident)	0.76	0.45	1.00	-	-
Gross Premium to Net Worth Ratio	2.28	2.20	2.17	1.77	0.93
Growth Rate of Net Worth	0.23	0.19	0.21	0.06	(0.05)
Net Retention Ratio (Overall)	0.95	0.95	0.95	0.88	0.90
Net Retention Ratio (Health)	0.95	0.95	0.95	0.88	0.90
Net Retention Ratio (Personal Accident)	0.60	0.69	0.78	-	-
Net Commission Ratio (Overall)	0.10	0.09	0.09	0.07	0.06
Net Commission Ratio (Health)	0.10	0.09	0.09	0.07	0.06
Net Commission Ratio (Personal Accident)	0.00	(0.00)	0.10	-	-
Expenses of Management to Gross Direct Premium	0.57	0.66	0.74	0.85	1.51
Combined Ratio	1.18	1.30	1.45	1.63	1.71
Technical Reserves to Net Premium Ratio	0.69	0.68	0.67	0.71	0.72
Underwriting Balance Ratios	(0.27)	(0.33)	(0.61)	(0.99)	(1.44)
Operating Profit Ratio	(0.21)	(0.28)	(0.56)	(0.90)	(1.33)
Liquid Assets to Liability Ratio	0.70	1.83	1.76	2.05	2.97
Net Earnings Ratio	(0.15)	(0.26)	(0.45)	(0.64)	(1.33)
Return on Net Worth	(0.33)	(0.55)	(0.93)	(0.99)	(1.12)
Reinsurance Ratio	0.05	0.05	0.04	0.12	0.10
Claims incurred	0.60	0.58	0.59	0.58	0.57
Solvency Ratio	2.16	2.10	2.13	2.12	1.91

32. Additional disclosure pursuant to clause 7.1 (g) of Corporate Governance guidelines issued by the IRDA on August 5, 2009*(Rs '000)*

Name of the Auditor	Services Rendered	FY 15-16	FY 14-15
S.R. Batliboi & Associates LLP	ICFR Certification and Consolidation pack as per revised Schedule VI for Holding company	1,100	-
Nangia & Co	Tax Audit, Certification and Tax Consultancy	1,010	80

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. Pending Litigations

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial results at March 31, 2016. Refer note 1 for details on contingent liabilities and note 2 for litigation reserve.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

35. Comparative Figures

Previous year figures have been regrouped/reclassified, wherever considered necessary, to conform to current year's classification. The details of regroupings/reclassifications done in previous year figures are as follow:

Sl. No.	Regrouped to	Regrouped from	Amount (Rs. '000')	Reason
1	Claims Incurred (Net)	Operating Expenses related to Insurance Business	83,284	Claim handling expenses have been regrouped from Operating Expenses to Claims incurred
2	Other Assets	Current Liabilities	4,918	Cenvat credit related to Service Tax have been regrouped from Current Liabilities to Other Assets
3	Other Assets	Current Liabilities	5,695	Service Tax deposited on account of Unallocated Premium have been regrouped from Current Liabilities to Other Assets

36. The figures of financial year ended March 31, 2015 were audited by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

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


Director
K. Narsimha Murthy
DIN: 00023046


Company Secretary
Rajat Sharma
Membership No. FCS 7069


Appointed Actuary
Biresha Giri
Membership No. 00061
Place: Delhi


Director
Rajesh Sud
DIN: 2395182


CEO & Managing
Director
Ashish Mehrotra
DIN: 07277318


Chief Financial Officer
Rahul Ahuja



Date: May 06, 2016



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

MANAGEMENT REPORT

In accordance with the provisions of the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulation) Management Report is submitted for the year ended 31st March 2016:

1. It is confirmed that the registration certificate granted by the Insurance Regulatory and Development Authority has been renewed and valid up to March 31, 2016.
2. It is certified that all the dues payable to the statutory authorities due up to March 31, 2016 have been duly paid.
3. It is confirmed that the Indian and Foreign shareholding pattern during the year ended March 31, 2016 is in accordance with the statutory and regulatory requirements.
4. It is hereby declared that management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. The Company is maintaining the required solvency margins under the Insurance Act, 1938.
6. It is certified that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the heading – "Loans", "Investments,(wherever applicable) "Agents Balances", "Outstanding Premiums", "Interest, Dividend and Rents Outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors ", "Bills Receivable", "Cash" and several items specified under "other Accounts".
7. The Investment Risk is managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of Investee companies. The Company has constituted an Investment Committee, which acts as the policy making body for the Investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The Investment Committee periodically discusses the Investment strategy, portfolio structures, performance of the portfolio and related issues. The Investment policy is reviewed regularly in order to align the same with the Company business plans.
8. It is confirmed that there were no operations of the Company outside India during the year ended March 31, 2016.



9. Ageing of claims outstanding and trends in settlement of claims are given below:-

	FY 2015-16		FY 2014-15		FY 2013-14		FY 2012-13		FY 2011-12	
	No. Of claims	Amount Involved (Rs.'000s)	No. Of claims	Amount Involved (Rs.'000s)	No. Of claims	Amount Involved (Rs.'000s)	No. Of claims	Amount Involved (Rs.'000s)	No. Of claims	Amount Involved (Rs.'000s)
1 month	1843	124837	2737	198391	2231	77563	1406	36950	710	47650
1-3 months	229	18364	190	15982	1246	32514	323	23389	131	7223
3-6 Months	55	4156	2	78	83	334	32	2772	27	1330
6 Months – 1 Year	4	3054	-	-	-	-	-	-	1	400
1 Year – 5 Years	1	129	-	-	-	-	-	-	-	-
5 Years & above	-	-	-	-	-	-	-	-	-	-

10. As at March 31, 2016, the investments of the Company are mainly in Debt Securities, Bank Deposits, Mutual Funds and CD/CP's. As per the IRDA guidelines, all debt securities are considered as held to maturity and valued at historical cost subject to amortization. Further, the market value for debt securities as at March 31, 2016 has been calculated as per guidelines issued by Fixed Income Money Market & Derivatives Association (FIMMDA).

Acquisition cost of Debt Securities is Rs. 3867723 thousands (Previous year Rs. 2573730 thousands), amortized value is Rs. 3885269 thousands (Previous year Rs. 2596426 thousands) and market value at Rs. 3950777 thousands (Previous year Rs. 2656116 thousands).

11. Investments are in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000. Investment Portfolio consists of Central Government Securities, Infrastructure Bonds (AAA), Housing Sector Bonds (AAA), Certificate of Deposit/Commercial Papers with A1+/P1+/PR1+ ratings, Liquid Mutual Funds and Deposits with various Scheduled Banks. There is no Non Performing Asset as at March 31, 2016.



12. Payments made to companies and organizations in which directors are interested are as under:

SN	Entity in which Director is Interested	Nature of Payment	Amount of Payment during the Financial Year (Rs. '000)
1	Max India Limited	Legal & Professional fees, Insurance Premium and Employee transfer In/Out	2466
2	Max Life Insurance Company Limited	Rent, Professional fee and Insurance premium	7553
3	Max Healthcare Institute Limited	Claim Payment	48920
4	NIIT Technologies Limited	Legal and Professional charges	3907
5	Max Skill First Limited	Training exps	15663
6	Max One Distribution and Services Limited	Professional fees	1113
7	Bupa Finance Plc, UK		-

13. It is hereby confirmed:

- a. That the Financial Statements have been prepared in accordance with generally accepted accounting principles and policies, applicable accounting standards and current practices prevailing in the insurance industry and there are no material departures.
- b. That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating Profit or Loss of the Company for the year
- c. That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) and Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the management has prepared the financial statements on a going concern basis.
- e. All the expenses which have been incurred in relation to Miscellaneous- "Health "Insurance business, have been appropriately reported in Revenue Account.



For and on behalf of the Board of Directors



Director
K. Narsimha Murthy
DIN - 00023046



CEO & Managing Director
Ashish Mehrotra
DIN - 07277318



Company Secretary
Rajat Sharma
Membership No.- FCS7069



Chief Financial Officer
Rahul Ahuja

Place: New Delhi
Date: May 06, 2016

