

NOTICE OF 9TH ANNUAL GENERAL MEETING

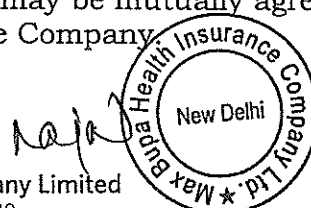
NOTICE of shorter duration is hereby given that the Ninth Annual General Meeting of the members of Max Bupa Health Insurance Company Limited will be held on **Friday, July 28, 2017** at 1330 hrs (IST) at 2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi - 110011 to transact the following 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, 2017 along with Revenue Account for the financial year ended March 31, 2017, Profit & Loss Account for the financial year ended March 31, 2017, Receipts & Payments Account for the financial year ended March 31, 2017, the Management Report together with Board's Report and Independent Auditor's Report thereon.
- (2) To appoint a Director in place of Mr. David Martin Fletcher (DIN - 0007004032), who retires by rotation, and being eligible, offers himself for re-appointment.
- (3) To appoint a Director in place of Ms. Marielle Theron (DIN - 0002667356), who retires by rotation, and being eligible, offers herself for re-appointment.
- (4) **Ratification of the 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 pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications and re-enactments thereof for the time being in force), pursuant to the Shareholder's approval at 8th Annual General Meeting held on August 02, 2016, and IRDAI Regulations and Corporate Governance Guidelines and pursuant to the recommendations of the Audit Committee and the Board of Directors, the appointment of M/s M.P. Chitale & Co., Chartered Accountants, (ICAI FRN - 101851W) joint statutory auditors of the Company, who being eligible have offered themselves for ratification of their appointment, be and is hereby ratified to hold office from the conclusion of the 9th Annual General Meeting until the conclusion of the 10th Annual General Meeting of the Company on such terms & conditions including remuneration as may be fixed by the Board of Directors of the Company and as may be mutually agreed upon between the Board of Directors and auditors of the Company



Max Bupa Health Insurance Company Limited
CIN - U66000DL2008PLC182918

Corporate Office: Block 81/1-2, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi - 110044
Tel.: + 91-11-30902000, Fax No.: +91-11-30902010, www.maxbupa.com

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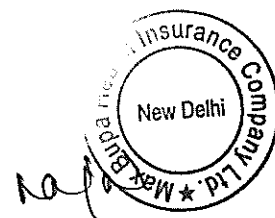
RESOLVED FURTHER THAT Mr. Rahul Ahuja (Chief Financial Officer), Mr. Partha Banerjee (Director & Head – Legal, Compliance, Regulatory Affairs) and Mr. Rajat Sharma (Company Secretary) be and are hereby authorized jointly and/or severally on behalf of the Company to take all actions as they may severally deem expedient, 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 to give effect to the above resolution.”

(5) **Appointment of M/s Nangia & Co, Chartered Accounts, New Delhi (ICAI FRN - 002391C) 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 pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications and re-enactments thereof for the time being in force), pursuant to IRDAI Regulations and Corporate Governance Guidelines and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s Nangia & Co, Chartered Accounts, New Delhi (ICAI FRN - 002391C), Joint Statutory Auditors of the Company, who being eligible have offered themselves for appointment, be and is hereby appointed as the Joint Statutory Auditor of the Company, to hold the office from the conclusion of 9th Annual General Meeting until the conclusion of the 10th Annual General Meeting of the Company on such terms & conditions including remuneration as may be fixed by the Board of Directors of the Company and as may be mutually agreed upon between the Board of Directors and auditors of the Company.

RESOLVED FURTHER THAT Mr. Rahul Ahuja (Chief Financial Officer), Mr. Partha Banerjee (Director & Head – Legal, Compliance, Regulatory Affairs) and Mr. Rajat Sharma (Company Secretary) be and are hereby authorized jointly and/or severally on behalf of the Company to take all actions as they may severally deem expedient, 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 to give effect to the above resolution.”



SPECIAL BUSINESS

(6) **Appointment of Ms. Joy Carolyn Linton(Director Identification Number – 0007630925) as a Director 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 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under, (including any statutory modifications or re-enactments thereof for the time being in force) Ms. Joy Carolyn Linton (Director Identification Number – 0007630925) who was appointed as an Additional Director of the Company with effect from October 31, 2016, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Rahul Ahuja (Chief Financial Officer), Mr. Partha Banerjee (Director & Head – Legal, Compliance, Regulatory Affairs) and Mr. Rajat Sharma (Company Secretary) be and are hereby authorized jointly and/or severally on behalf of the Company to take all actions as they may severally deem expedient, 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 to give effect to the above 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: July 25, 2017
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 of the accompanying Notice:-

1. Item No. 6

Ms. Joy Carolyn Linton was appointed as an Additional Director of the Company by the Board of Directors with effect from October 31, 2016. Her appointment was pursuant to Section 161 of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company.

Under Section 161 of the Act, Ms. Joy Carolyn Linton 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 Ms. Joy Carolyn Linton as a Director on the Board of the Company.

The Board of Directors of your Company intend to appoint Ms. Joy Carolyn Linton as a director of the Company, who was appointed as an additional director, subject to being regularized by members with effect from October 31, 2016.

A brief profile of Ms. Joy Carolyn Linton is given herein for the information of the shareholders.

Joy Linton is the Appointed Chief Financial Officer of Bupa. She brings over 25 years' experience in financial and strategic roles in Australia and the UK. Joy joined Bupa in March 2011 as Finance Director of Bupa's Australian Health Insurance business, later becoming Finance and Commercial Director of Bupa Australia and New Zealand.

She became Bupa's Chief People officer on an interim basis in 2015, prior to taking up her role as General Manager, Health Services for Bupa UK. Previously, Joy was CFO of National Foods, one of Australia's largest food and beverage companies.

She was also a Non-Executive Director of Bega Cheese Ltd, an ASX-200 listed company, serving as Chair of their Audit and Risk Committee

The Board has recommended appointment of Ms. Joy Carolyn Linton 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.6 as an Ordinary Resolution.

Save and except Ms. Joy Carolyn Linton and her relatives to the extent of their 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. 6.

Details of Directors as per Secretarial Standard – 2

Name	Joy Carolyn Linton (DIN: 0007630925)
Date of Birth	10.10.1965
Age	51 Years
Nationality	Australian
Date of first appointment	October31, 2016
Date of appointment/ reappointment	July 28, 2017
Remuneration last drawn	Nil
Shareholding in the Company	10 Shares
Qualifications	B.Com
Expertise in specific functional areas	financial and strategic roles
No. of Board meetings attended during the year	One
Relationships with other Directors, Manager & other KMP	Nil
Experience	25 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:-

NAJN



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.	0007630925	Ms. Joy Carolyn Linton	NIL	Appointment as Director

By order of the Board of Directors



Rajat Sharma

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: July 25, 2017

Place: New Delhi

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

9th Annual General Meeting to be held on Friday, July 28, 2017 at 1330 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 9th Annual General Meeting of the Company being held at 2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi – 110011, on Friday, 28th Day of July, 2017, at 1330 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.

Form No. MGT-11

9TH 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 9th Annual General Meeting of the Company to be held on Friday July 28, 2017 at 1330 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:

Resolution No:-

1. Ordinary business

- a) Consider and adopt Annual Financial Statements for the Financial year 2016-17
- b) Director liable by rotation
 - i) Mr. David Martin Fletcher
 - ii) Ms. Marielle Theron
 - iii) Ratification/Appointment of Joint Statutory Auditors of the Company
- c) Ratification of the appointment of M/s M.P. Chitale& Co., Chartered Accountants, (ICAI FRN - 101851W) as Joint Statutory Auditors of the Company
- d) Appointment of M/s Nangia& Co, Chartered Accounts, New Delhi (ICAI FRN - 002391C) as Joint Statutory Auditors of the Company

Special business

2. Appointment of Ms. Joy Carolyn Linton (DIN: 0007630925) as a Director of the Company

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

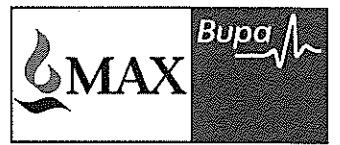
Affix Revenue
Stamp

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

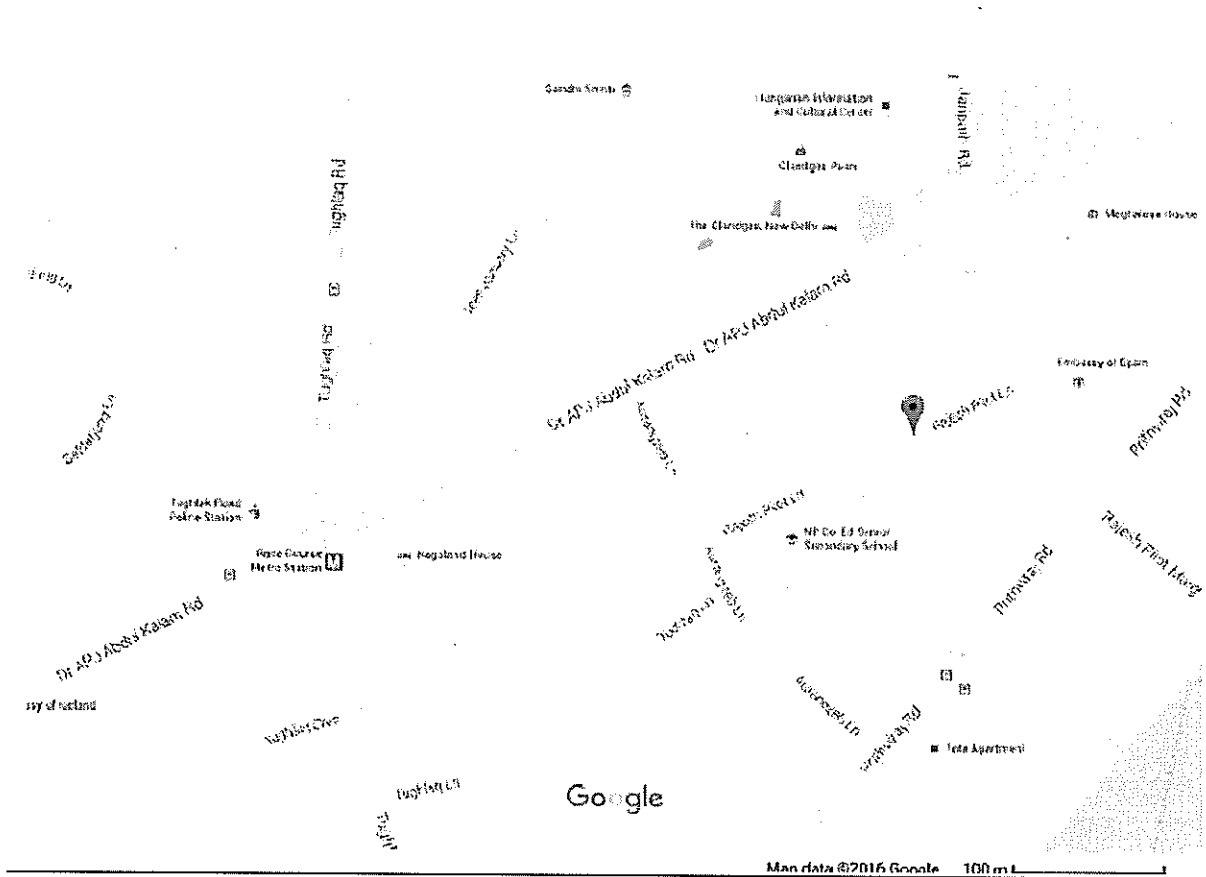


HEALTH INSURANCE

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.

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 Ninth Board's Report of your Company together with the audited accounts for the financial year ended March 31, 2017.

1. BUSINESS HIGHLIGHTS

The highlights for the Financial Year ended March 31, 2017 are as under:

Particulars	(Rs in '000)	
	Financial Year 2016-17	Financial Year 2015-16
Gross Written Premium	59,39,338	47,60,092
Add Reinsurance Accepted	-	-
Less Reinsurance Premium	3,00,177	2,44,564
Net Premium	56,39,161	45,15,528
Change in Unexpired Risk Reserve	1,96,350	5,84,433
Earned Premium	54,42,811	39,31,095
Total Underwriting Revenue	54,42,811	39,31,095
Net Incurred Claims	28,28,120	23,40,226
Commission paid (net)	5,89,710	4,47,973
Expenses of Management (Opex)	25,66,880	22,12,348
Premium Deficiency Reserve	-	-
Total Underwriting expenses	59,84,710	50,00,547
Underwriting Profit/(Loss)	(5,41,899)	(10,69,452)
Investment Income:		
Allocated to Revenue Account	3,36,945	2,54,765
Allocated to P&L Account	1,82,224	1,75,565
Other Income	5,744	1,725
Other Expenses	19,780	11,698
Provisions	-	35,884
Profit/(Loss) before Tax	(36,766)	(6,84,979)
Key Business Parameters		
Solvency Ratio	2.01:1	2.16:1
Share Capital (Rs. crores)	926.00	898.00
Foreign Direct Investment(Rs. crores)	453.74	233.48
No. of Employees	1,661	1,386
No. of offices	28	27
No. of Agents	20,986	16,619
No. of Policies	3,07,025	265,089

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



2. INDUSTRY OVERVIEW

In India, health insurance sector continues to experience high growth - it is the most rapidly growing segment in the BFSI sector with gross written premiums increasing by 26 per cent from Rs. 27,369 crore in FY 2015-16 to Rs. 34,374 crore in FY 16-17. With only 27 per cent of the Indian population having some form of health insurance coverage, the sector presents a huge opportunity of growth and thus continues to attract new players. The rise in lifestyle and chronic diseases like Cancer, Diabetes and Cardiovascular ailments over the past few years is contributing towards the increasing awareness about health insurance. According to industry experts, the health insurance market is expected to grow by ~15% p.a. to ~Rs 50,000 crore of GWP by FY 2020 and is likely to continue the same trajectory post 2020 for 3-5 years.

Max Bupa continues to cater to the B2C Health insurance sector, growing at ~39% (3-year CAGR till FY 2015-16), ahead of industry's growth of 21% in terms of GWP. The Health Insurance industry continues to be dominated by 4 public sector companies, which together constitute 60% of the market share. In addition, there are 24 private players, including 6 standalone health insurers, with the latest new SAHI being Aditya Birla Health Insurance in October 2016.

3. STATE OF COMPANY'S AFFAIRS

Your Company posted a Gross Written Premium of Rs. 593.93 Crores for the year thereby registering a 25% growth over previous year. The loss for the year was Rs. 3.68 Crore as compared to Rs. 68.50 Crore in the previous year.

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, digital sales and direct sales team).

Your Company has reported a good overall performance in FY 2016-17, in line with our strategic priorities, across different operational areas. Financial year 2016-17 has been a great year for your Company. Key highlights of the year are as follows:

- On boarding and successful launch of Bank of Baroda as a partner to distribute our products
- Significant steps taken to drive our digital journey; quite a few tech enabled solutions have been implemented
- Several Product development and improvement initiatives taken
- Significant improvement in MPEF (Max Performance Excellence Framework) score
- Your Company won several awards and recognition through the year for its focus on customer, people, brand & technology
- Systematic completion of reconciliation with all healthcare providers
- The fifth "Walk for Health" has been successfully held in 3 cities; ~64 million lives touched

Five strategic themes will be deployed for the year ahead, namely:

- People First
- Remarkable customer experience
- Profitable growth
- Portfolio management – Renewals
- Build Digital



To achieve the above, your Company's key priorities for FY 17 have been recalibrated to drive "Customer centric profitable growth". Key priorities in FY 17 were as follows:

- Portfolio management approach to renewals & profitable growth
- Compelling product proposition, meeting customer's needs
- Build Digital
- Optimize expenses & robust claims management
- Strengthen processes & technology
- Enable the workforce

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 28 branches across 21 cities and contributes over 51% of overall revenue. The Agency sales force comprises of 400 Agency Managers and 16,000 agents. Your Company's agency force is one of the most productive agency force amongst SAHIs (Stand Alone Health Insurers). FY 16-17 saw the Agency channel focus on automation, agent activation, process standardization, alternate means of agent recruitment and enhancement of persistency and revenue through automated clearing house and fixed benefit product adoption. Going forward, in line with the strategic priorities, your Company has identified 4 focus areas for Agency channel – agent engagement & empowerment through digital enablement, drive digit sale through insta insure, launch variable agency program and reduce employee attrition through superior on boarding process.

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, RBL Bank, Sarv UP Gramin Bank and Bank of Baroda. Bank of Baroda is the 2nd largest PSU bank in the country and is the latest addition to the Company's list of partners.

Your Company now has a robust bancassurance infrastructure with 350+ FOS (Feet-on-Street) and more than 7000 partner bank branches.

Your Company also has tied up with leading NBFC's like Bajaj Finserv and Muthoot under Alliances vertical.

Growth in this channel has been primarily driven by focus on branch activation, penetration in different customer segments, system integration led sales models and proposition for sale to retail asset customers.



Bancassurance and Alliances channel contributed around 40% of Company's new sales in FY 15-16 and is now the largest new business contributor on a monthly basis.

The strengthening of relationship with the Banks is now enabling your Company to plan/create segment wise focused initiatives which will help in deepening of the relationship.

With the IRDAI mandated open architecture, there are many banks and financial institutions that are seeking to enter health insurance business. In line with this, your Company is exploring new opportunities in Bancassurance and Alliances channel for suitable partners.

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 24% of GWP in FY16-17. Your Company has one of the largest captive telesales team in the health insurance industry, with ~120 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 carving a niche for itself by creating 'digital' opportunities in the Health insurance space in India which is currently estimated to be ~ Rs 340 cr. new sales and currently dominated by web aggregators and a select few insurers. Your Company's digital roadmap will focus on digital natives and meeting their unmet needs by leveraging your Company's current strengths in brand and technology. We are looking at creating unique experiences for potential consumers on mobile phones as a first point of connect. Your Company has also made deep inroads with likeminded digital platforms for showcasing our products on comparative platforms. 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 and profitable business opportunities. Your Company renewed rural business underwritten under the Rashtriya Swasthya Bima Yojna (RSBY) scheme of the Orissa 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. 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 2016-2017 it stood at 69% as compared to 65% for 2015-2016.



Your Company's 30 minutes pre – authorization service commitment, introduced in the Financial Year 2014 – 15, continues to be an industry leading promise in the industry for the Financial Year 2016-17.

C. COST MANAGEMENT

Your Company continues to drive delivering profitable growth by focus on higher efficiency, improved productivity and cost optimization initiatives, it is driving optimization of expenses through segmental analysis and identifying opportunities across functions where expenses can be reduced. We have 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 has improved from 57% in Financial Year 2016 to 54% in Financial Year 2017.

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 627.64 Crores recorded a growth of 11% 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 March 31, 2017 versus 9.1% for the financial year ended March 31, 2016.

E. BUSINESS EXCELLENCE

In the Max Performance Excellence Framework (MPEF) assessment for Financial Year 2016 - 2017 cycle, your Company was working towards moving from Early results to Early Improvement. The MPEF scores received for Financial Year 2016-17 of 453, not only shows significant improvement in scores from 342 last year to 453 but has also lead the Company to jump not one but actually two bands from 'Early Results' to 'Good Performance'. 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 to improve each touch point. 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 2016-2017, your Company has been felicitated with Awards and Recognitions across functional areas. Some of these were as follows:

1. Awards and Accolades:
 - o Won 'India's Most Valuable and Admired Health Insurer 2016' award by Pharma Leaders



- Recognized as the best BFSI Brand 2016 in the Health Insurance Category by The Economic Times, owing to the brand's strong market equity, focus on innovation, 'customer first' philosophy and unique initiatives like Max Bupa Walk for Health.
- Won the prestigious Celent award for Model Insurer – Asia under the category of 'IT Management Best Practices' in April 2016
- Listed as a Super brand in 2016 and 2017- Super brands is one of the biggest consumers awards in the country.
- Recognized for 'Technology Maturity' at the 6th India Insurance Awards 2016 for Omni channel CRM platform which is helping the business enhance its operational and cost efficiencies and deliver remarkable customer experience.
- Emerged as the Most Trusted Health Insurance brand in the Brand Trust Report 2016. This is the third consecutive year of Max Bupa being recognized as the most trusted Health Insurance brand by the Brand Trust Report published by TRA, through an independent consumer research across 16 cities in India.
- Recognized for best IT practices at Model Asia Insurer of the Year 2016 for implementation of an omnichannel based integrated operational CRM solution that enables convenient, faster and more accurate services to customers, agents and partners
- Recognized as one of the top 50 brands'15-16 in India by Pitch and Exchange4media

4. PHILOSOPHY

Your Company's purpose is to help customer lead healthier, more successful lives. With an aim to build long-term healthcare partnerships for life, your Company is working towards helping people put their 'health first' through your comprehensive product and service portfolio.

Your Company's vision is to become India's most admired health insurance Company by building a customer centric culture and investing in people, technology, infrastructure to deliver high quality products and services to customers. Such vision has been reflected in our strategic priorities for the year ahead.

5. OPERATIONS

The operations and service of your Company work out of 29 branches and one national operating center. The New Business and Branch operations of the Company are supported by the state of art workflow management and CRM system ensuring that all key processes like policy issuance and customer queries are digitized without any paper flow. Such processes, coupled with initiatives of Instainsure and Saral, take the Company a step further where there is no physical form needed even at the point of sales. This ensures that we remain competitive as well as customer focused with timely issuance of policies and resolution of queries.

Our customer service department enables the customer to have multiple accesses to get his / her queries resolved. With technologies like IVR embedded in the call center, we have enabled various self service options for the customer, which is available 24X7. CRM system gives us one view of the customer enabling a high rate of first time resolution, ensuring that customer does not have to call us back to get a resolution for most queries. The dedicated in-house call center ensures that all queries and complaints are resolved within the timeline. The critical call centre metrics are internationally benchmarked and the results meet global standards. Our



pre-authorisation turn-around time continues to outperform the industry standards with our 30 minute cashless proposition.

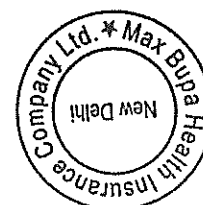
Your Company has invested extensively in building its Health Risk Management (HRM) capabilities over the last two years. HRM, as a philosophy, aims to strike a balance between treating customers fairly, enabling product profitability and affordability of comprehensive health insurance products for the 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 3880 quality hospitals and services its customers directly through its in-house team of professionals, including doctors who process the claims.

6. HEALTH INSURANCE PRODUCTS

Your Company offers individual and family oriented health insurance policies for Indians across all age groups. 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, loyalty additions, 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 is coverage from 31st day (except for accidents) and no specific waiting period of 24 months for insured persons who are below 46 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, Group Criticare, Group Health Secure, Employee First Health Insurance Plan, Swasth Parivar – Health Insurance Plan and Swasthya Pratham – Micro Insurance Product.



8. 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. Rajat Sharma as Company Secretary of the Company with effect from May 06, 2016;

9. 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, 2017 comprises of seven Non-Executive Directors, one Executive Director and three 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
- g) Asset Liability Management Committee (duly constituted on February 03, 2017)

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 along with the attendance of Directors of the Company thereof, as required under Section 134(3) (b) of the Companies Act 2013 also form part of the aforesaid **Annexure - 1**.



10. MATERIAL CHANGES AND COMMITMENT, IF ANY

Below given material changes have an effect on the financial position of your Company.

- a) Your Company has exercised the option given by IRDAI vide circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 and changed the method of calculation of Unearned Premium Reserve (UPR) from '1/365 method' to '50% of net written premium of preceding twelve months'. The impact of the change is that the UPR and the loss for the period ended March'2017 is lower by Rs. 53Cr.
- b) The Company had filed with IRDA for forbearance for exceeding the expenses of management over the allowable limit for 2015-16 along with a convergence plan.

Based upon the submission, the Authority in terms of regulation 11 of IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016 granted forbearance for FY 2016-17 and 2017-18.

A sum of Rs. 105.56 cr which is in the excess of expenses of management over the allowable limit has been transferred from Revenue Account to Profit and Loss account in accordance with the circular no. IRDAI/Reg./12/124/2016.

- c) During the year, Bupa Singapore Holdings Pte. Ltd. has increased its stake in your Company from 26% to 49%.

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

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

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

There 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.

13. DIVIDEND

The Directors do not recommend any dividend for the financial year 2016-17.

14. CAPITAL

The authorized share capital of the Company is Rs. 1,000 crores (Rupees One Thousand crores) divided into 100,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten



Business Sector	Year ended March 31, 2017	
	GWP Rs.'000s	% of GWP
Rural	3,66,306	6.17%
Social	8,022	0.14%
Urban	55,73,032	93.83%

The Company achieved a rural target of 6.17% of GWP against the prescribed obligation of 2.5% of GWP. Under the social sector, the Company covered 197,268 lives against the prescribed obligation of 71,394 lives thereby fulfilling the social sector obligation.

20. JOINT STATUTORY AUDITORS

The Statutory Auditors of the Company namely M/s. M.P. Chitale & Co, Chartered Accountants, (ICAI FRN- 101851W) and M/s Nangia & Co. Chartered Accountants, New Delhi, (ICAI FRN- 002391C) shall retire at the conclusion of the ensuing 9th Annual General Meeting.

It is proposed to appoint M/s Nangia & Co. Chartered Accountants, New Delhi, (ICAI FRN- 002391C) as joint statutory auditor for the FY 2017-18 at the ensuing 9th Annual General Meeting.

It is also proposed to ratify the appointment of M/s. M.P. Chitale & Co, Chartered Accountants, (ICAI FRN- 101851W) as joint statutory auditor for the FY 2017-18 at the ensuing 9th Annual General Meeting. The appointment of M/s. M.P. Chitale & Co, Chartered Accountants, till 2017-18.

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.

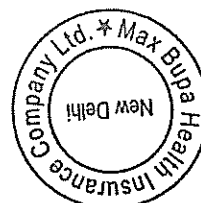
Hence, based on the recommendation of the Audit Committee, the Board further recommends the appointment of M/s Nangia & Co., Chartered Accountants and M/s. M.P. Chitale & Co, Chartered Accountants as Joint Statutory Auditors of your Company.

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.

21. 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, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;



Your Company has an operationally independent Risk Management Function in place, headed by a Chief Risk Officer. The function is responsible for the supervision of all risk management activities in the Company, including developing the risk appetite, maintaining an aggregated risk view across the Company, monitoring the residual risks to ensure that they remain within tolerance levels. It also reviews the appropriateness and adequacy of the risk management strategy and develops recommendations to the Risk Committee as necessary. The Risk Management function also ensures that, through various management submissions, the Board is adequately informed on key emerging risk related issues and if necessary, provides supplementary advice to the Board through Risk Committee.

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

Within the framework, a Risk Appetite Statement is in place which identifies and addresses each material risk to which the Company is exposed and establishes the degree of risk that the Company is willing to accept in pursuit of its strategic objectives, business plans and the interest of the policyholders. These material risks have been categorized in the areas of Strategic, Insurance, Financial, Operational, Legal & Compliance and Reputational Risks. The Risk Management Strategy has been developed which defines the Company's approach to manage the identified material risks through acceptance, avoidance, transfer and/ or mitigation. The degree and intensity of the management action is guided by comparing the risk appetite with the potential impact of the risk, likelihood of its occurrence and the costs of implementing the controls. This is supplemented by various policies and procedures in respective operating areas which help to identify, mitigate and monitor risks.

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

35. ADDITIONAL INFORMATION

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 together with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time 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, 2017 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:

We have focused on critical technology enablement and automation across multiple areas – sales & marketing, operations, finance, HR etc. Existing CRM solution has been extended to automate renewals operations. Solution for analytics has been enhanced to improve its leverage on cross functional use cases and scenarios. Digital assets like mobile app for sales have been enhanced to increase extent of automation and new functionality. The Company has invested in a solution for automating legal compliance workflows. Integration of Bancassurance channels has been enhanced for a seamless experience. The Company has successfully upgraded its existing technology infrastructure inline with recent innovations and capabilities to improve performance of all systems.

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

Technology has helped us build digital frameworks, automating the acquisition workflows with already more than 30% adoption on our Instainsure mobile application leading to more online payments and thus lesser documentation, this helps improve customer experience.

The customer relationship management solution (CRMs) has enabled us improving our CSATs by increasing the FTRs (first time right) with now renewals business getting routed through the new platform. Our endeavor to automate generation of the softcopies of the policy pack which are being emailed to the customer leading to cost saves. Last but not the least we are now leveraging our digital platforms to further enhance our partner experience & improve TAT's with tab based solutions.

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



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, 2017	For the year ended March 31, 2016
i)	Foreign Exchange Earnings	Nil	Nil
ii)	Foreign Exchange Outgo		
	CIF Value of Imports		
	- Capital Goods	Nil	Nil
	- Trading Goods	Nil	Nil
	Others	2,994	28,498

36. ACKNOWLEDGEMENTS

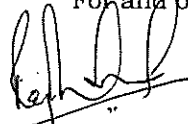
The Directors wish to place on record their deep appreciation for the hard work, dedicated efforts, teamwork and professionalism shown by the employees and the agent advisors, which have enabled your Company to establish itself amongst the leading Health Insurance companies in India.

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.



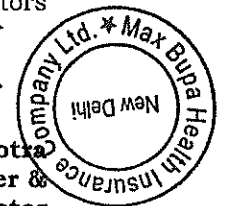
For and on behalf of the Board of Directors



Rajesh Sud
Chairman of the Board and
Director
DIN - 0002395182



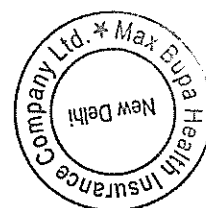
Ashish Mehrotra
Chief Executive Officer &
Managing Director
DIN - 0007277318



Place: New Delhi
Date: July 25, 2017

LIST OF ANNEXURES

S.No	Particulars	Relevant Rules	Relevant form	Annexure No.
1.	Disclosures for the Financial Year 2016-17 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
6	Nomination and Remuneration Policy	Section 134 (3)(e) of the Companies Act, 2013	Policy Copy	6



ANNEXURE I

I. Disclosures for the Financial Year 2016-17 as per IRDA Corporate Governance

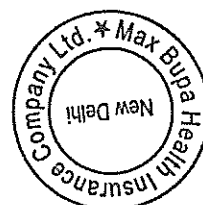
Guidelines

- 1) During the Financial Year 2016-17, the following Committee and Board Meetings were held:-

S.No	Name of the Committee and Board	Date of Holding the Meetings							
		April 19, 2016	May 05, 2016	July 18, 2016	August 01, 2016	September 29, 2016	October 27, 2016	January 05, 2017	February 02, 2017
1.	Audit Committee Meeting								
2.	Investment Committee Meeting	N.A		N.A		N.A		N.A	
3.	Policyholder's Protection Committee Meeting	N.A		N.A		N.A		N.A	
4.	Product and Actuarial Committee Meeting	N.A		N.A		N.A		N.A	
5.	Risk Committee Meeting	N.A		N.A		N.A		N.A	
6.	Nomination and Remuneration Committee Meeting	N.A		N.A		N.A		N.A	
7.	Board Meeting	N.A		N.A		N.A		N.A	

- 2) Constitution of the Board, number of meetings held and attendance by Directors during the year 2016-2017

S.No.	Name of the Director(s)	No. of Board Meetings held	No. of Board Meetings attended
1.	Rahul Khosla	4	4
2.	Rajesh Sud	4	4



3.	David Martin Fletcher	4	3
4.	Mohit Talwar	4	3
5.	Marielle Theron	4	4
6.	Evelyn Brigid Bourke*	3	3
7.	Joy Linton**	1	1
8.	John Lorimer	4	4
9.	K Narasimha Murthy	4	4
10.	Pradeep Pant	4	4
11.	Burjor P. Banaji***	1	1
12.	Ashish Mehrotra	4	4

*Cease to be the member of the Board w.e.f October 31, 2016.

** Appointed as member of the Board w.e.f October 31, 2016.

*** Appointed as member of the Board w.e.f February 03, 2017.

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 2016-2017

Name of the Member(s)	No. of meetings held	No. of Meetings attended
K. Narasimha Murthy	8	8
Pradeep Pant	8	8
David Martin Fletcher	8	6

- 4) Constitution of the Investment Committee, number of meetings held and attendance by the Members during the year 2016-2017

Name of the Member(s)	No. of meetings held	No. of Meetings attended
Evelyn Brigid Bourke*	3	3
Joy Linton**	1	1
Marielle Theron	4	4
Vishal Garg	4	4
Biresh Giri***	1	1
Joydeep Saha****	3	3
Rahul Ahuja	4	4
Ashish Mehrotra	4	4

* Ceased to be the member effective October 31, 2016.

** Appointed as member effective October 31, 2016.

*** Ceased to be the member effective June 28, 2016.

**** Appointed as member effective June 14, 2016.



- 5) Constitution of the Risk Committee, number of meetings held and attendance by the Members during the year 2016-2017

Name of the Member(s)	No. of meetings held	No. of Meetings attended
John Howard Lorimer	4	4
Mohit Talwar	4	3
Marielle Theron	4	4
K. Narasimha Murthy	4	4
Evelyn Brigid Bourke*	3	3
Joy Linton**	1	1

* Ceased to be the member effective October 31, 2016 due to resignation.

** Appointed as member effective October 31, 2016.

- 6) Constitution of the Policyholders' Protection Committee, number of meetings held and attendance by Members during the year 2016-2017

Name of the Member(s)	No. of meetings held	No. of Meetings attended
David Martin Fletcher	4	4
Marielle Theron	4	4
John Howard Lorimer	4	4
Ashish Mehrotra	4	4
Vikas Gujral*	3	3

*Appointed as member effective August 01, 2017.

- 7) Constitution of the Product and Actuarial Committee, number of meetings held and attendance by Members during the year 2016-2017

Name of the Member(s)	No. of meetings held	No. of Meetings attended
Marielle Theron	4	4
David Martin Fletcher	4	4
Evelyn Brigid Bourke*	4	3
Joy Linton**	1	1
Ashish Mehrotra	4	4
Biresh Giri***	1	1
Joydeep Saha****	3	3

* Ceased to be the member effective October 31, 2016 due to resignation.

** Appointed as member effective October 31, 2016.

*** Ceased to be the member effective June 28, 2016.

**** Appointed as member effective June 14, 2016.



- 8) Constitution of the Nomination and Remuneration Committee, number of meetings held and attendance by Members during the year 2016-2017

Name of the Member(s)	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, 2017:

S. No	Particular	Status of Directorship	Qualifications and specialization
1.	Rajesh Sud DIN - 0002395182	Chairman And Non Executive Director	MBA from FMS, Delhi University, Advanced Management Program from Wharton Business School, University of Pennsylvania, Philadelphia, USA
2.	Rahul Khosla DIN - 0003597562	Co-Vice Chairperson and Non Executive Director	Bachelor degree with honors in Economics from St. Stephen, New Delhi and Chartered Accountant
5.	David Martin Fletcher DIN - 0007004032	Co-Vice Chairperson and Non Executive Director	BA honors Modern History, Durham University, UK
3.	Mohit Talwar DIN - 0002394694	Non Executive Director	Post Graduation in Arts from St. Stephen's College and Post Graduation in Hospitality Management from the Oberoi School.
4.	Marielle Theron DIN - 0002667356	Non Executive Director	BSC in Statistics and Actuary Science Fellow of society of Actuary
6.	Joy Carolyn Linton DIN - 0007630925	Non Executive Director	Bachelor of Commerce



7.	John Lorimer DIN - 0007138581	Non Executive Director	Bachelor of Commerce
8.	K Narasimha Murthy DIN - 0000023046	Independent Director	B.SC, FCA, FCMA
9.	Pradeep Pant DIN -0000677064	Independent Director	Master in Management Studies
10.	Burjor P. Banaji DIN - 0001341783	Independent Director	Medical School Postgraduate
11.	Ashish Mehrotra DIN - 0007277318	Managing Director and Chief Executive Officer	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) There was no pecuniary relationships or transactions of the Non-Executive Directors with the Company during the Financial Year 2016-17
- 12) 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.

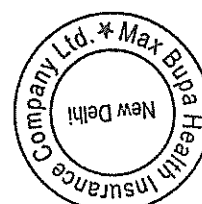
No remuneration or Commission were received by Managing Director or Whole Time Director of the Company from the Holding Company or Subsidiary Company during the year.

13) Sitting Fees

Your Company has paid sitting fees to its Non-Executive - Independent Directors namely Mr. K. Narasimha Murthy, Mr. Pradeep Pant and Dr. Burjor P. Banaji for attending the Committee & Board meeting during Financial Year 2016 - 2017. 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	4	Board Meeting	4,00,000/-
2.	Mr. K Narasimha Murthy	8	Audit Committee	8,00,000/-
3.	Mr. K Narasimha Murthy	4	Risk Committee	4,00,000/-
4.	Mr. K Narasimha	4	Nomination and	4,00,000/-



	Murthy		Remuneration Committee	
5.	Mr. Pradeep Pant	4	Board Meeting	4,00,000/-
6.	Mr. Pradeep Pant	8	Audit Committee	8,00,000/-
7.	Mr. Pradeep Pant	4	Nomination and Remuneration Committee	4,00,000/-
8.	Mr. Burjor P. Banaji	1	Board Meeting	1,00,000/-

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, India.

DIN - 02395182



Place: New Delhi
Date: July 25, 2017

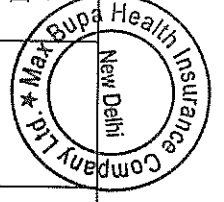
Annexure 2

PARTICULARS OF EMPLOYEES

Pursuant to provisions of section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of the employees are given below:

(a) Top 10 Employee in terms of remuneration who were Employed throughout the financial year:

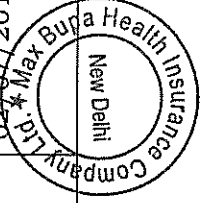
S No	Name	Designation	Remuneration (INR)	Nature of employment	Qualification	Experience	Date of commencement of employment	Age (years)	Last employment before joining the Company	% of Equity Capital held
1	Ms. Anika Agarwal	SVP & Head-Marketing Digital and Direct Sales	77,87,265	Marketing	Post Graduate Diploma in Marketing Management	14	01/11/2011	37	Nokia Corporation	Nil
2	Mr. Anurag Gupta	Senior Vice President & Head - Agency Channel	90,27,061	Sales and Distribution	Post Graduate Diploma in Business Management	19	18/05/2015	43	Max Life Insurance Co. Ltd.	Nil
3	Mr. Rahul Ahuja	Chief Financial Officer	2,52,30,938	Finance	Chartered Accountant, Bachelor of Commerce	20	01/06/2015	45	Max India Ltd.	Nil
4	Ms. Polly Mary Doak	Chief Strategy Officer and Director of Products	64,41,533	Transformation Office	Master of Commerce	15	15/06/2015	40	Bupa - Hong Kong	Nil
5	Mr. Aseem Gupta	SVP & Head - Portfolio Management & Affinity Channels	67,50,537	Sales and Distribution	Post Graduate Diploma in Business Management	19	19/10/2015	43	Skope Business ventures Pvt. Ltd	Nil



6	Mr. Ashish Mehrotra	Managing Director & CEO	3,25,23,276	CEO - Office	Master of Business Administration	22	04/11/2015	48	Citibank N.A, Global Consumer Bank	Nil
7	Ms. Priya Gilbile	SVP & Head - Health Risk Management	64,78,505	Health Risk Management	BSc. Micro-biology	18	18/03/2013	38	Cognizant Technology Solutions India Private Limited	Nil
8	Mr. Gurmeet Singh	Head - DST Tele Sales	60,59,415	Tele Sales	Masters in International Business	15	18/01/2010	40	Dhanlakhshmi Bank	Nil
9	Mr. Kailash Shelke	Vice President & Head - Medical Underwriting	55,85,594	Medical Underwritings	Masters in Health Administration	20	25/01/2010	46	ICICI Lombard General Insurance Co Ltd	Nil
10	Mr. Navin Sahni	Senior Vice President & Head - Operations	61,05,414	Claims Management & Operations	Post Graduate Diploma in Business Administration	18	14/04/2013	42	Crossdomai n Solutions P Ltd	Nil

(b) Employees who were in the receipt of remuneration aggregating Rs. 1,02,00,000 or more per annum:

S No	Name	Designation	Remuneration (INR)	Nature of employment	Qualification	Experience	Date of commencement of employment	Age (years)	Last employment before joining the Company	% of Equity Capital held
1	Mr. Rahul Ahuja	Chief Financial Officer	2,52,30,938	Finance	Chartered Accountant, Bachelor of Commerce	20	01/06/2015	45	Max India Ltd.	Nil
2	Mr. Debraj Sinha	Director & Chief Human Resources	1,35,13,101	Human Resource Development	Masters in Personnel Management	19	02/07/2015	44	Corporate Vice President -	Nil



	Officer											
3	Mr. Joydeep Saha	Head Actuarial	-	1,05,73,231	Actuarial	FIAI Qualified Actuary	15	14/06/2016	39	HR	Appointed Actuary	Nil
4	Mr. Ashish Mehrotra	Managing Director & CEO		3,25,23,276	CEO - Office	Master of Business Administration	22	04/11/2015	48		Citibank N.A, Global Consumer Bank	Nil

(c) Employed for part of the financial year and was in receipt of remuneration not less than Rs. 8,50,000 per month:

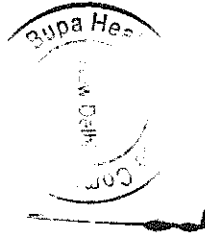
S No	Name	Designation	Remuneration (LNR)	Nature of employment	Qualification	Experience	Date of commencement of employment	Age (years)	Last employment before joining the Company	% of Equity Capital held
1	Mr. Debraj Sinha	Director & Chief Human Resources Officer	1,35,13,101	Human Resource Development	Masters in Personnel Management	19	02/07/2015	44	Corporate Vice President - HR	Nil
2	Mr. Joydeep Saha	Head Actuarial	1,05,73,231	Actuarial	FIAI Qualified Actuary	15	14/06/2016	39	Appointed Actuary	Nil



(d) Employee who was in receipt of remuneration in excess of that drawn by the Managing Director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company:

S No	Name	Designation	Remuneration (INR)	Nature of employment	Qualification	Experience	Date of commencement of employment	Age (years)	Last employment before joining the Company	% of Equity Capital held
NIL										

For and on behalf of the Board of Directors



Ashish Mehrotra
Ashish Mehrotra
 Chief Executive Officer
 & Managing Director
 DIN - 07277318
 Address:- 401, Ann Abode Apartments,
 St Martin Road, Bandra West,
 Mumbai, 400050, Maharashtra, India.

Rajesh Sud
Rajesh Sud
 Chairman



DIN - 02395182
 Address - E-801, Central Park-
 1, Sector-42, Sector Road,
 Gurgaon - 122002

Place: New Delhi
 Date: July 25, 2017

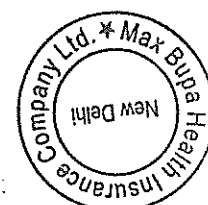
- It provides services of identifying and recruiting agents for Max Bupa and Max Bupa engaging these agents.
 - Contract bears a termination clause which states
 - Max Bupa will have the right to terminate the agreement by giving thirty days notice to other party on event of material breach of terms or non performance of the agreement or for the convenience of Max Bupa.
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The service charged will be based on agreed rate of service availed.
 - Identifying and referring of agents for Max Bupa and
 - Max Bupa engaging such agents @ Rs. 3500/- per agent
- d) Date(s) of approval by the Audit Committee, if any: April 19, 2016
- e) Amount paid as advances, if any: NIL

(3) Sales and Service Training Agreement with Max Skill First Ltd

- a) Name(s) of the related party and nature of relationship:-
- Max Skill First Ltd
 - Fellow subsidiary
- b) Nature and Duration of contracts/arrangements/transactions :-
- Service contract
 - Max Skill First Ltd. to provide Sales & Service training to Employees and
 - Agents of Max Bupa Ltd.
 - 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
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The total contract value for FY 16-17 is INR 5.05 Crores
- d) Date(s) of approval by the Audit Committee, if any: May 05, 2016
- e) Amount paid as advances, if any: NIL

(4) Directors & Officers (D&O) insurance premium sharing of cost with Holding Company and with fellow subsidiaries of Max Bupa Health Insurance Company Limited.

- a) Name(s) of the related party and nature of relationship:-
- Max India Ltd
 - Holding Company
- b) Nature and Duration of contracts/arrangements/transactions :-
- Sharing of D&O insurance premium between Group Companies
 - The duration of the policy for which the premium is to be recovered is 13th July 2015 to 12th July 2016



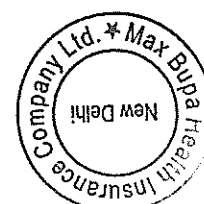
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- D&O policy is centrally procured by Corporate Office with coverage provided to all subsidiaries of the Max Group.
 - D&O Policy presently availed with Tata AIG General Insurance with an annual premium of Rs 24 Lacs
- d) Date(s) of approval by the Audit Committee, if any: May 05, 2016
- e) Amount paid as advances, if any: NIL

(5) Rental Charges for sharing Shop Floor Space by Max Life Insurance Company Limited.

- a) Name(s) of the related party and nature of relationship:-
- Max India Ltd
 - Holding Company
- b) Nature and Duration of contracts/arrangements/transactions :-
- Sharing of D&O insurance premium between Group Companies
 - The duration of the policy for which the premium is to be recovered is 13th July 2015 to 12th July 2016
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- D&O policy is centrally procured by Corporate Office with coverage provided to all subsidiaries of the Max Group.
 - D&O Policy presently availed with Tata AIG General Insurance with an annual premium of Rs 24 Lacs
- d) Date(s) of approval by the Audit Committee, if any: May 05, 2016
- e) Amount paid as advances, if any: NIL

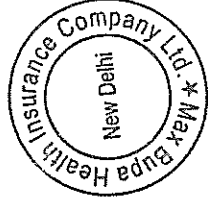
(6) Sales and Service Training Agreement with Max Skill First Ltd

- f) Name(s) of the related party and nature of relationship:-
- Max Skill First Ltd
 - Fellow subsidiary
- g) Nature and Duration of contracts/arrangements/transactions :-
- Service Agreement
 - Max Skill First Ltd. to provide Sales & Service training to employees and agents of Max Bupa Ltd.
 - Agreement being effective from 01.12.2015 is for 3 years with a termination clause which states that either party can terminate the agreement by giving one month's written notice to other party
- h) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The total contract value for the year 2016-17 will not exceed INR 5.38 Crores.



MAX BUPA HEALTH INSURANCE CO. LTD.

ANNEXURE - 4



Annexure - 4					
Form No. MGT-9					
EXTRACT OF ANNUAL RETURN					
As on the financial year ended on March 31, 2017					
[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, 11nd 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 - Bhal Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533	L85100PB2015PLC039155	Holding Company	74	2(46)
IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)				No. of Shares held at the end of the year	
(i) Category-wise Share Holding				No. of Shares held at the beginning of the year	
				% of Total Shares	
Category of Shareholders				No. of Shares held at	
				% of Total Shares	
A Promoters				Physical	
				Demat	
I Indian				Total	
				% of Total Shares	
a) Individual/HUF				Physical	
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#	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
b)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)	Bodies Corp.	408029970	256,490,000	664,519,970	73,99999	408029970	64,230,000	472,259,970
e)	Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	50,99999
f)	Any Other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-total (A)(1)	408029970	256,490,000	664,520,000	74	408029970	64,230,030	472,260,000
2	Foreign							
a)	NRIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b)	Individuals	Nil	30	30	0.00001	Nil	30	0.00001
c)	Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)	Bodies Corp.	206540000	26,939,970	233,479,970	25,99999	206540000	247,199970	48,99999
e)	Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Any Other...	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-total (A)(2)	206540000	26,940,000	233,480,000	26	206540000	247,200,000	49
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	614569970	283,430,030	898,000,000	100	614569970	311,430,030	926,000,000
B	Public Shareholding							
1	Institutions							
a)	Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b)	Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)	State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g)	FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h)	Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i)	Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Non-Institutions							
	Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a)	i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b)	Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	c. Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Public Shareholding (B) = (B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C	Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Grand Total (A+B+C)	614,569,970	283,430,030	898,000,000	100	614,569,970	311,430,030	926,000,000
(ii)	Shareholding of Promoters							
#	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s Max India Limited	664,519,970	73,99999	Nil	472,259,970	50,99999	Nil	-23%
4	Mr. Mohit Talwar*	10	0.00001	Nil	10	0.00001%	Nil	Nil
5	Mr. Sujatha Ratnam*	10	0.00001	Nil	10	0.00001%	Nil	Nil
6	Mr. Jaun Khanna*	10	0.00001	Nil	10	0.00001%	Nil	Nil
7	M/s Bupa Singapore Holdings Pte. Ltd.	233,479,970	25,99999	Nil	453,739,970	48,99999	Nil	23%
11	Mr. David Martin Fletcher **	10	0.00001	Nil	10	0.00001%	Nil	Nil



12	Mr. John Howard Lorimer **	10	0.00001	Nil	Nil	10	Nil	Nil	Nil
13	Ms. Evelyn Brigit Bourke **	10		Nil	Nil	Nil	Nil	Nil	Nil
	Ms. Joy Carolyn Linton**	Nil		Nil	Nil	10	Nil	Nil	Nil
	Total	898,000,000	1	Nil	Nil	926,000,000	1	Nil	Nil

0.00001%

** holding the shares as nominees of M/s Max India Limited in terms of Section 89 of the Companies Act, 2013

** holding the shares as nominees of M/s Bupa Singapore Holdings Pte. Ltd in terms of Section 89 of the Companies Act, 2013

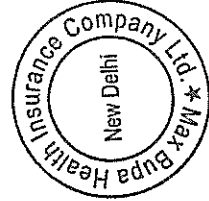
Change in Promoters' Shareholding (please specify if there is no change) PROPORTION OF SHAREHOLDING PATTERN WAS CHANGED DURING THE YEAR FY 2016-17 FROM 74:26 TO 51:49 - THE COMPANY HAS ISSUED SHARES, ON RIGHT BASIS, TO THE EXISTING SHAREHOLDERS WHICH DOES NOT MADE ANY CHANGES IN PERCENTAGE OF SHAREHOLDING

#	Particular	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				
i	Max India Limited	664,520,000	73.999999	664,520,000	50.999999
ii	Bupa Singapore Holdings Pte Ltd	233,480,000	25.999999	233,480,000	48.999999
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): Transfer of 206,540,000 equity shares i.e 23% of Equity shares were made from Max India Limited to Bupa Singapore Holdings Pte Ltd on July 29, 2016.				
a)	Allotment on September 07, 2016				
i	Max India Limited	14,280,000	50.999999	472,260,000	50.999999
ii	Bupa Singapore Holdings Pte Ltd	13,720,000	48.999999	453,740,000	48.999999
3	At the End of the year	926,000,000	100*	926,000,000	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

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	% of total shares of the company	Cumulative Shareholding during the year	% 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 2016-17				
#	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. Sujatha Ratnam	10	0.00001	Nil	Nil
b)	Mr. Mohit Talwar	10		Nil	Nil
c)	Mr. Jatin Khanna	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
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. Joy Carolyn Linton	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				
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	31,350,954
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,172,322
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)	32,523,276

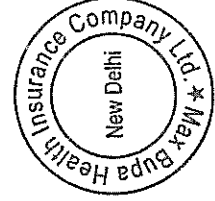
Ceiling as per the Companies Act, 2013 - THERE IS NO LIMIT UNDER COMPANIES ACT, 2013 FOR MANAGERIAL REMUNERATION. BEING AN INSURANCE COMPANY, PAYMENT TO WHOLE TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER IS GOVERNED BY INSURANCE ACT, 1938

B Remuneration to other directors				
#	Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors	Mr. K Narasimha Murthy	Mr. Pradeep Pant	Mr. Burjor p. Bansil
	Fee for attending Board / Committee meetings	2,000,000	1,600,000	100,000
	Commission	Nil	Nil	Nil
	Others, please specify - Travelling Expenses	Nil	Nil	Nil
	Total (1)	2,000,000	1,600,000	100,000
	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	100,000
	Total (B)=[1+2]	2,000,000	1,600,000	100,000
	Total Managerial Remuneration under Companies Act 2013	2,000,000	1,600,000	100,000



Overall Ceiling as per the Companies Act 2013 (for sitting fee)	100,000	100,000	100,000	100,000	
C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Key Managerial Personnel ("KMP")					
#	Particulars of Remuneration	Mr. Ashish Mehrotra (CEO/WTD) w.e.f November 04, 2015	Mr. R Mahesh Kumar (Company Secretary) uptill April 10, 2016	Mr. Rajat Sharma (Company Secretary) w.e.f May 06, 016	Mr. Rahul Ahuja (Chief Financial Officer) w.e.f June 01, 2015
Gross Salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31,350,954	499,012	1,801,275	24,183,438
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	1,172,322	9,778	110,021	1,047,500
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission as % of profit of others. specify.	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
Total		32,523,276	508,790	1,911,296	25,230,938

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
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil





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CHANDRASEKARAN ASSOCIATES®

COMPANY SECRETARIES

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

The Members

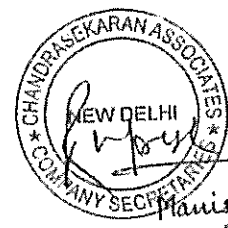
Max Bupa Health Insurance Company LimitedB 1/ 1-2, Mohan Co-Operative Industrial Area,
Mathura Road,
New Delhi 110044

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 March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 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
- (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



11-F, Pocket-IV, Mayur Vihar Phase-I, Delhi-110 091.

Phone : 2271 0514, 2271 3708, E-mail : info@cacsindia.com, visit us at : www.cacsindia.com

- (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 (Share Based Employee Benefits) Regulations, 2014;
- (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;

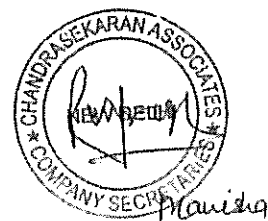
(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:

1. Insurance Regulatory and Development Authority of India 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 notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Not Applicable

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.



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 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 for the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance (and at a shorter notice for which necessary approvals obtained), 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 the following specific events / actions having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

1. allotment of 2.8 crore equity shares of Rs. 10 each on rights basis in the Board Meeting held on 28.10.2016
2. amendment in the Articles of Association of the Company

Date: 15/07/2017

Place: New Delhi

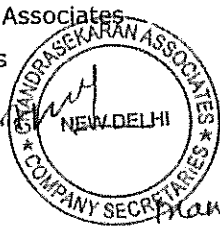
For Chandrasekaran Associates

Company Secretaries


Rupesh Agarwal
Partner

Membership No. A16302

Certificate of Practice No. 5673



Annexure A

The Members

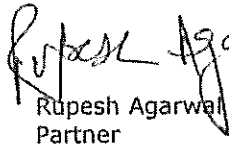
Max Bupa Health Insurance Company Limited
B 1/ 1-2, Mohan Co-Operative Industrial Area,
Mathura Road,
New Delhi 110044

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.

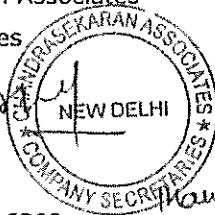
Date: 15/07/2017

Place: New Delhi

For Chandrasekaran Associates
Company Secretaries


Rupesh Agarwal
Partner

Membership No. A16302
Certificate of Practice No. 5673



NOMINATION AND REMUNERATION POLICY

Max Bupa Health Insurance Company Limited

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of Max Bupa Health Insurance Company Limited ("Max Bupa" or "Company") is required to constitute the Nomination and Remuneration Committee ("NRC" or "the Committee"). The Company has in place a NRC comprising of 4(four) non-executive Directors, of which 2(two) are Independent Directors as required under section 178 of the Companies Act, 2013. The said Committee is currently discharging all obligations of NRC.

This Committee and the Policy are formulated in compliance with Section 178 of the Companies Act, 2013 read along with Corporate Governance Guidelines for Insurance Companies issued by IRDAI, in this regard.

II. DEFINITIONS

"Board" means Board of Directors of the Company.

"Company" means "Max Bupa Health Insurance Company Limited."

"Director" means a director appointed to the Board of the Company.

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

"Key Managerial Personnel" (KMP) means

- a) Chief Executive Officer or the Managing Director or the Manager,
- b) Company Secretary,
- c) Whole-time Director,
- d) Chief Financial Officer and
- e) Such other officer as may be prescribed.

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

"Policy or This Policy" means, "Nomination and Remuneration Policy."

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

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

III. GUIDING PRINCIPLES

The Policy ensures that

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

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

IV. ROLE OF THE COMMITTEE

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

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

Appointment criteria and qualifications:

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

VI. TERM AND TENURE

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

VII. EVALUATION

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

VIII. REMOVAL

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

IX. RETIREMENT

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

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

- a) **Remuneration of CEO and Managing Director:** The remuneration of CEO, Whole Time Director and Managing Director inclusive of fixed pay, perquisites, allowances, short term/long-term incentives, retinals, and other components, will be determined by the Committee and recommended to the Board for approval. Wherever required, the remuneration of CEO, Whole Time Director and Managing Director shall be subject to the approval of the shareholders of the Company, Central Government and / or Insurance Regulatory Development Authority of India (IRDAI), in accordance with applicable provisions.

The remuneration and commission to be paid to CEO, Whole Time Director and Managing Director shall be as per the applicable statutory provisions of the Companies Act, 2013 read with the Insurance Act, 1938 and amendments and rules made there-under for the time being in force.

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

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

XI. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:

- a) **Commission to Independent Director**

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

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

- b) **Sitting Fees**

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

- c) **Engagement for Professional Services**

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

XII. DEVIATIONS FROM THIS POLICY

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

XIII. OWNER OF THE POLICY

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

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

M.P. Chitale & Co.
Chartered Accountants

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Telephone +91 22 22651186

Nangia & Co. LLP
Chartered Accountants

A-109, Sector-136,
Noida (Delhi – NCR) - 201304
India
Telephone +91 120 2598000
Fax+91 120 2598010

INDEPENDENT AUDITOR'S CERTIFICATE

(Referred to in paragraph 1 of our Report on Other Legal and Regulatory Requirements forming part of the Independent Auditor's Report dated May 9, 2017)

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

The Company's Board of Directors is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 read with Insurance Regulatory and Development Authority of India circular IRDAI/F&A/CIR/FA/059/03/2015 dated March 31, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDA") which includes the preparation of the Management Report. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid

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 issues by the Institute of Chartered Accountants of India (the 'ICAI'), which include 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 **MAX BUPA HEALTH INSURANCE COMPANY LIMITED** ("the Company") for the year ended March 31, 2017, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2017, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
2. Based on the management representations and compliance certificates submitted to the Board of Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDA;



3. We have verified the cash balances, and securities, to the extent considered necessary relating to the Company's loans and investments as at March 31, 2017, by actual inspection or on the basis of certificates/confirmations received from the Custodian and/or Depository Participants appointed by the Company, as the case may be. As at March 31, 2017, the Company does not have reversions and health 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, relating to the application and investments of the Policyholders' Funds.

This certificate is issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ("the IRDA Financial Statements Regulations") read with Regulation 3 of the IRDA Financial Statements Regulation and is not intended to be used or distributed for any purpose.

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

Murtuza Vajih
Partner
Membership No. 112555
Place: Mumbai
Date : May 9, 2017



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

Vikas Gupta
Partner
Membership No. 076879
Place: Noida
Date: May 9, 2017



M.P. Chitale & Co.
Chartered Accountants

1st Floor, Hamam House, ,
Amababal Doshi Marg, Fort
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India
Telephone +91 22 22651186

Nangia & Co. LLP
Chartered Accountants

A-109, Sector-136,
Noida (Delhi – NCR) - 201304
India
Telephone +91 120 2598000
Fax+91 120 2598010

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MAX BUPA HEALTH INSURANCE COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MAX BUPA HEALTH INSURANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the related Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the 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.



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

Auditors' Responsibility

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

We have taken into account the provisions of the Insurance Act, the IRDA Act, the Regulations, the Companies Act and the Rules made there under, including accounting standards, to the extent applicable, and auditing standards and matters which are required to be included in the audit report

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 control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared 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, 2017;
- (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 loss 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.



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

Emphasis of Matter

We invite attention to:

- Note no. 16 C (1) regarding the change in the manner of estimating Unearned risk reserve, resulting in a credit of Rs. 53.00 crores to the profit and loss account.
- Note no 16 C (25) regarding treatment of expenses in excess of limits specified by IRDAI Expenses of Management Rules 2016, aggregating to Rs. 105.56 crores

Our audit opinion is not modified in this regard,

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, 2017 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 applicable 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 9, 2017 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) As the Company's financial accounting system is centralized, no returns for the purpose of our audit are prepared at the branch of the Company;
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this Report are in agreement with the books of account;
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with 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;



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

- (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the Regulations and/or orders/directions issued by IRDAI in this regard;
- (g) On the basis of written representations received from the Directors of the Company, as on March 31, 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to "Annexure A" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer schedule 16 note C – 32 to the financial statements;
 - ii. The Company has made provision, for material foreseeable losses on long term contracts, including insurance contract. The Company did not hold any derivatives during the year.
 - iii. There have been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has not disclosed details of Specified Bank Notes in the financial statements, since it was not required to do so.

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

Murtuza Vajih
Partner
Membership No. 112555
Place: Mumbai
Date : May 9, 2017



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

Vikas Gupta
Partner
Membership No. 076879
Place: Noida
Date: May 9, 2017



M.P. Chitale & Co.
Chartered Accountants

1st Floor, Hamam House, ,
Amabalal Doshi Marg, Fort
Mumbai 400 021
India
Telephone +91 22 22651186

Nangia & Co. LLP
Chartered Accountants

A-109, Sector-136,
Noida (Delhi – NCR) - 201304
India
Telephone +91 120 2598000
Fax+91 120 2598010

ANNEXURE A

**TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

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

Other Matter

The actuarial valuation of liabilities in respect of 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, 2017. 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 M P Chitale & Co.
Chartered Accountants
Firm Registration No.: 101851W

Murtuza Vajih
Partner
Membership No. 112555
Place: Mumbai
Date: May 9, 2017



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

Vikas Gupta
Partner
Membership No. 076879
Place: Noida
Date: May 9, 2017



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, 2017

Particulars	Schedule	For the year ended Mar 31, 2017 (Rs.'000)	For the year ended Mar 31, 2016 (Rs.'000)
1 Premiums earned (Net of service tax)	1	54,42,811	39,31,095
2 Profit/(Loss) on sale/redemption of Investments		46,306	24,828
3 Others		-	-
4 Interest, Dividend & Rent – Gross		2,90,639	2,29,937
Total (A)		57,79,756	41,85,860
1 Claims Incurred (Net)	2	28,28,120	23,40,226
2 Commission (Net)	3	5,89,710	4,47,973
3 Operating Expenses related to Insurance Business	4	25,66,880	22,12,348
4 Premium Deficiency		-	-
Being Expenses of Management over the allowable limit transferred to Profit and Loss Account		(10,55,683)	-
Total (B)		49,29,027	50,00,547
Operating Profit/(Loss) [C= (A - B)]		8,50,729	(8,14,687)
Appropriations			
Transfer to Shareholders' Account		8,50,729	(8,14,687)
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
Total (C)		8,50,729	(8,14,687)

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 Insurance Regulatory and Development Authority of India (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2016, expenses of management incurred during the year ended Mar 31, 2017 in respect of Miscellaneous-"Health" & "PA" insurance business transactions in India by the Company have been fully recognized in the revenue account as expenses to the extent allowable as per regulations. As per the directions from IRDAI, expenses in excess of allowable limits, as per the Regulations have been transferred to Share Holders Accounts.

As per our report of even date attached.

For Nangia & CO LLP

Vikas Gupta
Vikas Gupta
Partner



Place: Noida

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

K. Narasimha Murthy
Director
K. Narasimha Murthy
DIN: 00023046

Rajesh Sud
Chairman & Director
Rajesh Sud
DIN: 02395182

For M P Chitale & Co.
Chartered Accountants

Murtuza Vajih
Murtuza Vajih
Partner



Place: Mumbai

Rajat Sharma
Company Secretary
Rajat Sharma
Mem No. FCS7069

Joydeep Saha
Appointed Actuary
Joydeep Saha
Mem No. 5230

Ashish Mehrotra
CEO & Managing Director
Ashish Mehrotra
DIN: 07277318

Rahul Ahuja
Chief Financial Officer
Rahul Ahuja



Date: May 9, 2017

CIN - U66000DL2008PLC182918

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, 2017

Particulars	Schedule	For the year ended Mar 31, 2017 (Rs.'000)	For the year ended Mar 31, 2016 (Rs.'000)
1 Operating Profit/(Loss)			
(a) Miscellaneous Insurance		8,50,729	(8,14,687)
2 Income From Investments			
(a) Interest, Dividend and Rent – Gross		1,57,181	1,58,455
(b) Profit/(Loss) on sale/redemption of Investments		25,043	17,110
3 Other Income			
(a) Gain on Foreign Exchange Fluctuation		2,544	-
(b) Interest Income		1,470	1,715
(c) Provisions written back		1,730	10
Total (A)		10,38,697	(6,37,397)
4 Provisions (Other than Taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		-	33,991
(c) Penalty		-	2,000
(d) Others		-	(107)
5 Other Expenses			
(a) Expenses other than those related to Insurance Business		19,780	11,698
(b) Bad debts written off		-	-
(c) Being Expenses of Management over the allowable limit transferred from Revenue Account		10,55,683	-
Total (B)		10,75,463	47,582
Profit/(Loss) Before Tax		(36,766)	(6,84,979)
Provision for Taxation		-	-
Profit/(Loss) After Tax		(36,766)	(6,84,979)
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		(68,93,197)	(62,08,218)
Balance carried forward to Balance Sheet		(69,29,963)	(68,93,197)
Basic and Diluted Earning per Share of Rs. 10/- each (also refer note 23 in Schedule 16)		(0.04)	(0.82)

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

For Nangia & CO LLP

Vikas Gupta
Partner

Place: Noida

Director
K. Narasimha Murthy
DIN: 00023046Chairman & Director
Rajesh Sud
DIN: 02395182For M P Chitale & Co.
Chartered AccountantsMurtuza Vajih
Partner

Place: Mumbai

Company Secretary
Rajat Sharma
Mem No. FCS7069CEO & Managing Director
Ashish Mehrotra
DIN: 07277318Appointed Actuary
Joydeep Saha
Mem No. 5230Chief Financial Officer
Rahul Ahuja

Date: May 9, 2017

CIN - U66000DL2008PLC182918

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, 2017

Particulars	Schedule	As at Mar 31, 2017 (Rs.'000)	As at Mar 31, 2016 (Rs.'000)
Sources of Funds			
Share Capital	5	92,60,000	89,80,000
Share Application Money		-	-
Reserves and Surplus	6	-	-
Fair Value Change Account - Shareholders		1,320	3,050
Fair Value Change Account - Policyholders		1,316	-
Borrowings	7	-	-
Total		92,62,636	89,83,050
Application of Funds			
Investments - Shareholders	8	27,86,306	25,44,742
Investments - Policyholders	8A	34,90,121	31,19,800
Loans	9	-	-
Fixed Assets	10	3,27,967	2,33,963
Current Assets:			
Cash and Bank Balances	11	1,76,510	1,32,579
Advances and Other Assets	12	4,78,719	4,20,110
Sub-total (A)		6,55,229	5,52,689
Current Liabilities	13	20,71,649	17,01,484
Provisions	14	28,55,301	26,59,857
Sub-total (B)		49,26,950	43,61,341
Net Current Assets (C) = (A - B)		(42,71,721)	(38,08,652)
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		69,29,963	68,93,197
Total		92,62,636	89,83,050


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

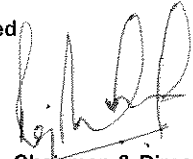
As per our report of even date attached.

For Nangia & CO LLP


Vikas Gupta
Partner

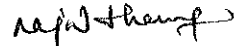
Place: Noida

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

Director
K. Narasimha Murthy
DIN: 00023046

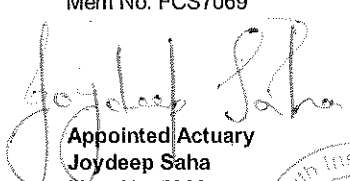

Chairman & Director
Rajesh Sud
DIN: 2395182
For M P Chitale & Co.
Chartered Accountants

Murtuza Vajih
Partner

Place: Mumbai



Company Secretary
Rajat Sharma
Mem No. FCS7069


CEO & Managing Director
Ashish Mehrotra
DIN: 07277318


Appointed Actuary
Joydeep Saha
Mem No. 5230


Chief Financial Officer
Rahul Ahuja

Date: May 9, 2017



CIN - U66000DL2008PLC182918

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
 REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010
 RECEIPTS AND PAYMENT ACCOUNT FOR YEAR ENDED MARCH 31, 2017

Particulars	For the year ended Mar 31, 2017 (Rs.'000)	For the year ended Mar 31, 2016 (Rs.'000)
Cash Flows from the Operating Activities:		
Premium received from Policyholders, including Advance Receipts	66,04,914	54,84,890
Other Receipts	-	-
Payments to the re-insurers, net of commissions and claims	(1,33,242)	(80,444)
Payments to co-insurers, net of claims recovery	(873)	(1,275)
Payments of claims	(28,96,735)	(23,07,535)
Payments of commission and brokerage	(6,17,437)	(4,85,026)
Payments of Other Operating Expenses	(21,69,921)	(20,96,481)
Preliminary and Pre-operative Expenses	-	-
Deposits, Advances and Staff Loans	(14,049)	15,768
Income Taxes Paid (Net)	-	-
Service tax paid	(6,88,321)	(5,49,176)
Other Payments	-	-
Cash Flows before Extraordinary Items	84,336	(19,278)
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	84,336	(19,278)
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(2,10,123)	(43,958)
Proceeds from sale of fixed assets	-	-
Purchases of investments(Net)	(40,53,557)	(60,76,644)
Loans disbursed	-	-
Sales of investments	6,64,118	15,37,168
Repayments received	28,42,157	36,10,100
Rents/Interests/ Dividends received	3,98,464	2,84,327
Investments in money market instruments and in liquid mutual funds (Net)	38,536	(3,53,516)
Expenses related to investments	-	-
Net cash flow from investing activities	(3,20,405)	(10,42,522)
Cash flows from financing activities:		
Proceeds from Share Capital	2,80,000	10,75,000
Share Application Money	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	2,80,000	10,75,000
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net increase/(decrease) in cash and cash equivalents:	43,931	13,200
Cash and cash equivalents at the beginning of the year	1,32,579	1,19,379
Cash and cash equivalents at the end of the year	1,76,510	1,32,579
Net increase/(decrease) in cash and cash equivalents:	43,931	13,200

This is the Receipts and Payments Account referred to in our report of even date

For Nangia & CO LLP

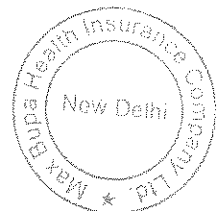
Vikas Gupta
Partner



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

Director
K. Narasimha Murthy
DIN: 00023046

Chairman & Director
Rajesh Sud
DIN: 02395182



For M P Chitale & Co.
Chartered Accountants

Murtuza Vajhi
Partner



Company Secretary
Rajat Sharma
Mem No. FCS 7069

Joydeep Saha
Appointed Actuary
Joydeep Saha
Mem No. 5230

CEO & Managing Director
Ashish Mehrotra
DIN: 07277318

Chief Financial Officer
Rahul Ahuja

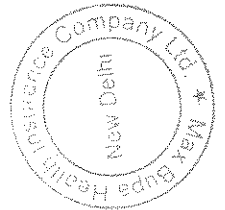
Date: May 9, 2017

CIN - U66000DL2008PLC182918

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

(Rs.'000)

Particulars	For the year ended	For the year ended
	Mar 31, 2017	Mar 31, 2016
SCHEDULE - 1		
PREMIUM EARNED [NET OF SERVICE TAX]		
Premium from direct business written	59,39,338	47,60,092
Add: Premium on reinsurance accepted	3,00,177	2,44,564
Less: Premium on reinsurance ceded	56,39,161	45,15,528
Net Premium	1,96,350	5,84,433
Less: Adjustment for change in reserve for unexpired risks	54,42,811	39,31,095
Total Premium Earned (Net)		
SCHEDULE - 2		
CLAIMS INCURRED [NET]		
Claims paid*	29,37,058	23,33,543
Direct		
Add: Re-insurance accepted	1,44,495	1,16,801
Less: Re-insurance Ceded	27,92,563	22,16,742
Net Claims paid	5,31,206	4,95,649
Add: Claims Outstanding at the end of the period	4,95,649	3,72,165
Less: Claims Outstanding at the beginning	28,28,120	23,40,226
Total Claims Incurred**		
* Includes an amount of Rs 1,43,071 thousands during the year (previous year Rs 1,27,439 thousands) on account of expenses incurred towards operating expenses related processing of claims.		
** Includes an amount of Rs 1,29,627 thousands during the year (previous year Rs 1,06,133 thousands) on account of expenses incurred towards product related benefit paid to policyholders		
SCHEDULE - 3		
COMMISSION		
Commission paid	6,33,960	4,84,405
Direct		
Add: Re-insurance accepted	44,250	36,432
Less: Commission on Re-insurance Ceded	5,89,710	4,47,973
Net Commission		
Break up of commission paid to procure business:		
Agents	3,95,767	3,14,993
Brokers	86,595	61,513
Corporate Agency	1,51,598	1,07,899
	6,33,960	4,84,405



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)

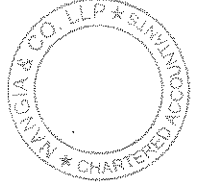
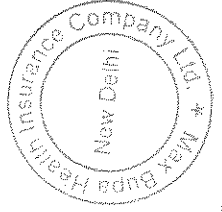
	For the year ended			For the year ended		
	Mar 31, 2017			Mar 31, 2016		
	Health	Personal	Total	Health	Personal	Total
SCHEDULE - 1A						
PREMIUM EARNED (NET OF SERVICE TAX)						
Premium from direct business written	59,09,359	29,979	59,39,338	47,55,520	4,571	47,60,092
Add: Premium on reinsurance accepted	2,94,898	5,279	3,00,177	2,42,725	1,840	2,44,564
Less: Premium on reinsurance ceded	56,14,461	24,700	56,39,161	45,12,795	2,731	45,15,528
Net Premium	1,81,930	14,420	1,96,350	5,84,113	320	5,84,433
Less: Adjustment for change in reserve for unexpired risks	54,32,531	10,280	54,42,811	39,28,662	2,411	39,31,095
Total Premium Earned (Net)						

	For the year ended			For the year ended		
	Mar 31, 2017			Mar 31, 2016		
	Health	Personal	Total	Health	Personal	Total
SCHEDULE - 2A						
CLAIMS INCURRED (NET)						
Claims paid*						
Direct	29,36,658	400	29,37,058	23,31,797	1,746	23,33,543
Add: Re-insurance accepted	1,44,475	20	1,44,495	1,16,714	87	1,16,801
Less: Re-insurance Ceded	27,92,183	380	27,92,563	22,15,083	1,659	22,16,742
Net Claims paid	5,23,441	7,765	5,31,206	4,95,414	235	4,95,649
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	28,20,210	7,910	28,28,120	23,39,277	949	23,40,226

* Includes an amount of Rs 1,43,071 thousands during the year (previous year Rs 1,27,499 thousands) on account of expenses incurred towards operating expenses related processing of claims.
 ** Includes an amount of Rs 1,29,527 thousands during the year (previous year Rs 1,08,133 thousands) on account of expenses incurred towards product related benefit paid to policyholders

	For the year ended			For the year ended		
	Mar 31, 2017			Mar 31, 2016		
	Health	Personal	Total	Health	Personal	Total
SCHEDULE - 3A						
COMMISSION						
Commission paid						
Direct	6,29,448	4,512	6,33,960	4,83,783	622	4,84,405
Add: Re-insurance accepted	42,831	1,419	44,250	35,810	621	36,432
Less: Commission on Re-insurance Ceded	5,86,617	3,093	5,89,710	4,47,973	1	4,47,973
Net Commission						

Break Up of expenses incurred to procure business:						
Agents	3,95,681	86	3,95,767	3,14,888	105	3,14,993
Brokers	86,440	155	86,595	61,487	26	61,513
Corporate Agency	1,47,327	4,271	1,51,598	1,07,408	491	1,07,899
Total	6,29,448	4,512	6,33,960	4,83,783	622	4,84,405



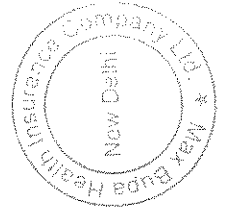
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(Rs.'000)

SCHEDULE - 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	For the year ended	
	Mar 31, 2017	Mar 31, 2016
1 Employees' remuneration and welfare benefits	11,44,720	11,02,361
2 Travel, conveyance and vehicle running expenses	65,479	72,737
3 Training expenses	84,960	1,04,054
4 Rents, rates and taxes	1,15,645	1,11,009
5 Repairs	1,58,158	1,41,086
6 Printing and stationery	22,154	22,906
7 Communication	81,405	74,523
8 Legal and professional charges	3,18,433	1,98,424
9 Auditors' fees, expenses etc	4,105	2,745
(a) as auditor		
(b) as adviser or in any other capacity, in respect of		
(i) Taxation matters	175	761
(ii) Insurance matters	-	-
(iii) Management services; and	83	-
(c) in any other capacity	80	77
(i) Tax Audit Fees		
(ii) Certification Fees		
10 Advertisement and publicity	4,05,072	1,272
11 Interest and bank charges	20,298	2,33,190
12 Others		17,282
(a) Business and Sales Promotion	3,435	1,385
(b) Membership and Subscription	2,424	2,594
(c) Loss on Disposal of Fixed Assets	640	1,961
(d) Loss on Foreign Exchange Fluctuation	-	774
(e) Charity & Donation	-	-
(f) Insurance	2,825	1,737
(g) Sitting Fee	3,600	3,100
(h) Miscellaneous Expenses*	4,026	2,296
13 Depreciation	1,15,479	1,14,512
14 Service Tax A/c	13,684	1,562
Total	25,66,880	22,12,348

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

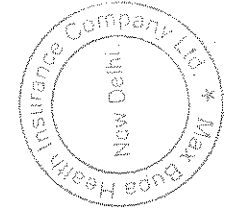


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SCHEDULE - 4A
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs.'000)

Particulars	For the year ended				For the year ended			
	Mar 31, 2017				Mar 31, 2016			
	Health	Accident	Others	Total	Health	Personal Accident	Others	Total
1 Employees' remuneration and welfare benefits	11,36,942	5,778	-	11,44,720	11,01,302	1,059	-	11,02,361
2 Travel, conveyance and vehicle running expenses	65,148	331	-	65,479	72,667	70	-	72,737
3 Training expenses	84,531	429	-	84,960	1,03,954	100	-	1,04,054
4 Rents, rates and taxes	1,15,061	584	-	1,15,645	1,10,902	107	-	1,11,009
5 Repairs	1,57,360	798	-	1,58,158	1,40,951	135	-	1,41,086
6 Printing and stationery	22,042	112	-	22,154	22,884	22	-	22,906
7 Communication	80,994	411	-	81,405	74,451	72	-	74,523
8 Legal and professional charges	3,16,826	1,607	-	3,18,433	1,98,233	191	-	1,98,424
9 Auditors' fees, expenses etc	4,084	21	-	4,105	2,742	3	-	2,745
(a) as auditor								
(b) as adviser or in any other capacity, in respect of								
(i) Taxation matters	174	1	-	175	760	1	-	761
(ii) Insurance matters	-	-	-	-	-	-	-	-
(iii) Management services; and	83	-	-	83	-	-	-	-
(c) in any other capacity	80	-	-	80	77	-	-	77
(i) Tax Audit Fees	-	-	-	-	1,271	1	-	1,272
(ii) Certification Fees	4,03,027	2,045	-	4,05,072	2,32,966	224	-	2,33,190
10 Advertisement and publicity	20,196	102	-	20,298	17,265	17	-	17,282
11 Interest and bank charges	3,418	17	-	3,435	1,384	1	-	1,385
12 Others	2,412	12	-	2,424	2,592	2	-	2,594
(a) Business and Sales Promotion	637	3	-	640	1,959	2	-	1,961
(b) Membership and Subscription	-	-	-	-	773	1	-	774
(c) Loss on Disposal of Fixed Assets	-	-	-	-	-	-	-	-
(d) Loss on Foreign Exchange Fluctuation	-	-	-	-	-	-	-	-
(e) Charity & Donation	2,811	14	-	2,825	1,735	2	-	1,737
(f) Insurance	3,582	18	-	3,600	3,097	3	-	3,100
(g) Sitting Fee	4,006	20	-	4,026	2,294	2	-	2,296
(h) Miscellaneous Expenses	1,14,896	583	-	1,15,479	1,14,402	110	-	1,14,512
13 Depreciation	13,615	89	-	13,684	1,561	1	-	1,562
14 Service Tax A/c	25,53,925	12,955	-	25,66,880	22,10,222	2,126	-	22,12,348
Total				25,66,880	22,10,222	2,126		22,12,348



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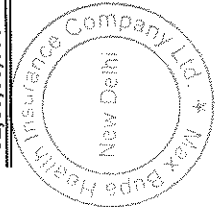
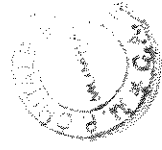
**SCHEDULE - 5
SHARE CAPITAL**

Particulars	As at	
	Mar 31, 2017 (Rs.'000)	Mar 31, 2016 (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		
92,60,00,000 Equity Shares of Rs 10 each (Previous year ended as at March, 2016 89,80,00,000 Equity Shares of Rs. 10 each)	92,60,000	89,80,000
3 Subscribed Capital		
92,60,00,000 Equity Shares of Rs 10 each (Previous year ended as at March, 2016 89,80,00,000 Equity Shares of Rs. 10 each)	92,60,000	89,80,000
4 Called-up Capital		
92,60,00,000 Equity Shares of Rs 10 each (Previous year ended as at March, 2016 89,80,00,000 Equity Shares of Rs. 10 each)	92,60,000	89,80,000
Less: Calls unpaid	-	-
Add: Equity Shares forfeited (Amount originally paid up)	-	-
Less: Par Value of Equity Shares bought back	-	-
Less: Preliminary Expenses	-	-
Less: Expenses including commission or brokerage on underwriting or subscription of shares	-	-
Total	92,60,000	89,80,000

Out of the above, 47,22,60,000 (Previous year ended as at March, 2016 were 66,45,20,000) 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	
	Mar 31, 2017	% of Holding	Mar 31, 2016	% of Holding
Promoters				
- Indian	47,22,60,000	51.00%	66,45,20,000	74.00%
- Foreign	45,37,40,000	49.00%	23,34,80,000	26.00%
Others	-	-	-	-
Total	92,60,00,000	100.00%	89,80,00,000	100.00%

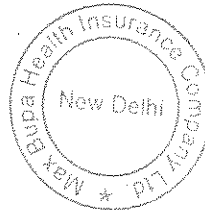
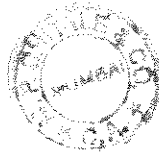


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Particulars	As at Mar 31, 2017 (Rs.'000)	As at Mar 31, 2016 (Rs.'000)
SCHEDULE – 6		
RESERVES AND SURPLUS		
1 Capital Reserve	-	-
2 Capital Redemption Reserve	-	-
3 Share Premium	-	-
4 General Reserves	-	-
Less: Debit balance in Profit and Loss Account	-	-
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	-	-



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SCHEDULE – 8
INVESTMENTS - SHAREHOLDERS

Particulars	As at Mar 31, 2017 (Rs.'000)	As at Mar 31, 2016 (Rs.'000)
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	3,06,359	3,73,937
2 Other Approved Securities	5,14,540	3,08,369
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	2,55,132	2,62,929
(e) Other Securities	-	1,50,000
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	5,49,496	5,50,570
5 Other than Approved Investments	-	-
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills (refer Note (b) below)	-	-
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	99,079	1,60,995
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	2,41,758	2,33,142
(e) Other Securities	5,97,300	1,10,649
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	1,00,000	-
5 Other than Approved Investments*	1,22,642	3,94,150
Total	27,86,306	25,44,741

* Represents investments in mutual funds

Notes:

- Aggregate amount of shareholder's investments other than listed equity securities and derivative instruments is Rs.27,86,306 thousands (Previous year ended as on March 2016 Rs. 25,44,741 thousands). Market value of such investments is Rs. 28,60,614 thousands (Previous year ended as on March 2016 Rs. 25,85,324 thousands)
- The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 2,20,401 thousands (Previous year Rs. 5,52,095 thousands).



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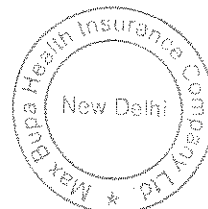
SCHEDULE – 8A
INVESTMENTS - POLICYHOLDERS

Particulars	As at Mar 31, 2017 (Rs.'000)	As at Mar 31, 2016 (Rs.'000)
LONG TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills	11,18,787	11,22,855
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	6,52,994	2,41,749
(e) Other Securities	22,500	39,600
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	6,57,361	5,63,871
5 Other than Approved Investments	-	-
SHORT TERM INVESTMENTS		
1 Government securities and Government guaranteed bonds including Treasury Bills (refer Note (b) below)	-	-
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	1,26,717	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	3,40,237	2,27,846
(e) Other Securities	89,600	9,23,879
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	1,96,121	-
5 Other than Approved Investments*	2,85,804	-
Total	34,90,121	31,19,800

* Represents investments in mutual funds

Notes:

- Aggregate amount of policyholder's investments other than listed equity securities and derivative instruments is Rs.34,90,121 thousands (Previous year ended as on March 2016 Rs. 31,19,800 thousands). Market value of such investments is Rs. 35,64,687 thousands (Previous year ended as on March 2016 Rs. 31,44,726 thousands)
- The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 4,11,205 thousands (Previous year Rs. Nil thousands).



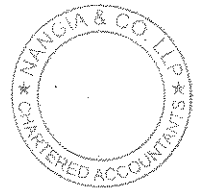
MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE – 9
LOANS**

Particulars	As at	As at
	Mar 31, 2017 (Rs.'000)	Mar 31, 2016 (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	-	-



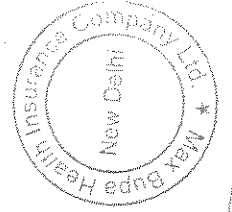
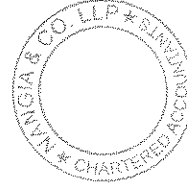
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SCHEDULE – 10
FIXED ASSETS

SN	Particulars	Cost/ Gross Block			Depreciation			Net Block			
		As at Apr 1, 2016	Additions	Deductions	As at Mar 31, 2017	Upto Apr 1, 2016	For the period	On Sales/ Adjustments	Upto Mar 31, 2017	As at Mar 31, 2017	As at Mar 31, 2016
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles	-	-	-	-	-	-	-	-	-	-
	a) Softwares	3,19,577	1,44,442	15	4,64,004	50,404	15	2,86,579	1,77,424	83,387	
	b) Website	11,258	-	-	11,258	973	-	11,115	143	1,116	
3	Land-Freehold	1,53,495	5,521	162	1,58,855	25,581	162	1,10,805	48,049	68,109	
4	Leasehold Property	-	-	-	-	-	-	-	-	-	-
5	Buildings	29,750	842	364	30,228	2,511	121	25,640	4,588	6,500	
6	Furniture & Fittings	63,780	53,595	79	1,17,296	19,537	79	59,925	57,371	23,313	
7	Information Technology Equipment	-	-	-	-	-	-	-	-	-	-
8	Information Technology Equipment (End User Devices)	81,912	15,999	3,259	94,652	11,394	3,032	78,193	16,459	12,081	
9	Vehicles	-	3,337	9,905	63,175	5,070	2,464	43,562	19,613	28,787	
10	Office Equipment	69,743	-	-	-	-	-	-	-	-	-
11	Others	-	-	-	-	-	-	-	-	-	-
	Total	7,29,515	2,23,736	13,784	9,39,467	1,15,471	5,873	6,15,820	3,23,647	2,23,293	
12	Capital work in progress	10,670	4,320	10,670	4,320	-	-	-	4,320	10,670	
	Grand total	7,40,185	2,28,056	24,454	9,43,787	1,15,471	5,873	6,15,820	3,27,967	2,33,963	
	Previous year	7,15,048	43,961	18,824	7,40,185	1,14,512	2,072	5,06,222	2,33,963	-	

Notes:

1. Leasehold property consists of civil and other improvements at premises taken on long term lease by the Company.
2. Work in progress of Rs 4,320 thousands (Previous year Rs. 10,670 thousand).
3. Reclassification entry passed in Fixed Assets with retrospective effect (Cost of Assets-Rs 6,953 thousands and Depreciation Reserve is Rs 5,575 thousands)



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SN	Particulars	As at	As at
		Mar 31, 2017 (Rs.'000)	Mar 31, 2016 (Rs.'000)
SCHEDULE - 11			
CASH AND BANK BALANCES			
1	Cash (including cheques, drafts and stamps)	26,183	21,602
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	54,000	85,500
	(bb) Others	-	-
	(b) Current Accounts	96,327	25,477
	(c) Others	-	-
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	1,76,510	1,32,579
Balances with non-scheduled banks included in 2 and 3 above is Rs. 474 thousands (Previous year ended March 2016 Rs. 276 thousands).			
SCHEDULE - 12			
ADVANCES AND OTHER ASSETS			
ADVANCES			
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	28,743	26,927
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source	-	393
	Less: Provisions made	-	(393)
	Sub-total	-	-
6	Others (to be specified)		
	(a) Advance to Suppliers	63,701	51,095
	Less: Provisions made	(3,876)	(9,186)
	Sub-total	59,825	41,909
	(b) Other advances (Gross Amount)	285	191
	Less: Provisions made	-	(172)
	Sub-total	285	19
	Total (A)	88,853	68,855
OTHER ASSETS			
1	Income accrued on investments	2,09,271	1,90,650
2	Outstanding Premiums*	88,793	75,036
	Less: Provisions made	(38,293)	(37,839)
	Sub-total	50,500	37,197
3	Agents' Balances	2,122	2,375
	Less: Provisions made	(2,122)	(2,375)
	Sub-total	-	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business	63,010	52,008
	Less: Provisions made	(2,033)	(2,033)
	Sub-total	60,977	49,975
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	49,933	48,982
	Less: Provisions made	-	(1,073)
	Sub-total	49,933	47,909
	(b) Other receivable	-	6,551
	(c) Service tax on input services (net)	19,185	18,973
	(d) Cenvat credit on capital goods	-	-
	Total (B)	3,89,866	3,51,255
	Total (A+B)	4,78,719	4,20,110

* Includes Rs. 81,817 thousand (Previous year ended as on March 2016 - Rs. 75,036 thousand) receivable from Central / State Government on account of premium under RSBY Scheme against which provision of Rs. 38,293 thousands (Previous year ended as on March 2016 - Rs. 37,839) has been created.



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 Mar 31, 2017 (Rs.'000)	As at Mar 31, 2016 (Rs.'000)
SCHEDULE – 13		
CURRENT LIABILITIES		
1 Agents' balances	68,368	45,757
2 Balances due to other insurance companies	1,02,654	81,837
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	37,375	34,088
5 Unallocated premium	86,160	68,771
6 Sundry creditors	11,64,347	8,49,308
7 Due to subsidiaries/ holding company	-	-
8 Claims Outstanding*	5,31,206	4,95,649
9 Unclaimed amount of policyholders/insured**	17,717	19,872
10 Due to Officer/ Director***	25,992	25,992
11 Others		
(a) Tax deducted payable	25,901	49,409
(b) Other statutory dues	7,569	9,256
(c) Advance from Corporate Clients	4,360	21,545
Total	20,71,649	17,01,484

*includes IBNR and IBNER reserves

** includes interest on unclaimed amount

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

SCHEDULE – 14**PROVISIONS**

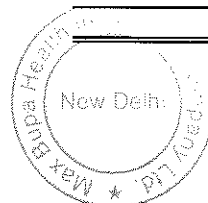
1 Reserve for Unexpired Risk*	28,20,810	26,24,460
2 For taxation (less advance tax paid and taxes deducted at source)	-	-
3 For proposed dividends	-	-
4 For dividend distribution tax	-	-
5 Others		
(a) For Gratuity	9,014	9,977
(b) For Leave Encashment	25,477	25,415
(c) For Superannuation	-	5
(d) For Other manpower related	-	-
(e) For Commission	-	-
(f) For Other operating expense related	-	-
(g) Premium Deficiency Reserve	-	-
Total	28,55,301	26,59,857

* Includes provision for freelook cancellation Rs. 1229 thousands (Previous Year Rs. Nil)

SCHEDULE – 15**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

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



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SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2017

A. BACKGROUND

Max Bupa Health Insurance Company Limited ("The Company") was incorporated in India 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 underwrites primarily Health Insurance business which includes Personal accident and Critical illness.

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 there under, various circulars issued by the IRDAI and the practices prevailing within the insurance industry in India. Accounting policies applied have been consistent with previous year except where differential treatment is required as per new pronouncements made by the regulatory authorities.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, 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.



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(c) Revenue Recognition

(i) Premium Income

Premium is recognized as income on the commencement of risk/contract on a gross basis after adjusting for unearned premium (unexpired risk)

(ii) Reserve for unexpired risk (Unearned Premium)

Reserve for unexpired risk represents that part of premium (i.e. premium, net of reinsurance ceded) which is attributable to and set aside for subsequent risks to be borne by the company. In accordance with IRDAI circular dated April 4, 2016 reserve for unexpired is calculated at 50% of the net written premium of preceding twelve months.

(iii) Premium Deficiency

Premium deficiency is recognised for the Company at a line of business level when the sum of expected claim costs and related expenses exceed the reserve for unexpired risks. Assessment of expected claim cost and related expenses has been certified by the Appointed Actuary in accordance with IRDAI (Assets, Liabilities and Solvency margin of General Insurance Business) Regulation, 2016.

(iv) Reinsurance ceded

Reinsurance premium ceded is accounted in the year in which the risk commences and over the period of risk in accordance with the treaty arrangement with the reinsurers. Any subsequent revision to, refunds or cancellations of premium are recognized in the year in which they occur.

(v) 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.

(vi) Interest / Dividend Income

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

(vii) 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

(viii) 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 (i.e weighted average value) 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.



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

(d) Acquisition Cost of Insurance Contracts

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

(e) 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.

(f) 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.

IBNR and IBNER

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 ALSM Regulation 2016 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.

(g) Allocation of Investment Income

Investment income on policyholders' investments have been allocated to Revenue Account and Investment income on shareholders' investments have been allocated to Profit & Loss Account.



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(h) Investments

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

Investments are recorded at cost including acquisition charges (such as brokerage, transfer charges, stamps etc) if any and exclude interest accrued 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 discount on constant yield to maturity basis in the Revenue Accounts and in the Profit and Loss Account over the period of maturity/holding.

Investment that are earmarked, are allocated to policyholder's or shareholder's as applicable; balance investment are segregated at Shareholder's level and policyholder's level notionally based on Policyholder's fund and shareholder's fund at the end of the period.

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.

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

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

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.

(i) Fair Value Change Account

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



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(j) **Fixed Assets and Depreciation**

Tangible assets and depreciation

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

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

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

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.



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The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that extent.

(k) Taxation

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

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

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

(l) 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 were participants of a defined superannuation plan during the FY 16-17 and now shifted from superannuation fund to NPS account. 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 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



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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.

(m) Provisions and Contingent Liabilities

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

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

(n) Earnings per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 on 'Earnings per Share' issued by the Institute of Chartered Accountants of India. Basic earnings per share are computed by dividing the net profit 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.

(o) 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.



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(p) Foreign Currency Transactions

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

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

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

(q) Allocation of Operating Expenses

The Company has Board approved policy for allocation and apportionment of expenses of management amongst various business segments as required by IRDAI (Expenses of Management of Insurers transacting General or Health Insurance Business) Regulations, 2016. The expenses are segregated between those which can be directly attributed to a particular business segment and those which cannot be so attributed. Operating expenses which are directly attributable to a particular business segment and identifiable as such are allocated directly to that segment. Operating expenses which are not directly identifiable to any business segment, but which are attached to specific functions are apportioned based on the most suitable lever of apportionment for respective functions. Operating expenses can which are not attached to specific functions are apportioned based on the most logical available lever of apportionment.

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

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

(s) 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.



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(t) 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
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.



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C. NOTES FORMING PART OF ACCOUNTS

1. Change in Accounting Policy- Reserve for Unexpired Risk (URR)

During the FY 2016-17, the Company has exercised the option given by IRDAI vide circular No. IRDA/F&A/CIR/CPM/056/03/2016 dated April 4, 2016 and changed the method of calculation of Unearned Premium Reserve (UPR) from '1/365 method' to '50% of net written premium of preceding twelve months'. The impact of the change is that the UPR and the loss for the period ended March'2017 is lower by Rs. 53Cr, had the earlier 1/365 method been followed the UPR would have been Rs. 335.08 Cr. as against the UPR of Rs. 282.08 Cr.

2. Contingent Liabilities

Particulars	(Rs. '000)	
	As at 31.03.2017	As at 31.03.2016
Partly Paid up Investments	-	-
Claims, other than against Policies, not acknowledged as Debts by the Insurer	79,112	47,010
Underwriting Commitments Outstanding	-	-
Guarantees given by or on behalf of the Insurer	-	500
Statutory Demands / Liabilities in Dispute, Not provided for	-	-
Reinsurance Obligations to the Extent Not provided for in Accounts	-	-
Total	79,112	47,510

3. 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) amounting to Rs. 36.08 crore that conform with Regulations issued by the IRDAI and professional guidance notes issued by the Institute of Actuaries of India.

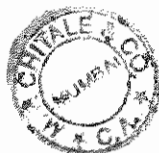
- i. As at March 31, 2017, the Company has made a provision of Rs. 1.07 crore towards provider reconciliation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.
- ii. As at March 31, 2017, the Company has made a provision of Rs. 15.33 crore towards litigation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.

4. Encumbrances on Assets

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

5. Estimated Amount of Commitments made and Outstanding for:

Particulars	(Rs. '000)	
	As at 31.03.2017	As at 31.03.2016
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	57667	8,202



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6. Claims, less Reinsurance paid to Claimants*:

(Rs. '000)

Class of Business	In India		Outside India	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Health	26,55,348	20,93,160	-	-
Personal Accident	380	1,659	-	-
Total	26,55,728	20,94,819	-	-

*Excluding claim handling expenses.

7. 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 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Health	15,080	3,183	1,54,033	1,39,178
Personal Accident	-	-	1,302	-
Total	15,080	3,183	1,55,335	1,39,178

*Excluding IBNR provision.

8. Claims Settled and Remaining Unpaid for a period of more than six months:

(Rs. '000)

Class of Business	As at 31.03.2017	As at 31.03.2016
Health	-	-
Personal Accident	-	-

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

Particulars	As at 31.03.2017			As at 31.03.2016		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Claims pending at the beginning	2,132	0	2,132	2,926	3	2,929
Claims intimated	72,446	13	72,459	60,261	14	60,275
Claims paid	64,869	2	64,871	52,840	10	52,850
Claims rejected	7,022	17	7,039	8,215	7	8,222
Claims pending at the closing	2,677	4	2,681	2,132	-	2,132

Ageing of Pending Claims

Particulars	As at 31.03.2017			As at 31.03.2016		
	Health	Personal Accident	Total	Health	Personal Accident	Total
1 month	2,416	3	2,419	1,843	-	1,843
1-3 months	149	1	150	229	-	229
3-6 Months	63	0	63	55	-	55
6 months – 1 year	41	0	41	4	-	4
>1 year	8	0	8	1	-	1
Total	2,677	4	2,681	2,132	-	2,132



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10. (a) Premium less Reinsurance Written During the Year:

(Rs. '000)

Class of Business	In India		Outside India	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Health	56,14,461	45,12,797	-	-
Personal Accident	24,700	2,731	-	-
Total	56,39,161	45,15,528	-	-

11. Extent of Risk Retained and Reinsured:

Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Health	95.01%	94.90%	4.99%	5.10%
Personal Accident	82.39%	59.75%	17.61%	40.25%

12. 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	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Cheques issued but not encashed by the policyholder/ insured	30,056 (21,140)	14,841#* (1,872)	1,148* (3,387)	742* (2,161)	744* (3,397)	1,248* (1,699)	1,985* (2,114)	9,348* (6,510)

Figures in brackets are for previous year.

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

Include cheques issued amounting to Rs. 12,339 thousands which are within the validity period but not yet presented for payment by the policyholders/insured. Also include interest on investments related to Unclaimed fund amounting to Rs. 1163.



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Disclosure of Unclaimed Amount with Investment Income (Pursuant to IRDA circular no. IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015

Particulars	(Rs. '000)	
	FY 16-17	FY 15-16
Opening Balance	19,871	16,832
Add: Amount transferred to unclaimed amount	-	-
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders	2,900	5,228
Add: Investment Income*	1,552	-
Less: Amount paid during the year	6,606	2,189
Closing Balance of Unclaimed Amount	17,717	19,871

* Separate FD has been earmarked for payment of interest on unclaimed amount of policyholder and same is part of Investment assets classified under Policyholder Investment. Interest income on investments related to Unclaimed fund is part of unclaimed amount of policyholder.

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.

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, 2017 or March 31, 2016.

15. Managerial Remuneration

Particulars	(Rs. '000)	
	Year ended 31.03.2017	Year ended 31.03.2016
Salaries & Allowances	60,779	36,495
Contribution to Provident and other funds	1,635	1,148
Perquisites	223	1,150
Total	62,637	38,793

Out of the above Rs. 15,000 thousands (Previous year Rs. 6,125 thousands) 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.



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17. Expenditure in Foreign Currency

Particulars	(Rs. '000)	
	Year ended 31.03.2017	Year ended 31.03.2016
Software License Fees	24,798	20,488
Professional fees	-	4,017
Travelling	728	1,839
Sitting Fees	1,600	1,600
Membership & Subscription	666	554
Total	27,792	28,498

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 31.03.2017	As at 31.03.2016
Payable not later than one year	87,899	83,005
Payable later than one year but not later than five years	2,80,679	2,86,645
Payable later than five years	36,990	91,058
Total	4,05,568	4,60,708

Aggregate lease rentals charged to Revenue Accounts is Rs. 88,819 thousands (Previous year Rs. 95,238 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 31.03.2017	As at 31.03.2016
Payable in GBP	2,43,420	-
Payable in Indian Rupee	1,96,87,741	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

20. Related Parties & Transactions:

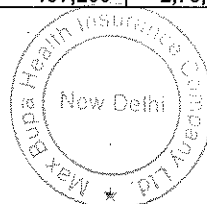
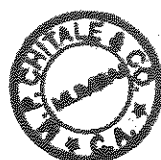
- (i) As per the Accounting Standard (AS) 18 on 'Related Party Disclosures', the related parties of the Company are as follows:

SN	Description of Relationship	Name of Party
(a)	Holding Company	Max India Limited
(b)	Fellow Subsidiaries	Antara Senior Living Limited
		Antara Gurgaon Senior Living Limited
		Antara Purukul Senior Living Limited
		Max Ateev Limited
		Max UK Limited, UK
		Max Skill First Limited
		Max One Distribution and Services Limited
	Pharmax Corporation Limited	
(c)	Investing Party	Bupa Singapore Holdings Pte Limited
(d)	Key Management Personnel (KMP)	Mr. Ashish Mehrotra, Managing Director and CEO Mr. Rahul Ahuja, Chief Financial Officer Mr. Rajat Sharma, Company Secretary

- (ii) Details of transaction with related parties for the year ended March 31, 2017 are given below:

(Rs. '000)

Particulars	Holding Company		Fellow Subsidiaries		Investing Party		Key Management Personnel (CEO, CFO & CS including relatives)	
	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16	FY 16-17	FY 15-16
INCOME								
Premium from direct business written	-	-	-	-	-	-	-	-
Others income (Reimbursement of Expenses)	-	1,017	-	-	184	6,551	-	-
Total	-	1,017	-	-	184	6,551	-	-
EXPENSES								
Rent, rates and taxes	-	-	-	-	-	-	-	-
Training expenses	-	-	50,800	15,664	-	-	-	-
Legal and Professional charges	-	457	424	1,113	-	-	-	-
Employees' remuneration and welfare benefits	-	-	-	-	-	-	62,637	38,793
Insurance premium	-	416	-	-	-	-	-	-
Others	-	1,593	650	-	-	-	-	-
Total	-	2,466	51,874	16,777	-	-	62,637	38,793
ASSETS								
Other Receivable	-	-	-	-	-	6,551	-	-
Total	-	-	-	-	-	6,551	-	-
LIABILITIES								
-Share Capital	1,42,800	7,95,500	-	-	137,200	2,79,500	-	-
Other payables	-	-	16,996	7,919	-	-	-	-
Total	1,42,800	7,95,500	16,996	7,919	137,200	2,79,500	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED
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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.

(Rs. '000')

Year ended 31.03.2017			
Particulars	Health	Personal Accident	Total
Segmental Revenue	5,767,775	11,981	5,779,756
Segmental Result	857,339	(6,610)	850,729
Segmental Liabilities	3,365,949	23,443	3,389,391
Unallocated Liabilities	-	-	1,537,559
Segmental Assets	50,500	-	50,500
Unallocated Assets	-	-	7,209,124

(Rs. '000')

Year ended 31.03.2016			
Particulars	Health	Personal Accident	Total
Segmental Revenue	4,183,204	2,656	4,185,860
Segmental Result	(814,268)	(420)	(814,688)
Segmental Liabilities	3,152,704	1,493	3,154,197
Unallocated Liabilities	-	-	1,207,144
Segmental Assets	37,197	-	37,197
Unallocated Assets	-	-	6,413,997

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:

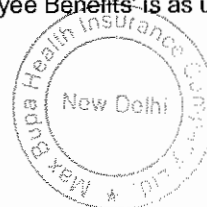
(Rs. '000)

Provident Fund	Year Ended 31.03.2017	Year Ended 31.03.2016
Employers Contribution to Provident Fund*	38,214	36,002

*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:



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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i. Assumptions Used:

Particulars	As at 31.03.2017	As at 31.03.2016
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Interest/Discount Rate (Per Annum)	6.70% p.a.	7.25% 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:

(Rs. '000)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Present value of obligations at the beginning of the year	27,312	21,127
Current Service Cost	7,200	6,184
Interest cost	1,806	1,399
Benefits Paid	(4,779)	(7,281)
Actuarial loss/(gain) on obligation	5,146	3,373
Acquisition/Business Combination/Divestiture	-	2,510
Present value of obligations at end of year	36,685	27,312

iii. Fair Value of Plan Assets:

(Rs. '000)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Fair Value of Plan Assets at beginning of year	17,335	17,046
Contributions	10,481	6,591
Expected Return on Plan Assets	1,464	1,253
Actuarial gain/(loss) on obligation	3,170	(274)
Benefits Paid	(4,779)	(7,281)
Fair Value of Plan Assets at end of year	27,671	17,335

iv. Amounts recognized in Profit & Loss Account:

(Rs. '000)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Current Service Cost	7,200	6,184
Interest Cost	1,806	1,399
Expected Return on Plan Assets	(1,463)	(1,253)
Actuarial (Gain)/loss on obligation	1,975	3,647
Amount recognized in Profit & Loss Account	9,518	9,977

v. Amounts recognized in Balance Sheet:

(Rs. '000)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Present value of obligations at end of Year	36,685	27,312
Fair Value of Plan Assets at end of Year	27,671	17,335
Funded Status (Deficit)/Surplus	(9,014)	(9,977)
Net Asset/(Liability) recognized in the balance sheet	(9,014)	(9,977)



MAX BUPA HEALTH INSURANCE COMPANY LIMITED
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vi. **Balance Sheet Reconciliation:**

Particulars	(Rs. '000)	
	Year Ended 31.03.2017	Year Ended 31.03.2016
Opening Net Liability/(Asset)	9,977	4,081
Expenses recognized in Profit & Loss Account	9,518	9,977
Contribution Paid	(10,481)	(6,591)
Acquisition/Business Combination/Divestiture	-	2,510
Closing Net Liability/(Asset)	9,014	9,977

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. 25,477 thousands (Previous year Rs. 25,415 thousands) and long term incentives of Rs. 1,59,275 thousands (Previous year Rs. 1,10,504 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 31.03.2017	Year ended 31.03.2016
a.	Net profit/(loss) after tax	Rs in '000s	(36,766)	(6,84,978)
b.	Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	9,13,803	8,36,340
c.	Total number of shares	No. of shares in '000s	9,26,000	8,98,000
d.	Basic/Diluted earnings per share (a/b)	Rs.	(0.04)	(0.82)

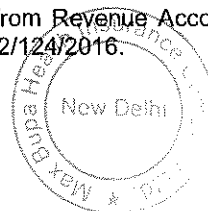
24. **In pursuant to circular 067 dated 28th March, 2008 issued by IRDAI, following operating expenses are separately disclosed:**

Operating expenses	(Rs '000)	
	Year ended 31.03.2017	Year ended 31.03.2016
Outsourcing Expenses*	13,52,568	7,92,019
Marketing Support	4,05,072	2,33,190
Business Promotion	3,435	1,385

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

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 filed with IRDA for forbearance for exceeding the expenses of management over the allowable limit for 2015-16 along with a convergence plan. A sum of Rs. 105.56 cr which is in the excess of expenses of management over the allowable limit has been transferred from Revenue Account to Profit and Loss account in accordance with the circular no. IRDAI/Reg./12/124/2016.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**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 31.03.2017		Year ended 31.03.2016	
	GWP (Rs.'000s)	% of GWP	GWP (Rs.'000s)	% of GWP
Rural	3,66,306	6.17%	3,02,506	6.35%

Social Sector	Year ended 31.03.2017	Year ended 31.03.2016
Number of lives	1,97,268	1,97,186
GWP (Rs.'000s)	8,022	8,022

27. Micro Small and Medium Enterprises

There is no Micro, Small and Medium Enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2017 and March 31, 2016. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



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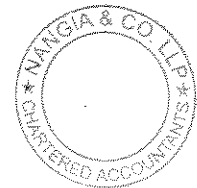
28. Penal Actions Details by Various Government Authorities

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	- (-)	- (-)	- (-)	- (-)

*Bracket shows numbers related to previous year



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

29. Summary of Financial Statements is provided as under:

(Rs '000)						
SN	Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
1	Gross Premium Written	59,39,338	47,60,092	37,26,574	30,88,549	20,72,184
2	Net Earned Premium Income	54,42,811	39,31,095	31,52,364	23,76,598	12,83,719
3	Income from Investments (net)	3,36,945	2,54,765	1,79,510	1,40,690	97,520
4	Other Income	-	-	-	-	-
5	Total Income	57,79,756	41,85,860	33,31,874	25,17,288	13,81,239
6	Commission (Net of Reinsurance)	5,89,710	4,47,973	3,21,985	2,78,760	1,28,634
7	Brokerage	-	-	-	-	-
8	Operating Expenses	25,66,880	22,12,348	22,43,651	22,76,676	17,70,942
9	Claims, increase in Unexpired Risk Reserve & Other Outgoes	28,28,120	23,40,226	18,16,384	14,09,615	7,50,352
10	Operating Profit/(Loss)*	8,50,729	(8,14,687)	(10,50,146)	(14,47,763)	(12,68,689)
11	Total Expenses under Shareholders Account*	8,87,495	1,29,708	1,17,014	1,19,050	1,09,065
12	Profit/(loss) before tax	(36,766)	(6,84,979)	(9,33,132)	(13,28,713)	(11,59,624)
13	Provision for Tax	-	-	-	-	-
14	Profit/(Loss) after tax	(36,766)	(6,84,979)	(9,33,132)	(13,28,713)	(11,59,624)
15	Miscellaneous	-	-	-	-	-
16	Policyholder's Account:					
	a) Total funds	34,90,121	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company
	b) Total Investments	34,90,121	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company
17	Shareholder's Account:					
	a) Total funds	27,86,306	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company
	b) Total Investments	27,86,306	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company
18	Paid Up Equity Capital	92,60,000	89,80,000	79,05,000	66,90,000	50,40,000
19	Net Worth**	23,32,673	20,89,853	16,97,713	14,21,740	11,71,248
20	Total Assets	72,59,624	64,51,194	50,88,726	42,42,033	31,48,864
21	Yield on total investments	8.20%	8.60%	9.10%	8.80%	8.90%
22	Earning Per Share*** (Rs.)	(0.04)	(0.82)	(1.28)	(2.29)	(2.57)
23	Book value per Share (Rs.)	2.52	2.33	2.15	2.13	2.32
24	Total Dividend	-	-	-	-	-
25	Dividend Per share	-	-	-	-	-

* A sum of Rs. 105.56 cr which is in the excess of expenses of management over the allowable limit has been transferred from Revenue Account to Profit and Loss account in accordance with the circular no. IRDAI/Reg./12/124/2016.

** Including Fair Value Change Account

*** Weighted average of number of equity shares i.e. 9,13,803 thousands (Previous year 8,36,340 thousands) is used in computing Earnings per share



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

30. Accounting Ratios* is provided as under:

Performance Ratios	2016-17	2015-16	2014-15	2013-14	2012-13
	(in times or %)	(in times or %)	(in times or %)	(in times or %)	(in times or %)
Gross Premium Growth Rate (Overall)	25%	28%	21%	49%	209%
Gross Premium Growth Rate (Health)	24%	28%	21%	48%	209%
Gross Premium Growth Rate (Personal Accident)	556%	-24%	-55%	-	-
Gross Premium to Net Worth Ratio	2.55 times	2.28 times	2.20 times	2.17 times	1.77 times
Growth Rate of Net Worth	12%	23%	19%	21%	6%
Net Retention Ratio (Overall)	95%	95%	95%	95%	88%
Net Retention Ratio (Health)	95%	95%	95%	95%	88%
Net Retention Ratio (Personal Accident)	82%	60%	69%	78%	-
Net Commission Ratio (Overall)	10%	10%	9%	9%	7%
Net Commission Ratio (Health)	10%	10%	9%	9%	7%
Net Commission Ratio (Personal Accident)	13%	0.00	0.00	10%	-
Expenses of Management to Gross Direct Premium	54%	57%	66%	74%	85%
Combined Ratio	108%	118%	130%	145%	163%
Technical Reserves to Net Premium Ratio	0.59 times	0.69 times	0.68 times	0.67 times	0.71 times
Underwriting Balance Ratios	(0.10) times	(0.27) times	(0.33) times	(0.61) times	(0.99) times
Operating Profit Ratio	-4%	-21%	-28%	-56%	-90%
Liquid Assets to Liability Ratio	0.71 times	0.70 times	1.83 times	1.76 times	2.05 times
Net Earnings Ratio	-1%	-15%	-26%	-45%	-64%
Return on Net Worth	-2%	-33%	-55%	-93%	-99%
Reinsurance Ratio	5%	5%	5%	4%	12%
Claims incurred	52%	60%	58%	59%	58%
Solvency Ratio	2.01	2.16	2.10	2.13	2.12

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

31. 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.

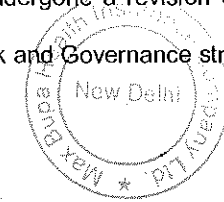
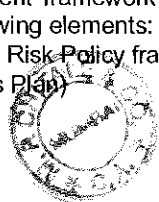
32. Pending Litigations

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, 2017. Refer note 1 for details on contingent liabilities and note 2 for litigation reserve.

33. Risk Management Architecture

The Board and other stakeholders of Max Bupa get assurance on risk management processes and its effectiveness from external audit, internal audit, risk management, compliance and fraud investigation function. The Company's risk management framework has undergone a revision during FY 16-17. The revised framework comprises of the following elements:

- Risk Strategy and Appetite (including Risk Policy framework and Governance structure)
- Strategic Risk Assessment (Business Plan)



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

- Risk Categorization
- Risk Registers
- Risk Control and Assurance
- Risk Reporting
- Risk Management design and effectiveness review

Risk Management roles and responsibilities:

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

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

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

Risk Appetite Statements:

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

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

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

Strategic Risk Assessment:

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

Risk Identification and Assessment process:

Max Bupa has categorized risk into six (6) broad Level 1 categories – Strategic risk, Insurance risk, Financial risk, Operational risk, Regulatory risk and Reputational risk. Each of such 6 categories is further broken down into 24 Level 2 sub risk categories. These risk categories are observed throughout the risk management journey.

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

While the above mentioned process is currently in progress, a consolidated risk register against the defined risk categories is prepared on a quarterly basis to include key risks for the quarter. Executive Leadership Team along with the CEO reviews the risks in their respective domains on a quarterly basis and update the consolidated register. CRO along with the Risk Team overviews and challenges the entire process of risk identification and rating.

Risk Reporting:



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

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

A detailed risk reporting framework is currently under development.


The company has compiled the data for the purpose of disclosure in Note No. 34 from its risk management framework and policies and has been furnished by the management, which has been relied upon by the auditors.

34. Comparative Figures

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

- Policyholder's and Shareholder's Investment have been regrouped for previous Financial Year ended March 31, 2016 on the same principle as laid down by IRDA in circular no. IRDA/F&A/CIR/CPM/056/03/2016.
- Service tax expenses have been regrouped to Service Tax A/c (shown as a separate line item in Schedule-4 Opex as per Master Circular of Preparation of Financial Statements 2012) from Rents, rates and taxes line item of Schedule-4 Opex)
- Sundry payables for claims have been regrouped to Sundry Creditors from unclaimed amount of policyholders/insured.

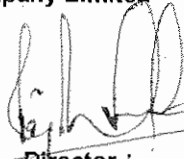
As per our report of even date
For Nangia & Co.,LLP


Vikas Gupta
Partner
Place: Noida



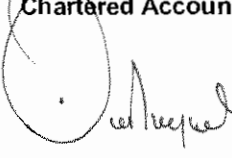
For and on behalf of the Board of Directors
Max Bupa Health Insurance Company Limited


Director
K. Narsimha Murthy
DIN: 00023046

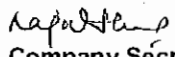

Director
Rajesh Sud
DIN: 2395182

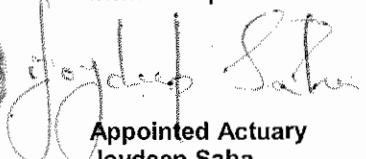


For M P Chitale & Co.
Chartered Accountants


Murtuza Vajih
Partner
Place: Mumbai




Company Secretary
Rajat Sharma
Membership No. FCS 7069


Appointed Actuary
Joydeep Saha


CEO & Managing Director
Ashish Mehrotra
DIN: 07277318


Chief Financial Officer
Rahul Ahuja

Date: May 09, 2017

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 2017:

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, 2017.
2. It is certified that all the dues payable to the statutory authorities due up to March 31, 2017 have been duly paid.
3. It is confirmed that the Indian and Foreign shareholding pattern during the year ended March 31, 2017 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 in line with regulatory requirements. The Company has constituted an Investment Committee, which acts as the policy making body for the Investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The Investment Committee periodically discusses the Investment strategy, portfolio structures, performance of the portfolio and related issues. The Investment policy is reviewed semi annually in order to align the same with the Company business plans.
8. It is confirmed that there were no operations of the Company outside India during the year ended March 31, 2017.



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

	FY 2016-17		FY 2015-16		FY 2014-15		FY 2013-14		FY 2012-13	
	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	2419	1,47,466*	1,843	1,24,837	2,737	1,98,391	2,231	77,563	1,406	36,950
1-3 months	150	16,343	229	18,364	190	15,982	1,246	32,514	323	23,389
3-6 Months	63	4,418	55	4,156	2	78	83	334	32	2,772
6 Months – 1 Year	41	4,805	4	3,054	-	-	-	-	-	-
1 Year – 5 Years	8	6,519	1	129	-	-	-	-	-	-
5 Years & above	-	-	-	-	-	-	-	-	-	-

*This amount includes claim reserve prepared for pre-auth cases.

10. As at March 31, 2017, the investments of the Company are mainly in Government Securities, Debt Securities including Corporate bonds and Commercial Papers, Bank Deposits and Mutual Funds. As per the IRDA guidelines, all debt securities are considered as held to maturity and valued at historical cost subject to amortization. Further, the market value for debt securities as at March 31, 2017 has been calculated as per guidelines issued by Fixed Income Money Market & Derivatives Association (FIMMDA).

Acquisition cost of Debt Securities is Rs. 49,28,164 thousands (Previous year 38,67,723 thousands), amortized value is Rs. 49,32,785 thousands (Previous year Rs. 38,85,269 thousands) and market value at Rs. 50,81,659 thousands (Previous year Rs. 39,50,777 thousands).



11. Investments are in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000 and subsequent amendments. Investment Portfolio consists of Central and State Government Securities, Infrastructure Bonds (AAA and AA+), Housing Sector Bonds (AAA), Corporate Bonds (AAA and AA+), 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, 2017.

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 FY2016-17 (Rs. '000)
1	Max Financial Services Limited	Legal & Professional fees and Insurance Premium	2,339
2	Max Life Insurance Company Limited	Rent, Professional fee and Insurance premium	5,916
3	Max Healthcare Institute Limited	Claim Payment	49,942
4	Max Skill First Limited	Training exps	50,800
5	Max One Distribution and Services Limited	Professional fees	424

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 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.

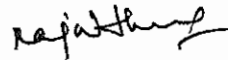
For and on behalf of the Board of Directors



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 09, 2017