

**NOTICE OF 10<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE of shorter duration is hereby given that the Tenth Annual General Meeting of the members of Max Bupa Health Insurance Company Limited will be held on **Tuesday, July 31, 2018** at 1615 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, 2018 along with Revenue Account (Policyholders' Account) for the financial year ended March 31, 2018, Profit & Loss Account (Shareholders' Account) for the financial year ended March 31, 2018, Receipts & Payments Account (Cash Flow Statement) for the financial year ended March 31, 2018, the Management Report together with Board's Report and Independent Auditor's Report thereon.

**“RESOLVED THAT** the audited Financial Statements comprising the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2018, Revenue Account (Policyholders' Account) for the financial year ended 31<sup>st</sup> March 2018, Profit and Loss Account (Shareholders' Account) for the financial year ended 31<sup>st</sup> March 2018, Receipts and Payments Account (Cash Flow Statement) for the financial year ended 31<sup>st</sup> March 2018, the Management Report together with the report of the Board of Directors & the Auditors' thereon be and is hereby received, considered and adopted.”

- (2) Re-appointment of a Director in place of Mr. Mohit Talwar (DIN -02394694), who retires by rotation, and being eligible, offers himself for re-appointment.

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 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Mohit Talwar (DIN - 02394694), who retires by rotation from the office of director and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation.”

- (3) Re-appointment of a Director in place of Mr. John Lorimer (DIN -07138581), who retires by rotation, and being eligible, offers himself for re-appointment.

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 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. John Lorimer (DIN - 07138581), who retires by rotation from the office of director and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation.”

- (4) Re-appointment of a Director in place of Mr. Ashish Mehrotra (DIN - 02667356), who retires by rotation, and being eligible, offers himself for re-appointment.

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 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ashish Mehrotra (DIN - 02667356), who retires by rotation from the office of director and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company, liable to retire by rotation.”

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

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

**“RESOLVED THAT** 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 modification(s) and re-enactment(s) thereof for the time being in force), IRDAI’s Regulations and Corporate Governance Guidelines, M/s. M. P. Chitale & Co., Chartered Accountants, New Delhi (ICAI FRN - 101851W), Joint Statutory Auditor 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 10th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company on such terms & conditions as fixed by the Board of Directors of the Company and mutually agreed upon between the Board of Directors and M/s. M. P. Chitale & Co., Chartered Accountants, and at a remuneration amounting to Rs. 14,00,000/- (Rupees Fourteen Lakhs only) (excluding reimbursement of out of pocket expenses which shall be on actual basis) for carrying out the Statutory Audit of the Company for the financial year 2018-19 be and is hereby approved.

**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 jointly and/or

severally authorized 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.”

(6) **Appointment of M/s Nangia & Co. LLP, 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 modification(s) and re-enactment(s) thereof for the time being in force), IRDAI’s Regulations and Corporate Governance Guidelines and subject to approval of Shareholders of the Company, M/s. Nangia & Co. LLP., Chartered Accountants, 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 10th Annual General Meeting until the conclusion of the 11th Annual General Meeting of the Company on such terms & conditions as fixed by the Board of Directors of the Company and mutually agreed upon between the Board of Directors and M/s. Nangia & Co. LLP., Chartered Accountants, and at a remuneration amounting to Rs. 14,00,000/- (Rupees Fourteen Lakhs only) (excluding reimbursement of out of pocket expenses which shall be on actual basis) for carrying out the Statutory Audit of the Company for the financial year 2018-19 be and is hereby approved.

**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 jointly and/or severally authorized 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**

(7) **To Increase the Authorized Share Capital of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s)

thereof, for the time being in force) and the Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from Rs. 10,00,00,00,000/- (Rupees One Thousand Crores Only) divided into 1,00,00,00,000 (One Hundred Crores) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs.15,00,00,00,000/- (Rupees Fifteen Hundred Crore only) consisting of 1,50,00,00,000 (One Hundred and Fifty Crore) Equity Shares of Rs.10/- (Rupees Ten) each by creation of 50,00,00,000 (Fifty Crore only) equity shares of Rs. 10 (Rupees Ten only) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting the following new Clause V as under:

- V. The Authorized Share Capital of the Company is Rs. 15,00,00,00,000/- (Rupees Fifteen Hundred Crores Only) divided into 1,50,00,00,000 (One Hundred and Fifty Crores) Equity Shares of Rs. 10/- (Rupees Ten) each.

**RESOLVED FURTHER THAT** Mr. Ashish Mehrotra (CEO and Managing Director), 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 jointly and/or severally authorized on behalf of the Company to take all actions as they may severally deem fit, including making necessary filing/intimation, if any, with the Authorities and do all such acts deeds and things as may be required or considered necessary or incidental thereto.”

**By order of the Board of Directors**



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

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

**Email ID:** [rajat.sharma@maxbupa.com](mailto:rajat.sharma@maxbupa.com)

Dated: July 31, 2018

Place: New Delhi

Notes:

1. The Company is convening its meeting at shorter notice therefore the requirement of forty eight hours for submission of proxy form cannot be met with, hence the Form MGT-11 is not applicable in this case.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts and reasons in respect of the business mentioned under item no. 7 is annexed hereto.
3. The statutory registers of the Company along with all the documents referred to in the Notice and accompanying explanatory statement shall be available for inspection at the Registered Office of the Company and at the Venue of the meeting, during working days of the Company between 10.00 A.M. and 1.00 P.M. except on holidays, up to the date of the Annual General Meeting.
4. 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.
5. 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.
6. The meeting has been convened at a shorter notice. As per the requirements of Section 101 of the Companies Act 2013 and Secretarial Standard 2, and to validate the meeting, the consent of at least 95% of the members entitled to vote is required. The Letter seeking approval of shareholders to convene the Annual General Meeting at a shorter Notice on July 27, 2018 is attached herewith and the Members are requested to duly sign and provide the same.
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. Members/ authorized representatives are requested to bring the duly filled Attendance slip as annexed to the notice to attend the meeting.

## 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. 7

The Company proposes to increase its Authorized Share Capital from Rs. 10,00,00,00,000/- (Rupees One Thousand Crores Only) divided into 1,00,00,00,000 (One Hundred Crores) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs.15,00,00,00,000/- (Rupees Fifteen Hundred Crore only) consisting of 1,50,00,00,000 (One Hundred and Fifty Crore) Equity Shares of Rs.10/- (Rupees Ten) each by creation of 50,00,00,000 (Fifty Crore only) equity shares of Rs. 10 (Rupees Ten only) each, in order to meet the capitalization requirements in line with the business plans of the Company.

The present authorized share capital of the Company is Rs. 10,00,00,00,000/- (Rupees One Thousand Crores Only) divided into 1,00,00,00,000 (One Hundred Crores) Equity Shares of Rs. 10/- (Rupees Ten) each.

The present issued, subscribed and paid-up share capital of the Company is Rs. 9,26,00,00,000 (Rupees Nine Hundred Twenty Six Crores only) divided into 92,60,00,000 (Ninety Two Crores Sixty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each

Pursuant to the provisions of Section 13, 61,64 and other applicable provisions, if any, of the Companies Act, 2013, item 7 of the notice requires members' consent by way of an Ordinary Resolution in the Annual General Meeting. Consequent upon the increase in authorized capital of the Company, the Memorandum of Association is to be altered, in order to reflect the said effect. The proposed change in the Memorandum of Association of the Company has been mentioned in the respective resolution.

None of the Directors, Key Managerial Personnel or any other officials of the Company and their relatives are in any way concerned or interested either financially or otherwise in the proposed resolution except to the extent of their shareholding.

The Board recommends passing of the resolution contained in Item No. 7 as an Ordinary 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](mailto:rajat.sharma@maxbupa.com)

Dated: July 31, 2018  
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. JhaMarg, Okhla, New Delhi – 110020

10<sup>th</sup> Annual General Meeting to be held on Tuesday, July 31, 2018 at 1615 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 9<sup>th</sup> Annual General Meeting of the Company being held at 2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi – 110011, on Tuesday, July 31, 2018 at 1615- hrs.

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.



**CONSENT BY SHAREHOLDER TO SHORTER NOTICE**  
[Pursuant to Section 101(1) of the Companies Act, 2013]

To,

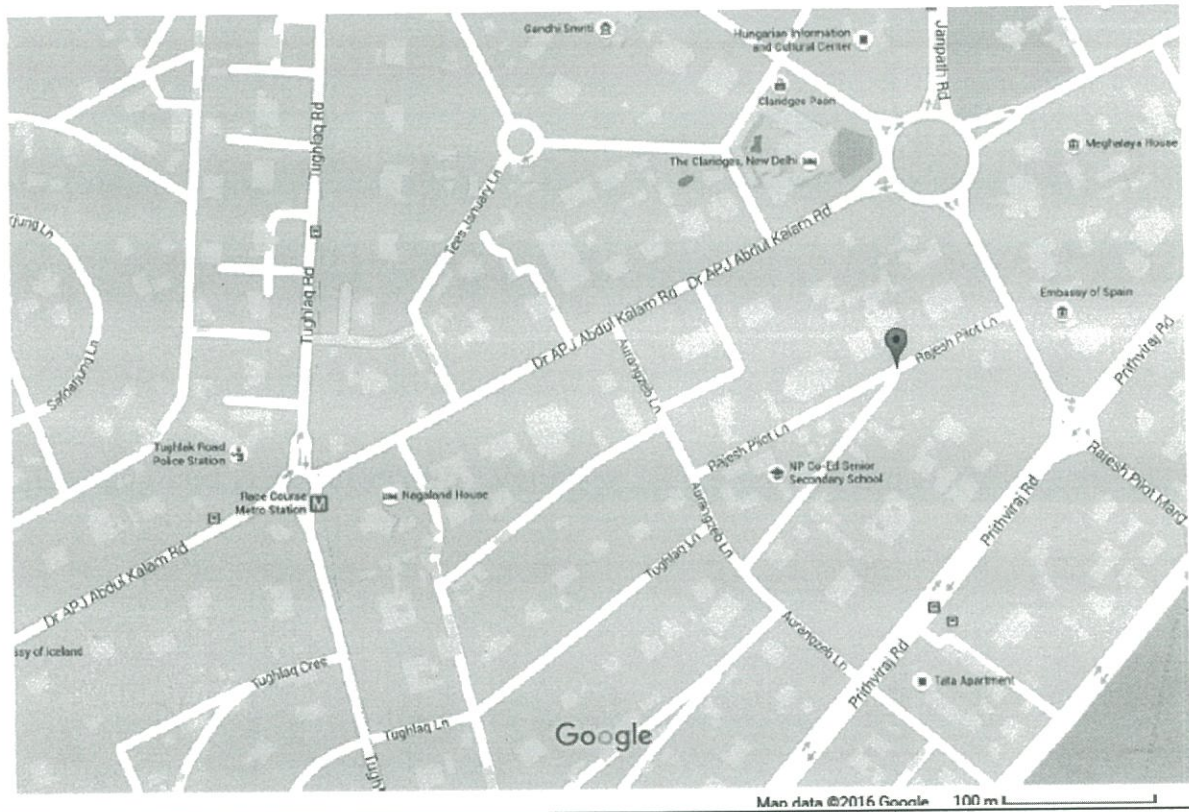
**The Board of Directors,  
Max Bupa Health Insurance Company Limited,  
Max House,  
1, Dr. JhaMarg, Okhla,  
New Delhi - 110020  
India**

I, -----(Nominee Shareholder of -----)/ (Authorised representative of -----), S/o -----, R/o-----/ having its Registered office situated at -----, the registered holder of ----Equity Shares of Rs.10/- each in Max Bupa Health Insurance Company Limited ('the Company'), hereby give my consent pursuant to Section 101(1) of the Companies Act, 2013, to hold an Extra - Ordinary General Meeting of the Company on Tuesday, July 31, 2018 at 1615 hrs at 2, South End Lane (Rajesh Pilot Lane), Rajesh Pilot Marg, New Delhi - 110011 at shorter notice.

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Signed this 31<sup>st</sup> Day of July 2018

**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 Tenth Board's Report of your Company together with the audited accounts for the financial year ended March 31, 2018.

**1. BUSINESS HIGHLIGHTS**

The highlights for the Financial Year ended March 31, 2018 are as under:

Particulars	(Rs in '000)	
	Financial Year 2017-18	Financial Year 2016-17
Gross Written Premium	75,44,715	59,39,338
Add Reinsurance Accepted	-	-
Less Reinsurance Premium	16,67,365	3,00,177
Net Premium	58,77,350	56,39,161
Change in Unexpired Risk Reserve	1,18,808	1,96,350
Earned Premium	57,58,542	54,42,811
<b>Total Underwriting Revenue</b>	<b>57,58,542</b>	<b>54,42,811</b>
Net Incurred Claims	28,90,226	28,27,720
Commission paid (net)	2,26,727	5,89,710
Expenses of Management (Opex)	29,17,122	25,67,280
Premium Deficiency Reserve	-	-
<b>Total Underwriting expenses</b>	<b>60,34,075</b>	<b>59,84,710</b>
<b>Underwriting Profit/(Loss)</b>	<b>(2,75,533)</b>	<b>(5,41,899)</b>
<u>Investment Income:</u>		
Allocated to Revenue Account	2,99,474	3,36,945
Allocated to P&L Account	2,08,922	1,82,224
Other Income	27,433	5,744
Other Expenses	31,898	19,780
Provisions	-	-
<b>Profit/(Loss) before Tax</b>	<b>2,28,398</b>	<b>(36,766)</b>
<b>Key Business Parameters</b>		
Solvency Ratio	2.11	2.01
Share Capital (Rs. crores)	926.00	926.00
Foreign Direct Investment (Rs. crores)	453.74	453.74
No. of Employees	1,886	1,661
No. of offices	30	28
No. of Agents	25,376	20,986
No. of Policies	3,30,876	3,07,025



**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

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

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## 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 22% from Rs. 34,588 crore in FY'17 to Rs. 42,263 crore in FY'18.

With only 34% of the Indian population having some form of health insurance coverage in FY'17, 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. As per conservative estimates of industry experts, the health insurance market is expected to grow to ~Rs 51,500 crore of GWP by FY 2020 and is likely to continue the same growth trajectory of 20% p.a. post 2020.

Max Bupa continues to cater to the B2C Health insurance sector, growing at ~32% (5-year CAGR till FY'18), ahead of industry's B2C growth of 22% in terms of GWP. The Health Insurance industry continues to be dominated by 4 public sector companies, which together constitute 55% of the market share. In addition, there are 21 private general insurance players and 6 standalone health insurers. There were 4 new private general insurance players which started operation in FY'18, with Edelweiss, the latest entrant, commenced operation in March 2018.

## 3. STATE OF COMPANY'S AFFAIRS

Your Company posted a Gross Written Premium of Rs. 754.47 Crores for the year thereby registering a 27% growth over previous year. The Company posted Underwriting loss of Rs. 27.55 Crore during the year as compared to Underwriting loss of Rs. 5.42 Crore during the previous year. The Net Profit for the year was Rs. 22.84 Crore as compared to loss of Rs. 3.68 Crore in the previous year.

Your Company aims to be the preferred family health insurer for B2C Customer and 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 2017-18, in line with our strategic priorities, across different operational areas. Key highlights of the year are as follows:

- Company's latest product offering, GoActive launched in FY 2017-18, voted as the Health insurance product of the year 2018; was also awarded the best product innovation and diversification in Asia
- Successfully managed the review the premium adequacy and a premium increase across its principal retail products.
- Successful ramp up of key distribution tie up with Bank of Baroda
- 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
- The sixth "Walk for Health" was successfully held in 3 cities; ~62 million lives touched
- Your Company won several awards and recognition through the year for its focus on customer, people, brand & technology such as:
  - Won "The Best Innovative Medical Insurer" award at the Business World's 4<sup>th</sup> Health Care Summit & Awards



- Recognized as “the most admired health insurance brand in India” as per India’s Most Admired Brands Survey 2017 by Trust Research Advisory
- Recognized as “India’s Greatest Brand for introducing a host of innovations in the Indian HI sector” by Asia One Awards

Further building up on this year’s progress, 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 FY 2018 key priorities have been recalibrated to further drive “Customer centric profitable growth” 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

Overall, maintaining robust top line growth, in an increasingly competitive market while driving operational efficiency (in terms of expense, claim, persistency, product management), will be among the key deliverables ahead for the Company.

## 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 circa 15,000 agents. Your Company’s agency force is one of the most productive agency force amongst SAHIs (Stand Alone Health Insurers). FY 17-18 saw the Agency channel focus on automation, agent activation, process standardization, quality of new business and persistency. Going forward, in line with the strategic priorities, your Company has identified 4 focus areas for Agency channel –drive paperless processing of new business, improve quality and quantity of agent recruitment, expand variable agency program and reduce employee attrition through superior onboarding process.

### 2. Bancassurance & Alliances

Your Company is a leading player in the distribution of health insurance through financial institutions. Max Bupa works with various Bancassurance Corporate Agency relationships in India with reputed banks like Standard Chartered Bank, Federal Bank, Deutsche Bank, RBL Bank, Sarv UP



Bank, South Indian Bank and Bank of Baroda. Out of these partners, South Indian Bank was the new addition in the financial year.

Your Company has also entered into a corporate agency agreement with HDFC Bank, the leading private sector bank in the country and will commence business through this partnership in the coming financial year.

Your Company has a robust and growing bancassurance infrastructure with 600+ FOS (Feet-on-Street) and more than 7500 partner bank branches.

Your Company also has a tie up with the leading NBFC in the country, Bajaj Finance Limited, under the Alliances vertical.

Growth in this channel has been driven by focus on productivity increase for existing resources, activation of product proposition in different customer segments, system integration led sales models to activate sales in bank branches and proposition for sale to retail asset customers.

Bancassurance and Alliances channel contributed around 48% of Company's new sales in FY 17-18 and is now the largest new business contributor on a monthly basis.

Over the last year, Max Bupa has worked on strengthening of relationship with the Banks across their hierarchy with specific focus on the large partners. This is now enabling your Company to create and launch segment wise focused initiatives which is yielding incremental new business along with deepening of the relationship.

The channel has worked on multiple product ideas on the group platform for each bank partner which has been successful in creating differentiation from other competing SAHIs. With the IRDAI mandated open architecture, there are many banks and financial institutions that are seeking to add health insurance partners to augment their third party fee income. This allows your Company to look for newer opportunities as well as allows the existing bank partners to add another SAHI player in their portfolio.

Your Company will continue exploring new opportunities in Bancassurance and Alliances channel for potential profitable partners while ensuring that growth in business from the existing 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 with the Direct sales team contributing 22% of GWP in FY17-18 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, given that ~22% of retail sales are estimated to be directly/digitally influenced by 2025. 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 is looking to build this business by selectively working on new accounts especially in the SME/MSME segment covering less than 1000 lives.

Your Company renewed rural business underwritten under the Rashtriya Swasthya Bima Yojna (RSBY) scheme of the Orissa Government through an extension for 4 months. The RSBY scheme will soon be replaced by the newly announced Ayushman Bharat scheme and we are actively monitoring the requirements of this scheme to understand and build our approach towards this.

### **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 2017-2018, it stood at 72% as compared to 69% for 2016-2017. Of importance, Policy Servicing has shown improvement in FY17-18 as compared to FY16-17 by 17%.

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 2017-18.

Your Company launched a HERO program in April'18 to drive Service Excellence culture across the organization. Building a service culture will mean that all employees of Max Bupa live by a common set of belief & demonstrate homogenous behaviour irrespective of moment of truth and individual's role & responsibilities. During the course of the program, there will be various workshops on fundamental elements of Service Excellence. The construct of the program is based on monthly rewards and recognition framework with pre-defined criteria for employees.

### **C. COST MANAGEMENT**

Your Company continues to drive 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 Group and the industry to optimize spends. We have also implemented budgetary control system and moved from post facto analysis to real time analysis and control, this has helped in building a cost conscious culture in the organization. The cost optimization focus is reflected in the management expense ratio which has improved from 54% in Financial Year 2017 to 50% in Financial Year 2018.



#### **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 investments has been commensurate with the risk assumed.

The investment corpus is invested with 96% of the portfolio in highest safety instruments (viz. sovereign and AAA or equivalent instruments). Your Company's Assets under Management (AUM) stands Rs 665.79 Crores as on March 31, 2018 against Rs. 627.64 Crore in previous year.

During the financial year, your Company generated an investment yield of 7.9% for the financial year ended March 31, 2018 versus 8.2% for the financial year ended March 31, 2017. The reduction in yield is due to interest rates coming down across maturities for most part of FY18.

#### **E. BUSINESS EXCELLENCE**

In the Max Performance Excellence Framework (MPEF) assessment for Financial Year 2017 - 2018 cycle, your Company was working towards getting a 50 point increase under the "Good Performance" scoring band. The MPEF scores received for Financial Year 2017-18 of 523, which shows a significant improvement in scores from 453 last year and has over achieved our target by 20 points. This assessment report identified that your Company has a leadership team which is focused, result-oriented and deeply involved and engaged with key stakeholders. Your organization reflects to be customer oriented and also demonstrates high standards of corporate governance structure and has a systematic and elaborate strategic planning process. 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 2017-18, your Company has been felicitated with Awards and Recognitions across functional areas. Some of these were as follows:

##### **1. Awards and Accolades:**

- Max Bupa Go Active recognized as Product of the Year 2017-18 through an independent consumer survey of 4000 consumers in key cities
- Listed as a Super brand in 2017-18- Super brands is one of the biggest consumers awards in the country.
- Won 'India's Most Innovative Health Insurer Award' 2017 by Business World
- Emerged as the Most Trusted Health Insurance brand in the Brand Trust Report 2017. This is the fourth 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.
- Your Company's CEO was recognized as 'India's Most Promising Leader in the Health Insurance Industry' at the 8th Annual India Leadership Conclave and Indian Affairs Business Awards 2017
- Our employee health & wellbeing initiative, 'Step for Health' received a Bronze at the 2017 DMA Internal Connect Awards under the category of Best Employee Engagement Campaign/Project.



- o People Pulse Survey scores 2017 were recognized by IBM Kenexa for 'being significantly higher than the global insurance sector'.

#### 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-authorization 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 with Max India's understanding and experience of the Indian health and insurance sectors and customer service expertise. Your Company has developed a strong network of over 4380 quality hospitals and services its customers directly through its in-house team of professionals, including doctors who process the claims.

Given the above practices, Your Company's claim ratio is broadly in line with the expected experience for the maturity of the portfolio basis pricing assumptions.

## **6. HEALTH INSURANCE PRODUCTS**

Your Company offers individual and family oriented health insurance policies for Indians across all age groups. Your Company has a comprehensive 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. The key USP of the product which differentiates it from the rest of the products in the market is that it has 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 more economical price.

Your Company also launched the third retail indemnity product Go Active in FY18. GoActive is a holistic health insurance plan that has been designed to cover a broad spectrum of everyday health requirements including inpatient hospitalization and on-the-go access to OPD (Out-patient consultations), diagnostics, personalized health coaching, second medical opinion, behavioral counseling etc. To encourage young customers to buy health insurance, Go Active offers a 10% lifetime discount on premium if the policy is bought before the age of 35 years. To provide protection against medical inflation, the product has an optional benefit 'I-Protect' that increases Sum Insured by 10% on each renewal without any maximum limit, irrespective of whether any claim has been made or not. Your Company has tied up with premier health-tech providers including GOQii, Practo and 1mg to create a digitally enabled wellness ecosystem that will seamlessly offer some of these services to the customers.

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.

## **7. BOARD OF DIRECTORS AND ITS COMMITTEES**

The Board of Directors is responsible for the approval of the overall corporate strategy and other Board related matters. The Board of Directors of your Company comprises of Twelve (12) members as on March 31, 2018.



1. During the year, your Company appointed Mr. Dinesh Kumar Mittal (DIN 00040000) as an Independent Director in at the Extra-Ordinary General Meeting held on February 02, 2018.
2. In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Mohit Talwar (DIN - 02394694), Mr. John Howard Lorimer (DIN -07138581) and Mr. Ashish Mehrotra (DIN -07277318), being liable to retire by rotation at the ensuing Annual General Meeting of your Company and being eligible, offered themselves for reappointment.
3. In accordance with the requirements of the Companies Act 2013, the composition of following Committees of the Board are as follows:
  - a) The Audit Committee of the Board was constituted of Mr. K. Narasimha Murthy (Independent Director) as Chairman of the Committee, Mr. Pradeep Pant (Independent Director) and Mr. David Fletcher (Non-Executive Director) as members of the Committee. The constitution of the Audit Committee is in accordance with the provisions of section 177 of the Companies Act 2013 and as per IRDAI Corporate Governance Guidelines, 2016.
  - b) The Nomination and Remuneration Committee of the Board was constituted of Mr. K. Narasimha Murthy (Independent Director) as Chairman of the Committee, Mr. Rajesh Sud (Chairman of the Company), Mr. Pradeep Pant (Independent Director) and Mr. David Fletcher (Non-Executive Director) as members of the Committee. The constitution of the Nomination and Remuneration Committee is in accordance with the provisions of section 178 of the Companies Act 2013 and as per IRDAI Corporate Governance Guidelines, 2016.

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

Section 2(51) of the Companies Act, 2013 defines the term Key Managerial Personnel ("KMP"). As on 31<sup>st</sup> March 2018, the following employees were holding the position of KMP:-

- a) Mr. Ashish Mehrotra as the Chief Executive Officer and Managing Director of the Company;
- b) Mr. Rahul Ahuja as the Chief Financial Officer of the Company;
- c) Mr. Rajat Sharma as the Company Secretary of the Company;

#### **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, 2018 comprises of seven Non-Executive Directors, one Executive Director and four 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) Asset Liability Management Committee
- d) Risk Committee
- e) Policyholders' Protection Committee
- f) Product and Actuarial Committee
- g) Nomination and Remuneration Committee

The disclosures, as per the IRDAI Corporate Governance Guidelines, form part of the Directors' Report and are appended as **Annexure - 1**. The details regarding number of meetings of the Board and its Committees 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**

- a) The Company had filed with IRDA for forbearance towards exceeding the expenses of management over the allowable limit. 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 till FY 2018.

A sum of Rs. 107.77 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.

- b) During the FY 2017-18, the Company has entered into an additional quota share reinsurance arrangement by ceding 20% of its risk on the indemnity portfolio other than Employer/Employee schemes to a Reinsurer. This has led to an increase in the Company's underwriting capacity along with partially mitigating the claim aggregation risk in the event of any epidemic/pandemic situation.

#### **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 issued a soft warning against an advertisement issued by the Company in the Financial Year 2016-17 vide its letter no. IRDA/HLT/MISC/ORD/242/10/2017, dated October 30, 2017.

#### **13. DIVIDEND**

The Directors do not recommend any dividend for the financial year 2017-18.



#### **14. CAPITAL**

The authorized share capital of the Company is Rs. 1,000.00 crores (Rupees One Thousand crores) divided into 100,00,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each. As of 31<sup>st</sup> March 2018, the paid up equity share capital of your Company was Rs. 926.00 Crore (Rupees Nine Hundred and Twenty Six crores only).

#### **15. SOLVENCY**

Your Company regularly monitors its solvency margins to ensure that the solvency margin is maintained in line with the requirements of IRDAI (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016. As on March 31, 2018, the solvency ratio of your Company stood at 211% against required solvency of 150%.

#### **16. RESERVES**

Your Company has not transferred any amount to reserves, during the financial year 2017-18.

#### **17. PARTICULARS OF DEPOSITS**

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

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

The Ministry of Corporate Affairs (MCA) has outlined the roadmap for implementation of Ind AS in the insurance sector from 1<sup>st</sup> April, 2018 onwards with one year comparatives. Consequently, IRDA has set up various working groups to prepare a roadmap for implementation of Ind AS in the Insurance sector.

However as per the latest circular (IRDA/F&A/CIR/ACTS/146/06/2017) from IRDAI on IND AS, implementation of Ind AS in the Insurance sector in India has been deferred for a period of two year and the same shall now be implemented effective 1<sup>st</sup> April 2020.

Your Company had initiated the process to ensure compliance with Ind AS in a time bound manner.

Your Company has submitted the Interim IND AS Proforma Financial Statement at each quarter end during the FY 2017-18 to IRDAI.

#### **19. POLICY ON ALLOCATION & APPORTIONMENT OF EXPENSES OF MANAGEMENT**

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

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



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

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

## 20. RURAL & SOCIAL SECTOR OBLIGATIONS

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

Business Sector	Year ended March 31, 2018	
	GWP Rs.'000s	% of GWP
Rural	3,96,326	5.25%
Social	4,582	0.06%
Urban	71,43,807	94.69%

The Company achieved a rural target of 5.25% of GWP against the prescribed obligation of 3% of GWP. Under the social sector, the Company covered 97,675 lives against the prescribed obligation of 96,011 lives thereby fulfilling the social sector obligation.

## 21. 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, (ICAI FRN- 002391C) shall retire at the conclusion of the ensuing 9th Annual General Meeting.

It is proposed to re-appoint M/s. Nangia & Co., Chartered Accountants, New Delhi, (ICAI FRN- 002391C) and M/s. M.P. Chitale & Co, Chartered Accountants, (ICAI FRN- 101851W) as joint statutory auditors for the FY 2018-19 at the ensuing 10<sup>th</sup> Annual General Meeting.

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.

It is noted that, in line with IRDAI circular Ref: IRDA/F&A/CIR/CPM/056/03/2016 dated 13<sup>th</sup> August 2016 relating to the preparation of financial statements, the Company continued to use an accounting policy of setting up Unearned Premium Reserve on the basis of 50% of NWP for trailing twelve months.

## **22. 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, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the loss of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts on a going concern basis;
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

Two complaints were established by the Sexual Harassment Committee during the Financial Year 2017-18 and proper actions were taken.

## **24. ANNUAL PERFORMANCE EVALUATION**

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

The performance evaluation was carried out by obtaining feedback from all directors through a confidential online survey mechanism. The outcome of this performance evaluation was placed before the Nomination and Remuneration Committee on July 31, 2018 and further placed before the Board in the meeting held on July 31, 2018.



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

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

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

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

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

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

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

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

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

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

All related party transactions that were entered into during the financial year 2017-18 were on an arm's length basis and in the ordinary course of business. Details of the transaction is enclosed herewith in the prescribed format i.e. Form AOC - 2 as **Annexure No - 3.**





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

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

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

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

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

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

The extract of the Annual Return in the prescribed format i.e. form MGT - 9 as per the requirements of Section 92 of the Companies Act, 2013 is annexed as **Annexure No - 4** and published in the website of the Company i.e. <https://www.maxbupa.com/about-us/maxbupa/index.aspx>.

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

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

Your Company has put in place the relevant framework and a Nomination & Remuneration Policy as required in section 178 of the Companies Act 2013. Any shareholder, interested in obtaining a copy of the Policy, may write to the Company Secretary at the Registered Office of Company, which is also displayed on your Company's website. The Policy is also attached herewith as **Annexure - 6** and also published in the website of the Company i.e. and published in the website of the Company i.e. <https://www.maxbupa.com/about-us/maxbupa/index.aspx>.

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

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

**31. CODE OF CONDUCT & WHISTLE BLOWER POLICY**

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



Your Company also has a Whistle Blower Policy approved by the Board which empowers and provides a channel to employees for communicating any breaches of your Company's Values, Code of Conduct, Anti Money Laundering Policy and other regulatory and statutory requirements. Appropriate disciplinary actions are taken against any violation. During the FY 2017-18, actions against 11 employees were taken by the Company as per Employee Disciplinary Action Plan. 5 complaints were received under the Whistle Blower Policy in the Financial Year 2017-18 which were duly investigated and closed. All the investigations and proceedings are conducted through Code & Ethics Committee meetings. Management provides assurance on the effectiveness of the Anti-fraud and Whistle Blower Policy to the Risk Committee/Board through the Code & Ethics Committee updates.

### **32. CORPORATE SOCIAL RESPONSIBILITY**

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

The Company has constituted a CSR Committee as per the provisions of Companies Act 2013 and IRDA Corporate Governance Guidelines 2016 on July 31, 2018. As per the provisions, Mr. Dinesh Kumar Mittal (Independent Director) is Chairman of the Committee. Further, Ms. Marielle Theron and Mr. David Martin Fletcher are the members of the Committee. The Company shall in due course frame a CSR Policy for taking initiatives as per section 135 of Companies Act, 2013.

Even though the Company was not required to mandatorily comply with the CSR requirements in previous years, the Company has been taking initiatives to enable its people, customers, partners and public at large lead healthier, more successful lives. The "Max Bupa Walk for Health" initiative of the Company has been time and again recognized as one of the best CSR initiative in the country.

### **33. SECRETARIAL AUDIT**

Your Company in the meeting held on July 25, 2017 has appointed M/s. Chandrasekaran Associates, Company Secretaries; New Delhi to conduct Secretarial Audit for the Financial Year 2017-18 as per the requirements of Section 204 of the Companies Act, 2013.

M/s Chandrasekaran Associates, Company Secretaries, New Delhi have submitted their report for the financial year 2017-18 in the prescribed format MR-3 which is annexed as **Annexure No - 5**.

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

#### **a) STATUTORY AUDIT**

Joint Statutory Auditors of your Company for the financial year 2017-18 i.e. M/s. M.P. Chitale & Co., Chartered Accountants, Mumbai (ICAI FRN -101851W) and M/s. Nangia & Co. LLP., Chartered Accountants, New Delhi (ICAI FRN-002391C) in their Audit Report for FY 2017-18 have given no qualifications, reservations, disclaimers, comments and/or adverse remarks.

#### **b) SECRETARIAL AUDIT**

M/s. Chandrasekaran Associates, Company Secretaries, Delhi, Secretarial Auditors of your Company for the Financial Year 2017-18 have given no



qualifications, reservations, disclaimers, comments and adverse remarks in its report.

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

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

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

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

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

Your Company has an operationally independent Risk Management Function in place, headed by a Chief Risk Officer. The function is responsible for the supervision of all risk management activities in the Company, including developing the risk appetite, maintaining an aggregated risk view across the Company, monitoring the residual risks to ensure that they remain within tolerance levels. It also reviews the appropriateness and adequacy of the risk management strategy and develops recommendations to the Risk Committee as necessary. The Risk Management function also ensures that, through various management submissions, the Board is adequately informed on key emerging risk related issues and if necessary, provides supplementary advice to the Board through the Risk Committee. A Management Risk Committee has been constituted which is headed by the CEO and includes key members such as Chief Risk Officer, Chief Operating Officer, Director - Legal, Compliance and Secretarial, Head - Health Risk Management etc. All important risk related matters are discussed, reviewed and monitored by this Committee on a periodic basis.

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

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

The 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.

### **37. 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, 2018 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 and invested in changing the overall automation levels across processes and ushering Max Bupa into a new era of customer delight, ecosystem management, enhanced productivity and employee engagement. We have enhanced the capabilities of our existing platforms to improve automation of policy issuance, claims and policy servicing processes. Existing Policy Administration System and CRM solutions have been significantly enhanced to cater to claims automation, renewals automation, workflow tracking etc.

End to end integration for the processing of business on the Bancassurance channel has been further improved across our relationship tie ups. This year, we have also embarked on the complete handheld based selling model for our front line sales team with complete buying journey automated. Focus is now on improving overall adoption of the same.

We have invested in a state of art learning management platform for better dissemination of content and improving the overall employee engagement. We also redesigned our intranet portal for seamless information sharing and accessibility for all employees.

For a better online experience, we have revamped our existing website – Maxbupa.com. The website offer easy and faster access, intuitive navigation, consistent visual appeal, rich user interface and ecommerce capabilities thus enhancing customer experience. The website has also been made responsive to provide a consistent experience to computer and mobile users. We have also implemented website support analytics to better monitor and measure customer preferences, track visitors etc. We also introduced chatbot as a pilot to measure usage, preference etc.

We launched Any Time Health (ATH) that allows instant policy issuance through a self service mode. While this has been launched in a controlled pilot mode, the reachability for self service has been encouraging and is an industry first initiative.

We also introduced Point Of Care (POC) desks at few chosen provider sites that play a critical role during the ‘moment of truth’ in a customer relationship.

The biggest technology initiative this year has been setting up a technology integrated wellness ecosystem in partnership with Goqii to offer healthy lifestyle coaching for Max Bupa customers as part of our new product offering – GoActiv™. With this offering, we have introduced personalized coaching for each customer based on extensive data analytics and gamification based incentives to drive behavioral changes.

We have also made significant strides in enhancing our information security capabilities and posture. We have adapted the industry best ISO27001 framework for our core technology governance and execution processes. Also we now perform regular vulnerability assessments to ensure safe working environment.

A growing business environment also demands robust and scalable IT infrastructure to compete successfully. This year we took massive strides to enhance our infrastructure capabilities and achieve a 99.92% availability. Key highlights include:

- Migrated from outdated infrastructure to new private cloud setup, increasing transaction speed from 102ms to 24ms
- Refreshed old hardware with new and improved technology stack to improve performance of all business applications and setup a High Availability (HA) landscape
- Increased our office connectivity uptime by improving network resilience



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

Our mobile app offerings for sales teams to enable the buying journey are now trending at over 60% adoption leading to more online payments, lesser documentation and thus helping improve customer experience.

SARAL platform which is leveraged for automating selling for bancassurance tie ups saw an upward adoption with upward of 90% business sourcing through SARAL at channels where it is enabled.

CRM platform has been extended to renewals and branch operations teams, thereby increasing functional usage and benefits.

Our analytics landscape comprising of business intelligence (BI) solution has been significantly enhanced and availability of business insights to decision makers has been improved through addition of 50+ analytics BI reports.

We have enabled dashboards for monitoring key processes such as Pre Authorization, claims performance etc. which enable faster visibility, decision making and process improvements for core operations teams and thereby help service customers better.

**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, 2018	For the year ended March 31, 2017
i)	Foreign Exchange Earnings	Nil	Nil
ii)	Foreign Exchange Outgo		
	CIF Value of Imports		
	- Capital Goods	22727	24798
	- Trading Goods	Nil	Nil
	Others	3,080.	2,994

**38. 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 31, 2018

**LIST OF ANNEXURES**

S. No	Particulars	Relevant Rules	Relevant form	Annexure No.
1.	Disclosures for the Financial Year 2017-18 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 2017-18 as per IRDA Corporate Governance**

**Guidelines**

- 1) During the Financial Year 2017-18, the following Committee and Board Meetings were held:-

S.No	Name of the Committee and Board	Date of Holding the Meetings							
		April	May	July	July	October	October	January	February
1.	<b>Audit Committee Meeting</b>	April 11, 2017	May 08, 2017	July 05, 2017	July 24, 2017	October 03, 2017	October 26, 2017	January 08, 2018	February 01, 2018
2.	<b>Investment Committee Meeting</b>	N.A	May 08, 2017	N.A	July 24, 2017	N.A	October 26, 2017	N.A	February 01, 2018
3.	<b>Policyholder's Protection Committee Meeting</b>	N.A	May 08, 2017	N.A	July 24, 2017	N.A	October 26, 2017	N.A	February 01, 2018
4.	<b>Product and Actuarial Committee Meeting</b>	N.A	May 08, 2017	N.A	July 24, 2017	N.A	October 26, 2017	N.A	February 01, 2018
5.	<b>Risk Committee Meeting</b>	N.A	May 08, 2017	N.A	July 24, 2017	N.A	October 26, 2017	N.A	February 01, 2018
6.	<b>Nomination and Remuneration Committee Meeting</b>	April 12, 2017	May 08, 2017	N.A	July 24, 2017	N.A	October 26, 2017	N.A	February 01, 2018
7.	<b>Board Meeting</b>	N.A	May 09, 2017	N.A	July 25, 2017	N.A	October 27, 2017	N.A	February 02, 2018

- 2) Constitution of the Board, number of meetings held and attendance by Directors during the year 2017-2018

S. No.	Name of the Director	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	4
4.	Mohit Talwar	4	3
5.	Marielle Theron	4	
6.	Joy Linton	4	



7.	John Lorimer	4	4
8.	K Narasimha Murthy	4	4
9.	Pradeep Pant	4	4
10.	Burjor P. Banaji	4	2
11.	Dinesh Kumar Mittal*	0	0
12.	Ashish Mehrotra	4	4

\* Appointed as member of the Board w.e.f February 02, 2018.

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

- 3) Constitution of the Audit Committee, number of meetings held and attendance by Members during the year 2017-2018

Name of the Member	No. of meetings held	No. of Meetings attended
K. Narasimha Murthy	8	8
Pradeep Pant	8	7
David Martin Fletcher	8	8

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

- 4) Constitution of the Investment Committee, number of meetings held and attendance by the Members during the year 2017-2018

Name of the Member	No. of meetings held	No. of Meetings attended
Joy Linton	4	4
Marielle Theron	4	4
Ashish Mehrotra	4	4
Joydeep Saha*	3	3
Rahul Ahuja	4	4
Vikas Jain**	4	1

\* Ceased to be the member effective from November 13, 2017

\*\* Appointed as member effective February 03, 2017.

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

- 5) Constitution of the Asset Liability Management Committee, number of meetings held and attendance by the Members during the year 2017-2018

Name of the Member	No. of meetings held	No. of Meetings attended
Joy Linton	4	4
Marielle Theron	4	4
Ashish Mehrotra	4	4
Joydeep Saha*	3	3
Rahul Ahuja	4	4
Vikas Jain**	4	1

\* Ceased to be the member effective from November 13, 2017

\*\* Appointed as member effective February 03, 2017.



Leave of absence was granted to the Members who could not attend Asset Liability Management Committee meetings.

- 6) Constitution of the Risk Committee, number of meetings held and attendance by the Members during the year 2017-2018

Name of the Member	No. of meetings held	No. of Meetings attended
John Howard Lorimer	4	4
Mohit Talwar	4	2
Marielle Theron	4	4
K. Narasimha Murthy	4	4
Joy Linton	4	4

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

- 7) Constitution of the Policyholders' Protection Committee, number of meetings held and attendance by Members during the year 2017-2018

Name of the Member	No. of meetings held	No. of Meetings attended
David Martin Fletcher	4	4
Marielle Theron	4	4
John Howard Lorimer	4	4
Burjor P. Banaji*	2	1
Ashish Mehrotra	4	4
Vikas Gujral	3	3

\* Appointed as member effective July 25, 2017

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

- 8) Constitution of the Product and Actuarial Committee, number of meetings held and attendance by Members during the year 2017-2018

Name of the Member	No. of meetings held	No. of Meetings attended
Marielle Theron	4	4
David Martin Fletcher	4	4
Joy Linton	4	4
Ashish Mehrotra	4	4
Joydeep Saha*	3	3

\* Ceased to be the member effective Resigned on November 13, 2017

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

- 9) Constitution of the Nomination and Remuneration Committee, number of meetings held and attendance by Members during the year 2017-2018



12/5

Name of the Member	No. of meetings held	No. of Meetings attended
K. Narasimha Murthy	5	5
Pradeep Pant	5	5
David Martin Fletcher	5	4
Rajesh Sud	5	4

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

10) Details of Directors and their status of Directorship and qualifications as on March 31, 2018:

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, Durhan 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.	Dinesh Kumar Mittal DIN - 00040000	Independent Director	Master's in Physics
12.	Ashish Mehrotra DIN - 0007277318	Managing Director and Chief Executive Officer	Graduate in Business Management and MBA

- 11) Your Company did not pay any remuneration to the Directors other than sitting fees to Independent Directors.
- 12) There was no pecuniary relationships or transactions of the Non-Executive Directors with the Company during the Financial Year 2017-18.
- 13) Disclosure in respect of Remuneration or Commission, if any, received by Managing or Whole-Time Director of your Company from the Holding company or Subsidiary company, who is also in receipt of commission from the Company.

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.

14) 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 Murthy	5	Nomination and Remuneration Committee	5,00,000/-
	Mr. K Narasimha Murthy	1	Independent Directors Meeting	1,00,000



5.	Mr. Pradeep Pant	4	Board Meeting	4,00,000/-
6.	Mr. Pradeep Pant	7	Audit Committee	7,00,000/-
7.	Mr. Pradeep Pant	5	Nomination and Remuneration Committee	5,00,000/-
8.	Mr. Pradeep Pant	1	Independent Directors Meeting	1,00,000/-
9.	Mr. Burjor P. Banaji	1	Policyholders Protection Committee Meeting	1,00,000/-
10.	Mr. Burjor P. Banaji	1	Independent Directors Meeting	1,00,000/-
11.	Mr. Burjor P. Banaji	2	Board Meeting	2,00,000/-

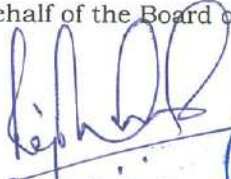

For and on behalf of the Board of Directors




**Ashish Mehrotra**  
**Chief Executive Officer**  
**& Managing Director**

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

**DIN - 07277318**

**Rajesh Sud**  
**Chairman and Director**

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

**DIN - 02395182**

**Place:** New Delhi  
**Date:** July 31, 2018

**Certification from the Compliance Officer**

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

*Rajat Sharma*  
Rajat Sharma  
Company Secretary  
Membership No - F7069

Address: B1/ I2, Mohan Co-operative Industrial Area,  
Mathura Road, New Delhi 110044,  
India.

**Place:** New Delhi

**Date:** July 31, 2018

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

S No	Name	Designation	Remuneration Received (INR)	Nature of employment	Qualification	Experience	Date of commencement of employment	Age (years)	Last employment before joining the Company	% of Equity Capital held	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
1	Ashish Mehrotra	Managing Director & CEO	41,392,708	CEO - Office	Master of Business Administration	23	04-Nov-15	49	Citibank N.A, Global Consumer Bank	Nil	Nil
2	Rahul Ahuja	Chief Financial Officer	28,945,617	Finance	Chartered Accountant, Bachelor of Commerce	21	01-Jun-15	46	Max India Ltd.	Nil	Nil
3	Vikas Gujral	Chief Operating Officer	17,322,846	Chief Operating Officer	Master of Business Administration	21	26-Jul-16	44	Max Life Insurance Co. Ltd.	Nil	Nil





MAX BUPA HEALTH INSURANCE COMPANY LIMITED

4	Anurag Gupta	Senior Vice President & Head - Agency Channel	12,071,720	Sales and Distribution	Post Graduate Diploma in Business Management	20	18-May-15	44	Max Life Insurance Co. Ltd.	Nil	Nil
5	Atul Bhandari	Senior Vice President & Head - Bancassurance and Alliances	10,896,348	Sales and Distribution	Master of Business Administration (MBA) + BE	14	01-Aug-16	41	Citi Bank	Nil	Nil
6	Partha Banerjee	Director & Head - Legal, Compliance & Regulatory Affairs	10,536,200	Legal, Compliance & Secretarial	LLB	23	26-Oct-16	48	Chhanda Legal Associate	Nil	Nil
7	Anika Agarwal	SVP & Head - Marketing Digital and Direct Sales	10,484,521	Marketing	Post Graduate Diploma in Marketing Management	15	01-Nov-11	38	Nokia Corporation	Nil	Nil

b. Top 10 Employee in terms of remuneration who were Employed for a part of the financial year: who were in the receipt of remuneration aggregating Rs. 8,50,000 per month.

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	Joydeep Saha	Head Actuarial	8,868,318	Actuarial	FIAI Qualified Actuary	16	14/06/2016	40	Appointed Actuary	Nil

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

c. 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										



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

For and on behalf of the Board of Directors



**Rajesh Sud**  
 Chairman

DIN - 02395182

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

Place: New Delhi  
 Date: June 31, 2018

**Annexure - 3**

**Form No. AOC-2**

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

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

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

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

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

**(1) Sales and Service Training Agreement with Max Skill First Limited**

- a) Name(s) of the related party and nature of relationship:-
  - Max Skill First Limited
  - Fellow subsidiary
- b) Nature of contracts/arrangements/transactions :-
  - Service Agreement.
  - Max Skill First Ltd. to provide Sales & Service training to employees and agents of Max Bupa Ltd
- c) Duration of the contracts / arrangements/transactions:-
  - 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
- d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - The total contract value for the year 2017-18 will not exceed INR 5.2 Crores. In addition Max Skill can earn a bonus of 30 Lakhs based on performance on MOS
- e) Date(s) of approval by the Audit Committee, if any: May 08, 2017
- f) Amount paid as advances, if any: NIL



**(2) Functional Support Agreement with Max India Limited**

- a) Name(s) of the related party and nature of relationship:-
- Max India Limited
  - Holding Company
- b) Nature and Duration of contracts/arrangements/transactions :-
- Functional Support Agreement
  - Max India shall provide Functional Support through its various departments to Max Bupa in respect of Max Bupa's business/operations, as mutually agreed upon between the Parties.
  - Agreement being effective from 01.04.2017 is for 1 year with a termination clause which states that either party can terminate the agreement by giving 30 days 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 the year 2017-18 will not exceed INR 9.00 Crores.
- d) Date(s) of approval by the Audit Committee, if any: June 30, 2017
- e) Amount paid as advances, if any: NIL

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

- a) Name(s) of the related party and nature of relationship:-
- Max Skill First Limited
  - Fellow subsidiary
- b) 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 was 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
  - An Addendum agreement was entered on 1st April 2017 which expires on 31st March 2018
- c) Salient terms of the contracts or arrangements or transactions including the value, if any:
- The duration of the new contract shall be 1 year commencing 1st April 2018.
  - The total contract value for the FY 2018-19, will not exceed INR 5.83 Crores. Aforementioned amount does not include Annual Bonus based on MOS achievement which will not exceed INR 0.30 Crores.
  - Due to expansion of business, there is an additional requirement of 2 resources (1 trainer resource for South Indian Bank relationship and 1 Zonal Head for South). The additional cost of which is included in the overall contract value of INR 5.83 Crores.
- d) Date(s) of approval by the Audit Committee, if any: March 31, 2018
- e) Amount paid as advances, if any: NIL

## Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[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 - <b>U66000DL2008PLC182918</b>
(ii)	Registration Date - <b>September 5, 2008</b>
(iii)	Name of the Company - <b>Max Bupa Health Insurance Company Limited</b>
(iv)	Category / Sub-Category of the Company - <b>Public Unlisted Company</b>
(v)	Address of the Registered office and contact details - <b>Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020</b>
(vi)	Whether listed company - <b>NO</b>
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any - Name - MAS Services Limited. Address - T - 34, IIInd Floor Okhla, Industrial area, Phase - II, New Delhi - 110020 Contact No. - 011-26387281. Email Address - info@masserv.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S.NO.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Stand Alone Health Insurance Company	6512 (NIC 2008)	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S.NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Max India Limited Address - Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur,	L85100PB2015PLC039155	Holding Company	51	2(46)



IV	SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
		(i) Category-wise Share Holding	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
		Category of Shareholders	No. of Shares				No. of Shares held				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A</b>	<b>Promoters</b>										
1	<b>Indian</b>										
a)	Individual/HUF	Nil	30	30	0.00001	Nil	30	30	0.00001	Nil	
b)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c)	State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
d)	Bodies Corp.	408029970	64,230,000	472,259,970	50.99999	408029970	64,230,000	472,259,970	50.99999	23%	
e)	Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f)	Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	<b>Sub-total (A) (1)</b>	<b>408029970</b>	<b>64,230,030</b>	<b>472,260,000</b>	<b>51</b>	<b>408029970</b>	<b>64,230,030</b>	<b>472,260,000</b>	<b>51</b>	<b>Nil</b>	
2	<b>Foreign</b>										
a)	NRIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b)	Individuals	Nil	30	30	0.00001	Nil	30	30	0.00001	Nil	
c)	Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
d)	Bodies Corp.	206540000	247199970	453739970	48.99999	206540000	247199970	453739970	48.99999	23%	
e)	Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f)	Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	<b>Sub-total (A) (2)</b>	<b>206540000</b>	<b>247,200,000</b>	<b>453,740,000</b>	<b>49</b>	<b>206540000</b>	<b>247,200,000</b>	<b>453,740,000</b>	<b>49</b>	<b>Nil</b>	
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>614569970</b>	<b>311,430,030</b>	<b>926,000,000</b>	<b>100</b>	<b>614569970</b>	<b>311,430,030</b>	<b>926,000,000</b>	<b>100</b>	<b>23%</b>	
<b>B</b>	<b>Public Shareholding</b>										
1	<b>Institutions</b>										
a)	Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
b)	Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
c)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
d)	State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
e)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
f)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
g)	FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
h)	Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
i)	Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	<b>Sub-total (B)(1)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	
2	<b>Non-Institutions</b>										
a)	Bodies Corp.										
	i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	ii) Overseas										
b)	Individuals										
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh										
c)	c. Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	



	Sub-total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Public Shareholding (B) = (B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>C</b>	Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Grand Total (A+B+C)</b>	<b>614,569,970</b>	<b>311,430,030</b>	<b>926,000,000</b>	<b>100</b>	<b>614,569,970</b>	<b>311,430,030</b>	<b>926,000,000</b>	<b>100</b>	<b>Nil</b>

<b>(ii) Shareholding of Promoters</b>										
#	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	472,259,970	50.99999	Nil	472,259,970	50.99999	Nil	-23%		
2	Mr. Mohit Talwar*	10	0.00001%	Nil	10	0.00001%	Nil	Nil		
3	Mr. Sujatha Ratnam*	10		Nil	10		Nil	Nil		
4	Mr. Jatin Khanna*	10		Nil	10		Nil	Nil		
5	M/s Bupa Singapore Holdings Pte. Ltd.	453,739,970		48.99999	Nil		453,739,970	48.99999	Nil	23%
6	Mr. David Martin Fletcher **	10	0.00001%	Nil	10	0.00001%	Nil	Nil		
7	Mr. John Howard Lorimer **	10		Nil	10		Nil	Nil		
8	Ms. Joy Carolyn Linton**	10		Nil	10		Nil	Nil		
	<b>Total</b>	<b>926,000,000</b>		<b>1</b>	<b>NIL</b>		<b>926,000,000</b>	<b>1</b>	<b>NIL</b>	<b>NIL</b>
* 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										

<b>(iii) Change in Promoters' Shareholding ( please specify, if there is no change) - NO CHANGE DURING THE FINANCIAL YEAR 2017-18</b>					
#	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	<b>At the beginning of the year</b>				
i	Max India Limited	472,260,000	50.9999	472,260,000	50.9999
ii	Bupa Singapore Holdings Pte Ltd	453,740,000	48.9999	453,740,000	48.9999
2	<b>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):</b>				
a)	<b>Allotment during the Year</b>	There was no allotment made during the year			
i	Max India Limited				
ii	Bupa Singapore Holdings Pte Ltd				
3	<b>At the End of the year</b>	<b>926,000,000</b>	<b>100*</b>	<b>926,000,000</b>	<b>100*</b>
* Nominee shareholders are holding 10 equity shares of Rs. 10/- each as nominee shareholders of Max India Limited and Bupa Singapore Holdings Pte Ltd					



<b>(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) - ENTIRE SHAREHOLDING IS HELD BY MAX INDIA LIMITED AND BUPA SINGAPORE HOLDINGS PTE LTD AS JOINT VENTURE PARTNERS AND PROMOTER OF THE COMPANY</b>					
#	For Each of the Top 10 Shareholders	Shareholding at the beginning of		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
3	At the End of the year ( or on the date of separation, if separated during the	Nil	Nil	Nil	Nil
<b>(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 2017-18</b>					
#	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	<b>At the beginning of the year</b>			-	-
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	<b>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):</b>	NO ALLOTMENT DURING THE YEAR TO THE NOMINEE SHAREHOLDERS. HENCE, NO CHANGE			
3	<b>At the End of the year</b>			-	-
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
	<b>Indebtedness at the beginning of the financial year</b>	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
	<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Change in Indebtedness during the financial year</b>	Nil	Nil	Nil	Nil
i	Addition	Nil	Nil	Nil	Nil
ii	Reduction	Nil	Nil	Nil	Nil
	<b>Net Change</b>	Nil	Nil	Nil	Nil
	<b>Indebtedness at the end of the financial year</b>	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
	<b>Total (i+ii+iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**(vii) REMUNERATION OF DIRECTORS AND KEY**

<b>A</b>	Remuneration to Managing Director, Whole-time Directors and/or Manager:	
	<b>Particulars of Remuneration to Mr. Ashish Mehrotra</b>	<b>Total Amount (in Rs.)</b>
1	<b>Gross salary</b>	
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41,208,600
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	184,108
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0
2	<b>Stock Option</b>	0



3	Sweat Equity	0
4	Commission a. as % of profit b. others, specify	0
5	Others, please specify	0
	<b>Total (A)</b>	<b>41,392,708</b>

**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>B Remuneration to other directors</b>				
#	Particulars of Remuneration	Name of Directors		Total Amount
	<b>Independent Directors</b>	<b>Mr. K Narasimha Murthy</b>	<b>Mr. Pradeep Pant</b>	<b>Mr. Burjor p. Banaji</b>
	Fee for attending Board / Committee meetings	2,200,000	1,700,000	400,000
	Commission	Nil	Nil	Nil
	Others, please specify - Travelling Expenses	Nil	Nil	Nil
	<b>Total (1)</b>	<b>2,200,000</b>	<b>1,700,000</b>	<b>400,000</b>
	<b>Other Non-Executive Directors</b>	Nil	Nil	Nil
	Fee for attending Board / Committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	<b>Total (1)</b>	<b>2,200,000</b>	<b>1,700,000</b>	<b>400,000</b>
	<b>Total (B)=(1+2)</b>	<b>2,200,000</b>	<b>1,700,000</b>	<b>400,000</b>
	<b>Total Managerial Remuneration under Companies Act 2013</b>	<b>2,200,000</b>	<b>1,700,000</b>	<b>400,000</b>
	<b>Overall Ceiling as per the Companies Act 2013 (for sitting fee per meeting)</b>	100,000	100,000	100,000



C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD				
#	Particulars of Remuneration	Key Managerial Personnel ("KMP")		
		Mr. Ashish Mehrotra (CEO/WTD)	Mr. Rajat Sharma (Company Secretary)	Mr. Rahul Ahuja (Chief Financial Officer)
	<b>Gross Salary</b>			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41,208,600	2,482,753	28,877,625
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	184,108	28,392	67,992
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	<b>Stock Option</b>	-	-	-
3	<b>Sweat Equity</b>	-	-	-
4	Commission · as % of profit · others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>41,392,708</b>	<b>2,511,145</b>	<b>28,945,617</b>

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)
<b>A</b>	<b>COMPANY</b>					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
<b>B</b>	<b>DIRECTORS</b>					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
<b>C</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended March 31, 2018 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, 2018 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): Not Applicable

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



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- (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

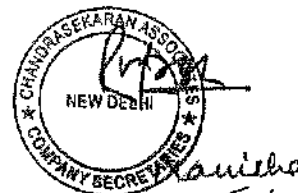
We have also examined compliance with the applicable clauses of the following:

- (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 to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), 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.

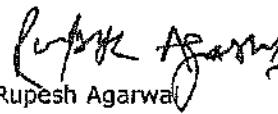
All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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. amendment in the Articles of Association of the Company

For Chandrasekaran Associates  
Company Secretaries

  
Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673



Date: 23/07/2018  
Place: New Delhi

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

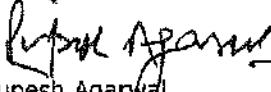
Annexure A

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.

For Chandrasekaran Associates  
Company Secretaries

  
Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673



Date: 23/07/2018  
Place: New Delhi

## 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**

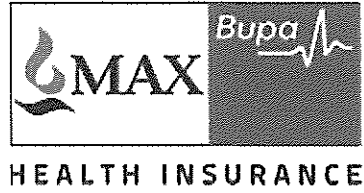
Deviations on elements of this policy in extraordinary circumstances, when deemed necessary, in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**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 -----



**Max Bupa Health Insurance Company Limited**  
**[Financial Statements : 2017-18]**

**M P Chitale & Co**

**Nangia & Co. LLP**

**Chartered Accountants**

**Chartered Accountants**

**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

## 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 22, 2018)

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, 2018, we certify that:

1. We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2018, 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, 2018, 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, 2018, 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 22, 2018**



**For Nangia & Co. LLP  
Chartered Accountants**

**Firm Registration No.: 002391C**

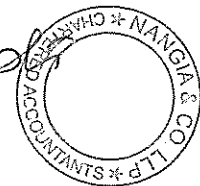


**Vikas Gupta  
Partner**

**Membership No. 076879**

**Place: Noida**

**Date: May 22, 2018**



**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**

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**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, 2018, 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 further amended by Companies (Accounting Standards) amendment rules 2016 to the extent applicable and in the manner so required .

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 internal financial controls with reference to financial statement , 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 Companies 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, 2018;
- (b) in the case of Revenue Account, of the net surplus for the year ended on that date;
- (c) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
- (d) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.



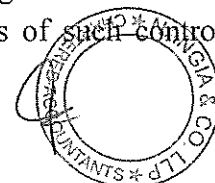
**Independent Auditors' Report (continued)**  
**Max Bupa Health Insurance Company Limited**

**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, 2018 is the responsibility of the Company's Actuary ("Actuary") and has been duly certified by the Actuary. The Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with 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 Actuary's certificate in this regard for the purpose of this report.

**Report on Other Legal and Regulatory Requirements**

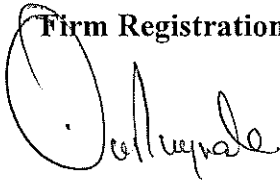
1. As required by the IRDAI Financial Statements Regulations, we have issued a separate certificate dated May 22, 2018 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required by the IRDAI Financial Statements Regulations, read 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 further amended by Companies (Accounting Standards) amendment rule 2016 to the extent they are not in consistent with the accounting principles as prescribed in the IRDAI Financial Statements Regulations and orders/directions issued by IRDAI in this regard;
  - (f) In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, 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, 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (h) With respect to the internal financial controls over financial reporting with reference to financial statement of the Company and the operating effectiveness of such controls, refer to "Annexure A" to this report;



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

- (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.

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



**Murtuza Vajih**  
**Partner**

**Membership No. 112555**

**Place: Mumbai**

**Date : May 22, 2018**



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



**Vikas Gupta**  
**Partner**

**Membership No. 076879**

**Place: Noida**

**Date: May 22, 2018**



**M.P. Chitale & Co.**  
**Chartered Accountants**

1st Floor, Hamam House, ,  
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**ANNEXURE A**

**TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAXBUPA 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, 2018 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 internal financial control with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendments) Act, 2015 ("the Insurance Act"), The Insurance Regulatory and Development Authority Act, 1999 (The "IRDA Act"), The IRDA financial statement regulation order/directions issued by the Insurance Regulatory and Development Authority of India (The "IRDA") in this regard .

**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 internal financial control with reference to financial statements over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to financial statements 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

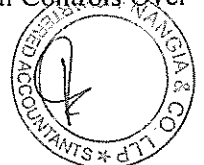
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance 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 internal financial control with reference to financial statements over financial reporting were operating effectively as at March 31, 2018, 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.



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

**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 Company's 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, 2018. 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 Company's 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**

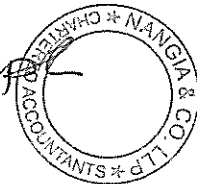
**Membership No. 112555**

**Place: Mumbai**

**Date: May 22, 2018**

**For Nangia & Co. LLP**  
**Chartered Accountants**

**Firm Registration No.: 002391C**



**Vikas Gupta**  
**Partner**

**Membership No. 076879**

**Place: Noida**

**Date: May 22, 2018**

## FORM-B-RA

## MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO. 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15 2016

## REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Schedule	For the year ended Mar 31, 2018 (Rs.'000)	For the year ended Mar 31, 2017 (Rs.'000)
1. Premiums earned (Net)	1	57,58,542	54,42,811
2 Profit/(Loss) on sale/redemption of Investments		19,899	46,306
3 Others		-	-
4 Interest, Dividend & Rent – Gross		2,79,575	2,90,639
<b>Total (A)</b>		<b>60,58,016</b>	<b>57,79,756</b>
1 Claims Incurred (Net)	2	28,90,226	28,27,720
2 Commission (Net)	3	2,26,727	5,89,710
3 Operating Expenses related to Insurance Business	4	29,17,122	25,67,280
4 Premium Deficiency		-	-
Being Expenses of Management over the allowable limit transferred to Profit and Loss Account*		(10,77,713)	(10,55,683)
<b>Total (B)</b>		<b>49,56,362</b>	<b>49,29,027</b>
<b>Operating Profit/(Loss) [C= (A - B)]</b>		<b>11,01,654</b>	<b>8,50,729</b>
<b>Appropriations</b>			
Transfer to Shareholders' Account		11,01,654	8,50,729
Transfer to Catastrophe Reserve		-	-
Transfer to Other Reserves		-	-
<b>Total (C)</b>		<b>11,01,654</b>	<b>8,50,729</b>
Significant Accounting Policies and Notes to Accounts	16		

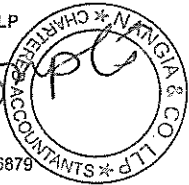
The Schedules and accompanying notes referred to herein form an integral part of the Revenue Account

\*As 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 March 31, 2018 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 Shareholders Accounts.

As per our Audit report of even date attached

For Nangia & Co. LLP

Vikas Gupta  
Partner  
Membership No. 076879  
Place: Noida



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 Vajih  
Partner  
Place: Mumbai



Company Secretary  
Rajat Sharma  
Mem No. FCS7069

CEO & Managing Director  
Ashish Mehrotra  
DIN: 07277318

Panel Actuary  
Hema Malini Ramakrishnan  
Membership No 74

Chief Financial Officer  
Rahul Ahuja

Date: May 22, 2018

Date: May 22, 2018

CIN - U66000DL2008PL10182916

## 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, 2018

Particulars	Schedule	For the year ended Mar 31, 2018 (Rs.'000)	For the year ended Mar 31, 2017 (Rs.'000)
1 Operating Profit/(Loss)			
(a) Miscellaneous Insurance		11,01,654	8,50,729
2 Income From Investments			
(a) Interest, Dividend and Rent – Gross		1,95,040	1,57,181
(b) Profit/(Loss) on sale/redemption of investments		13,882	25,043
3 Other Income			
(a) Gain/(Loss) on Foreign Exchange Fluctuation		(5,464)	2,544
(b) Interest Income		968	1,470
(c) Provisions written back		31,929	1,730
Total (A)		13,38,009	10,38,697
4 Provisions (Other than Taxation)			
(a) For diminution in the value of investments		-	-
(b) For doubtful debts		5,505	-
(c) Penalty		-	-
(d) Others		-	-
5 Other Expenses			
(a) Expenses other than those related to Insurance Business		26,393	19,780
(b) Bad debts written off		-	-
(c) Being Expenses of Management over the allowable limit transferred from Revenue Account		10,77,713	10,55,683
Total (B)		11,09,611	10,75,463
Profit/(Loss) Before Tax		2,28,398	(36,766)
Provision for Taxation		-	-
Profit/(Loss) After Tax		2,28,398	(36,766)
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		(69,29,963)	(68,93,197)
Balance carried forward to Balance Sheet		(67,01,566)	(69,29,963)
Basic and Diluted Earning per Share of Rs. 10/- each (also refer note 21 in Schedule 16)		0.25	(0.04)

Significant Accounting Policies and Notes to Accounts

16


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

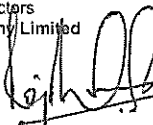
As per our Audit report of even date attached.

For Nangia &amp; Co LLP

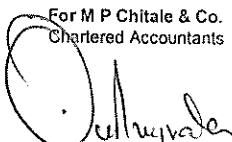
  
  
 Vikas Gupta  
 Partner  
 Membership No. 076878  
 Place: Noida

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

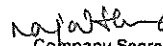
  
 Director  
 K. Narasimha Murthy  
 DIN: 00023046

  
 Chairman & Director  
 Rajesh Sud  
 DIN: 02395182

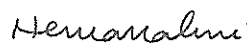
For M P Chitale & Co.  
Chartered Accountants

  
 Murtuza Vajih  
 Partner  
 Place: Mumbai



  
 Company Secretary  
 Rajat Sharma  
 Mem No. FCS7069

  
 CEO & Managing Director  
 Ashish Mehrotra  
 DIN: 07277318

  
 Panel Actuary  
 Hema Malini Ramakrishnan  
 Membership No.74

  
 Chief Financial Officer  
 Rahul Ahuja

Date: May 22, 2018



Date: May 22, 2018

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, 2018

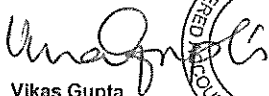
Particulars	Schedule	As at Mar 31, 2018 (Rs.'000)	As at Mar 31, 2017 (Rs.'000)
<b>Sources of Funds</b>			
Share Capital	5	92,60,000	92,60,000
Share Application Money		-	-
Reserves and Surplus	6	-	-
Fair Value Change Account - Shareholders		1,040	1,320
Fair Value Change Account - Policyholders		35	1,316
Borrowings	7	-	-
<b>Total</b>		<b>92,61,075</b>	<b>92,62,636</b>
<b>Application of Funds</b>			
Investments - Shareholders	8	30,00,576	27,86,306
Investments - Policyholders	8A	36,57,308	34,90,121
Loans	9	-	-
Fixed Assets	10	3,68,833	3,27,967
<b>Current Assets:</b>			
Cash and Bank Balances	11	2,84,941	1,76,510
Advances and Other Assets	12	8,96,718	4,78,719
<b>Sub-total (A)</b>		<b>11,81,659</b>	<b>6,55,229</b>
Current Liabilities	13	26,73,645	20,71,649
Provisions	14	29,75,222	28,55,301
<b>Sub-total (B)</b>		<b>56,48,867</b>	<b>49,26,950</b>
<b>Net Current Assets (C) = (A - B)</b>		<b>(44,67,208)</b>	<b>(42,71,721)</b>
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		67,01,566	69,29,963
<b>Total</b>		<b>92,61,075</b>	<b>92,62,636</b>
Significant Accounting Policies and Notes to Accounts	16		

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

As per our Audit report of even date attached.

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

For Nangia & Co LLP

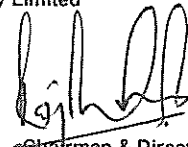


Vikas Gupta  
Partner  
Membership No. 076879  
Place: Noida



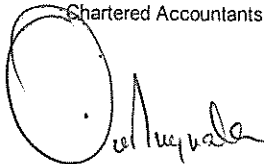


Director  
K. Narasimha Murthy  
DIN: 00023046



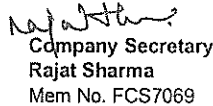
Chairman & Director  
Rajesh Sud  
DIN: 02395182

For M P Chitale & Co.  
Chartered Accountants



Murtuza Vajhi  
Partner  
Place: Mumbai





Company Secretary  
Rajat Sharma  
Mem No. FCS7069



CEO & Managing Director  
Ashish Mehrotra  
DIN: 07277318



Panel Actuary  
Hema Malini Ramakrishnan  
Membership No.74



Chief Financial Officer  
Rahul Ahuja

Date: May 22, 2018

Date: May 22, 2018

CIN - U66000DL2008PLC182918

MAX BUPA HEALTH INSURANCE COMPANY LIMITED  
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2019  
RECEIPTS AND PAYMENT ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

S.no	Particulars	For the year ended	For the year ended
		Mar 31, 2018 (Rs.'000)	Mar 31, 2017 (Rs.'000)
<b>A. Cash Flows from the Operating Activities:</b>			
1	Premium received from Policyholders, including Advance Receipts	83,66,521	66,04,914
2	Other Receipts	-	-
3	Payment to the reinsurers, net of commissions and claims	(1,50,455)	(1,33,242)
4	Payments to co-insurers, net of claims recovery	-	(873)
5	Payments of claims	(37,08,505)	(28,96,735)
6	Payments of commission and brokerage	(7,90,511)	(6,17,437)
7	Payments of Other Operating Expenses	(26,55,044)	(21,69,921)
8	Preliminary and Pre-operative Expenses	-	-
9	Deposits, Advances and Staff Loans	(700)	(14,049)
10	Income Taxes Paid (Net)	-	-
11	Service tax & GST paid	(9,09,657)	(6,88,321)
12	Other Payments	-	-
13	<b>Cash Flows before Extraordinary Items</b>	<b>1,51,049</b>	<b>84,336</b>
14	Cash flow from extraordinary operations	-	-
15	<b>Net Cash flows from operating activities</b>	<b>1,51,049</b>	<b>84,336</b>
<b>B. Cash flows from investing activities:</b>			
1	Purchase of fixed assets	(2,00,312)	(2,10,123)
2	Proceeds from sale of fixed assets	276	-
3	Purchase of investments	(23,09,662)	(39,74,460)
4	Loans disbursed	-	-
5	Sales of investments	-	6,64,118
6	Repayments received from Investments	20,36,900	28,42,157
7	Rents/Interests/ Dividends received	4,62,400	3,98,464
8	Investments in money market instruments and in liquid mutual funds (Net)	(4,16,554)	38,536
9	Expenses related to investments	-	-
10	<b>Net Cash flows from investing activities</b>	<b>(4,26,952)</b>	<b>(2,41,398)</b>
<b>C. Cash flows from financing activities</b>			
1	Proceeds from issuance of Share Capital	-	2,80,000
2	Proceeds from borrowing	-	-
3	Repayments of borrowing	-	-
4	Interest/dividends paid	-	-
5	<b>Net cash flow from financing activities</b>	<b>-</b>	<b>2,80,000</b>
<b>D Effect of foreign exchange rates on cash and cash equivalents, net</b>			
		-	-
<b>E Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,75,903)</b>	<b>1,23,028</b>
Cash and cash equivalents at the beginning of the Period		8,10,752	6,87,724
Cash and cash equivalents at the end of the Period		<u>5,34,849</u>	<u>8,10,752</u>
<b>Net Increase/(decrease) in cash and cash equivalents</b>		<b>(2,75,903)</b>	<b>1,23,028</b>

Reconciliation of Cash and cash equivalents with the Balance Sheet at the end of the year

Cash and Bank Balances (Refer Schedule 11)	2,84,941	1,76,510
Short term liquid investments (Refer Schedule 8: Investments Shareholder's Fund)	2,26,622	2,21,721
Short term liquid investments (Refer Schedule 8:A Investments Policyholder's Fund)	23,286	4,12,521
<b>Cash and cash equivalents at the end of the Period</b>	<b>5,34,849</b>	<b>8,10,752</b>

As per our Audit report of even date attached.

For Nangia & Co LLP  
Chartered Accountants

Vikas Gupta  
Partner  
Membership No. 076879  
Place: Noida

For M P Chitale & Co.  
Chartered Accountants

Murtuza Vajhi  
Partner  
Place: Mumbai

Date: May 22, 2018

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

Director  
K. Narasimha Murthy  
DIN: 00023046

Company Secretary  
Rajat Sharma  
Mem No. FCS7069

Panel Actuary  
Hema Malini Ramakrishnan  
Membership No 74

Date: May 22, 2018

Chairman & Director  
Rajesh Sud  
DIN: 02395182

CEO & Managing Director  
Ashish Mehrotra  
DIN: 07277318

Chief Financial Officer  
Rahul Atuja

CIN - U66900DL2008PLC182918



**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, 2018	Mar 31, 2017

**SCHEDULE - 1**

**PREMIUM EARNED [NET OF SERVICE TAX AND GST]**

Premium from direct business written	75,44,715	59,39,338
Add: Premium on reinsurance accepted	-	-
Less: Premium on reinsurance ceded	16,67,365	3,00,177
<b>Net Premium</b>	<b>58,77,350</b>	<b>56,39,161</b>
Less: Adjustment for change in reserve for unexpired risks	1,18,808	1,96,350
<b>Total Premium Earned (Net)</b>	<b>57,58,542</b>	<b>54,42,811</b>

**SCHEDULE - 2**

**CLAIMS INCURRED [NET]**

Claims paid*		
Direct	36,74,444	29,37,058
Add: Re-insurance accepted	-	-
Less: Re-insurance Ceded	7,75,017	1,44,895
<b>Net Claims paid</b>	<b>28,99,427</b>	<b>27,92,163</b>
Add: Claims Outstanding at the end of the year	5,22,005	5,31,206
Less: Claims Outstanding at the beginning of the year	5,31,206	4,95,649
<b>Total Claims Incurred**</b>	<b>28,90,226</b>	<b>28,27,720</b>

\*In case of inhouse TPA, IRDAI Expense of Management Regulations, 2016 permits an insurer to consider expense not exceeding 3% of Premium as a part of claim cost, accordingly amount of claim paid includes an amount of certain expenses aggregating to Rs. 169,726 thousand (previous year ended 31st March 2017 Rs. 143,071 thousand) allocated to claim handling charges. This amount preliminary includes employee and other related costs

\*\* Includes an amount of Rs. 137,719 thousand during the year ended 31st March 2018 (previous year ended 31st March 2017 Rs. 129,527 thousand) on account of expenses incurred towards product related benefit paid to policyholders

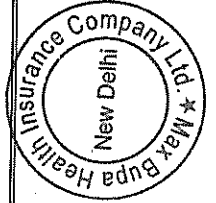
**SCHEDULE - 3**

**COMMISSION**

Commission paid		
Direct	8,39,060	6,33,960
Add: Re-insurance accepted	-	-
Less: Commission on Re-insurance Ceded	6,12,333	44,250
<b>Net Commission</b>	<b>2,26,727</b>	<b>5,89,710</b>

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

Agents	5,08,304	3,95,767
Brokers	99,117	86,595
Corporate Agency	2,31,639	1,51,638
	<b>8,39,060</b>	<b>6,33,960</b>



**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		
	Health	Personal	Others	Health	Personal	Others
		Mar 31, 2018			Mar 31, 2017	
		Accident			Accident	
<b>SCHEDULE - 1A</b>						
<b>PREMIUM EARNED [NET OF SERVICE TAX AND GST]</b>						
Premium from direct business written	74,32,655	1,12,060	-	75,44,715	59,09,359	29,979
Add: Premium on reinsurance accepted	16,34,184	33,181	-	16,67,365	2,94,898	5,279
Less: Premium on reinsurance ceded	57,98,471	78,879	-	58,77,350	56,14,461	24,700
<b>Net Premium</b>	95,047	23,761	-	1,18,808	1,81,930	1,420
Less: Adjustment for change in reserve for unexpired risks	57,03,424	55,118	-	57,58,542	54,32,531	10,280
<b>Total Premium Earned (Net)</b>						

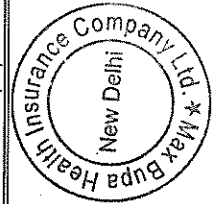
Particulars	For the year ended			For the year ended		
	Health	Personal	Others	Health	Personal	Others
		Mar 31, 2018			Mar 31, 2017	
		Accident			Accident	
<b>SCHEDULE - 2A</b>						
<b>CLAIMS INCURRED [NET]</b>						
Claims paid*						
Direct	36,62,262	12,183	-	36,74,444	29,36,637	421
Add: Re-insurance accepted	7,74,429	588	-	7,75,017	1,44,875	21
Less: Re-insurance Ceded	28,87,832	11,595	-	28,99,427	27,91,762	401
<b>Net Claims paid</b>	4,96,894	25,111	-	5,22,005	5,23,441	7,765
Add: Claims Outstanding at the end of the year	5,23,441	7,765	-	5,31,206	4,95,414	235
Less: Claims Outstanding at the beginning of the year	28,61,285	28,941	-	28,90,226	28,19,789	7,931
<b>Total Claims Incurred**</b>						

\*In case of inhouse TPA, IRDAI Expense of Management Regulations, 2016 permits an insurer to consider expense not exceeding 3% of Premium as a part of claim cost, accordingly amount of claim paid includes an amount of certain expenses aggregating to Rs. 169,726 thousand (previous year ended 31st March 2017 Rs. 143,071 thousand) allocated to claim handling charges. This amount preliminary includes employee and other related costs

\*\* Includes an amount of Rs. 137,719 thousand during the year ended 31st March, 2018 (previous year ended 31st March 2017 Rs. 128,527 thousand) on account of expenses incurred towards product related benefit paid to policyholders

Particulars	For the year ended			For the year ended		
	Health	Personal	Others	Health	Personal	Others
		Mar 31, 2018			Mar 31, 2017	
		Accident			Accident	
<b>SCHEDULE - 3A</b>						
<b>COMMISSION</b>						
Commission paid						
Direct	8,24,831	14,229	-	8,39,060	6,29,448	4,512
Add: Re-insurance accepted	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	6,04,773	7,560	-	6,12,333	42,831	1,419
<b>Net Commission</b>	2,20,058	6,669	-	2,26,727	5,86,617	3,093

Particulars	For the year ended			For the year ended		
	Health	Personal	Others	Health	Personal	Others
		Mar 31, 2018			Mar 31, 2017	
		Accident			Accident	
<b>Break Up of expenses incurred to procure business:</b>						
Agents	5,02,288	6,016	-	5,08,304	3,95,681	86
Brokers	99,002	115	-	99,117	86,440	155
Corporate Agency	2,23,541	8,098	-	2,31,639	1,47,327	4,271
	8,24,831	14,229	-	8,39,060	6,29,448	4,512



**MAX BUPA HEALTH INSURANCE COMPANY LIMITED**

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

**SCHEDULE - 4  
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS** (Rs.'000)

Particulars	For the year ended	For the year ended
	Mar 31, 2018	Mar 31, 2017
1 Employees' remuneration and welfare benefits	13,63,966	11,44,720
2 Travel, conveyance and vehicle running expenses	71,762	65,479
3 Training expenses	83,609	84,960
4 Rents, rates and taxes	1,09,964	1,15,645
5 Repairs	1,25,449	1,58,158
6 Printing and stationery	31,009	22,154
7 Communication	78,764	81,405
8 Legal and professional charges	4,12,421	3,18,833
9 Auditors' fees, expenses etc	-	-
(a) as auditor	3,180	4,105
(b) as adviser or in any other capacity, in respect of	-	-
(i) Taxation matters	25	175
(ii) Insurance matters	-	-
(iii) Management services, and	-	83
(c) in any other capacity	-	-
(i) Tax Audit Fees	150	80
(ii) Certification Fees	150	-
10 Advertisement and publicity	4,18,070	4,05,072
11 Interest and bank charges	24,555	20,298
12 Others	-	-
(a) Business and Sales Promotion	2,682	3,435
(b) Membership and Subscription	2,725	2,424
(c) Insurance	2,530	2,825
(d) Sitting Fee	4,400	3,600
(e) Reward or Remuneration Agents	11,561	-
(f) Loss on disposal of fixed assets	408	640
(g) Sundry Balances W/off	4,077	1,412
(h) Board Meeting Expenses	1,625	2,303
(i) Miscellaneous Expenses*	321	311
13 Depreciation	1,58,762	1,15,479
14 Service Tax Ac & GST	4,954	13,684
<b>Total</b>	<b>29,17,122</b>	<b>25,67,280</b>

\* None of the items individually are higher than Rs 500,000 or 1% of Net Written Premium





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

**SCHEDULE – 5**  
**SHARE CAPITAL**

Particulars	As at Mar 31, 2018 (Rs.'000)	As at Mar 31, 2017 (Rs.'000)
<b>1 Authorised Capital</b> 1,00,00,00,000 Equity Shares of Rs 10 each	<u>1,00,00,000</u>	<u>1,00,00,000</u>
<b>2 Issued Capital</b> 92,60,00,000 Equity Shares of Rs 10 each (Previous year ended as at 31st March, 2017 92,60,00,000 Equity Shares of Rs 10 each)	<u>92,60,000</u>	<u>92,60,000</u>
<b>3 Subscribed Capital</b> 92,60,00,000 Equity Shares of Rs 10 each (Previous year ended as at 31st March, 2017 92,60,00,000 Equity Shares of Rs 10 each)	<u>92,60,000</u>	<u>92,60,000</u>
<b>4 Called-up Capital</b> 92,60,00,000 Equity Shares of Rs 10 each (Previous year ended as at 31st March, 2017 92,60,00,000 Equity Shares of Rs 10 each)	92,60,000	92,60,000
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	-	-
<b>Total</b>	<u>92,60,000</u>	<u>92,60,000</u>

Out of the above, 47,22,60,000 (Previous year ended as at 31st March, 2017 47,22,60,000) 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 Mar 31, 2018		As at Mar 31, 2017	
	Number of Shares	% of holding	Number of Shares	% of holding
Promoters				
- Indian	47,22,60,000	51.00%	47,22,60,000	51.00%
- Foreign	45,37,40,000	49.00%	45,37,40,000	49.00%
Others	-	-	-	-
<b>Total</b>	<u>92,60,00,000</u>	<u>100.00%</u>	<u>92,60,00,000</u>	<u>100.00%</u>



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

Particulars	As at	As at
	Mar 31, 2018 (Rs.'000)	Mar 31, 2017 (Rs.'000)
<b>SCHEDULE – 6</b>		
<b>RESERVES AND SURPLUS</b>		
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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>SCHEDULE – 7</b>		
<b>BORROWINGS</b>		
1 Debentures/ Bonds	-	-
2 Banks	-	-
3 Financial Institutions	-	-
4 Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>





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

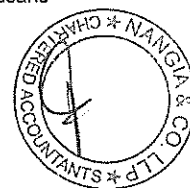
SCHEDULE – 8  
INVESTMENTS - SHAREHOLDERS

Particulars	As at	As at
	Mar 31, 2018 (Rs.'000)	Mar 31, 2017 (Rs.'000)
<b>LONG TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	3,52,607	3,06,359
2 Other Approved Securities	5,65,522	5,14,540
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	2,54,605	2,55,132
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	5,49,399	5,49,496
5 Other than Approved Investments,	-	-
<b>SHORT TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills (refer Note (b) below)	1,03,100	-
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	2,26,622	99,079
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	2,51,140	2,41,758
(e) Other Securities	3,59,500	5,97,300
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	3,38,081	1,00,000
5 Other than Approved Investments*	-	1,22,642
<b>Total</b>	<b>30,00,576</b>	<b>27,86,306</b>

\* Represents investments in mutual funds

**Notes:**

- Aggregate amount of shareholder's investments other than listed equity securities and derivative instruments is Rs. 30,00,576 thousand (Previous year ended as on 31st March, 2017 Rs. 27,86,306 thousand). Market value of such investments is Rs. 30,05,974 thousand (Previous year ended as on 31st March, 2017 Rs. 28,60,614 thousand)
- The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 2,25,582 thousand (Previous year ended 31st March 2017 Rs. 2,20,401 thousand).



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

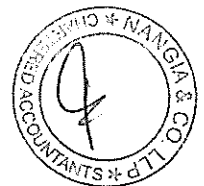
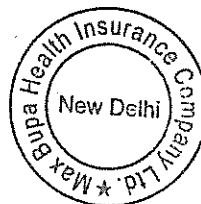
**SCHEDULE – 8A**  
**INVESTMENTS - POLICYHOLDERS**

Particulars	As at Mar 31, 2018 (Rs.'000)	As at Mar 31, 2017 (Rs.'000)
<b>LONG TERM INVESTMENTS</b>		
1 Government securities and Government guaranteed bonds including Treasury Bills	11,06,587	11,18,787
2 Other Approved Securities	-	-
3 Other Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	5,03,180	6,52,994
(e) Other Securities	-	22,500
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	10,05,312	6,57,361
5 Other than Approved Investments	-	-
<b>SHORT TERM INVESTMENTS</b>		
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	23,286	1,26,717
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	4,89,583	3,40,237
(e) Other Securities	2,38,200	89,600
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
4 Investments in Infrastructure and Social Sector	2,91,160	1,96,121
5 Other than Approved Investments*	-	2,85,804
<b>Total</b>	<b>36,57,308</b>	<b>34,90,121</b>

\* Represents investments in mutual funds

**Notes:**

- a. Aggregate amount of policyholder's investments other than listed equity securities and derivative instruments is Rs. 36,57,308 thousand (Previous year ended as on 31st March 2017 Rs. 34,90,121 thousand). Market value of such investments is Rs. 36,81,857 thousand (Previous year ended as on 31st March 2017 Rs. 35,64,687 thousand).
- b. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 23,251 thousands (Previous year ended 31st March 2017 Rs. 4,11,205 thousand).



**MAX BUPA HEALTH INSURANCE COMPANY LIMITED**

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

**SCHEDULE – 9  
LOANS**

Particulars	As at	As at
	Mar 31, 2018 (Rs.'000)	Mar 31, 2017 (Rs.'000)
<b>1 Security-Wise Classification</b>		
Secured		
(a) On mortgage of property	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities	-	-
(c) Others	-	-
Unsecured	-	-
<b>Total</b>	-	-
<b>2 Borrower-Wise Classification</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Industrial Undertakings	-	-
(e) Others	-	-
<b>Total</b>	-	-
<b>3 Performance-Wise Classification</b>		
(a) Loans classified as standard	-	-
(aa) In India	-	-
(bb) Outside India	-	-
(b) Non-performing loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	-	-
<b>4 Maturity-Wise Classification</b>		
(a) Short Term	-	-
(b) Long Term	-	-
<b>Total</b>	-	-



**MAX BUPA HEALTH INSURANCE COMPANY LIMITED**

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at	As at
	Mar 31, 2018 (Rs.'000)	Mar 31, 2017 (Rs.'000)
<b>SCHEDULE – 11</b>		
<b>CASH AND BANK BALANCES</b>		
1 Cash (including cheques, drafts and stamps)	21,227	26,183
2 Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months)	1,06,500	54,000
(bb) Others	-	-
(b) Current Accounts	1,57,214	96,327
(c) Others	-	-
3 Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
4 Others	-	-
<b>Total</b>	<b>2,84,941</b>	<b>1,76,510</b>

Balances with non-scheduled banks included in 2 above is Rs. 189 thousand (Previous year ended 31st March 2017 Rs. 474 thousand)

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

**ADVANCES**

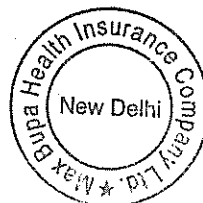
1 Reserve deposits with ceding companies	-	-
2 Application money for investments	-	-
3 Prepayments	31,548 <sup>1</sup>	28,743
4 Advances to Directors/Officers	-	-
5 Advance tax paid and taxes deducted at source	-	-
6 Others (to be specified)		
(a) Advance to Suppliers	53,508	63,701
Less: Provisions made	(3,607)	(3,876)
Sub-total	49,902	59,825
(b) Other advances (Gross Amount)	2,248	285
Less: Provisions made	(2,248)	-
Sub-total	-	285
<b>Total (A)</b>	<b>81,450</b>	<b>88,853</b>

**OTHER ASSETS**

1 Income accrued on investments*	1,78,197	2,09,271
2 Outstanding Premiums**	85,598	88,793
Less: Provisions made	(41,698)	(38,293)
Sub-total	43,900	50,500
3 Agents' Balances	168	2,122
Less: Provisions made	(168)	(2,122)
Sub-total	-	-
4 Foreign Agencies Balances	-	-
5 Due from other entities carrying on insurance business	3,66,267	63,010
Less: Provisions made	-	(2,033)
Sub-total	3,66,267	60,977
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	50,633	49,933
(b) GST unutilized credit	1,57,333	19,185
(c) Deposits against unclaimed amount of policyholders	17,999	-
(d) Interest accrued on deposits against unclaimed amount	939	-
<b>Total (B)</b>	<b>8,15,268</b>	<b>3,89,866</b>
<b>Total (A+B)</b>	<b>8,96,718</b>	<b>4,78,719</b>

\* Includes Interest accrued on Fixed Deposits classified under Cash & Bank

\*\* Includes Rs. 74,273 thousand (Previous year ended as on 31st March 2017 Rs. 81,817 thousand) receivable from Central / State Government in account of premium under RSBY Scheme against which provision of Rs. 41,698 thousand (Previous year ended as on 31st March 2017 Rs. 38,293 thousands) 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	As at
	Mar 31, 2018 (Rs.'000)	Mar 31, 2017 (Rs.'000)
<b>SCHEDULE – 13</b>		
<b>CURRENT LIABILITIES</b>		
1 Agents' balances	94,207	68,368
2 Balances due to other insurance companies	4,70,315	1,02,654
3 Deposits held on re-insurance ceded	-	-
4 Premiums received in advance	52,428	37,375
5 Unallocated premium	71,363	86,160
6 Sundry creditors	13,22,976	11,64,347
7 Due to subsidiaries/ holding company	-	-
8 Claims Outstanding*	5,22,005	5,31,206
9 Unclaimed amount of policyholders	13,676	16,554
10 Due to Officer/ Director	-	25,992
11 Others		
(a) Tax deducted at source	60,548	25,901
(b) Other statutory dues	9,708	7,569
(c) Service Tax & GST liability	42,764	-
(d) Advance from Corporate Clients	11,747	4,360
(e) Interest on unclaimed amount of Policyholders	1,907	1,163
<b>Total</b>	<b>26,73,645</b>	<b>20,71,649</b>

\*includes IBNR and IBNER reserves

### SCHEDULE – 14

#### PROVISIONS

1 Reserve for Unexpired Risk*	29,39,618	28,20,810
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	10,975	9,014
(b) For Leave Encashment	24,629	25,477
(c) Premium Deficiency Reserve	-	-
<b>Total</b>	<b>29,75,222</b>	<b>28,55,301</b>

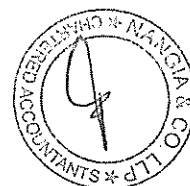
\* Includes provision for freelook cancellation Rs. 943 thousand (Previous year ended 31st March 2017 Rs. 1,229 thousand).

### SCHEDULE – 15

#### MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

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



FORM IRDAI-GI-TA  
STATEMENT OF ADMISSIBLE ASSETS: MAX BUPA HEALTH INSURANCE COMPANY LIMITED  
As at Mar 31, 2018

Name of Insurer: Max Bupa Health Insurance Company Limited
Registration Number: 145
Date of Registration: February 15, 2010
Classification: Business within India/ Total Business

(All amounts in Rupees of Lakhs)

Particulars	Policyholders A/c	Shareholders A/c	Total
<b>Investments</b>			
Investments Shareholder' SCH 8	-	30,006	30,006
Investments Policyholder' SCH 8A	36,573	-	36,573
<b>Total Investments as per BS ---- (A)</b>	<b>36,573</b>	<b>30,006</b>	<b>66,579</b>
Inadmissible investment assets as per Clause (1) of Schedule I---- (B)	-	-	-
<b>Fixed assets</b>			
Fixed assets as per BS ---- (C)	-	3,688	3,688
Inadmissible Fixed assets as per Clause (1) of Schedule - I ----(D)	-	311	311
<b>Current Assets</b>			
Cash & Bank Balances as per BS --- (E)	-	2,849	2,849
Advances and Other assets as per BS ---- (F)	-	8,967	8,967
<b>Total Current Assets as per BS -- (G) = (E) + (F)</b>	<b>-</b>	<b>11,816</b>	<b>11,816</b>
Inadmissible Current Assets as per Clause (1) of Schedule - I ----(H)	-	642	642
<b>Loans</b>			
Loans as per BS ----(I)	-	-	-
Fair Value Change Account subject to minimum of Zero --- (J)	-	10	10
<b>Total Assets as per BS --- (K) = (A) + (C) + (G) + (I)</b>	<b>36,573</b>	<b>45,510</b>	<b>82,083</b>
(Excluding current liabilities and provisions)			
<b>Total Inadmissible Assets ----(L) = (B) + (D) + (H) + (J)</b>	<b>-</b>	<b>963</b>	<b>963</b>
<b>Total Admissible Assets for Solvency ---- (K) - (L)</b>	<b>36,573</b>	<b>44,547</b>	<b>31,120</b>
(Excluding current liabilities and provisions)			

We Certify the statements has been prepared in accordance with Schedule I

Panel Actuary

CEO & Managing Director

*Hema Malini*  
Hema Malini Ramakrishnan, FIAI  
Membership No. 74

*Ashish Mehrotra*  
Ashish Mehrotra  
DIN: 07277318



For Nangia & Co LLP  
ICAI Firm Registration No. 602331

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

*Vikas Gupta*  
Vikas Gupta  
Membership No. 076879  
Place: Noida

*Murtuza Vajjhi*  
Murtuza Vajjhi  
Membership No. 112555  
Place: Mumbai



Date: May 22, 2018

Date: May 22, 2018

**FORM IRDAI-GI-TR**  
**Insurance Regulatory and Development Authority of India**  
**(Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016**  
**TABLE I**  
**STATEMENT OF LIABILITIES: MAX BUPA HEALTH INSURANCE COMPANY LIMITED**  
**As at Mar 31, 2018**

Name of Insurer: Max Bupa Health Insurance Company Limited
Registration Number: 145
Date of Registration: February 15, 2010
Classification: Business within India/ Total Business

(All amounts in Rupees of Lakhs)

Reserve	Gross Reserve	Net Reserve
Unearned Premium Reserve (UPR) .... (a)	37,733	29,396
Premium Deficiency Reserve (PDR) .... (b)	-	-
Unexpired Risk Reserve (URR) .... (c)=(a)+(b)	37,733	29,396
Outstanding Claim Reserve (other than IBNR Reserve) .... (d)	1,954	1,479
IBNR Reserve .... (e)	4,450	3,741
<b>Total Reserves for Technical Liabilities .... (f) = (c)+(d)+(e)</b>	<b>44,137</b>	<b>34,616</b>

**Certification**



**(1) Certification from Statutory Auditor**

I certify that the above statement represents the liabilities of the insurer which have been determined in the manner prescribed in the Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of General Insurance Business) Regulations, 2016 and the amounts of such liabilities are fair and reasonable. I also further certify that the outstanding claims reserves that are estimated using statistical methods, PDR and IBNR Reserves in the statement above have been determined by the Panel Actuary and her certificate is furnished below.

Qualifications (in regard to the determination of liabilities) : Nil

For Nangia & Co LLP

ICAI Firm Registration No. 002391C

Vikas Gupta  
 Membership No. 0769799  
 Place: Noida  
 Date: May 22, 2018

For M P Chitale & Co.

Chartered Accountants

ICAI Firm Registration No. 101851W



Murtuza Vajih  
 Membership No. 112555  
 Place: Mumbai  
 Date: May 22, 2018



**(2) Certification from the Panel Actuary**

I certify that, I have checked the data to the best of my ability and I am satisfied that the data is consistent, reliable and complete. I also further certify that the outstanding claims reserves that are estimated using statistical methods, PDR and IBNR reserves in the statement above have been determined using actuarial principles and in the manner prescribed in the Insurance Regulatory Development Authority of India (Assets, Liabilities and solvency Margin of General Insurance Business) Regulations, 2016. These reserves, estimated as on the 31st Day of March of 2018 represent, in my opinion, a fair reflection of the expected future experience.


Qualifications: Nil

Panel Actuary

Name of Insurer: Max Bupa Health Insurance Co. Ltd.

Place: Bengaluru

Date: May 22, 2018

  
 Hema Malini Ramakrishnan, FIAI  
 Membership No.74



**(3) Certification by Principal Officer**

I certify that

(a) Full and accurate particulars of every policy and claim have been furnished to the Panel Actuary, Ms. Hema Malini Ramakrishnan for the purpose of the determination of Technical Reserves as on the 31st Day of March of 2018

(b) The Data provided to the Panel Actuary reconciles with the Audited Financials as at 31st Day of March of 2018

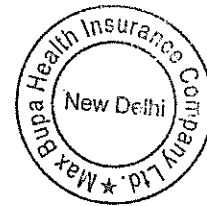
(c) The Panel Actuary has been made aware of all the information pertaining to underwriting, claims and reinsurance policies and practices followed by the Insurer.

Qualifications : Nil

Principal Officer, CEO & MD

Name of Insurer: Max Bupa Health Insurance Co. Ltd.  
Place: New Delhi  
Date: May 22, 2018

  
Ashish Mehrotra  
DIN: 07277318



**(4) Certification by Chief Financial Officer**

I certify that the UPR has been determined as per the extant provisions of the Authority

Qualifications: Nil

Chief Financial Officer

Name of Insurer: Max Bupa Health Insurance Co. Ltd  
Place: New Delhi  
Date: May 22, 2018

  
Rahul Ahuja



FORM IRDAI-GI-511  
Insurance Regulatory and Development Authority of India  
(Assets, Liabilities, and Solvency Margin of General Insurance Business) Regulations, 2016  
TABLE I  
STATEMENT OF SOLVENCY MARGIN: MAX BUPA HEALTH INSURANCE COMPANY LIMITED  
As at Mar 31, 2018

Name of Insurer: Max Bupa Health Insurance Company Limited  
Registration Number: 145  
Date of Registration: February 15, 2010  
Classification: Business within India/ Total Business

**TABLE IA: REQUIRED SOLVENCY MARGIN BASED ON NET PREMIUM AND NET INCURRED CLAIMS**

(All amounts in Rupees of Lakhs)

Item No.	Line of Business	Gross Premium	Net Premium	Gross Incurred Claims	Net Incurred Claims	RSM1	RSM2	RSM	Factor A	Factor B
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
01	Fire	-	-	-	-	-	-	-	0.50	0.50
02	Marine Cargo	-	-	-	-	-	-	-	0.60	0.60
03	Marine - Other than Marine Cargo	-	-	-	-	-	-	-	0.50	0.50
04	Motor	-	-	-	-	-	-	-	0.75	0.75
05	Engineering	-	-	-	-	-	-	-	0.50	0.50
06	Aviation	-	-	-	-	-	-	-	0.50	0.50
07	Liability	-	-	-	-	-	-	-	0.75	0.75
08	Health	75,447	58,774	37,557	28,902	11,755	8,671	11,755	0.75	0.75
09	Miscellaneous	-	-	-	-	-	-	-	0.70	0.70
	<b>Total</b>	<b>75,447</b>	<b>58,774</b>	<b>37,557</b>	<b>28,902</b>	<b>11,755</b>	<b>8,671</b>	<b>11,755</b>		

**TABLE IB: AVAILABLE SOLVENCY MARGIN AND SOLVENCY RATIO**

Name of Insurer: Max Bupa Health Insurance Company Limited  
Registration Number: 145  
Date of Registration: February 10, 2010  
Classification: Business within India/ Total Business

(All amounts in Rupees of Lakhs)

(1)	(2)	(3)
Item No.	DESCRIPTION	Amount
(A)	Policyholder's Funds	36,573
	Available Assets (as per Form IRDAI-GI-TA)	
	Deduct:	
(B)	Current Liabilities as per BS	5,220
(C)	Provisions as per BS	29,396
(D)	Other Liabilities	-
(E)	Excess in Policyholder's Funds (A)-(B)-(C)-(D)	1,957
	Shareholder's Funds	
(F)	Available Assets	44,547
	Deduct:	
(G)	Other Liabilities	21,717
(H)	Excess in Shareholder's Funds (F)-(G)	22,830
(I)	Total ASM (E) + (H)	24,787
(J)	Total RSM	11,755
(K)	Solvency Ratio (Total ASM/Total RSM)	2.11

**Certification:**

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

For Nangia & Co LLP  
ICAI Firm Registration No. 101851W

Vikas Gupta  
Membership No. 07687

Place: Noida  
Date: May 22, 2018

Principal Officer, CEO & MD  
Ashish Mehrotra  
DIN: 07277318

Date: May 22, 2018

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

Murtuza Vijithi  
Membership No. 112555

Place: Mumbai  
Date: May 22, 2018

Panel Actuary  
Hema Malini Ramakrishnan, FIAI  
Membership No. 74

Date: May 22, 2018



Chief Financial Officer  
Rahul Ahuja

Date: May 22, 2018

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

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**SCHEDULE 16**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2018**

**A. BACKGROUND**

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

The Company is a joint venture between Max India Limited and BupaSingapore 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 15<sup>th</sup> February 2010 from Insurance Regulatory and Development Authority of India (IRDAI) under section 3(2A) of the Insurance Act, 1938. The Company had started selling Policies in March 2010.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation of Financial Statements**

The accompanying financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The Company has prepared the financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Amendments Rules 2016 as amended and Companies (Accounting Standards) Amendment Rules 2016 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.



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

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(c) **Revenue Recognition**

(i) **Premium Income**

Premium (net of Service tax and GST) is recognized as income on the commencement of risk after adjusting for unearned premium (unexpired risk). Any subsequent revision or cancellation of premiums are accounted for in the year in which they occur.

**Unearned Premium Reserve**

Unearned Premium Reserve (UPR) means an amount representing that part of the premium written (net of reinsurance ceded) which is attributable and to be allocated to the succeeding accounting periods. In accordance with IRDAI circular dated April 4, 2016 reserve for unexpired is calculated at 50% of the net premium of preceding twelve months.

**Premium Deficiency**

Premium Deficiency Reserve means the reserve held in excess of the unearned premium reserve, which allows for any expectation that the unearned premium reserve will be insufficient to cover the cost of claims and related expenses incurred during the period of unexpired risk. Computation of unexpired premium risk for the purpose of premium deficiency is based on the 1/365 method. Assessment of expected claim cost and related expenses is certified by the Appointed/Panel Actuary in accordance with IRDAI (Assets, Liabilities and Solvency margin of General Insurance Business) Regulation, 2016.

(ii) **Reinsurance ceded**

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

(iii) **Commission on Reinsurance Premium**

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

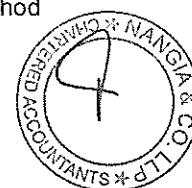
Profit commission under reinsurance treaties, wherever applicable, is recognized as income in the year of final determination of the profits and as intimated by the Reinsurer.

(iv) **Interest / Dividend Income**

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

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

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



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

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

Profit and Loss on sale/redemption of investments, being the difference between sale consideration/redemption values and carrying value of investments (i.e weighted average value) is credited or charged to Revenue or/and Profit and Loss account as applicable. The profit/loss on sale of investment includes accumulated changes in the fair value previously recognized in 'Fair Value Change Account' in respect of a particular security. Sale consideration for the purpose of 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) Premium received in advance**

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

**(f) Claims/Benefits Incurred**

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

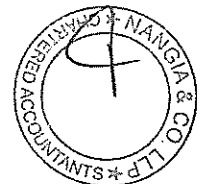
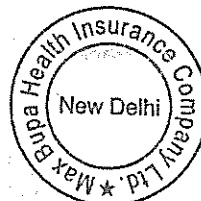
Provision is made for estimated value of outstanding claims/benefits at the Balance Sheet date net of claims recoverable from reinsurance. Such provision is made on the basis of the ultimate amounts that are likely to be paid on each claim/benefits, established by the management in light of past experience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

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

**IBNR and IBNER**

The estimated liability for claims incurred but not reported (IBNR) and claims incurred but not enough reported (IBNER) is estimated by the Appointed/Panel Actuary in compliance with guidelines issued by IRDAI vide circular No. 11/IRDA/ACTL/IBNR/2005-06 dated June 8, 2005 and ALSM Regulation 2016 with applicable provisions of Actuarial Practice Standards 21 issued by the Institute of Actuaries of India. The Appointed/Panel Actuary uses generally accepted actuarial methods for each product category as considered appropriate depending upon the availability of past data.

IBNR reserves are provisions for claims that may have been incurred during the accounting period but have not been reported or claimed. The IBNR provision also includes provision, for claims that have been incurred but are not enough reported (IBNER). The provision for IBNR and IBNER is based on actuarial estimate duly certified by the Appointed/Panel Actuary of the Company.



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

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Provision is made for estimated value of outstanding claims which have not been reported to the Company at the Balance Sheet date net of reinsurance, and other recoveries. Such provision is made on the basis of the ultimate amounts that are likely to be paid on each claim, established by the management in light of past experience and progressively modified for changes as appropriate, on availability of further information and include claim settlement costs likely to be incurred to settle outstanding claims.

**(g) Allocation of Investment Income**

Investment income earned on policyholders' investments funds at Balance Sheet date have been credited to Revenue Account and Investment income earned on shareholders' investments funds at balance sheet date have been credited to Profit & Loss Account.

Investment income which is not directly identifiable has been allocated on the basis of the ratio of directly attributable investment income earned on shareholders' investments funds and policyholders' investments funds.

Further, investment income across segments within the Revenue account has also been allocated on the basis of segment-wise gross written premium.

**(h) Investments**

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

Investments are recorded at cost including acquisition charges (such as brokerage, transfer charges, stamps etc) if any and exclude interest accrued up to the date of purchase. Debt securities, including Government securities are considered as 'held to maturity' and accordingly stated at historical cost subject to amortisation of premium or accretion of discount on constant yield to maturity basis in the Revenue Account and in the Profit and Loss Account over the period of maturity/holding.

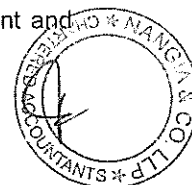
Investment that are earmarked, are allocated to policyholder's or shareholder's as applicable; balance investment are segregated at Shareholder's level and policyholder's level notionally based on Policyholder's fund and Shareholder's fund at the end of the year.

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 or/and Profit and Loss Account as applicable on the trade date.

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



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

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.

**(j) Fixed Assets and Depreciation**

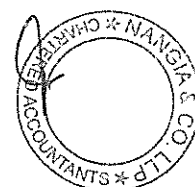
**Tangible assets and depreciation**

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.



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

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**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 four years from the date of being ready to use

**Capital work in progress**

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

**Impairment of Assets**

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

**(k) Taxation**

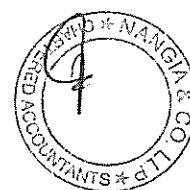
Income tax expense comprises current tax (i.e. amount of tax payable on the taxable income for the period determined in accordance with the Income-tax Act, 1961), and deferred tax charge or credit (reflecting the tax effects of timing differences between the accounting income and taxable income for the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



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

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**(a) Defined Contribution Plan.**

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 or Profit and Loss Account as applicable.

**(b) Defined Benefit Plans**

- a. The liability in respect of Gratuity is provided for on the basis of an actuarial valuation carried out at the year-end using the Projected Unit Credit Method. Actuarial gain and loss are recognized in full in the Revenue Account or/and Profit and Loss Account as applicable for the year in which they occur. The Company has a recognized Trust for Gratuity benefits, "Max Bupa Health Insurance Ltd Employees' Group Gratuity Fund" to administer the Gratuity funds. The Trust has taken master policy with the Max Life Insurance Company Limited" to cover its liabilities towards employees' Gratuity. The Gratuity obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of the gratuity fund.
- b. The liability in respect of long term accumulating leave encashment is provided for on the basis of actuarial valuation carried out at the yearend for long term compensated absences using Projected Unit Credit Method. Actuarial gains and losses are recognized in full in the Revenue Account or/and Profit and Loss Account, as applicable for the year in which they occur. Short term compensated absences are provided for based on estimates. Non-accumulated compensated absences are accounted for as and when availed / encashed.
- c. Deferred compensation, which is a long term employee benefit, is provided for based on the independent actuarial valuation carried out as at the Balance Sheet date and charged to Revenue Account or Profit and Loss Account, as applicable based on services rendered by employees.

**(c) Long term incentive plan**

Employee benefit in form of long term incentive plan is another long term employee benefit. The cost of providing benefit under his plan are determined on the basis of actuarial valuation at end of each year end using projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss

**(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





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

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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 and 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 and 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 lessor is classified as Operating Leases. Operating Lease rentals including escalation are recognized in the Revenue account or/and Profit and Loss account, as the case may be, on a straight line basis over the period of the lease.

**(p) Foreign Currency Transactions**

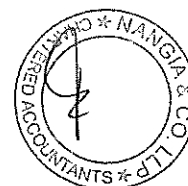
Initial recognition: Foreign currency transactions are recorded in Indian Rupees, by applying to the foreign currency amount the exchange rate between the Indian Rupee and the foreign currency at the date of the transaction.

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 for apportionment for respective functions. Operating expenses which are not attached to specific functions are apportioned based on the most logical available lever of apportionment.



## MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

### SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

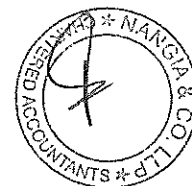
Expenses pertaining to Policyholders have been shown in Revenue Account as per the limit prescribed in Expenses of Management Regulations 2016 and excess over the limit has been debited in the Profit & Loss Account.

**(s) Service Tax & GST**

Service Tax & GST collected is considered as a liability against which Service Tax & GST paid for eligible inputs services or goods, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized credits, if any, are carried forward for adjustment in subsequent periods. Service Tax & GST paid for eligible input services not recoverable by way of credits are recognized in the Revenue account as expense.

**(t) Receipts and Payments Account**

- (i) Receipts and Payments Account is prepared and reported as per AS-3 Cash flow statements using the Direct Method, in conformity with para 2.2 of the Master Circular on Preparation of Financial Statements - General Insurance Business dated October 5, 2012, issued by the IRDA.
- (ii) Cash and cash equivalents for the purpose of Statement of Receipts and Payments include cash and cheques in hand, deposits with banks, bank balances, liquid mutual funds and other short term investments with original maturity of three months or less which are subject to insignificant risk of changes in value.
- (iii) The components of Cash and Cash Equivalents are presented with reconciliation of the amounts in its Cash Flow Statement with the equivalent items reported in the Balance Sheet.



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

**C. NOTES FORMING PART OF ACCOUNTS**

**1. Contingent Liabilities**

Particulars	(Rs. '000)	
	As at 31.03.2018	As at 31.03.2017
Partly Paid up Investments	-	-
Claims, other than those under Policies, not acknowledged as Debts by the Insurer	-	-
Underwriting Commitments Outstanding	-	-
Claims, under policies, not acknowledged as debts*	1,63,466	79,112**
Guarantees given by or on behalf of the Insurer	-	-
Statutory Demands / Liabilities in Dispute, Not provided for	-	-
Penalty raised by Income tax department against assessment of Income Tax Return filed for Financial Years 2012-13 and 2013-14, subject to appeal.	84,818	-
Reinsurance Obligations to the Extent Not provided for in Accounts	-	-
<b>Total</b>	<b>2,48,284</b>	<b>79,112</b>

\* Includes compensation raised by policyholders against rejected claims

\*\*Regrouped from Claims, other than those under Policies, not acknowledged as Debts by the Insurer to Claims, under policies, not acknowledged as debts.

**2. Actuarial Assumptions**

The Company's Panel Actuary has determined valuation assumptions in respect of 'Reserve for Unexpired Risk' and 'Claims Incurred But Not Reported' (IBNR) amounting to Rs. 37.41 crore (Previous year 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, 2018, the Company has made a provision of Rs. 0.53 crore (Previous year 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, 2018, the Company has made a provision of Rs.16.22 crore (Previous year Rs.15.33 crore) towards litigation reserve based on actuarial estimates and the same is included as a part of IBNR reserves.

**3. Encumbrances on Assets**

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

**4. Estimated Amount of Commitments made and Outstanding for:**

Particulars	(Rs. '000)	
	As at 31.03.2018	As at 31.03.2017
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	81,076	57,667

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

Class of Business	In India		Outside India	
	Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2018	Year Ended 31.03.2017
	Health	27,28,548	26,55,348	-
Personal Accident	11,039	380	-	-
<b>Total</b>	<b>27,29,587</b>	<b>26,55,728</b>	-	-

\*Excluding claim handling expense



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

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

(Rs. '000)

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Health	6,010	15,080	1,35,756	1,54,033
Personal Accident	190	-	5,981	1,302
<b>Total</b>	<b>6,200</b>	<b>15,080</b>	<b>1,41,737</b>	<b>1,55,335</b>

\*Excluding IBNR provision.

7. There are no claims settled and remaining unpaid for a period of more than six months.

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

Particulars	As at 31.03.2018			As at 31.03.2017		
	Health	Personal Accident	Total	Health	Personal Accident	Total
Claims pending at the beginning	2,677	4	2,681	2,132	-	2,132
Claims intimated	83,320	126	83,446	72,442	17	72,459
Claims paid	76,296	21	76,317	64,869	2	64,871
Claims rejected	7,721	104	7,825	7,028	11	7,039
Claims pending at the closing	1,980	5	1,985	2,677	4	2,681

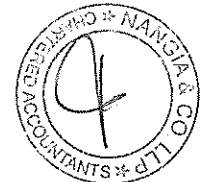
Ageing of Pending Claims

Particulars	As at 31.03.2018			As at 31.03.2017		
	Health	Personal Accident	Total	Health	Personal Accident	Total
30 days	1,853	3	1,856	2,416	3	2,419
30 days to 6 Months	126	1	127	212	1	213
6 months to 1 year	1	1	2	41	-	41
1 year to 5 years	-	-	-	8	-	8
5 years and above	-	-	-	-	-	-
<b>Total</b>	<b>1,980</b>	<b>5</b>	<b>1,985</b>	<b>2,677</b>	<b>4</b>	<b>2,681</b>

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

(Rs. '000)

Class of Business	In India		Outside India	
	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
Health	57,98,471	56,14,461	-	-
Personal Accident	78,879	24,700	-	-
<b>Total</b>	<b>58,77,350</b>	<b>56,39,161</b>	<b>-</b>	<b>-</b>



**MAX BUPA HEALTH INSURANCE COMPANY LIMITED**

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**10. Extent of Risk Retained and Reinsured:**

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

Class of Business	Gross Premium	Year Ended 31.03.2018 (Rs.'000)			
		Risk Retained		Risk Reinsured	
		Amount	% age	Amount	% age
Health	74,32,655	57,98,471	78.01%	16,34,184	21.99%
Personal Accident	1,12,060	78,879	70.39%	33,181	29.61%

Class of Business	Gross Premium	Year Ended 31.03.2017 (Rs.'000)			
		Risk Retained		Risk Reinsured	
		Amount	% age	Amount	% age
Health	59,09,359	56,14,461	95.01%	2,94,898	4.99%
Personal Accident	29,979	24,700	82.39%	5,279	17.61%

**11. As per IRDAI Master Circular on unclaimed amount of policyholders dated 25<sup>th</sup> July 2017.**

**Form A: Statement showing the Age-wise Analysis of the Unclaimed Amount of the Policyholders as on March 31, 2018**

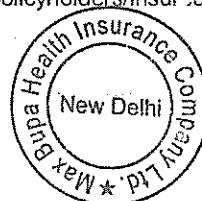
(Rs. in Lakhs)

Particulars	Total Amount	Age-wise Analysis (in months)						
		0-6	7-12	13-18	19-24	25-30	31-36	36-120
Claims settled but not paid to the policyholders / beneficiaries due to any reasons except under litigation from the policyholders / beneficiaries.	1.73 (-)	1.73 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sum due to the policyholders / beneficiaries on maturity or otherwise	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Any Excess collection of the premium / tax or any other charges which is refundable to the policyholders / beneficiaries either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	0.63 (-)	0.63 (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Cheques issued but not encashed by the policyholder/ beneficiaries	215.10 (300.56)	85.31*# (148.41)	19.91* (11.48)	4.59* (7.42)	2.09* (7.44)	6.33* (12.48)	4.41* (19.85)	92.46* (93.48)

Figures in brackets are for previous year,

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

# Include cheques issued amounting to Rs. 78.33 Lakhs (previous year Rs. 123.39 Lakhs) which are within the validity period but not yet presented for payment by the policyholders/insured.



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

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

(Rs. in Lakhs)

Particulars	Financial Year 2017-18	Financial Year 2016-17
Opening Balance	177.17	198.72
Add: Amount transferred to unclaimed amount	48.76	64.59
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (only stale cheques)	-	-
Add: Investment Income on unclaimed fund	12.83	15.52
Less: Amount of claims paid during the year	82.92	101.66
Less: Amount transferred to SCWF(net of claims paid in respect of amount transferred earlier)	-	-
Closing Balance of Unclaimed Amount*	155.83	177.17

\*Separate Fixed Deposits has been earmarked for payment of unclaimed amount of policyholder disclosed under head Schedule 12- Advances and Other Assets. This amount includes Interest on unclaimed amount of Policyholders amounting to Rs.19.07 Lakhs (previous year Rs.11.63 Lakhs).

**12. Premium Deficiency Reserve**

The Panel Actuary has reviewed the Unearned premium reserve (UPR) posted in the Financial statements against the estimated liability of the Company under unexpired obligations (including claim, claim related expenses and unexpired loyalty points) towards policyholders (URR) for all business segments. The UPR provided in the financials is sufficient to cover the URR at company level thus; no premium deficiency reserve has been created.

**13. 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, 2016 and are performing assets. The Company does not have any investment in Real Estate as at March 31, 2018 or March 31, 2017.

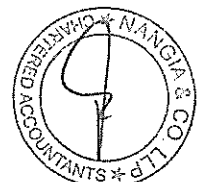
**14. Managerial Remuneration**

The details of remuneration of MD & CEO as per the terms of appointment are as under:

(Rs. '000)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries & Allowances	39,945	33,750
Contribution to Provident and other funds	1,264	828
Perquisites	184	203
Total	41,393	34,781

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



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

The details of remuneration of Key Management Persons as per guidelines issued by IRDAI vide Ref. no. IRDA/F&A/GDL/CG/100/05/2016 dated May 18, 2016 and as per the terms of appointment of Company are as under:

Particulars	(Rs. '000)	
	Year ended 31.03.2018	Year ended 31.03.2017
Salaries & Allowances	1,11,621	80,971
Contribution to Provident and other funds	4,499	3,497
Perquisites	544	306
<b>Total</b>	<b>1,16,664</b>	<b>84,774</b>

Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall Company basis annually and accordingly have not been considered in the above information.

**15. Expenditure in Foreign Currency**

Particulars	(Rs. '000)	
	Year ended 31.03.2018	Year ended 31.03.2017
Software License Fees	22,727	24,798
Travelling	850	728
Sitting Fees	1,699	1,600
Membership and Subscription	531	666
<b>Total</b>	<b>25,807</b>	<b>27,792</b>

**16. Operating Lease Commitments**

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

Particulars	(Rs. '000)	
	As at 31.03.2018	As at 31.03.2017
Payable not later than one year	83,720	87,899
Payable later than one year and not later than five years	2,29,899	2,80,679
Payable later than five years	10,486	36,990
<b>Total</b>	<b>3,24,105</b>	<b>4,05,568</b>

Aggregate lease rentals charged to Revenue Accounts is Rs. 91,195 thousand (previous year Rs. 86,289 thousand) and there are no sub leases.

**17. Foreign Currency Exposures**

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

Particulars	(Rs. '000)	
	As at 31.03.2018	As at 31.03.2017
Payable in USD	200	-
Payable in GBP	493	243



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

**18. 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)	Significant Influence	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, 2018 are given below:

S.no	Transactions	Name of the Related Party	Description	(Rs. '000)	
				For the year ended 31.03.2018	For the year ended 31.03.2017
1	Legal & Professional Charges	Max India Limited	Holding company	1,05,525	-
2	Legal & Professional Charges	Max One Distribution And Services Ltd	Fellow Subsidiaries	-	424
3	Training Expenses	Max Skill First Limited	Fellow Subsidiaries	59,196	50,800
4	Other expenses	Max Skill First Limited	Fellow Subsidiaries	-	650
5	Reimbursement of expenses	Bupa Singapore Holdings Pte Limited	Significant Influence	-	184
6	Employee's Remuneration	Mr. Ashish Mehrotra, MD & CEO Mr. Rahul Ahuja, CFO Mr. Rajat Sharma, CS	Key Management Personnel	72,849	62,637
8	Issuance of Share capital	Max India Limited	Holding company	-	1,42,800
9	Issuance of Share capital	Bupa Singapore Holdings Pte Limited	Significant Influence	-	1,37,200





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

(iii) Details of outstanding balances with related parties as at ended March 31, 2018 are given below:

(Rs. '000)

S.no	Outstanding Balances	Name of the Related Party	Description	As at 31.03.2018	As at 31.03.2017
1	Other payables	Max India Limited	Holding company	24,300	-
2	Other receivables/ (payables)	Max Skill First Limited	Fellow Subsidiaries	300	(16,996)

**19. 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')

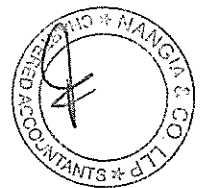
Year ended 31.03.2018				
Particulars	Health	Personal Accident	Unallocated	Total
Segmental Revenue	57,03,424	55,118	2,99,474	60,58,016
Segmental Result	(2,51,712)	(23,821)	13,77,187	11,01,654
Segmental Liabilities	35,01,965	12,086	21,34,816	56,48,867
Segmental Assets	43,900	-	81,64,476	82,08,376

(Rs. '000')

Year ended 31.03.2017				
Particulars	Health	Personal Accident	Unallocated	Total
Segmental Revenue	54,32,531	10,280	3,36,945	57,79,756
Segmental Result	(5,28,198)	(13,701)	13,92,628	8,50,729
Segmental Liabilities	33,65,949	23,443	15,37,558	49,26,950
Segmental Assets	50,500	-	72,09,123	72,59,623

**b) Geographical Segment**

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



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

**20. Employee Benefits**

**A. Defined Contribution Plans – Provident Fund**

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

Provident Fund	(Rs. '000)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Employers Contribution to Provident Fund	45,853	38,214

**B. Defined Benefit Plans – Gratuity**

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

**i. Assumptions Used:**

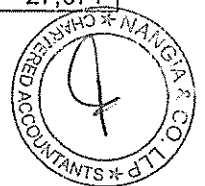
Particulars	As at 31.03.2018	As at 31.03.2017
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Interest/Discount Rate (Per Annum)	6.95% p.a.	6.70% p.a.
Rate of increase in compensation	7.00% p.a.	7.00% p.a.
Withdrawal rate:	40% for frontline staff and 20% for other staff	40% for frontline staff and 20% for other staff

**ii. Changes in Present value of benefit obligation during the year:**

Particulars	(Rs. '000)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Present value of obligations at the beginning of the year	36,685	27,312
Current Service Cost	8,904	7,200
Interest cost	2,328	1,806
Benefits Paid	(3,867)	(4,779)
Actuarial loss/(gain) on obligation	2,614	5,146
Acquisition/Business Combination/Divestiture	-	-
Present value of obligations at end of year	46,664	36,685

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

Particulars	(Rs. '000)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Fair Value of Plan Assets at beginning of year	27,671	17,335
Contributions	9,014	10,481
Expected Return on Plan Assets	2,026	1,464
Actuarial gain/(loss) on obligation	(292)	3,170
Benefits Paid	(3,867)	(4,779)
Fair Value of Plan Assets at end of year	34,552	27,671



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

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

(Rs. '000)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Current Service Cost	8,904	7,200
Interest Cost	2,328	1,806
Expected Return on Plan Assets	(2026)	(1,463)
Actuarial (Gain)/loss on obligation	2,906	1,975
Amount recognized in Revenue or/and Profit & Loss Account	12,112	9,518

v. Amounts recognized in Balance Sheet:

(Rs. '000)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Present value of obligations at end of Year	46,664	36,685
Fair Value of Plan Assets at end of Year	34,552	27,671
Funded Status (Deficit)/Surplus	(12,112)	(9,014)
Net Asset/(Liability) recognized in the balance sheet*	(12,112)	(9,014)

\* The DBO as on 31 March, 2018 includes unsettled gratuity benefit payment.

vi. Balance Sheet Reconciliation:

(Rs. '000)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Net Liability/(Asset)	9,014	9,977
Expenses recognized in Profit & Loss Account	12,112	9,518
Contribution Paid	(9014)	(10,481)
Acquisition/Business Combination/Divestiture	-	-
Closing Net Liability/(Asset)	12,112	9,014

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

C. Accrued Leave:

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

i. Assumptions Used:

Particulars	As at 31.03.2018	As at 31.03.2017
Mortality	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Interest/Discount Rate (Per Annum)	6.95% p.a.	6.70% 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



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

ii. Changes in Present value of benefit obligation during the year:

(Rs. '000)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Defined Benefit Obligation, Beginning of year	25,477	25,415
Current Service Cost	9,639	10,858
Interest Cost	1,475	1,476
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	(5,051)	(2,153)
Acquisition/Business Combination/Divestiture	-	-
Actual Benefits Paid	(6,911)	(10,119)
Past Service Cost	-	-
Changes in Foreign Currency Exchange Rates	-	-
Loss / (Gains) on Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
Defined Benefit Obligation at end of year	24,629	25,477

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

(Rs. '000)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Fair Value of Plan Assets at beginning of year	-	-
Expected Return on Plan Assets	-	-
Actual Enterprise's Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Benefits Paid	-	-
Actuarial Gains/(Losses)	-	-
Acquisition/Business Combination/Divestiture	-	-
Changes in Foreign Currency Exchange Rates	-	-
Liabilities Extinguished on Settlements	-	-
Fair Value of Plan Assets at end of year	-	-

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

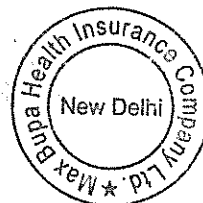
(Rs. '000)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Current Service Cost	9,639	10,858
Interest Cost	1,475	1,476
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/loss	(5,050)	(2,153)
Amount recognized in Revenue or/and Profit & Loss Account	6,064	10,181

v. Amounts recognized in Balance Sheet:

(Rs. '000)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Defined benefit obligations (DBO)	24,629	25,477
Fair Value of Plan Assets at end of Year	-	-
Funded Status (Deficit)/Surplus	24,629	25,477
Unrecognized Past Service Cost / (Credit)	-	-
Unrecognised Asset due to Limit in Para 59(B)	-	-
Net Asset/(Liability) recognized in the balance sheet	24,629	25,477



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

vi. Balance Sheet Reconciliation:

Particulars	(Rs. '000)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Net Liability/(Asset)	25,477	25,415
Expenses recognized in Revenue or/and Profit & Loss Account	6,064	10,180
Actual Benefits Paid	(6,911)	(10,118)
Acquisition/Business Combination/Divestiture	-	-
Closing Net Liability/(Asset)	24,629	25,477

D. Long term Incentive Benefits

The Company has schemes for Long Term Performance incentive plan & Guaranteed Payout plan.  
 The Company has determined the liability on the basis of Actuarial valuation as under:

Amounts recognized in Balance Sheet:

Particulars	(Rs. '000)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Defined benefit obligations (DBO)	1,95,753	1,42,394
Fair Value of Plan Assets at end of Year	-	-
Net Asset/(Liability) recognized in the balance sheet	1,95,753	1,42,394

21. 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 31.03.2018	Year ended 31.03.2017
a. Profit/(loss) available to equity shareholder's	Rs in '000s	2,28,398	(36,766)
b. Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	9,26,000	9,13,803
c. Diluted Weighted average of number of equity shares used in computing diluted earnings per share.	No. of shares in '000s	9,26,000	9,26,000
d. Nominal Value per share	in Rs.	10	10
e. Basic earnings per share (a/b)	in Rs	0.25	(0.04)
f. Diluted earnings per share (a/c)	in Rs	0.25	(0.04)



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

**22. Disclosures on other work given to Auditor's**

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

		(Rs.'000)	
Name of the Auditor	Services Rendered	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Nangla & Co. LLP	Tax Audit fees	150	80
	Certification Fees	150	-
	Transfer Pricing Assessment	-	175
	Tax Consultancy	25	-
M.P. Chitale & Co.	-	-	-
S.R. Batliboi & Co. LLP	Certification Fees (up to June 2016)	-	83

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

			(Rs '000)	
Particulars	Year ended 31.03.2018		Year ended 31.03.2017	
Outsourcing Expenses*	4,99,412		13,52,568	
Marketing Support	4,18,070		4,05,072	
Business Development	2,682		3,435	

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

**24. 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 financial year 2010-11 to 2014-15. 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. As per Circular no. IRDAI/Reg./12/124/2016, The Company has transferred Rs 107.77 cr for the financial year 2017-18 from Revenue Account to Profit and Loss account which is in the excess of expenses of management over the allowable limit.

**25. Sector Wise Business**

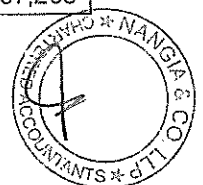
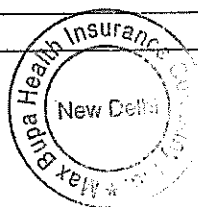
Disclosure as per Schedule B Part II Point c (3) of the Insurance Regulatory and Development Authority of India (preparation of financial statements and auditor's report of insurance companies) regulations, 2002.

The total Gross Written Premium for the financial year is Rs.75,44,715 thousands (Previous year Rs.59,39,337 thousands), out of which the bifurcation of Rural and social sector business is as under:

Business Sector	Year ended 31.03.2018			Year ended 31.03.2017		
	GDPI (Rs.'000s)	No of Policy	% of Policy	GDPI (Rs.'000s)	No of Policy	% of Policy
Rural	3,96,326	26,469	0.97%	3,66,305	23,548	0.98%
Social	4,582	2	0.00%	8,022	-	0.00%

The above is compiled on basis of numbers reported to IRDAI.

Social Sector	Year ended 31.03.2018	Year ended 31.03.2017
Number of lives	97,675	1,97,268



**MAX BUPA HEALTH INSURANCE COMPANY LIMITED**

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

**SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**

Disclosure as per Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 is as under:

**Rural Sector**

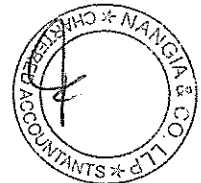
Gross Premium for the year (Rs.'000s)	Amount of Premium procured in Rural Sector (Rs.'000s)	Rural Sector Premium as % to Column (1)	Required % as per the above Regulations	Compliance with the above Regulations
75,44,715	3,96,326	5.25%	3.00%	Yes

**Social Sector**

Total Business (lives) in the Preceding Financial Year	Number of Lives covered under Social Sector in the Financial Year 2017-18	Social Sector Lives as % to the Column (1)	Required % as per the above Regulations	Compliance with the above Regulations
24,00,283	97,675	4.07%	4.00%	Yes

**26. 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, 2018 and March 31, 2017. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



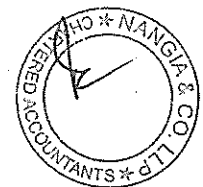
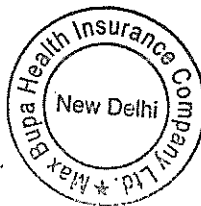
**MAX BUPA HEALTH INSURANCE COMPANY LIMITED**  
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010  
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**27. 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.

SN	Authority	Non-Compliance/ Violation	Amount in Rs. Lakhs		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	- (-)	- (-)	- (-)	- (-)
2	Service Tax & Goods and 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, 2013.	- (-)	- (-)	- (-)	- (-)
7	Penalty awarded by any Court/ tribunal for any matter including claim settlement but excluding Compensation	- (-)	- (-)	- (-)	- (-)
8	Securities and Exchange Board of India	- (-)	- (-)	- (-)	- (-)
9	Competition Commission of India	- (-)	- (-)	- (-)	- (-)
10	Any other Central/State/local Government/ Statutory Authority	- (-)	- (-)	- (-)	- (-)

Bracket shows numbers related to previous year





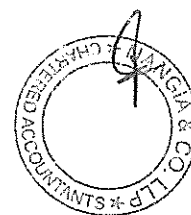
**MAX BUPA HEALTH INSURANCE COMPANY LIMITED**  
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDAI: FEBRUARY 15, 2010  
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

28. Summary of Financial Statements is provided as under:

(Rs in Lakhs)						
SN	Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
<b>OPERATING RESULTS</b>						
1	Gross Direct Premiums	75,447	59,393	47,601	37,266	30,885
2	Net Premium Income (net of reinsurance)	58,774	56,392	45,155	35,344	29,621
3	Income from Investments (net)	2,995	3,369	2,548	1,795	1,407
4	Other Income	-	-	-	-	-
5	Total Income	61,768	59,761	47,703	37,139	31,028
6	Commission (Net) including brokerage	2,267	5,897	4,480	3,220	2,788
7	Operating Expenses (net of EOM impact)*	18,394	15,116	22,123	22,437	22,767
8	Net incurred claims	28,902	28,277	23,402	18,220	14,040
9	Premium Deficiency	-	-	-	(57)	57
10	Change in unexpired risk reserve	1,188	1,964	5,844	3,820	5,855
11	Operating Profit/(Loss)*	11,017	8,507	(8,147)	(10,501)	(14,478)
<b>NON OPERATING RESULTS</b>						
12	Total income under shareholder's account (net of expenses)	(8,733)	(8,875)	1,297	1,170	1,191
13	Profit/(loss) before tax	2,284	(368)	(6,850)	(9,331)	(13,287)
14	Provision for Tax	-	-	-	-	-
15	Profit/(Loss) after tax	2,284	(368)	(6,850)	(9,331)	(13,287)
<b>MISCELLANEOUS</b>						
16	Policyholder's Account:					
	a) Total funds	36,573	34,901	Not applicable being General Insurance Company		
	b) Total Investments	36,573	34,901			
17	Shareholder's Account					
	a) Total funds	30,006	27,863	Not applicable being General Insurance Company		
	b) Total Investments	30,006	27,863			
18	Paid Up Equity Capital	92,600	92,600	89,800	79,050	66,900
19	Net Worth	25,584	23,300	20,868	16,968	14,210
20	Total Assets	82,084	72,596	64,512	50,887	42,420
21	Yield on total investments	7.90%	8.20%	8.60%	9.10%	8.80%
22	Earnings Per Share (Rs.)**	0.25	(0.04)	(0.82)	(1.28)	(2.29)
23	Book value per Share (Rs.)	10	10	10	10	10
24	Total Dividend	-	-	-	-	-
25	Dividend Per share (Rs.)	-	-	-	-	-

\* A sum of Rs. 10,777.13 Lakhs 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.

\*\* This represents Basic Earnings per share and Diluted earning per share. Weighted average of number of equity shares i.e 9,260 Lakhs (Previous year 9,138 Lakhs) is used in computing Earnings per share



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

29. Accounting Ratios\*\* is provided as under:

Performance Ratios	2017-18	2016-17	2015-16	2014-15	2013-14
Gross Direct Premium Growth Rate (Overall)	27%	25%	28%	21%	49%
Gross Direct Premium Growth Rate (Health)	26%	24%	28%	21%	48%
Gross Direct Premium Growth Rate (Personal Accident)	274%	556%	-24%	-55%	-
Gross Direct Premium to Net Worth Ratio	2.95 times	2.55 times	2.28 times	2.20 times	2.17 times
Growth Rate of Net Worth	10%	12%	23%	19%	21%
Net Retention Ratio (Overall)	78%	95%	95%	95%	95%
Net Retention Ratio (Health)	78%	95%	95%	95%	95%
Net Retention Ratio (Personal Accident)	70%	82%	60%	69%	78%
Net Commission Ratio (Overall)	4%	10%	10%	9%	9%
Net Commission Ratio (Health)	4%	10%	10%	9%	9%
Net Commission Ratio (Personal Accident)	8%	13%	-	-	10%
Expenses of Management to Gross Direct Premium Ratio	50%	54%	57%	66%	74%
Expenses of Management to Net written Premium Ratio	64%	57%	60%	76%	87%
Net incurred claims to Net earned premium	50%	52%	60%	58%	59%
Combined Ratio	104%	108%	118%	130%	145%
Technical Reserves to Net Premium Ratio	0.60 times	0.59 times	0.69 times	0.68 times	0.67 times
Underwriting Balance Ratios	(0.05) times	(0.10) times	(0.27) times	(0.33) times	(0.61) times
Operating Profit Ratio	0.42%	-4%	-21%	-28%	-56%
Liquid Assets to Liability Ratio	0.75 times	0.71 times	0.70 times	1.83 times	1.76 times
Net Earnings Ratio	4%	-1%	-15%	-26%	-45%
Return on Net Worth Ratio	9%	-2%	-33%	-55%	-93%
Reinsurance Ratio	22%	5%	5%	5%	4%
Available Solvency margin Ratio to Required Solvency Margin Ratio (times)*	2.11	2.01	2.16	2.10	2.13
NPA Ratio	NA	NA	NA	NA	NA

\*Required Solvency Margin Ratio (times) is 1.50.

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

30. Corporate Social Responsibility

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

31. Provision for Free Look period

The provision for Free Look period is Rs. 943 thousand (previous year Rs.1229 thousand), as certified by the Panel Actuary.



### 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, 2018. Refer note 1 for details on contingent liabilities.

### 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 comprises of the following elements:

- Risk Strategy and Appetite (including Risk Policy framework and Governance structure)
- Strategic Risk Assessment (Business Plan)
- Risk Categorization
- Risk Registers
- Risk Control and Assurance
- Risk Reporting
- Risk Management design and effectiveness review

#### **Risk Management roles and responsibilities:**

To improve coordination and eliminate duplication, 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. The risk appetite statements are aligned with risk strategy and the Business Plan approved by the Board.

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

#### **Strategic Risk Assessment:**

Max Bupa identifies the need for explicitly considering risk in the strategic and planning process. For this 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 has documented functional risk registers to identify and assess inherent risks against such risk categories. Each identified risk is mapped to existing controls to mitigate such risk. After identification of existing (As is) controls, functional heads along with their teams assess the risk based on their impact and likelihood using the laid down parameters. Remediation actions are identified for control gaps, if any.

A consolidated risk register against the defined risk categories is prepared on a quarterly basis to include key risks for the quarter. A Management Risk Committee chaired by the CEO and attended by Senior Leadership Team reviews the risks in their respective domains on a quarterly basis and updates the consolidated register. CRO along with the Risk Management Team overviews and challenges the entire process of risk identification and rating.

**Risk Reporting:**

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

The company has compiled the data for the purpose of disclosure in Note No. 33 from its risk management framework and policies and has been furnished by the management, which has been relied upon by the auditors.

**34. Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under section 11 (3) of Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015)**

Name of person in-charge	Ashish Mehrotra
Designation of person in-charge	Managing Director and Chief Executive Officer
Occupation of person in-charge	Service
Directorships held by the person In-charge during the year or at March 31, 2018	Max Bupa Health Insurance Company Limited



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

**35. Comparative Figures**

Previous year figures have been regrouped/reclassified in the respective schedule and notes, wherever considered necessary, to conform to current year's classification. The details of changes are as under:

(Rs.'000)

Previous Year Statement/Schedule number, Line Item & Description	Amount Regrouped	Current Year Statement/Schedule number, Line Item & Description	Amount Regrouped	Reason for Change
Schedule 2 Claims Net Less: Re-insurance Ceded	400	Schedule 4 Operating expenses- Legal and Professional Charges	400	Claim investigation charges inadvertently grouped under Claims Less Reinsurance ceded in the previous year shown under correct heading
Schedule 4-Operating expenses –Others- Miscellaneous expenses-	3,715	Schedule 4- Operating expenses –Others- Sundry Balances Written off	1,412	As per Master circular, Items of expenses and income in excess of one per cent of the total premiums (less reinsurance) or Rs. 5 lakh whichever is higher is required to be shown as a separate line item.
		Schedule 4- Operating expenses –Others- Board meeting expenses	2,303	


As per our report of even date

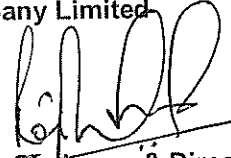
For and on behalf of the Board of Directors

For Nangia & Co. LLP

Max Bupa Health Insurance Company Limited

  
  
**Vikas Gupta**  
 Partner  
 Membership No:076879

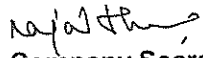
  
**Director**  
**K. Narasimha Murthy**  
 DIN: 00023046


  
**Chairman & Director**  
**Rajesh Sud**  
 DIN: 2395182



Place Noida


For M P Chitale & Co.  
Chartered Accountants

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

  
**CEO & Managing Director**  
**Ashish Mehrotra**  
 DIN: 07277318

  
**Murtuza Vajih**  
 Partner



  
**Panel Actuary**  
**Hema Malini Ramakrishnan,**  
 Membership No. 74

  
**Chief Financial Officer**  
**Rahul Ahuja**

Place: Mumbai  
Date: May 22, 2018

Place: New Delhi  
Date: May 22, 2018

MAX SUPA HEALTH INSURANCE COMPANY LIMITED

MANAGEMENT REPORT

In accordance with Part IV Schedule B of the Insurance Regulatory and Development Authority (IRDAI) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulation) the following Management Report for the year ended March 31, 2018 is submitted:

1. The Company obtained Regulatory approval to undertake Health & Personal Accident Insurance business on 15<sup>th</sup> Feb 2010 from the insurance Regulatory and development Authority of India ("IRDAI") and holds a valid certificate of registration.
2. We certify that all the dues payable to the statutory authorities have been duly paid except a proportion of Pension amount for those employees whose Aadhaar could not be linked in PF UAN account despite making repeated attempts.
3. We confirm that the shareholding pattern and transfer of shares are in accordance with the statutory and regulatory requirements.
4. The management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. The Company is maintaining the required solvency margins under the Insurance Act, 1938.
6. We certify that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance sheet are shown in aggregate at amounts not exceeding their realizable or market value under the heading – "Loans", "Investments" (wherever applicable), "Agents Balances", "Outstanding Premiums", "Interest, Dividend and Rents Outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and several items specified under "other Accounts".
7. The 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. We confirm that there were no operations of the Company outside India during the year ended March 31, 2018.



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

Particulars	FY 2017-18		FY 2016-17		FY 2015-16		FY 2014-15		FY 2013-14	
	No of claims	Amount involved (in Lakhs)	No of claims	Amount involved (in Lakhs)	No of claims	Amount involved (in Lakhs)	No of claims	Amount involved (in Lakhs)	No of claims	Amount involved (in Lakhs)
30 days	1,856	1,732*	2,419	1,475	1,843	1,248	2,737	1,984	2,231	776
30 days to 6 Months	127	220	213	208	284	226	192	161	1,329	328
6 months to 1 year	2	2	41	48	4	31	-	-	-	-
1 year to 5 years	-	-	8	65	1	1	-	-	-	-
5 years and above	-	-	-	-	-	-	-	-	-	-

\*Includes claim reserve for pre-auth given.

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

Line of Business	FY 2017-18		FY 2016-17		FY 2015-16		FY 2014-15		FY 2013-14	
	No of claims Settled	Average Settlement Time (Days)	No of claims Settled	Average Settlement Time (Days)	No of claims Settled	Average Settlement Time (Days)	No of claims Settled	Average Settlement Time (Days)	No of claims Settled	Average Settlement Time (Days)
Health	70,723	17 Days	57,588	38 Days	47,687	22 Days	40,889	16 Days	33,309	24 Days
Personal Accident	10	11 Days	2	7 Days	9	10 Days	20	13 Days	1	13 Days

10. As at March 31, 2018, the investments of the Company are mainly in Government Securities, Debt Securities including corporate bonds & 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 of premium/discount. Further, the market value for debt securities as at 31<sup>st</sup> March, 2018 has been calculated as per guidelines issued by SEBI approved rating agency (CRISIL).

Mutual funds Investments are stated at fair value, being the closing net assets value as at balance sheet date.

Acquisition cost of Debt Securities is Rs. 58,09,500 thousands (Previous year Rs. 49,28,164 thousands), amortized value is Rs. 58,10,276 thousands (Previous year Rs. 49,32,785 thousands) and market value at Rs. 58,40,223 thousands (Previous year Rs. 50,81,659 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, 2018.

12. We also confirm:

- 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.
- That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating Profit or Loss and of the profit or loss of the company for the year.
- 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.
- That the management has prepared the financial statements on a going concern basis.
- That there is an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

13. Payments made to 'companies and organizations in which Directors are interested' are as under:

No	Name of the Director	Entity in which director is interested	Interested as	Payment made during FY 2017-18 (Rs. in Lakhs)
1	Mr. Rajesh Sud	Max Life Insurance Company Limited	Managing Director & Vice Chairman	40.62
		Max Skill First Limited	Director and Chairman	764.92
		Bharti Airtel Limited	Director	124.76
2	Mr. Dinesh Kumar Mittal	Max Life Insurance Company Limited	Director	40.62
		Max Financial Services Limited	Director	21.93
		Max India Limited	Director	812.25





No	Name of the Director	Entity in which director is interested	Interested as	Payment made during FY 2017-18 (Rs. in Lakhs)
3	Ms. Marielle Theron	Max Life Insurance Company Limited	Director	40.62
		Max India Limited	Business Advisor	812.25
		Max Skill First Limited	Director	764.92
4	Mr. Mohit Talwar	Max Financial Services Limited	Managing Director	21.93
		Max India Limited	Managing Director	812.25
		Max Healthcare Institute Limited	Director	699.38
		Max Life Insurance Company Limited	Director	40.62
5	Mr. John Lorimer	Bupa (Asia) Limited	Director	23.88
6	Mr. K. Narasimha Murthy	Max Healthcare Institute Limited	Director	699.38
		Max Life Insurance Company Limited	Director	40.62
		Max Life Insurance Company Limited	Chairman	40.62
7	Mr. Rahul Khosla	Max Life Insurance Company Limited	Chairman	699.38
		Max India Limited	Chairman	812.25

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

Director  
K. Narasimha Murthy  
DIN – 00023046

Company Secretary  
Rajat Sharma  
Membership No.- FCS7069

Place: New Delhi  
Date: May 22, 2018

CEO & Managing Director  
Ashish Mehrotra  
DIN – 07277318

Chief Financial Officer  
Rahul Ahuja

