

NOTICE

NOTICE is hereby given that the First Annual General Meeting of Max Bupa Health Insurance Limited will be held on Monday, June 15, 2009 at 10.00 AM, at the Registered Office of the Company at Max House, 1, Dr. Jha Marg, Okhla, New Delhi- 110 020 to transact the following as ordinary business:

1. To consider, approve and adopt Directors' Report, Auditors' Report, Audited Profit and Loss Account for the period from September 5, 2008 (date of incorporation) to March 31, 2009 and Balance Sheet as at that date.
2. To elect a Director in place of Mr. Analjit Singh, who retires and being eligible, offers himself for re-election.
3. To elect a Director in place of Mr. Anuroop Singh, who retires and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. Leo Puri, who retires and being eligible, offers himself for re-election.
5. To appoint Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company for the period commencing from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

**By order of the Board
for Max Bupa Health Insurance Limited**



Pawan Singhal

Director-Legal & Govt. Relations

New Delhi
June 13, 2009

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective must be received at the Registered Office of the Company at Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020 at any time but not less than 48 hours before the meeting. A format of proxy is enclosed.
3. The Shareholders of the Company have given their consent for convening the meeting at short notice.

MAX BUPA HEALTH INSURANCE LIMITED
Max House
Okhla
New Delhi-110 020

Tel +91 11 43101300 / 43112900
Fax +91 11 41000490
www.maxbupa.com

Max Bupa Health Insurance Limited

Directors' Report

Your Directors have pleasure in presenting their First Annual Report along with the Audited Accounts for the period from September 5, 2008, (date of incorporation) to March 31, 2009.

Financial Results

The Company is yet to commence its business operations. The Company incurred a net loss of Rs.635.74 Lacs during the period under review.

Company operations

The Company was incorporated on September 5, 2008 as a public limited company under the Companies Act, 1956. The Company is proposed to be developed as a joint venture between Max India Limited and Bupa Finance plc for the purposes of carrying on health insurance business in India, subject to receipt of certificate of registration from the Insurance Regulatory and Development Authority. The Company is in the process of seeking necessary permissions under the relevant statutes for carrying on health insurance business in India.

Health Insurance Landscape

India's health insurance market is growing rapidly and Indian demographic, political, regulatory and economic forces are aligned to see that this trend continues. A strong and vibrant health insurance market will significantly support national efforts to improve the quality, distribution and efficacy of healthcare in India and will assist in making high quality healthcare accessible and affordable to the entire population. The Company's purpose and intention is to play a leading role in the Indian health insurance market and the associated development of a sustainable high class system of health care provision.

Dividend

In view of the losses, your Directors do not recommend any dividend for the period under review.

Directors

The Board of Directors comprises of: Mr. Analjit Singh, (Non-executive Chairman), Mr. Anuroop Singh and Mr. Leo Puri.

In accordance with the provisions of the Companies Act 1956 and the Company's Articles of Association, Mr. Analjit Singh, Mr. Anuroop Singh and Mr. Leo Puri are due to retire and are eligible for re-appointment.

Particulars of Deposits

Your Company has not accepted any deposits from the public during the period under review.

Directors' Responsibility Statement

As per the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- ii the Directors had 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 profit or loss of the Company for that period;
- iii the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv the Directors had prepared the annual accounts, on a going concern basis.

Additional Information

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as follows:

A.	Conservation of Energy	NA
B.	Technology Absorption	NA
C	Foreign Exchange Earnings and Outgo:	
	- Earnings	Nil
	- Outgo	0.83
	Activities relating to Exports, initiatives taken to increase exports, develop new export markets, export plan, etc.	NA

Particulars of Employees

A statement giving particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the period ended March 31, 2009 is annexed to the Report as Annexure - 'A'.

Auditors

M/s. Deloitte Haskins & Sells., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received from them a Certificate to the effect that their re-appointment, if made, will be in accordance with the limits specified under Section 224(1B) of the Companies Act, 1956.

For and on behalf of the Board of Directors

Analjit Singh

Analjit Singh
Chairman

New Delhi
June 12, 2009


MAX BUPA HEALTH INSURANCE LIMITED
INFORMATION AS PER SECTION 217(2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2009

Sl No.	Age (Years)	Designation	Nature of duties	Remuneration (Rs.)	Qualification	Date of Commencement of employment	Experience (Years)	Organisation	Last Employment Held Designation
A. Employed throughout the year and were in receipt of remuneration of not less than Rs. 24,00,000/- per annum									
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B. Employed for part of the year and were in receipt of remuneration of not less than Rs. 200,000/- per month									
1	39	Head-Information Technology	Information Technology Management	4,68,110	BE, MBA	16-Feb-2009	16	United Health Group	Director-IT
2	42	Chief Executive Officer	General Management	56,97,545	Masters in Health Management, Medical Practitioner	01-Jan-2009	19	BUPA Limited, HK	Development Director
3	36	Director-Sales and Distribution	Sales and Distribution Management	4,34,817	MBA, BA (Economics)	16-Feb-2009	11	Citibank	Head- Risk Mitigation Unit
4	39	Director-Finance	Financial Management	18,03,485	M.Com, FCA, ACS	01-Jan-2009	17	Max India Limited	St. Vice President-Corporate Finance
5	46	Director-Legal and Government Relations	Legal & Compliance	1,01,285	B.Com,AICWA,FCS, LLB	23-Mar-2009	20	Conexant Systems	Director Legal-India and China
6	44	Director-Human Resources	Human Resources Management	8,27,919	Masters in Personnel Management & Industrial Relations	01-Jan-2009	20	Max India Limited	Vice President- Human Resources
7	35	Head-Corporate Initiatives	Projects Management	1,87,799	MBA, BE, Masters of Computer Science	09-Mar-2009	13	HCL Technologies	Head- Programme Management Consulting Services
8	38	Director-Marketing	Marketing Management	4,27,705	MBA	16-Feb-2009	15	Nokia India Private Limited	Head- Marketing Activation and Localisation

Notes :

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

On behalf of the Board of Directors


Aniljit Singh
Chairman

New Delhi
June 12, 2009

AUDITOR'S REPORT

TO THE MEMBERS OF MAX BUPA HEALTH INSURANCE LIMITED

1. We have audited the attached Balance Sheet of **MAX BUPA HEALTH INSURANCE LIMITED** ('the Company') as at 31 March, 2009, the Profit & Loss Account and the Cash Flow Statement for the period 5 September, 2008 (the date of incorporation of the Company) to 31 March, 2009 annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. we have 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, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting

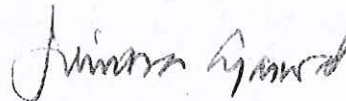
**Deloitte
Haskins & Sells**

Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

- e. On the basis of written representations received from directors, as on 31 March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March, 2009 from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2009;
 - ii. in the case of the Profit and Loss Account, of the Loss of the Company for the period ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Milan, Italy
June 13, 2009

For DELOITTE HASKINS & SELLS
Chartered Accountants




JITENDRA AGARWAL
Partner
(Membership No. 87104)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, fixed assets have been physically verified by the management during the period and no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the Company has not disposed of any of its fixed assets during the year.
2. According to the information and explanations given to us, the Company does not have any inventory. Accordingly the provisions of clause 4(ii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
3. As informed to us, the Company has not taken or granted any loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. The Company's operations during the period do not give rise to any purchase of inventory and sale of goods and services.
5. Based on the examination of the books of account and related records and according to the information and explanations given to us, there were no contracts or arrangements with companies, firms or other parties which need to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public as defined under the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. Since the paid up capital and reserves of the Company does not exceed Rs. 50 lakhs as at the commencement of the period and average annual turnover does not exceed Rs. 5 crores for a period of three consecutive financial year immediately preceding the financial period concerned, we are not required to comment on internal audit system of the Company as per provisions of clause 4(vii) of the Companies (Auditor's Report) Order, 2003.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any of the products of the Company.

**Deloitte
Haskins & Sells**

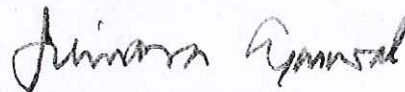
9. According to the information and explanations given to us and the records of the Company examined by us:
 - a. The Company has been regular in depositing its undisputed statutory dues including Income Tax and Cess with the appropriate authorities during the period and there were no undisputed amounts payable in respect of these statutory dues which have remained outstanding as at 31 March 2009 for a period of more than six months from the date they became payable. We are informed that the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1953 and The Employees State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the period, did not give rise to any liability for Sales Tax, Excise Duty, Custom Duty, Service Tax, Wealth Tax and Investor Education and Protection Fund.
 - b. According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty and Cess, which have not been deposited on account of any dispute.
 10. The Company is registered for less than five years. Accordingly provisions of clause 4(x) of the Companies (Auditor's Report) Order, 2003 regarding accumulated losses being not less than fifty percent of its net worth and cash losses are not applicable to the Company.
 11. According to the information and explanations given to us, the Company has not taken any loan from banks or financial institutions and has not issued any debentures. Accordingly provisions of clause 4(xi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 12. According to the information and explanations given to us and based on documents and records examined by us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/Society. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 14. In our opinion and according to information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 15. According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
 16. According to the information and explanations given to us, the Company has not obtained any term loan. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
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**Deloitte
Haskins & Sells**

17. According to the information and explanations provided to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have *prima facie*, not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to information and explanations given to us and the records of the Company examined by us, the Company has not issued any debentures.
20. According to the information and explanations given to us and records of the Company examined by us, the Company has not raised any money by way of public issue.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the period.

Milan, Italy
June 13, 2009

For DELOITTE HASKINS & SELLS
Chartered Accountants



JITENDRA AGARWAL
Partner
(Membership No. 87104)

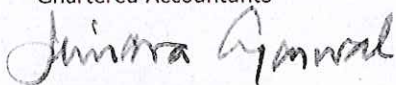
MAX BUPA HEALTH INSURANCE LIMITED
BALANCE SHEET AS AT MARCH 31, 2009

	Schedule Reference	As at 31.03.2009 Rupees
SOURCES OF FUNDS		
1. SHAREHOLDERS' FUNDS		
a. Share capital	1	5,00,000
b. Share application money		8,00,00,000
		8,05,00,000
APPLICATION OF FUNDS		
2. FIXED ASSETS		
a. Gross block	2	1,13,56,743
b. Less: Depreciation		1,19,199
c. Net block		1,12,37,544
3. INVESTMENTS		
	3	4,45,58,394
4. CURRENT ASSETS, LOANS AND ADVANCES		
a. Cash and bank balances	4	1,94,454
b. Loans and advances	5	77,89,165
		79,83,619
5. LESS: CURRENT LIABILITIES AND PROVISIONS		
a. Current Liabilities	6	4,37,46,793
b. Provisions	7	31,06,735
		4,68,53,528
6. NET CURRENT ASSETS		
		(3,88,69,909)
7. MISCELLANEOUS EXPENDITURE		
	8	-
8. PROFIT AND LOSS ACCOUNT		
		6,35,73,971
		8,05,00,000

Notes forming part of the accounts 12

The above schedules form an integral part of the accounts

For **DELOITTE HASKINS & SELLS**
Chartered Accountants



JITENDRA AGARWAL
Partner
Membership No. 87104

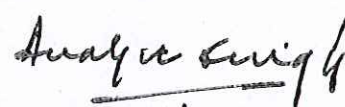
Misra, Idly
13 JUN 2009

For and on behalf of the Board



Director
Leo Puri

New Delhi
June 12, 2009



Director
Analjit Singh

Director-Finance
Neeraj Basur
New Delhi
June 12, 2009

MAX BUPA HEALTH INSURANCE LIMIED
PROFIT AND LOSS ACCOUNT FOR THE PERIOD SEPTEMBER 05, 2008 TO MARCH 31, 2009

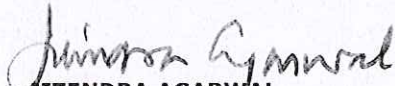
	Schedule Reference	Period ended 31.03.2009 Rupees
1. INCOME		
a. Income from operations		-
b. Other Income	9	9,58,394
		9,58,394
2. EXPENDITURE		
a. Employee remuneration and benefits	10	1,90,47,971
b. Administrative and other expenses	11	4,48,15,195
c. Depreciation	2	1,19,199
		6,39,82,365
3. PROFIT/(LOSS) BEFORE TAX		(6,30,23,971)
4. Provision for taxes		
a. Fringe benefit tax		5,50,000
5. Profit/(Loss) after tax		(6,35,73,971)
6. PROFIT/(LOSS) CARRIED TO BALANCE SHEET		(6,35,73,971)
Earnings per Equity Share (see note 6)		
(Face Value of Rs. 10 per share)		
-Basic & Diluted		(1,271.48)

Notes forming part of the accounts 12

The above schedules form an integral part of the accounts

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants


JITENDRA AGARWAL
Partner
Membership No. 87104

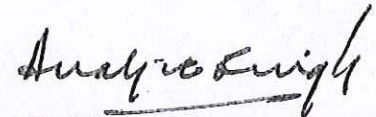
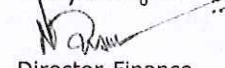
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13 JUN 2009

For and on behalf of the Board


Director
Leo Puri

New Delhi
June 12, 2009


Director
Anujit Singh

Director-Finance
Neeraj Basur
New Delhi
June 12, 2009

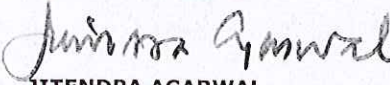
MAX BUPA HEALTH INSURANCE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD SEPTEMBER 05 TO MARCH 31, 2009

	Period ended 31.03.2009
	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit/(Loss) before tax	(6,30,23,971)
Adjustments for:	
Depreciation	1,19,199
Profit on sale of non-trade current investments	(9,58,394)
Provision for Gratuity and Leave Encashment	30,41,735
Operating Profit Before Working Capital Changes	(6,08,21,431)
Adjustments for:	
(Increase)/decrease in other receivables	(77,89,165)
Increase/(decrease) in trade and other payables	4,37,46,793
Cash Generated from /(Used in) Operations	(2,48,63,803)
Direct Taxes (Paid)/Refunded	(4,85,000)
Cash From/(Used in) Operating Activities	(2,53,48,803)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(1,13,56,743)
Proceeds from Sale of Investments	20,55,38,827
Purchase of Investments	(24,91,38,827)
Cash From/(Used In) Investing Activities	(5,49,56,743)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Issue of share capital	5,00,000
Share Application money	8,00,00,000
Cash From/(Used In) Financing Activities	8,05,00,000
Net Increase/(Decrease) in Cash and Cash Equivalents	1,94,454
Cash and Cash Equivalents at the beginning of the period	-
Cash and Cash Equivalents at the end of the period	1,94,454
Net Increase/(Decrease) in Cash and Cash Equivalents	1,94,454

Notes:


- 1 The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.
- 3 Cash and Cash Equivalents at the end of the period consist of Cash, Cheques in hand and balances with banks.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

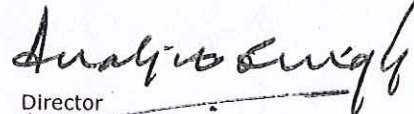
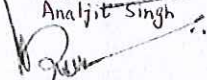

JITENDRA AGARWAL
Partner
Membership No. 87104

Milon, Italy
13 JUN 2009

For and on behalf of the Board


Director
Leo Puri

New Delhi
June 12, 2009


Director
Analjit Singh

Director-Finance
Neeraj Basur
New Delhi
June 12, 2009

MAX BUPA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 1

As at
31.03.2009
Rupees

SHARE CAPITAL

Authorised

100,000,000 Equity Shares of Rs. 10/- each
of Rs. 10/- each

1,00,00,00,000

Issued, Subscribed and Paid-up

50,000 Equity Shares of Rs. 10/- each
fully paid up

5,00,000

SCHEDULE 2

FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK
	Additions during the Period	As at 31.03.09	Provided During the Period	Upto 31.03.09	As at 31.03.09
a. Tangible assets					
Leasehold Improvements	96,07,820	96,07,820	43,867	43,867	95,63,953
Plant & Machinery	7,12,564	7,12,564	53,493	53,493	6,59,071
-Office equipment	7,02,000	7,02,000	21,156	21,156	6,80,844
Computers					
b. Intangible assets					
Software	3,34,359	3,34,359	683	683	3,33,676
TOTAL	1,13,56,743	1,13,56,743	1,19,199	1,19,199	1,12,37,544

MAX BUPA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

As at
31.03.2009
Rupees

SCHEDULE 3

INVESTMENTS (At Cost)

Current Investments (Non Trade)
(Unquoted)
Units in Mutual Funds

446,470 units of Reliance Medium Term Fund-Growth plan 81,11,966

3,492,375 units of Birla Sun Life Short Term Fund-Growth plan 3,64,46,428

4,45,58,394

Net Assets Value (NAV) as on 31.03.2009 4,45,58,394

Purchase/sale of investmets during the period:

	No. of Units	Purchase Value (Rs.)	Sale Value (Rs.)
a. Birla Sun Life Short Term Fund-Growth plan	58,34,166	6,00,25,985	6,07,39,433
b. Birla Sun Life Cash Plus-Growth plan	69,21,844	9,64,39,432	9,64,72,413
c. Reliance Medium Term Fund-Growth plan	11,17,958	2,00,04,638	2,02,10,378
d. Reliance Liquid Fund-Growth plan	13,24,567	2,81,10,378	2,81,16,603

SCHEDULE 4

CASH AND BANK BALANCES

a. Cash in hand	43,956
b. Balance with Scheduled Banks in:	<u>1,50,498</u>
i. current accounts	<u>1,94,454</u>

SCHEDULE 5

LOANS AND ADVANCES

(Unsecured, considered good)

a. Advances recoverable in cash or in kind or for value to be received	28,95,565
b. Security deposits	<u>48,93,600</u>
	<u>77,89,165</u>

SCHEDULE 6

CURRENT LIABILITIES

a. Sundry creditors (see note 13)	4,15,13,394
b. Other liabilities	<u>22,33,399</u>
	<u>4,37,46,793</u>

SCHEDULE 7

PROVISIONS

a. Retirement Benefits	30,41,735
b. Fringe benefit tax	
i. Provision for tax	5,50,000.00
ii. Less: Advance tax	<u>4,85,000.00</u>
	<u>65,000</u>
	<u>31,06,735</u>

SCHEDULE 8

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

PRELIMINARY EXPENSES

a. Incurred during the year	66,13,830
b. Less: Written off during the year	<u>66,13,830</u>
	<u>-</u>

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MAX BUPA HEALTH INSURANCE LIMITED
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	<u>Period ended</u> <u>31.03.2009</u>
	Rupees
SCHEDULE 9	
OTHER INCOME	
a. Profit on sale of non-trade current investments	<u>9,58,394</u>
SCHEDULE 10	
EMPLOYEES REMUNERATION AND BENEFITS	
a. Salary, Wages and bonus	1,90,26,383
b. Staff Welfare	<u>21,588</u>
	<u>1,90,47,971</u>
SCHEDULE 11	
ADMINISTRATIVE AND OTHER EXPENSES	
a. Rent	39,23,688
b. Insurance	1,22,766
c. Rates and taxes	3,729
d. Repair and maintainence (others)	13,19,519
e. Recruitment expenses	1,73,96,545
f. Legal and professional charges (see note 4)	64,57,701
g. Travelling and Conveyance	73,88,529
h. Communication expenses	2,44,226
i. Water and electricity charges	1,72,247
j. Printing and stationery	1,90,630
k. Business promotion	9,28,677
l. Loss on foreign exchange fluctuation	5,610
m. Books and Periodicals	30,408
n. Membership and subscription	14,666
o. Other expenses	2,424
p. Preliminary expenses written off	<u>66,13,830</u>
	<u>4,48,15,195</u>

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MAX BUPA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE 12

NOTES FORMING PART OF THE ACCOUNTS

1. Background

Max Bupa Health Insurance Limited ('the Company') was incorporated on September, 05 2008 to carry on the business of health insurance. The Company is in the process of filing its application for Licence to carry the Health Insurance Business with Insurance Regulatory and Development Authority (IRDA).

2. Significant accounting policies

a. Basis of accounting

The financial statements are prepared under the historical cost convention using the accrual method of accounting, in accordance with the Generally Accepted Accounting Principles as adopted consistently by the Company, the provisions of the Companies Act, 1956, and in accordance with the Accounting Standards notified under Section 211 (3C) of the Companies Act 1956. All income, expenditure, assets and liabilities having a material bearing on the financial statements are recognised on an accrual basis.

b. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require the management of the Company to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosure relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses for the period. Such assumptions and estimates are based on management's evaluation of relevant facts and circumstances as on the date of the financial statements. Actual results could differ from these estimates.

c. Fixed Assets

Fixed Assets are carried at cost less depreciation and impairment loss. The cost of fixed assets includes interest on borrowings attributable to acquisition of fixed assets upto the date of commissioning of the assets and other incidental expenses incurred up to that date.

d. Depreciation

Depreciation on assets is charged on the straight-line method on a pro-rata basis at the rate and in the manner prescribed under Schedule XIV to the Companies Act, 1956. However, if the management's estimate of the useful life of a asset is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the managements's estimate of useful life/remaining life.

The key fixed asset blocks and related annual depreciation rates, which in managements's opinion reflect the estimated useful economic life of the fixed assets, are:

<u>Description</u>	<u>Life(Years)</u>	<u>Depreciation Rates</u>
Furniture & Fixtures	5	20%
Office Equipment	5	20%
Computers (including software)	4	25%
Vehicles	5	20%
Lease-hold improvements		5 years or on primary period of lease, whichever is shorter



MAX BUPA HEALTH INSURANCE LIMITED
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These rates are higher than those prescribed in Schedule XIV to the Companies Act, 1956.

All assets including intangibles individually costing upto Rs, 5,000 are fully depreciated in the year of purchase.

e. Investments

- i. Investments are classified into current investments and long-term investments. The cost of investment included acquisition charges such as brokerage, fees and duties.
- ii. Long-term investments are carried at cost. Provision for diminution is made to recognise a decline, other than temporary, in the carrying value of such investments.
- iii. Current investments are carried individually, at lower of cost and fair value.

f. Revenue recognition

Income from investments and Interest income is accounted on an accrual basis. Dividend income is accounted for when the right to receive income is established.

g. Foreign Currency Transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at the balance sheet date are translated at rates prevailing at the year end. Net gains or losses on account of exchange differences either on settlement or on translation of transactions, other than those relating to fixed assets are recognised in the profit and loss account. Gain or loss on translation of liabilities incurred to acquire fixed assets from outside India is treated as an adjustment to the carrying cost of related fixed asset.

h. Impairment of Assets.

The carrying amounts of assets are reviewed by the Company at the date of Balance sheet. If there is any indication of impairment based on internal/external factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at a rate that reflects current market assessments of the time value of money and the risks specific to the asset, as determined by the management.

i. Employee Benefits

Employee benefits consist of Superannuation, Gratuity and compensated absences.

(i) Post-employment benefit plans

For defined benefit schemes, in the form of Gratuity, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried at each balance sheet date. The incremental liability as at the reporting date is charged to the profit & loss account. Actuarial gains and losses are recognized in full in the Profit and Loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested.

Certain employees of the Company are participants of a defined superannuation plan. The Company makes contributions under the

MAX BUPA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

superannuation plan to 'Max Bupa Health Insurance Limited Employees Superannuation Trust' based on a specified percentage of each covered employee's salary.

Liability for leave encashment is determined and provided on the basis of actuarial valuation using the Projected Accrued Benefit Method.

(ii) **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives.

j. Leases

Lease arrangements where the risk and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rent under operating leases are charged to the Profit and Loss account in accordance with the lease term.

k. Earnings per share

The Company reports basic and diluted earnings per equity share in accordance with AS-20, 'Earnings per Share'. Basic earnings per equity share are computed by dividing net profit/ (loss) after tax by the weighted average number of equity shares outstanding for the period. Diluted earnings per equity shares are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

l. Provisions and Contingencies

A provision is recognised 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 recognised.

m. Taxes on Income

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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.

n. Going Concern

The accounts of the Company have been prepared on the basis that the Company is a going concern.

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MAX BUPA HEALTH INSURANCE LIMITED
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3. Contingent Liabilities and Commitments

There is no Contingent liability or capital commitment as at the balance sheet date.

4. Auditor's Remuneration*

	Period ended 31.03.2009
	Rs.
a. Statutory Audit Fee	1,00,000
* Excluding Service Tax	

5. Expenditure in foreign currency

	Rs.
a. Travelling	37,20,382
b. Marketing Support fee	39,62,136
c. Others	6,33,893

6. EARNINGS PER SHARE

Particulars	Units	Period ended 31.03.2009
a. Net profit/(loss) after tax	Rs.	(6,35,73,971)
b. Weighted average of number of equity shares used in computing basic earnings per share	Nos.	50,000
c. Basic earnings per share of Rs. 10 each	Rs.	(1,271.48)
d. Diluted earnings per share	Rs.	(1,271.48)

Note: Share application money is anti-dilutive, hence not considered in calculation of diluted earnings per share.

7. Deferred Tax Assets

The Company has carried out its tax computation in accordance with the mandatory Accounting Standard, AS 22 - 'Taxes on Income' issued by the Institute of Chartered Accountants of India. There has been a net deferred tax asset on account of accumulated losses. However as a principle of prudence and as there is no virtual certainty supported by convincing evidence on the date of the balance sheet, that there will be sufficient taxable income available to realise such assets in near future, the Company has not provided for deferred tax assets for the period ended 31st March 2009.

8. Segment Reporting

As the Company has not yet started its commercial operations, the reporting requirements for primary and secondary segment disclosures prescribed by AS 17 are not applicable.

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MAX BUPA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

9. Related Party disclosures

a. List of related parties

i. Companies having significant influence

- Max India Limited (Max)
- Bupa Finance Plc. (Bupa)

ii. Key Management Personnel

- Damien Marmion

b. Balance outstanding/transactions with related parties

Particulars	(Amount in Rupees)		
	Max	Bupa	Key Management Personnel
Balance outstanding at the end of the period			
Payables	1,87,87,968	81,99,938	-
Receivables	-	-	1,70,973
Transactions during the Period			
Remuneration	-	-	45,86,998
Reimbursement of Expenses (Net)	1,87,87,968	81,99,938	-

10. Retirement benefits

Disclosure as required under Accounting Standard -15 (Revised) on "Employee Benefits" for Gratuity is as under:

i. Assumptions

Particulars	31.03.2009
Discount rate	7.75%
Salary Escalation	6%
Attrition rate	20%



MAX BUPA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

	31.03.2009
	Rs.
ii. Change in benefit obligation	
Present value of obligation at the beginning of the period	-
Current Service Cost	5,31,501
Liability transfer in / (out)	7,91,539
Actuarial (gain) / loss on obligations	-
Present value of obligations at the end of the period	13,23,040
iii. Amount Recognised in the Balance Sheet	
Present value of obligations at the end of the period	13,23,040
Fair Value of Plan assets at the end of the period	-
Difference	13,23,040
Amount Recognised in the balance sheet	13,23,040
iv. Expenses recognised in the profit and loss account	
Current service costs	5,31,501
Actuarial (gain) / loss	-
Expenses charged to the profit and loss account	5,31,501
v. Balance Sheet Reconciliation	
Opening Net Liability	-
Expense as above	5,31,501
Liability transfer in / (out)	7,91,539
Amount Recognised in the balance sheet	13,23,040

11. Lease Commitments

The Company has taken property on operating lease which is cancellable at the option of the company by giving a 3 month notice. The company has recognized rent of Rs. 39,23,688 during the period.

12. Foreign Currency Exposures

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

Particulars	Period ended 31 March, 2009	
	GBP	Indian Rupee
Payables	1,12,542	81,99,938

(Signature)

MAX BUPA HEALTH INSURANCE LIMITED
SCHEDULES FORMING PART OF THE ACCOUNTS

13. Current Liabilities

As per the information available with the Company, sundry creditors do not include any amount due to the Micro, small and medium enterprises as defined under 'The Micro, Small and Medium Enterprises Development Act 2005.

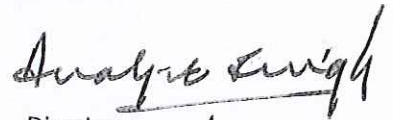
14. The financial statements are prepared as per Schedule VI to the Companies Act, 1956, as the Company is yet to obtain licence from IRDA.

15. The financial statements are for the period 5 September, 2008 (date of incorporation of the Company) to 31 March, 2009. This being the first period of Company's operations, there are no comparative figures for previous year/period.

For and on behalf of board of directors
MAX BUPA HEALTH INSURANCE LIMITED



Director
Leo Puri



Director
Analjit Singh



Director-Finance
Neeraj Basur

Place: New Delhi
Date: June 12, 2009

