

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020
Corporate Office: D-1, II Floor, Salcon Ras Vilas, District center, Saket, New Delhi 17

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of Max Bupa Health Insurance Company Limited will be held on **Tuesday, May 1, 2012 at 1745 hrs** at the Corporate Office of the Company at D-1, II Floor, Salcon Ras Vilas, District Center, Saket, New Delhi 110017 to transact the following business:

Ordinary Business

- (1) To consider, approve and adopt the Audited Balance Sheet as at March 31, 2012 and Profit and Loss Account for the year ended on that date together with Directors' Report and Auditors' Report thereon.
- (2) To appoint director in place of Mr. Anthony Coleman who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint director in place of Mr. William Stephen Ward who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To re-appoint V Sahai Tripathi & Co, Chartered Accountants and Thakur Vaidyanath Aiyar & Co., Chartered Accountants as the Joint Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

Special Business

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

"RESOLVED THAT pursuant to the provisions of Section 255 of the Companies Act, 1956, **Mr. Leo Puri**, in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as Director of the Company, be and is hereby appointed as the director of the Company and liable to retire by rotation."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto."

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

"RESOLVED THAT pursuant to the provisions of Section 255 of the Companies Act, 1956, **Mr. Amit Sharma**, in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as Director of the Company, be and is hereby appointed as the director of the Company and liable to retire by rotation."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

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

"RESOLVED THAT pursuant to the provisions of Section 255 of the Companies Act, 1956, **Mr. James Gordon Wheaton**, Additional Director of the Company appointed under Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and holding office until the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as a director of the Company, be and is hereby appointed as the director of the Company and liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

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

"RESOLVED THAT pursuant to the provisions of Section 255 of the Companies Act, 1956, **Mr. Rahul Khosla**, Additional Director of the Company appointed under Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company and holding office until the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature as a director of the Company, be and is hereby appointed as the director of the Company and liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act 1956 (including any amendment or re-enactment thereof), read with Memorandum and Articles of Association of the Company and Unlisted Public Companies (Preferential Allotment) Rules, 2003 as amended from time to time and other applicable laws, the consent and approval of the Company be and is hereby accorded to the Board of Directors to issue and allot, in one or more tranches, **6.75 crores equity shares** of Rs. 10 each fully paid up for cash at par in the share capital of the Company, on preferential basis, to the following entities in the proportion of 74% (Max India Ltd) and 26% (Bupa Singapore Holdings Pte. Ltd) as the Board may decide and that such equity shares shall rank pari passu with the existing shares of the Company:

S. No.	Name	No. of Shares
1	Max India Limited	4,99,50,000
2	Bupa Singapore Holdings Pte. Ltd	1,75,50,000
	Total	6,75,00,000

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

RESOLVED FURTHER THAT the Board be and hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors to give effect to this resolution”

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

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act 1956 (including any amendment or re-enactment thereof), read with Memorandum and Articles of Association of the Company and Unlisted Public Companies (Preferential Allotment) Rules, 2003 as amended from time to time and other applicable laws, the consent and approval of the Company be and is hereby accorded to the Board of Directors to issue and allot from time to time, in one or more tranches, **up to 5.87 crore equity shares** of Rs. 10 each fully paid up for cash at par in the share capital of the Company within a period of 12 months from the date of this resolution, on preferential basis, to the following existing shareholders in the proportion of 74% (Max India Ltd) and 26% (Bupa Singapore Holdings Pte Ltd) as the Board may decide and that such equity shares shall rank pari passu with the existing shares of the Company:

<i>Sl. No.</i>	<i>Name & Address</i>
1	Max India Limited Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144533
2	Bupa Singapore Holdings Pte. Ltd 15, Beach Road, #04-03, Beach Centre, Singapore-189677

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

RESOLVED FURTHER THAT the Board be and hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors to give effect to this resolution”

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

“RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956 and other applicable provisions of the Act, if any, and other statutory approvals, if any, the existing Articles of Association of the Company be and are hereby amended and substituted with the new set of Articles of Association, and this new set of Articles of Association be and are hereby approved and adopted as

the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the above resolutions is enclosed.
3. The documents referred to in the proposed resolutions are open for inspection at the Registered Office of the Company during working hours between 10.00 A.M. and 1.00 P.M. except on holidays.
4. Consents from the shareholders of the Company have been received for convening the meeting at short notice.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business set out in the notice.

(5) To appoint Mr. Leo Puri as Director of the Company

Pursuant to Section 257 of the Companies Act, 1956, the Company has received notice from one of the members proposing the candidature of Mr. Leo Puri for appointment as non executive independent director on the Board of the Company.

As per Section 255 of the Companies Act, 1956, the appointment of Director requires approval of the shareholders by way of ordinary resolution.

No other Director except Mr. Leo Puri is concerned or interested in this resolution.

(6) To appoint Mr. Amit Sharma as Director of the Company

Pursuant to Section 257 of the Companies Act, 1956, the Company has received notice from one of the members proposing the candidature of Mr. Amit Sharma for appointment as non executive independent director on the Board of the Company.

As per Section 255 of the Companies Act, 1956, the appointment of Director requires approval of the shareholders by way of ordinary resolution.

No other Director except Mr. Amit Sharma is concerned or interested in this resolution.

(7) To appoint Mr. James Gordon Wheaton as Director of the Company

Mr. James Gordon Wheaton was appointed by the Board of Directors as Additional Director of the Company on July 13, 2011 and holds office up to the date this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 read with Articles of Association of the Company.

In terms of section 257 of the Companies Act, the company has received notice from the member proposing his candidature for appointment as nominee director of Bupa, Singapore. He is eligible to be appointed as director of the Company.

No other Director except Mr. James Gordon Wheaton is concerned or interested in this resolution.

(8) To appoint Mr. Rahul Khosla as Director of the Company

Mr. Rahul Khosla was appointed by the Board of directors as Additional Director of the Company on October 14, 2011 to hold office upto the date of ensuing Annual General Meeting in terms of the provisions of Section 260 of the Companies Act, 1956 read with Articles of Association of the Company.

In terms of section 257 of the Companies Act, the company has received notice from the member proposing his candidature for appointment as nominee director of Max India. He is eligible to be appointed as director of the Company.

No other Director except Mr. Rahul Khosla is concerned or interested in this resolution.

(9) Issue of further Shares on preferential basis

In order to meet the requirement of funds for the business, the Company is required to be capitalized by issue of equity shares in the share capital of the Company to Max India Limited and Bupa Singapore Holdings Pte. Ltd. Accordingly, It is proposed to issue **6.75 crores equity shares** of Rs. 10/- each for cash at par on preferential basis pursuant to Section 81(1A) of Companies Act, 1956.

The issue and allotment of aforesaid shares by an unlisted public company is governed by the provisions of Unlisted Public Companies (Preferential Allotment) Rules, 2003 and 2011. The detailed descriptions about the issue of shares as prescribed under the said Rules is given below:

THE PRICE OR PRICE BAND AT WHICH THE ALLOTMENT IS PROPOSED

The allotment of equity shares is proposed to be made for cash at par.

RELEVANT DATE ON THE BASIS OF WHICH PRICE HAS BEEN ARRIVED AT

The share shall be issued at par.

THE OBJECTS OF THE ISSUE

To meet capitalization requirements as per business plan of the Company.

CLASS OR CLASSES OF THE PERSON TO WHOM THE ALLOTMENT IS PROPOSED TO BE MADE

The proposed allotment of 6.75 crores equity shares to be made to the following entities on preferential basis as per the provision of Companies Act, 1956.

1.	Max India Limited Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144533
2.	Bupa Singapore Holdings Pte. Ltd 15, Beach Road, #04-03, Beach Centre, Singapore-189677

INTENTION OF PROMOTERS TO SUBSCRIBE TO THE OFFER

The promoters have undertaken to fund the Company to meet its capitalization requirements as per business plan of the Company.

SHAREHOLDING PATTERN

The equity shares are proposed to be issued in the following manner:

Sl. No.	Name	Proportion
1	Max India Limited	74%
2	Bupa Singapore Holdings Pte. Ltd.	26%
	Total	100%

TIME LIMIT WITHIN WHICH THE ALLOTMENT SHALL BE COMPLETED

The proposed allotment shall be completed within 12 months of passing of the proposed resolution in one or more tranches. Where the shares are allotted in more than one tranches, shares shall be allotted within a period of 60 days from the date of receipt of respective tranche of share application money or such period as may be prescribed by the relevant authorities under applicable laws.

CHANGE IN CONTROL

There would be no change in control after the proposed allotment of shares by the Company.

The Certificate confirming the compliance of Unlisted Public Companies (Preferential allotment) Rules, 2003 will be laid at the commencement of the meeting.

None of the Directors of the Company may be deemed to be interested or concerned in passing of the above resolution.

(10) Issue of further Shares on preferential basis

In order to meet the business requirements in line with the approved business plan of the Company for the year 2012, the Company would be receiving share subscription moneys, in one or more tranches during Quarter 3 and Quarter 4 of 2012.

In order to meet the requirement of funds for the business in line with the business plan of the Company for the year 2012, the Company is required to be capitalized by issue of equity shares in the share capital of the Company to Max India Limited and Bupa Singapore Holdings Pte. Ltd. Accordingly, It is proposed to accord member's approval for issue and allotment of **up to 5.87 crore equity shares** of Rs. 10/- each for cash at par on preferential basis within a period of ensuing 12 months from the date of this resolution in one or more tranches pursuant to Section 81(1A) of Companies Act, 1956.

The issue and allotment of aforesaid shares by an unlisted public company is governed by the provisions of Unlisted Public Companies (Preferential Allotment) Rules, 2003 and 2011. The detailed descriptions about the issue of shares as prescribed under the said Rules are given below:

THE PRICE OR PRICE BAND AT WHICH THE ALLOTMENT IS PROPOSED

The allotment of equity shares is proposed to be made for cash at par.

RELEVANT DATE ON THE BASIS OF WHICH PRICE HAS BEEN ARRIVED AT

The share shall be issued at par.

THE OBJECTS OF THE ISSUE

To meet capitalization requirements as per business plan of the Company.

CLASS OR CLASSES OF THE PERSON TO WHOM THE ALLOTMENT IS PROPOSED TO BE MADE

The proposed allotment up to **5.87 crore** Equity Shares to be made to the following entities on preferential basis as per the provision of Companies Act, 1956.

1.	Max India Limited Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144533
2.	Bupa Singapore Holdings Pte. Ltd 15, Beach Road, #04-03, Beach Centre, Singapore-189677

INTENTION OF PROMOTERS TO SUBSCRIBE TO THE OFFER

The promoters have undertaken to fund the Company to meet its capitalization requirements as per business plan of the Company.

SHAREHOLDING PATTERN

The equity shares are proposed to be issued in the following manner:

Sl. No.	Name	Proportion
1	Max India Limited	74%
2	Bupa Singapore Holdings Pte. Ltd.	26%
	Total	100%

TIME LIMIT WITHIN WHICH THE ALLOTMENT SHALL BE COMPLETED

The proposed allotment shall be completed within 12 months of passing of the proposed resolution in one or more tranches. Where the shares are allotted in more than one tranches, shares shall be allotted within a period of 60 days from the date of receipt of respective tranche of share application money or such period as may be prescribed by the relevant authorities under applicable laws.

CHANGE IN CONTROL

There would be no change in control after the proposed allotment of shares by the Company.

The Certificate confirming the compliance of Unlisted Public Companies (Preferential allotment) Rules, 2003 will be laid at the commencement of the meeting.

None of the Directors of the Company may be deemed to be interested or concerned in passing of the above resolution.

(11) To adopt the Re-stated Articles of Association of the Company

The Company proposes to adopt Re-stated Articles of Association of the Company to incorporate the amendments in the Shareholders Agreement.

Pursuant to the provisions of Section 31 of the Companies Act, 1956, the Company may, by Special Resolution, alter the provisions of its Article of Association. The aforesaid resolution requires approval by the members of the Company.

None of the Directors of the Company may be deemed to be interested or concerned in passing of the above resolution.

For **Max Bupa Health Insurance Company Limited**

New Delhi
May 1, 2012

Sd-
Sandeep Seth
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fourth Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2012.

BUSINESS HIGHLIGHTS

The highlights for the Financial Year ended March 31, 2012 are as under:

Particulars	(Rs in '000)	
	2011-12	2010-11
Gross Written Premium	990846	255349
Add Reinsurance Accepted	889	-
Less Reinsurance Premium	99085	25460
Net Premium	892650	229889
Unexpired Risk Reserve	383467	148426
Earned Premium	509183	81463
Total Underwriting Revenue	509183	81463
Net Incurred Claims	285888	40607
Commission paid (net)	54969	13896
Expenses of Management	1493976	1266787
Total Underwriting expenses	1834833	1321290
Underwriting Profit/(Loss)	(1325650)	(1239827)
<u>Investment Income:</u>		
Allocated to Revenue Account	41807	11424
Allocated to P&L Account	96333	67987
Other Income	(1146)	892
Other Expenses	-	2950
Profit/(Loss) before Tax	(1188656)	(1162474)
Key Business Parameters		
Solvency Ratio	1.91:1	2.03 : 1
Share Capital (Rs. crores)	352	271
Foreign Direct Investment(Rs. crores)	91.52	70.46
No. of Employees	861	682
No. of offices	12	12
No. of Agents	9505	4339
No. of Policies	74899	28789

INDUSTRY OVERVIEW

The Health Insurance sector has been the fastest growing segment in the non-life insurance business over the last 5 years. The total Health Insurance premium in FY 2011 -12 reached Rs 13,094 crores from Rs. 11,137 crores in FY 2010-11, registering 18% growth.

During the year, a number of new regulations and guidelines from the perspective of the protection of policyholders' interest were issued by the regulator (IRDA). These regulations & guidelines may

have some impact on the business activities of the company. The key guidelines & regulations released were:

- Portability of health insurance policies across non life insurance companies including stand alone health insurance companies
- Constitution of Health Insurance Forum
- Guidelines on Web Aggregators
- Guidelines on Insurance repositories and electronic issuance of insurance policies

PHILOSOPHY

Max Bupa's philosophy and mission is to help people live longer, healthier and more successful lives. With a vision to build long-term healthcare partnerships, providing expertise for life, Max Bupa is working towards helping people put their health first.

Max Bupa's mission is to become India's most admired health insurance company by building capability in people, technology and infrastructure, and delivering high quality products and services to its customers.

OPERATIONS

Max Bupa brings together Bupa's global health insurance and customer service expertise with Max India's understanding and experience of the Indian health and insurance sectors. The Company offers quality health insurance services through a dedicated team of over 850 people and network of 11 offices across cities, namely - Delhi, Mumbai, Hyderabad, Chennai, Bangalore, Surat, Ludhiana, Jaipur, Kochi, Kolkata and Pune.

The Company has developed a strong network of over 1200 quality hospitals and healthcare providers and intends to increase this to over 1400 hospitals by end of 2012. The Company services its customers directly through its in-house team of professionals including doctors.

To reach out to customers and to build awareness about its product and service offerings, the Company has been using a combination of television, print, digital media, outdoor, radio and ground level events to drive up awareness for the need of health insurance, and Max Bupa's offerings including unique product differentiators.

HEALTH INSURANCE PRODUCTS

Max Bupa has its flagship product 'Heartbeat' for the retail customers, offering comprehensive health insurance cover ranging from Rs 2 Lacs to Rs 50 Lacs for both individuals and families. 'Heartbeat' gradually created a niche for itself through its focus on health care and unique service offering.

In February 2012, an enhanced version of 'Heartbeat' was launched in the market. One of the key new features includes High Deductible Top Up option on an annual aggregate basis and a two year policy tenure option for customers.

In addition, three products were launched by your Company in 2011:

1. Swasth Parivar
2. Health Companion
3. Employee First - Classic

Based on market experience and the research study conducted during the year, the Company has developed a pipeline of products to be created over the next two years. The Company has the following products in the pipeline:

1. Group Personal Accident
2. Heartbeat version 3
3. Wider Group Health Insurance
4. OPD rider

The Company now has a customer segmentation framework in place. The market research helped validate the current product pipeline with a clear view on future innovations. It has also guided the Company's overall communication strategy.

The Competitive Customer Satisfaction Survey (C-SAT) conducted in 2011, helped benchmark performance against competition as well as aided action planning for 2012.

DIRECTORS

The Company's Board of Directors comprises of eight members, as on March 31, 2012. The Board of Directors is responsible for the overall corporate strategy and other Board related matters.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. William Stephen Ward and Mr. Anthony Coleman retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

During the year, Mr. Leo Puri and Mr. K Narasimha Murthy resigned from the Board of the Company. Further Mr. Rahul Khosla and Mr. James Wheaton were inducted as additional Directors on the Board during the year.

Pursuant to Section 255 read with Section 257 of the Companies Act, 1956, the Company has received notices from members proposing the name of Mr. Amit Sharma and Mr. Leo Puri for appointment as Director of the Company at the ensuing Annual General Meeting.

Further, the Company has also received notices from members pursuant to Section 255 read with Section 257 of the Companies Act, 1956, proposing the name of Mr. Rahul Khosla and Mr. James Wheaton, additional Directors of the Company under section 260, for appointment as Director of the Company at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

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

The Board of Directors of the Company presently (as on March 31, 2012) comprises of six non-executive directors, one independent director and one whole time director.

As per Corporate Governance Guidelines issued by IRDA, the Chief Executive Officer of the Company is designated as 'Whole time Director' under the Companies Act.

The Company has received Deed of Covenant and Declaration from all the Directors in accordance with the said Corporate Governance Guidelines.

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

1. Audit Committee
2. Investment Committee

3. Risk Committee
4. Policyholders' Protection Committee
5. Product and Actuarial Committee
6. HR Compensation and Organization Committee

The disclosures, as per the IRDA Corporate Governance Guidelines, form part of the Directors' Report and are appended as Annexure I.

DIVIDEND

As the Company has not yet started generating surplus, the Directors do not recommend any dividend for the year.

CAPITAL

During the year, the paid up equity share capital of the Company was increased from Rs. 271 crores to Rs. 352 crores. Further, the Company has received share application money amounting to Rs. 32.50 crores in March, 2012 and Rs. 35 crores in April 2012 from Max India Limited and Bupa Singapore Holdings Pte. Ltd in the ratio of 74:26.

SOLVENCY

The Company has been continually monitoring its solvency margins to ensure that the solvency margin is maintained in line with the requirements of IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000. As on March 31, 2012, the solvency ratio of the Company was at 1.91:1.

DEPOSITS

The Company has not accepted any deposits under Section 58A of the Companies Act, 1956.

RURAL & SOCIAL SECTOR OBLIGATIONS

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

Business Sector	Year ended 31.03.2012			Year ended 31.03.2011		
	GWP Rs.'000s	No. of Lives	% of GWP	GWP Rs.'000s	No. of Lives	% of GWP
Rural	7881	1995	0.80	6721	1512	2.64
Social	2210	23637	0.22	820	5600	0.32
Urban	980755	189422	98.98	247062	44661	97.04

AUDITORS

The Joint Statutory Auditors, M/s V Sahai Tripathi & Company, Chartered Accountants and M/s Thakur Vaidyanath Aiyar & Company, Chartered Accountants, will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board proposes the re-appointment of M/s V Sahai Tripathi & Company, Chartered Accountants and M/s Thakur Vaidyanath Aiyar & Company, Chartered Accountants as Joint Statutory Auditors for the financial year 2012- 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. In the preparation of annual accounts for the financial year ended March 31, 2012, 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, 1956 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.

ADDITIONAL INFORMATION

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended up to date is separately annexed to the Report.

The information in accordance with the provision 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 for the year ended March 31, 2012 is provided hereunder:

a. **CONSERVATION OF ENERGY:**

The Company has taken measures to reduce the energy consumption, by using energy efficient equipment, incorporating latest technology and regular maintenance.

b. **RESEARCH AND DEVELOPMENT (R&D)** : Nil

c. **TECHNOLOGY ABSORPTION:**

- Specific areas in which R & D was carried out by the Company : Nil
- Benefit derived as a result of above : NA
- Future plan of action : NA
- Expenditure on R & D : NA

d. **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activities relating to exports, initiatives taken to increase exports, develop new export markets, export plan, etc. :

(Rs. in thousands)

		For the year ended March 31, 2012	For the year ended March 31, 2011
i)	Foreign Exchange Earnings	Nil	Nil
ii)	Foreign Exchange Outgo		
	CIF Value of Imports		
	- Capital Goods	Nil	21801
	- Trading Goods	Nil	Nil

	Others	13922	15936
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ACKNOWLEDGEMENTS

The Directors wish to place on record their gratitude to IRDA, Reserve Bank of India, Central and State Governments and the joint venture partners for their continued cooperation, support and assistance. The Directors also express their thanks for the continued support and cooperation extended by Policyholders, Intermediaries and Employees of the Company.

For and on behalf of the Board of Directors

Place: New Delhi

Date: May 1, 2012

Sd-
A.M Coleman
Director

Sd-
Damien Marmion
CEO & Director

ANNEXURES

I. Disclosures for the FY 2011-12 as per IRDA Corporate Governance Guidelines

a. Constitution of the Board, number of meetings held and attendance by Directors

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended
Analjit Singh – Chairman	4	4
Anuroop Singh	4	2
Leo Puri *****	4	3
Dean Allan Holden	4	4
Benjamin David Jemphrey Kent ***	4	1
William Stephen Ward	4	3
Kummamuri Murthy Narasimha	4	3
Anthony Maxwell Coleman	4	4
James Gordon Wheaton**	4	3
Damien Marmion*	4	3
Rahul Khosla****	4	1

*appointed as Whole time Director w.e.f. 19/05/2011

** appointed as Additional Director w.e.f. 13/07/2011

***ceased to be a Director w.e.f. 13/07/2011

**** appointed as Additional Director w.e.f.14/10/2011

*****ceased to be a Director w.e.f 21/11/2011

b. Constitution of the Audit Committee, number of meetings held and attendance by Members

Name of the Member	No. of Meetings held	No. of Meetings attended
Kummamuri Murthy Narasimha-Chairman	4	3
Benjamin David Jemphrey Kent**	4	1
Anthony Maxwell Coleman	4	4
James Gordon Wheaton*	4	3
Rahul Khosla***	4	1

* inducted as a member w.e.f. 13/07/2011

* * ceased to be a member w.e.f. 13/07/2011

***inducted as member w.e.f.14/10/2011

c. Constitution of the Investment Committee, number of meetings held and attendance by Members

Name of the Member	No. of Meetings held	No. of Meetings attended
James Gordon Wheaton-Chairman*	4	3
Benjamin David Jemphrey Kent **	4	1
Anthony Maxwell Coleman	4	4
Damien Vincent Marmion	4	4
Neeraj Basur	4	4
Vishal Garg	4	4
K. Sriram	4	3
Rahul Khosla***	4	1

- * inducted as member w.e.f. 13/07/2011
- * *ceased to be member w.e.f. 13/07/2011
- ** *inducted as member w.e.f.14/10/2011

d. Constitution of the Risk Committee, number of meetings held and attendance by Members

Name of the Member	No. of Meetings held	No. of Meetings attended
James Gordon Wheaton-Chairman*	4	3
Benjamin David Jemphrey Kent**	4	1
Leo Puri****	4	3
Anthony Maxwell Coleman	4	4
Kummamuri Murthy Narasimha	4	3
Rahul Khosla***	4	1

- * inducted as member w.e.f. 13/07/2011
- * *ceased to be a member w.e.f. 13/07/2011
- ** *inducted as member w.e.f.14/10/2011
- ****ceased to be member w.e.f 21/11/2011

e. Constitution of the Policyholders Protection Committee, number of meetings held and attendance by Members

Name of the Member	No. of Meetings held	No. of Meetings attended
William Stephen Ward-Chairman	4	3
Kummamuri Murthy Narasimha	4	3
Anthony Maxwell Coleman	4	4
Rahul Khosla*	4	1

- *inducted as member w.e.f.14/10/2011

Information of additional Committees constituted by the Board

f. Constitution of the Product and Actuarial Committee, number of meetings held and attendance by Members

Name of the Member	No. of Meetings held	No. of Meetings attended
Dean Allan Holden-Chairman	4	4
Leo Puri*	4	3
William Stephen Ward	4	3
Anthony Maxwell Coleman	4	4
Rahul Khosla**	4	1

- *ceased to be a member w.e.f 21/11/2011
- **inducted as member w.e.f.14/10/2011

g. Constitution of the HR Compensation and Organization Committee, number of meetings held and attendance by Members

Name of the Member	No. of Meetings held	No. of Meetings attended
Leo Puri -Chairman*	4	3

Dean Allan Holden	4	4
Anthony Maxwell Coleman	4	3
Rahul Khosla**	4	1

*Ceased to be member and Chairman W.e.f.21/11/2011

**Inducted as member w.e.f. 14/10/2011

h. Details of Directors and their status of Directorship and qualifications:

Name	Status of Directorship	Qualifications
Mr. Analjit Singh Nominee-Max India	Chairman, Non Executive	MBA, Boston, USA
Mr. Anuroop Singh Nominee-Max India	Non Executive	Chartered Accountant
Rahul Khosla Nominee-Max India	Non Executive	Chartered Accountant
Mr. Dean Allan Holden Nominee-Bupa Singapore	Non Executive	Chartered Accountant
Mr. William Stephen Ward Nominee-Bupa Singapore	Non Executive	Chartered Secretary
James Gorden Wheaton Nominee-Bupa Singapore	Non Executive	Chartered Accountant
Mr. Anthony Maxwell Coleman	Independent	MBA, Fellow of Institute of Actuaries (Australia), Fellow of Institute of Actuaries (UK)
Damien Marmion	Whole time Director	MBA, MBBS

For and on behalf of the Board of Directors

Place: New Delhi
Date: May 1, 2012

Sd-
A.M Coleman
Director

Sd-
Damien Marmion
CEO & Director

II. MAX BUPA HEALTH INSURANCE COMPANY 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, 2012

Sl No.	Name	Age (Years)	Designation	Nature of duties	Remuneration (Rs.)	Qualification	Date of Commencement of emolument	Experience (Years)	Organisation	Last Employment Held Designation
A. Employed throughout the year and were in receipt of remuneration of not less than Rs. 60,00,000/- per annum										
1	Dr. Damien Marmion	45	Chief Executive Officer and Whole Time Director	General Management	55,357,692	Masters in Health Management, Medical Practitioner	01-Jan-2009	22	BUPA Limited, HK	Development Director
2	Mr. Dean Pollard	47	Chief Operating Officer	Operations Management	42,863,739	MBA, PGDBM	01-Apr-2009	19	BUPA, Australia	Director of Transformation
3	Mr. Neera Basur	42	Chief Financial Officer	Financial Management	13,808,334	M.Com, FCA, ACS	01-Jan-2009	20	Max India Limited	Sr. Vice President-Corporate Finance
4	Mr. Pawan Singhal	49	Director- Legal and Regulatory Affairs	Legal & Compliance	7,143,538	B.Com,AICWA,FCS, LLB	23-Mar-2009	23	Conexant Systems	Director Legal-India and China
5	Ms. Shefali Chhachi	41	Director-Marketing	Marketing Management	7,746,090	MBA	16-Feb-2009	18	Nokia India Private Limited	Head- Marketing Activation and Localisation
6	Mr. Munish Sharma	42	Senior Vice President - Finance & Financial Controller	Financial Management	7,435,144	FCA	29-Sep-2009	18	Genpact Limited	Vice President-Finance (BFSI)
7	Mr. Sibarajan Pattnaik	48	Head - Agency Channel	Sales and Distribution Management	8,863,439	LLB, MSC	01-Apr-2009	23	Max New York Life Insurance Co. Ltd.	Senior Vice President and National Head of Group Business
8	Mr. Amit Arora	36	Head-Direct Channel	Sales and Distribution Management	7,161,128	PGDBM,B.A	04-May-2009	11	Citi Bank	Area Director
9	Mr. Pritpal Singh Kular	44	Director-Human Resources	Human Resources Management	10,739,604	Masters of Business Administration	01-Jun-2010	20	Heidelberg Cement India Ltd	Director-Human Resources
10	Mr. Bipul Chatterjee	47	Head -Emerging Market	Sales and Distribution Management	7,864,154	B.S.C. & DRD	14-Dec-2009	23	Birla Sun Life Insurance Co. Ltd.	Head Rural Sales
B. Employed for part of the year and were in receipt of remuneration of not less than Rs. 500,000/- per month										
1	Mr. Birender Ahluwalia	43	Director-Sales and Distribution	Sales and Distribution Management	10,420,012	Master Degree in Management Studies	25-Jul-2011	20	Tata Sky Ltd	Chief Sales and Services Officer
2	Mr. Biresh Giri	32	Chief Actuary	Actuarial	2,147,463	M Stat, FIAI	26-Dec-2011	10	Miliman India Private Limited	Consulting Actuary
3	Ms. Anjana Agarwal	42	Senior Vice President & Head - Customer Services and Operations	Operations Management	6,241,260	BE, MBA	16-Feb-2009	19	United Health Group	Director-IT
4	Mr. Andrew Ryland	40	Head of Healthcare Purchasing	Operations Mangement	4,631,167	BSc	01-Dec-2009	18	BUPA International	TPA Development & Contracting Manager
5	Mr. Karanvir Singh	39	Director-Sales and Distribution	Sales and Distribution Management	3,286,251	MBA, BA (Economics)	16-Feb-2009	14	Citi Bank	Head- Risk Mitigation Unit

Notes :

- Remuneration includes salary, allowances, value of rent free accommodation, bonus, medical reimbursements, leave travel assistance, term insurance, personal accident and health insurance, Company's contribution to Provident, Pension, Gratuity and Superannuation funds, leave encashment and monetary value of perquisites.
- None of the above employees is relative of any Director of the Company.
- 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

Sd
A.M Coleman
Director

Sd
Damien Marmion
CEO & Director

New Delhi
01-May-12

AUDITOR'S REPORT TO THE SHAREHOLDERS

To
The Members
MAX BUPA HEALTH INSURANCE COMPANY LIMITED
New Delhi

We have audited the attached Balance Sheet of *Max Bupa Health Insurance Company Limited* (the Company¹) as at March 31, 2012, the Revenue Account, the Profit and Loss account and the Receipts and Payment account, for the year ended on that date 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.

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 as to whether the financial statements are free of material misstatement. 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.

The Balance Sheet, the Revenue account, the Profit and Loss account and Receipts and Payment account, have been drawn up in accordance with the Insurance Act, 1938, Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') read with Section 211 of the Companies Act, 1956 ('the Act').

As required by Regulation, we set out in the Annexure a statement certifying the matters specified in paragraph 4 of schedule C to the regulations.

Further to our comments in the Annexure referred to 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 the audit and have found them to be satisfactory;
- 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 maintained by the Company so far as appears from our examination of those books;
- c) As the Company's accounting system is centralized; no returns for the purposes of our audit are prepared at the branches and other offices;



- d) The Balance Sheet, the Revenue account, Profit and Loss account and the Receipts and Payment account referred to in this report are in agreement with the books of account;
- e) The actuarial valuation of liabilities in respect of claims Incurred but Not Reported ('IBNR') and those Incurred but Not Enough Reported ('IBNER') at March 31, 2012 has been duly certified by the appointed actuary. The appointed actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDA and the Actuarial Society of India in concurrence with the IRDA. We have relied upon the appointed actuary's certificate in this regard; and
- f) On the basis of the written representations received from the directors, as at March 31, 2012 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

In our opinion and according to the information and explanations given to us, we further report that :-

- a) Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders / directions issued by IRDA in this behalf;
- b) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub section 3C of Section 211 of the Act and with the accounting principles prescribed by the Regulations and orders / directions issued by IRDA in this behalf;
- c) The Balance Sheet, the Revenue account, the Profit and Loss account and the Receipts and Payment account referred to in this report are in compliance with the accounting standards referred to under sub section 3C of section 211 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by IRDA;
- d) The Balance Sheet, Revenue account, Profit and Loss account and Receipts and Payment account read together with the notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Act to the extent applicable, and in a 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 :-

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;



- ii. In the case of the Revenue Account, of the deficit for the year ended on that date;
- iii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- iv. In the case of the Receipts and Payment Account, of the receipts and payments for the year ended on that date.

Further, on the basis of examination of books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that :-

- We have reviewed the management report and there are no apparent mistakes or material inconsistencies with the financial statements; and
- Based on the information and explanations received during the course of our audit, management representations by officers of the Company charged with compliance and compliance certificates issued by the management, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration.

For and on behalf of
V Sahai Tripathi & Co
Chartered Accountants

M. Sahai

(Mahesh Sahai)
Partner
M.N.-006730
FRN: 000262N



For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

K.N. Gupta

(K.N. Gupta)
Partner
M.N.- 009169
FRN: 000038N



Place: New Delhi
Dated: 1st May, 2012

AUDITOR'S CERTIFICATE

(Referred to in the Auditor's report to the members of Max Bupa Health Insurance Company Limited (the company) on the financial statements for the year ended 31st March, 2012)

Based on the information and explanation given to us and to the best of our knowledge and belief and based on our examination of books of accounts and other records maintained by the Company, we certify that:

- a) We have verified the cash balances, to the extent consider necessary, and securities relating to the Company's investments by actual inspection or on the basis of certificates/confirmations received from custodian and/or Depository Participants appointed by the Company, as the case may be;
- b) The Company is not a trustee of any trust;
- c) No part of the assets of the policyholder's funds has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938, relating to the application and investments of the policyholder's funds.

This certificate has been 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 Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.


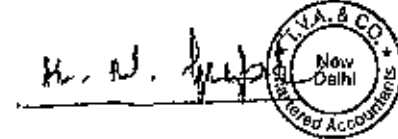
For and on behalf of
V Sahai Tripathi & Co
Chartered Accountants



(Mahesh Sahai)
Partner
M.N.-006730
FRN: 000262N



For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants



(K.N. Gupta)
Partner
M.N.- 009169
FRN: 000038N

Place: New Delhi
Dated: 1st May, 2012

FORM-B-RA

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

SN	Particulars	Schedule	For the year ended Mar 31, 2012 (Rs.'000)	For the year ended Mar 31, 2011 (Rs.'000)
1	Premiums earned (Net)	1	509183	81463
2	Profit/ Loss on sale/redemption of Investments		-	-
3	Others		-	-
4	Interest, Dividend & Rent – Gross		41807	11424
	Total (A)		550990	92887
1	Claims Incurred (Net)	2	285888	40807
2	Commission	3	54869	13896
3	Operating Expenses related to Insurance Business	4	1493976	1266787
	Total (B)		1834833	1321290
	Operating Profit/(Loss) from Miscellaneous Business [C= (A - B)]		(1283843)	(1228403)
	Appropriations			
	Transfer to Shareholders' Account		(1283843)	(1228403)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	Total (C)		(1283843)	(1228403)
	SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

The Schedules referred to above form an integral part of the Revenue Account

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

This is the Revenue Account referred to in our report of even date

For V.Sahal Tripathi & Co
Chartered Accountants

Mahesh Sahal
Partner
Membership No. F 06730
FR No. 000262N

For Thakur,Valdyanath Aiyar & Co.
Chartered Accountants

K.N.Gupta
Partner
Membership No. F 09169
FR No. 000038N

For and on behalf of the Board of Directors

A.M. Coleman
Director

[Signature]
Chief Executive Officer
& Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

Place : New Delhi

Date: 1st May 2012

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010

PROFIT AND LOSS ACCOUNT FOR YEAR ENDED MARCH 31, 2012

SN	Particulars	Schedule	For the year ended Mar 31, 2012 (Rs.'000)	For the year ended Mar 31, 2011 (Rs.'000)
1	Operating Profit/(Loss)			
	(a) Miscellaneous Insurance		(1283943)	(1228403)
2	Income From Investments			
	(a) Interest, Dividend and Rent – Gross		76372	59588
	(b) Profit on sale of investments		19961	8398
	Less: Loss on sale of investments		-	-
3	Other Income			
	(a) Gain/(Loss) on Foreign Exchange Fluctuation		(1279)	(1165)
	(b) Liabilities no longer required written back		133	2057
	Total (A)		(1188656)	(1159524)
4	Provisions (Other than Taxation)			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		-	-
	(c) Others		-	-
5	Other Expenses			
	(a) Expenses other than those related to Insurance Business		-	-
	(b) Bad debts written off		-	-
	(c) Others		-	2950
	Total (B)		-	2950
	Profit/(Loss) Before Tax		(1188656)	(1162474)
	Provision for Taxation		-	-
	(a) Fringe Benefit Tax		-	-
	Profit/(Loss) After Tax		(1188656)	(1162474)
	Appropriations			
	(a) Interim dividends paid during the year		-	-
	(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		(1592063)	(429579)
	Balance carried forward to Balance Sheet		(2780709)	(1592053)
	Basic and Diluted Earning per Share of Rs. 10/- each		(3.95)	(5.62)

The Schedules referred to above form
an Integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our
report of even date

For V.Sahai Tripathi & Co.
Chartered Accountants

Mahesh Sahai
Partner
Membership No. F 08730
FR No. 000282N



For Thakur, Vaidyanath Aiyer & Co.
Chartered Accountants

K.N. Gupta
Partner
Membership No. F 09169
FR No. 000038N



For and on behalf of the Board of Directors

A.M. Coleman
Director

Chief Executive Officer
& Director

Chief Financial Officer

Company Secretary

Place: New Delhi
Date: May 15, 2012

FORM-B-B5

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Schedule	As at Mar 31, 2012 (Rs.'000)	As at Mar 31, 2011 (Rs.'000)
Sources of Funds			
Share Capital	5	3520000	2710000
Share Application Money		325000	-
Reserves and Surplus	6	-	-
Fair Value Change Account		620	977
Borrowings	7	-	-
Total		3845620	2710977
Application of Funds			
Investments	8	1532983	1262607
Loans	9	-	-
Fixed Assets	10	214873	213245
Current Assets:			
Cash and Bank Balances	11	384455	66786
Advances and Other Assets	12	153664	144733
Sub-total (A)		538019	211519
Current Liabilities	13	672458	408788
Provisions	14	548508	159859
Sub-total (B)		1220964	568447
Net Current Assets (C) = (A - B)		(682945)	(356928)
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		2780709	1592053
Total		3845620	2710977
CONTINGENT LIABILITIES			
1 Partly paid up investments		-	-
2 Claims, other than against policies, not acknowledged as debts by the Company		-	-
3 Underwriting commitments outstanding (in respect of shares and securities)		-	-
4 Guarantees given by or on behalf of the Company		-	-
5 Statutory demands/liabilities in dispute, not provided for		-	-
6 Reinsurance obligations to the extent not provided for in the accounts		-	-
7 Others		1554	-
Total		1554	-

The Schedules referred to above form
an integral part of the Balance Sheet

This is the Balance Sheet referred to in our
report of even date

For V.Sahal Tripathi & Co.
Chartered Accountants

M. Sahal
Mahesh Sahal
Partner
Membership No. F 06730
FR No. 000262N



For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

K.N. Gupta
K.N.Gupta
Partner
Membership No. F 09169
FR No. 000038N
Place : New Delhi
Date: May 15, 2012



For and on behalf of the Board of Directors

A.M. Coleman

Director

[Signature]
Chief Executive Officer
& Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010
RECEIPTS AND PAYMENT ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

Particulars	For the year ended Mar 31, 2012 (Rs.'000)	For the year ended Mar 31, 2011 (Rs.'000)
Cash Flows from the Operating Activities:		
Premium received from Policyholders, including Advance Receipts	1146206	293726
Other Receipts	-	-
Payments to the re-insurers, net of commissions and claims	(42770)	(12961)
Payments to co-insurers, net of claims recovery	-	-
Payments of claims	(232959)	(17324)
Payments of commission and brokerage	(76067)	(27995)
Payments of Other Operating Expenses	(1388896)	(1077918)
Preliminary and Pre-operative Expenses	-	-
Deposits, Advances and Staff Loans	(6306)	(10507)
Income Taxes Paid (Net)	-	-
Service tax paid	(6662)	(4117)
Other Payments	-	-
Cash Flows before Extraordinary Items	(807451)	(857096)
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	(807451)	(857096)
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(75478)	(128897)
Proceeds from sale of fixed assets	300	990
Purchases of investments(Net)	(63071)	(271383)
Loans disbursed	-	-
Sales of investments	-	-
Repayments received	-	-
Rents/Interests/ Dividends received	118486	91720
Investments in money market instruments and in liquid mutual funds (Net)	(190117)	(83592)
Expenses related to investments	-	-
Net cash flow from investing activities	(209880)	(391163)
Cash flows from financing activities:		
Proceeds from Share Capital	-	-
Share Application Money	1135000	1200000
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	1135000	1200000
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net increase/(decrease) in cash and cash equivalents:	317668	(48260)
Cash and cash equivalents at the beginning of the year	68786	115048
Cash and cash equivalents at the end of the year	384465	68786
Net increase/(decrease) in cash and cash equivalents:	317668	(48260)

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

For V.Sahai Tripathi & Co.
Chartered Accountants

M. Sahai

Mahesh Sahai
Partner
Membership No. F 08730
FR No. 000262N



For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

K.N. Gupta
K.N. Gupta
Partner
Membership No. F 09169
FR No. 000038N



For and on behalf of the Board of Directors

A.M. Coleman
Director

[Signature]
Chief Executive Officer
& Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

Place : New Delhi
Date: May 15, 2012

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended Mar 31, 2012 (Rs.'000)	For the year ended Mar 31, 2011 (Rs.'000)
SCHEDULE - 1		
PREMIUM EARNED (NET)		
Premium from direct business written*	990846	265349
Add: Premium on reinsurance accepted	889	-
Less: Premium on reinsurance ceded	99085	25460
Net Premium	892850	229889
Less: Adjustment for change in reserve for unexpired risks	383467	148426
Total Premium Earned (Net)	509383	81463
* Net of Service Tax		
SCHEDULE - 2		
CLAIMS INCURRED (NET)		
Claims paid		
Direct	221186	16042
Add: Re-insurance accepted	321	-
Less: Re-Insurance Ceded	22086	1604
Net Claims paid	199422	14438
Add: Claims Outstanding at the end of the year	112642	28178
Less: Claims Outstanding at the beginning	28176	?
Total Claims Incurred	286968	40807
SCHEDULE - 3		
COMMISSION		
Commission paid		
Direct	72390	18888
Add: Re-Insurance accepted	227	-
Less: Commission on Re-insurance Ceded	17648	5092
Net Commission	54969	13896
Break Up of expenses incurred to procure business:		
Agents	55983	16920
Brokers	16407	2088
Corporate Agency	-	-
Referral	-	-
	72390	18988



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

(Rs.'000)

Particulars	For the year ended Mar 31, 2012			For the year ended Mar 31, 2011		
	Health	Others	Total	Health	Others	Total
SCHEDULE - 1A						
PREMIUM EARNED [NET]						
Premium from direct business written*	990848	-	990848	255349	-	255349
Add: Premium on reinsurance accepted	889	-	889	-	-	-
Less: Premium on reinsurance ceded	99085	-	99085	25460	-	25460
Net Premium	892650	-	892650	229889	-	229889
Less: Adjustment for change in reserve for unexpired risks	383467	-	383467	148426	-	148426
Total Premium Earned (Net)	509183	-	509183	81463	-	81463
* Net of Service Tax						
SCHEDULE - 2A						
CLAIMS INCURRED [NET]						
Claims paid						
Direct	221186	-	221186	16042	-	16042
Add: Re-insurance accepted	321	-	321	-	-	-
Less: Re-insurance Ceded	22086	-	22086	1604	-	1604
Net Claims paid	199422	-	199422	14438	-	14438
Add: Claims Outstanding at the end of the year	112842	-	112842	26176	-	26176
Less: Claims Outstanding at the beginning	26176	-	26176	7	-	7
Total Claims Incurred	286888	-	286888	40607	-	40607
SCHEDULE - 3A						
COMMISSION						
Commission paid						
Direct	72390	-	72390	18988	-	18988
Add: Re-insurance accepted	227	-	227	-	-	-
Less: Commission on Re-insurance Ceded	17648	-	17648	5092	-	5092
Net Commission	54969	-	54969	13896	-	13896
Break Up of expenses incurred to procure business:						
Agents	55983	-	55983	16920	-	16920
Brokers	16407	-	16407	2068	-	2068
Corporate Agency	-	-	-	-	-	-
Referral	-	-	-	-	-	-
	72390	-	72390	18988	-	18988



MAX BUPA HEALTH INSURANCE COMPANY LIMITEDREGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 15, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**SCHEDULE - 4
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS**

Particulars	For the year ended	For the year ended
	Mar 31, 2012 (Rs.'000)	Mar 31, 2011 (Rs.'000)
1 Employees' remuneration and welfare benefits	635790	447647
2 Travel, conveyance and vehicle running expenses	67260	39564
3 Training expenses	36143	18581
4 Rents, rates and taxes	145247	145507
5 Repairs	45994	30390
6 Printing and stationery	16698	7186
7 Communication	42863	27426
8 Legal and professional charges	159847	129099
9 Auditors' fees, expenses etc		
(a) as auditor	1067	800
(b) as adviser or in any other capacity, in respect of		
(i) Taxation matters	-	-
(ii) Insurance matters	-	-
(iii) Management services; and	-	-
(c) in any other capacity		
(i) Tax Audit Fees	60	50
10 Advertisement and publicity	274808	371448
11 Interest and bank charges	6428	1958
12 Others		
(a) Business and Sales Promotion	1464	194
(b) Membership and Subscription	2347	1271
(b) Loss on Disposal of Fixed Assets	318	4332
(c) Miscellaneous Expenses*	1097	570
13 Depreciation	57555	42764
Total	<u>1493976</u>	<u>1266787</u>

*None of the items individually are higher than Rs. 500 thousands



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULE – 4A
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Rs.'000)

Particulars	For the year ended Mar 31, 2012			For the year ended Mar 31, 2011		
	Health	Others	Total	Health	Others	Total
1 Employees' remuneration and welfare benefits	635790	-	635790	447647	-	447647
2 Travel, conveyance and vehicle running expenses	67260	-	67260	39564	-	39564
3 Training expenses	35143	-	35143	16581	-	16581
4 Rents, rates and taxes	145247	-	145247	145507	-	145507
5 Repairs	45994	-	45994	30390	-	30390
6 Printing and stationery	16698	-	16698	7186	-	7186
7 Communication	42863	-	42863	27426	-	27426
8 Legal and professional charges	159847	-	159847	129099	-	129099
9 Auditors' fees, expenses etc						
(a) as auditor	1067	-	1067	800	-	800
(b) as adviser or in any other capacity, in respect of						
(i) Taxation matters	-	-	-	-	-	-
(ii) Insurance matters	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-
(c) In any other capacity						
(i) Tax Audit Fees	60	-	60	50	-	50
10 Advertisement and publicity	274808	-	274808	371448	-	371448
11 Interest and bank charges (net of cancellation charges)	6428	-	6428	1958	-	1958
12 Others						
(a) Business and Sales Promotion	1464	-	1464	194	-	194
(b) Membership and Subscription	2347	-	2347	1271	-	1271
(c) Loss on Disposal of Fixed Assets	318	-	318	4332	-	4332
(d) Miscellaneous Expenses*	1097	-	1097	570	-	570
13 Depreciation	67555	-	67555	42764	-	42764
Total	1493976	-	1493976	1266787	-	1266787

*None of the items individually are higher than Rs. 500 thousands



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

**SCHEDULE - 5
SHARE CAPITAL**

SN	Particulars	As at	
		Mar 31, 2012 (Rs.'000)	Mar 31, 2011 (Rs.'000)
1	Authorised Capital 700000000 Equity Shares of Rs 10 each (Previous year 700000000 Equity Shares of Rs.10 each)	7000000	7000000
2	Issued Capital 352000000 Equity Shares of Rs 10 each (Previous year 271000000 Equity Shares of Rs.10 each)	3520000	2710000
3	Subscribed Capital 352000000 Equity Shares of Rs 10 each (Previous year 271000000 Equity Shares of Rs.10 each)	3520000	2710000
4	Called-up Capital 352000000 Equity Shares of Rs 10 each (Previous year 271000000 Equity Shares of Rs.10 each)	3520000	2710000
	Less: Calls unpaid	-	-
	Add: Equity Shares forfeited (Amount originally paid up)	-	-
	Less: Par Value of Equity Shares bought back	-	-
	Less: Preliminary Expenses	-	-
	Less: Expenses including commission or brokerage on underwriting or subscription of shares	-	-
	Total	3520000	2710000

Out of the above, 280480000 (Previous year 200540000) Equity Shares of Rs. 10/- each are held by Max Inf's Limited, the holding company along with its nominees

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

Shareholder	As at		As at	
	Mar 31, 2012		Mar 31, 2011	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	280480000	74.00%	200540000	74.00%
- Foreign	91520000	26.00%	70460000	26.00%
Others	-	-	-	-
Total	352000000	100.00%	271000000	100.00%



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SN	Particulars	As at Mar 31, 2012 (Rs.'000)	As at Mar 31, 2011 (Rs.'000)
SCHEDULE - 6			
RESERVES AND SURPLUS			
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	-	-
4	General Reserves	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy-back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves	-	-
7	Balance of Profit in Profit & Loss Account	-	-
	Total	-	-
SCHEDULE - 7			
BORROWINGS			
1	Debentures/ Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	Total	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

**SCHEDULE – 8
INVESTMENTS**

SN	Particulars	As at Mar 31, 2012 (Rs.'000)	As at Mar 31, 2011 (Rs.'000)
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	245420	195664
2	Other Approved Securities	97424	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	49943	-
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	49950	-
5	Other than Approved Investments	-	-
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note (a.) below)	294616	403419
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	36690	62653
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	444380	317236
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	248265	200770
5	Other than Approved Investments*	66295	82865
	Total	1632983	1262607

* in mutual funds

Notes:

- a. Long Term Government securities include Deposits held under section 7 of Insurance Act 1938, having book value of Rs.98782 thousand (Previous year classified under Short Term Government Securities - Rs.101021 thousand). Market value of such investments as at March 31st, 2012 is Rs. 98950 thousands (Previous year classified under Short Term Government Securities - Rs. 100460 thousand)
- b. Aggregate amount of Company's investments other than listed equity securities and derivative instruments is Rs.1532983 thousands (Previous year Rs. 1262607). Market value of such investments as at March 31st, 2012 is Rs. 1530329 thousands (Previous year Rs. 1258576 thousands)



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9 LOANS

SN	Particulars	As at Mar 31, 2012 (Rs.'000)	As at Mar 31, 2011 (Rs.'000)
1	Security-Wise Classification		
	Secured		
	(a) On mortgage of property	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On Shares, Bonds, Govt. Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	Total	-	-
2	Borrower-Wise Classification		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	Total	-	-
3	Performance-Wise Classification		
	(a) Loans classified as standard	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non-performing loans less provisions	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	Total	-	-
4	Maturity-Wise Classification		
	(a) Short Term	-	-
	(b) Long Term	-	-
	Total	-	-

Note: There are no loans subject to restructuring (Previous year Nil)



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

**SCHEDULE - 10
 FIXED ASSETS**

SN	Particulars	Cost/ Gross Block				Depreciation			Net Block		(Rs.'000)	
		As at Apr 1, 2011	Additions	Deductions	As at Mar 31, 2012	Upto Mar 31, 2011	For The year	On Sales/ Adjustments	To date Mar 31, 2012	As at Mar 31, 2012		As at Mar 31, 2011
1	Goodwill	-	-	-	-	-	-	-	-	-	-	
2	Intangibles	-	-	-	-	-	-	-	-	-	-	
	a) Softwares	91291	43325	-	134576	18535	27421	-	45956	88620	72716	
	b) Website	2533	-	-	2533	532	533	-	1165	1368	2001	
3	Land-Freehold	-	-	-	-	-	-	-	-	-	-	
4	Leasehold Property	73204	10144	-	83348	8396	10141	-	18537	64811	64808	
5	Buildings	-	-	-	-	-	-	-	-	-	-	
6	Furniture & Fittings	18021	2875	492	20404	6549	4079	452	10166	10238	11472	
7	Information Technology Equipment	33702	14,052	281	47463	7568	10232	87	17713	29750	26134	
8	Vehicles	-	-	-	-	-	-	-	-	-	-	
9	Office Equipment	21010	4691	502	25199	5579	5049	203	10425	14774	15431	
10	Others	-	-	-	-	-	-	-	-	-	-	
	Total	239721	75087	1286	313523	47159	57555	752	103962	209561	192562	
11	Work in progress	20653	-	15371	5312	-	-	-	-	5312	20683	
	Grand total	260404	75087	16,856	318835	47159	57555	752	103962	214873	213245	
	Previous year	131600	163977	35173	260404	5534	42764	1139	47159	213245	-	

Notes:

1. Leasehold property consists of civil and other improvements at premises taken on long term lease by the Company.
2. Work in progress includes capital advances Rs.1200 thousands (Previous year Rs 7623 thousands) and capital expenditure pending capitalisation Rs Nil thousands (Previous year Rs 53 thousands).



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SN	Particulars	As at Mar 31, 2012 (Rs.'000)	As at Mar 31, 2011 (Rs.'000)
SCHEDULE - 11			
CASH AND BANK BALANCES			
1	Cash (including cheques, drafts and stamps)	10061	312
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	352784	55108
	(bb) Others	5705	2784
	(b) Current Accounts	15905	8582
	(c) Others		
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	384455	66786

Balances with non-scheduled banks included in 2 and 3 above is Nil (Previous year Nil)

SCHEDULE - 12 ADVANCES AND OTHER ASSETS

ADVANCES

1	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	10085	5929
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	-	711
6	Others (to be specified)		
	(a) Advance to Suppliers	15707	398
	(b) Other advances	100	643
	Total (A)	25892	7681

OTHER ASSETS

1	Income accrued on investments*	29176	32409
2	Outstanding Premiums	-	-
3	Agents' Balances	665	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business	13470	3135
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**	64380	62282
	(b) Service tax on input services (net)	19940	39187
	(c) Cenvat credit on capital goods	41	29
	Total (B)	127672	137052
	Total (A+B)	153564	144733

* Income Accrued on Investments Includes interest on deposits also.

** Includes deposits of Rs. 700 thousands (Previous year Rs. 700 thousands) with bank for providing guarantee to network hospitals



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SN	Particulars	As at	As at
		Mar 31, 2012 (Rs.'000)	Mar 31, 2011 (Rs.'000)
SCHEDULE - 13			
CURRENT LIABILITIES			
1	Agents' balances	15598	3001
2	Balances due to other insurance companies	38335	10573
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	4794	171
5	Unallocated premium	59684	12296
6	Sundry creditors*	370803	335327
7	Due to subsidiaries/ holding company	17196	1952
8	Claims Outstanding	112642	26176
9	Unclaimed amount of policyholders/insured**	82	131
10	Due to Officers/ Directors	193	-
11	Others		
	(a) Tax deducted payable	49325	19029
	(b) Other statutory dues	3806	132
	Total	672458	408788

* Includes creditors for capital expenditure of Rs. 16870 thousands (Previous year Rs. 28992 thousands)

** Pursuant to the requirement of IRDA circular no. IRDA/F&I/CIR/CMP/174/11/2010 dated November 4, 2010, unclaimed amount to policyholders/insured has been disclosed in Note no.12 of Schedule 16.

SCHEDULE - 14

PROVISIONS

1	Reserve for Unexpired Risk	633028	149551
2	For taxation (less advance tax paid and taxes deducted at source)	50	-
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others		
	For employee benefits		
	(a) Gratuity	942	843
	(b) Leave Encashment	14385	9255
	(c) Superannuation	101	-
	Total	548506	159659

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

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



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2012

A. BACKGROUND

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

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

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

The Company is in the business of Health Insurance. During the year, company has launched Health Insurance product 'International Medical Emergency Plans', 'Health Companion', 'Employee First, Swasthya Parivar and Swasthya Pratham'.

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the generally accepted accounting principles and conform to the statutory requirements prescribed under the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Insurance Act, 1938, the Companies Act, 1956 to the extent applicable in the manner so required, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India except otherwise stated and current practices prevailing within the Insurance Industry in India.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the balance sheet date.

The estimates and assumptions used in these financial statements are based on management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to the accounting estimates is recognized in the period in which the changes are known/ materialized and subsequent period.



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

(c) Revenue Recognition

(i) Premium Income

Premium income and cessation thereof are recognized over the contract period or period of risk whichever is appropriate, on a gross basis (net of service tax). Any subsequent revision of premium or cancellation of the policies is accounted for in the year in which they arise.

(ii) Commission on Reinsurance Premium

Commission income on reinsurance ceded is recognized in the year of cessation of reinsurance premium.

Profit share under reinsurance treaties, wherever applicable, is recognized as Income in the year of final determination of the profits and as intimated by the reinsurer.

(iii) Interest / Dividend Income

Interest income is recognized on accrual basis. Accretion of discount and amortization of Premium relating to debt securities is recognized as per constant yield method.

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

(iv) Premium/discount on purchase of investments

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

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

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

(d) Premium Deficiency

Premium deficiency is recognized whenever the sum of expected amount of claims cost, related expenses and maintenance costs exceeds related premium carried forward to the subsequent accounting period as reserve for unexpired risk.

(e) Reserve for unexpired risk

Reserve for unexpired risk represents net premium (i.e Premium, net of reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

company under contractual obligations on contract period basis or risk period basis, whichever is appropriate subject to minimum reserve to be created on Miscellaneous – "Health" business under Section 64V (1) (ii) (b) of the Insurance Act, 1938

(f) Acquisition Cost of Insurance Contracts

Costs relating to acquisition of new and renewal of insurance contracts viz commission, policy issue expenses are expensed in the year in which they are incurred.

(g) Advance Premium

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

(h) Claims Incurred

Claims are recognized as and when reported. Claims are recorded in the revenue account, net of claims recoverable from reinsurers / co-insurers to the extent there is a reasonable certainty of realization. These estimates are progressively re-valued on availability of further information.

Estimated liability in respect of claims is provided for the intimations received up to the year end, information/estimates provided by the insured/ surveyors and judgment based on the past experience and other applicable laws and practices.

(i) Claims Incurred but Not Reported (IBNR) and Claims Incurred but Not Enough Reported (IBNER)

IBNR represents that amount of claims that may have been incurred prior to the end of the current accounting year but have not been reported or claimed. The IBNR provision also includes provision, if any, required for claims incurred but not enough reported. IBNR and IBNER liabilities are provided based on actuarial principles and certified by the Appointed Actuary of the Company. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Appointed Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India and in concurrence with the IRDA

(j) Reinsurance ceded

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



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

(k) Allocation of Investment Income

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

(l) Investments

Investments are made in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000.

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 are accordingly stated at historical cost adjusted for amortization of premium and/or accretion of discount over the maturity period of securities on constant yield basis.

Listed and actively traded securities are measured at fair value as at the Balance Sheet date. For the purpose of calculation of fair value, the lowest of the last quoted closing price of the stock exchanges where the securities are listed is taken. 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 on the trade date.

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

(m) Fair Value Change Account

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

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



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(n) Long/Short Term Investments

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.

(o) Fixed Assets and Depreciation

Fixed Assets are carried at cost less accumulated depreciation and impairment loss. The cost of fixed assets include the purchase price, interest on borrowings and other incidental expenses directly attributable to acquisition of fixed assets up to the date of commissioning/ready to use of the assets.

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 an asset is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of useful life/remaining life.

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

Description	Life(Years)	Depreciation Rates
Furniture & Fixtures	5	20%
Office Equipment	5	20%
Computers (including software)	4	25%
Vehicles	5	20%
Lease-hold Improvements		10 years or on primary period of lease, whichever is shorter

These rates are higher than those prescribed in Schedule XIV to the Companies Act, 1956.

All assets including intangibles individually costing upto rupees five thousand are fully depreciated in the year of purchase.

The Company provides pro-rata depreciation from/to the date the asset is acquired or put to use/disposed off as appropriate.

(p) Impairment of Assets

Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value, as determined above.



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

(q) Taxation

Tax expense comprises of current and deferred tax. Current income 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.

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.

(r) Employee Benefits

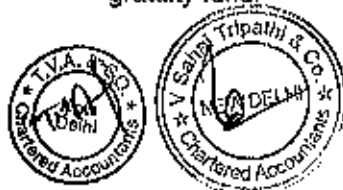
Employees' benefits have been recognized in accordance with the relevant provisions of the Accounting Standard 15 (revised 2005)

(a) Defined Contribution Plan

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

(b) Defined Benefit Plans

- a. The liability in respect of Gratuity is provided for on the basis of an actuarial valuation carried out at the yearend using the Projected Unit Credit Method. Actuarial gain and loss are recognized in full in the Profit and Loss Account for the year in which they occur. The Company has a recognized Trust for Gratuity benefits, "Max Bupa Health Insurance Ltd Employees' Group Gratuity Fund" to administer the Gratuity funds. The Trust has taken master policy with the Max New York 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.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

(s) Provisions and Contingent Liabilities

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

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

(t) Earnings per Share (EPS)

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

(u) Leases

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



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(v) **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, are recognized in the Revenue account or/and Profit and Loss Account, as applicable.

(w) **Allocation of Operating Expenses**

Operating expenses are apportioned to respective revenue accounts on the basis of weighted direct written premium in each class of business at the end of financial year. Expenses incurred and/or allocable for earning investments income are charged to Profit and Loss account.

(x) **Service Tax**

Service Tax collected is considered as a liability against which service tax paid for eligible inputs services, to the extent claimable, is adjusted and the net liability is remitted to the appropriate authority as stipulated. Unutilized credits, if any, are carried forward under "Advance and other assets" in Schedule 12 for adjustment in subsequent periods. Service tax paid for eligible input services not recoverable by way of credits are recognized in the revenue account as expense forming as separate line item in Schedule 4.



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

C. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities

Particulars	(Rs. '000)	
	As at 31.03.2012	As at 31.03.2011
Partly Paid up Investments	-	-
Claims, other than against Policies, not acknowledged as Debts by the Insurer	-	-
Underwriting Commitments Outstanding	-	-
Guarantees given by or on behalf of the Insurer	-	-
Statutory Demands / Liabilities in Dispute, Not provided for	-	-
Reinsurance Obligations to the Extent Not provided for in Accounts	-	-
Others	1554	-

2. Actuarial Assumptions

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

3. Encumbrances

The assets of the Company are free from all encumbrances (Also refer Note ** on Schedule 12). The Company has all assets within India.

4. Estimated Amount of Commitments made and Outstanding for:

Particulars	(Rs. '000)	
	As at 31.03.2012	As at 31.03.2011
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	1748	2842

5. Claims, less Reinsurance paid to Claimants:

Class of Business	(Rs. '000)			
	In India		Outside India	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Health	199422	14438	-	-

6. Age-wise Breakup of Claims Outstanding*:

Class of Business	(Rs. '000)			
	Outstanding for more than six months		Outstanding for six months or less	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
Health	350	2	16274	6911

*Excluding IBNR provisions, amounts payable to service providers and third party administrator.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**7. Claims Settled and Remaining Unpaid for a period of more than six months:**

Class of Business	(Rs. '000)	
	As at 31.03.2012	As at 31.03.2011
Health	-	-

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

Health Business	As at 31.03.2012	As at 31.03.2011
Claims pending at the beginning	140	-
Claims intimated	7838	675
Claims paid	6192	442
Claims rejected	917	93
Claims pending at the closing	869	140

Ageing of Pending Claims

Health Business	As at 31.03.2012	As at 31.03.2011
1 month	710	99
1-3 months	131	34
3-6 Months	27	8
6 months – 1 year	1	1
>1 year	-	-
Total	869	140

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

Class of Business	(Rs. '000)			
	In India		Outside India	
	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2011
Health	892650	229889	-	-

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

10. Extent of Risk Retained and Reinsured:

Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2011
Health	90%	90%	10%	10%

11. Value of Contracts in relation to Investments:

Particulars	(Rs. '000)	
	As at 31.03.2012	As at 31.03.2011
Purchase where deliveries are pending	-	-
Sales where payments are overdue	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

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

(Rs. '000)

Particulars	Total Amount	Age-wise Analysis (in months)						
		1-6	7-12	13-18	19-24	25-30	31-36	>36
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	82 (287)	82 (287)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sum due to the insured / policyholders on maturity or otherwise	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	- (4)	- (4)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Cheques issued but not encashed by the policyholder/ insured	14792 (8539)	13149# (8468)	1171* (71)	416* (-)	56* (-)	- (-)	- (-)	- (-)

Figures in brackets are for previous year,

Cheques issued which are within the validity period but not yet presented for payment by the policyholders/insured hence not disclosed in Schedule-13,

* Stale Cheques included in Sundry Creditors in Schedule-13.

13. Reserve for Unexpired Risk (URR)

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

14. All the investments are made in accordance with Insurance Act, 1938 and IRDA (Investment) Regulations, 2000 and are performing assets.

15. The Company does not have any investment in Real Estate as at March 31, 2012 or March 31, 2011.

16. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 102368 thousand (Previous year Rs. 144541 thousand)

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

(Rs. '000)

Particulars	As at 31.03.2012	As at 31.03.2011
7.27% GOI CG 03-09-2013*	98782	-
9.39% GOI CG 02-07-2011*	-	101021

*Face value of Rs. 100000 thousands

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

18. Details of Managerial Remuneration as per terms of appointment are as under:

(Rs. '000)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
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MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 15, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Salaries & Allowances	9742	-
Contribution to Provident and other funds	680	-
Perquisites	4678	-
Total	15000	-

19. Chief Executive Officer's Remuneration

During financial year 2010-11, the Company got approval from IRDA towards appointment of Dr. Damien Marmion as the Chief Executive Officer of the Company in terms of section 34A of the Insurance Act, 1938. In view of the aforesaid, complete compensation during financial year 2010-2011 to Dr. Damien Marmion in the form of salary, allowances, perquisites, bonus and contribution to provident & other funds amounted to Rs. 15000 thousand.

For financial year 2011-12, the remuneration is under approval with IRDA. The compensation during financial year 2011-2012 to Dr. Damien Marmion in the form of salary, allowances, perquisites, bonus and contribution to provident & other funds amounts to Rs. 15000 thousand in line with IRDA approval received last year.

20. Expenditure in Foreign Currency (On accrual basis)*(Rs. '000)*

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Travelling	863	676
Remuneration	1714	6119
Software License Fees	9975	7277
Purchase of Fixed Assets	-	21801
Professional fees	1016	1864
Others	364	-
Total	13922	37737

21. Operating Lease Commitments

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

(Rs. '000s)

Particulars	As at 31.03.2012	As at 31.03.2011
Payable not later than one year	125422	118718
Payable later than one year but not later than five years	497280	492396
Payable later than five years	420964	432832
Total	1043666	1043946

Aggregate lease rentals charged to Revenue Accounts is Rs. 130606 thousand (Previous year Rs. 113120 thousand) and there are no sub leases.

22. Foreign Currency Exposures

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

('000s)

Particulars	As at 31.03.2012	As at 31.03.2011
Payable in Indian Rupee	13899	6669
Payable in GBP	167	93



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

23. Related Parties & Transactions:

SN	Description of Relationship	Name of Party
(a)	Holding Company	Max India Limited
(b)	Fellow Subsidiaries	Max New York Life Insurance Company Limited Max Healthcare Institute Limited Max Medical Services Limited Alps Hospital Limited Neeman Medical International BV, Netherlands Neeman Medical International NV, Netherlands Max Neeman Medical International, Inc, USA Max Neeman Medical International Limited Pharmax Corporation Limited Max Ateev Limited Max UK Ltd, UK Max Healthstaff International Limited Hometrail Estate Private Limited Hometrail Buildtech Private Limited
(c)	Shareholders with significant influence	Bupa Singapore Holdings Pte Ltd, Bupa Finance Plc., UK
(d)	Key Management Personnel	Dr. Damien Marmion (Chief Executive Officer and Whole Time Director)

Summary of significant related party transactions

(As per AS-18 Issued by ICAI)

(Rs. '000s)

SN	Particulars	Holding Company	Shareholders With Significant Influence	Fellow Subsidiaries	Key Management Personnel
1	Fixed assets transferred/sold	-	-	-	-
		(-)	(-)	(990)	(-)
2	Fixed Assets Purchased	-	-	-	-
		(-)	(-)	(124)	(-)
3	Investments Purchased	-	-	-	-
		(-)	(-)	(-)	(-)
4	Income and Reimbursements				
	- Premium Received	2116	-	42893	-
		(-)	(-)	(-)	(-)
	- Reimbursement of Expenses	296	49380	-	-
		(190)	(340)	(-)	(-)
5	Expenses				
	- Service received	-	-	1541	-
		(-)	(-)	(78)	(-)
	- Other Expenses	15841	53812	-	-
		(1871)	(7671)	(-)	(-)



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 15, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

	- Remuneration	-	-	-	15000
		(-)	(-)	(-)	(15000)
	- Claims	-	-	10726	-
		(-)	(-)	(1431)	(-)
6	Equity Contribution	839900	295100	-	-
		(888000)	(312000)	(-)	(-)
7	Amount Outstanding				
	Other Receivable	26	-	-	-
		(-)	(-)	(-)	(-)
	Other Payable	17222	16301	5826	(193)
		(1677)	(8085)	(178)	(-)

Figures in brackets are for previous year

24. 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. The operating expenses and investment and other income have been allocated to various segments as per accounting policies disclosed above. Segment revenue and segment results have been incorporated in the financial statements. However, due to the nature of the business, segment assets and liabilities have been allocated to the various segments to the extent possible.

(Rs. '000s)

Health Segment	As at 31.03.2012	As at 31.03.2011
Segmental Revenue	991736	255349
Segmental Result	(1283844)	(1228403)
Segmental Liabilities	1220964	568447
Segment Assets	1069877	706835

b) Geographical Segment

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

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

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

(Rs. '000s)

Provident Fund	Year Ended 31.03.2012	Year Ended 31.03.2011
Employers Contribution to Provident Fund*	18212	10300

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

B. Defined Benefit Plans – Gratuity

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

i. Assumptions Used:

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
 REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31.03.2012	As at 31.03.2011
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Interest/Discount Rate (Per Annum)	8.45% p.a.	8.25% p.a.
Rate of increase in compensation	9.00% p.a.	9.00% p.a.
Withdrawal rate:	60% p.a.	60% p.a.

ii. **Changes in benefit obligations:**

Particulars	(Rs. '000)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Present value of obligations at the beginning of the year	5497	2333
Current Service Cost	3256	2521
Interest cost	453	192
Liability transfer in/(out)	-	-
Benefits Paid	-	(346)
Actuarial (gain)/loss on obligation	(1215)	798
Present value of obligations at end of year	7991	5497

iii. **Fair Value of Plan Assets:**

Particulars	(Rs. '000)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Fair Value of Plan Assets at beginning of year	4655	3221
Contributions	1912	1567
Actual Return on Plan Assets	483	213
Benefits Paid	-	(348)
Fair Value of Plan Assets at end of year	7050	4655

iv. **Amounts recognized in Profit & Loss Account:**

Particulars	(Rs. '000)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Current Service Cost	3256	2521
Interest Cost	453	192
Actual Return on Plan Assets	(302)	(213)
Actuarial (Gain)/loss on obligation	(1386)	798
Amount recognized in Profit & Loss Account	2011	3298

v. **Amounts recognized in Balance Sheet:**

Particulars	(Rs. '000)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Present value of obligations at end of Year	7991	5497
Fair Value of Plan Assets at end of Year	7050	4655
Funded Status	(942)	(843)
Net Asset/(Liability) recognized in the balance sheet	(942)	(843)

vi. **Balance Sheet Reconciliation:**

Particulars	(Rs. '000)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
Opening Net Liability/(Asset)	843	(888)
Expenses recognized in Profit & Loss Account	2011	3298
Liability transfer in/(out)	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 15, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Contribution Paid	1912	1567
Closing Net Liability/(Asset)	942	843

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

IRDA vide its circular No. IRDA/F&A/CIR/ACT/069/04/2011 dated April 18, 2011 provides an option to amortize additional liability on account of gratuity (pursuant to increase in maximum limit for gratuity from Rs. 350 thousands to Rs. 1000 thousands under "Payment of Gratuity Act") over a period of five years, subject to meeting certain conditions. The Company has been historically recognizing full coverage under gratuity liability hence the option provided in the circular has not been availed by the Company.

C. Other Long Term Benefits:

The Company has recognized expense towards cost of accumulating compensated absences of Rs. 8798 thousand (Previous year Rs. 6708 thousand) and long term incentives of Rs. 36223 thousand (Previous year Rs.19578 thousand) on an accrual basis based on the actuarial valuation done by an Independent consulting actuary.

26. Deferred Tax

The Company has carried out its tax computation in accordance with the mandatory Accounting Standard, AS-22 on 'Taxes on Income' issued by the Institute of Chartered Accountants of India. There has been a net deferred tax asset amounting to Rs. 852242 thousand (Previous year Rs. 484416 thousand) 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 realize such assets in near future, the Company has not provided for deferred tax assets for the year ended 31st March 2012.

27. 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.

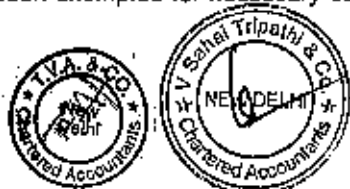
	Particulars	Units	Year ended 31.03.2012	Year ended 31.03.2011
a.	Net profit/(loss) after tax	Rs in '000s	(1188668)	(1162474)
b.	Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	300548	208970
c.	Basic/Diluted earnings per share (a/b)	Rs.	(3.95)	(5.62)

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

Operating expenses	(Rs '000)	
	Year ended 31.03.2012	Year ended 31.03.2011
Outsourcing Expenses	53076	4225
Marketing Support	274808	383719
Business Promotion	1464	194

29. Expenses of Management

As per the IRDA's Order No.: IRDA/F&A/ORD/EMT/203/12/2010 dated 08-Mar-2010, the Company has been exempted for necessary compliances required u/s 40C(1) of the Insurance Act, 1938 read with Rule



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

17E of the Insurance Rules, 1939 for the first five years of its operations (i.e. for the full financial year from 2010-11 to 2014-15)

30. Sector Wise Business

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

Business Sector	Year ended 31.03.2012			Year ended 31.03.2011		
	GWP Rs.'000s	No. of Lives	% of GWP	GWP Rs.'000s	No. of Lives	% of GWP
Rural	7881	1995	0.80%	6721	1512	2.84%
Social	2210	23637	0.22%	820	5600	0.32%
Urban	980755	189422	98.98%	247062	44661	97.04%

31. Disclosure of Fire and Marine Revenue accounts:

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

32. 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, 2012 and March 31, 2011. 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.

33. Penal Actions Details by Various Government Authorities

IRDA circular no 005/IRDA/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.		
			Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	-	-	-	-
2	Service Tax Authorities	-	-	-	-
3	Income Tax Authorities	-	-	-	-
4	Any Other Tax Authorities	-	-	-	-
5	Enforcement Directorate / Adjudicating Authority / Tribunal or any Authority under FEMA	-	-	-	-
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	-	-	-	-
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding Compensation	-	-	-	-
8	Securities and Exchange Board of India	-	-	-	-
8	Competition Commission of India	-	-	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED
 REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

10	Any other Central/State/local Government/ Statutory Authority	-	-	-
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34. Summary of Financial Statements prescribed by the IRDA in its circular dated 29th April 2003 is provided as under:

		(Rs '000)	
SN	Particulars	2011-2012	2010-2011
1	Gross Premium Written	991736	255349
2	Net Earned Premium Income	509163	81463
3	Income from Investments (net)	41807	11424
4	Other Income	-	-
5	Total Income	550990	92887
6	Commission (Net of Reinsurance)	54869	13896
7	Brokerage	-	-
8	Operating Expenses	1493978	1266787
9	Claims, increase in Unexpired Risk Reserve & Other Outgoes	285888	40807
10	Operating Profit/Loss	(1283843)	(1228403)
11	Total income under Shareholders Account	95187	65929
12	Profit/(loss) before tax	(1188656)	(1162474)
13	Provision for Tax	-	-
14	Profit/(Loss) after tax	(1188656)	(1162474)
15	Miscellaneous	-	-
16	Policyholder's Account:	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company
	a) Total funds		
	b) Total Investments		
	c) Yield on Investments		
17	Shareholder's Account:	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company
	a) Total funds		
	b) Total Investments		
	c) Yield on Investments		
18	Paid Up Equity Capital	3520000	2710000
19	Net Worth*	1064910	1118924
20	Total Assets	2285875	1687371
21	Yield on total investments	8.50%	6.35%
22	Earning Per Share** (Rs.)	(3.95)	(5.62)
23	Book value per Share (Rs.)	3.03	4.13
24	Total Dividend	-	-
25	Dividend Per share	-	-

* Including Fair Value Change Account

** Weighted average of number of equity shares i.e. 300648 thousand (Previous year 206970 thousand) is used in computing Earnings per share



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

35. Accounting Ratios prescribed by the IRDA in circular dated 29th April 2003 is provided as under:

Performance Ratios	2011-2012	2010-2011
	(in times)	(in times)
Gross Premium Growth Rate	3.88	200.39
Gross Premium to Shareholders Funds Ratio	0.9306	0.2282
Growth Rate of Shareholders Funds	(0.05)	0.04
Net Retention Ratio	0.90	0.90
Net Commission Ratio	0.06	0.06
Expenses of Management to Gross Direct Premium	1.51	4.97
Combined Ratio	1.71	5.03
Technical Reserves to Net Premium Ratio	0.7233	0.7669
Underwriting Balance Ratios	(1.44)	(5.36)
Operating Profit Ratio	(1.33)	(5.07)
Liquid Assets to Liability Ratio	2.97	7.66
Net Earning Ratio	(1.33)	(5.07)
Return on Net Worth	(1.12)	(1.04)
Reinsurance Ratio	0.10	0.10
Claims incurred	0.68	0.50

The Company had obtained the IRDA Certificate on 15th February, 2010, therefore figures for the previous four financial years as required have not been disclosed.

36. Additional Disclosure for the status of Registration under Shop & Establishment Act of Leased Office Premises:-

S.No.	State	Location	Status
1	Delhi	Saket-NOC	Registered
2	Karnataka	Bangalore	Registered
3	Maharashtra	Mumbai	Registered
4	Tamilnadu	Chennai	Registered
5	Andhra Pradesh	Hyderabad	Registered
6	Gujrat	Surat	Registered
7	Maharashtra	Pune	Registered
8	Punjab	Ludhiana	Registered
9	Rajasthan	Jaipur	Registered
10	Delhi	Pusa Road	Registered
11	West Bengal	Kolkata	Registered
12	Kerala	Kochi	Registered

37. Risk Management Architecture

The Company has instituted a process and framework of enterprise wide risk management. A detailed policy documenting the approach for continuous identification of risks and review of risk mitigation plans is in place and is reviewed by the Risk Committee of the Board of Directors.

The Company's risk management strategy comprises of the following elements.

- Enterprise Risk Management Policy – To ensure that the Company adopts a robust, consistent and proportionate approach towards the identification, analysis and control of the key risks that could threaten the assets, solvency, earning capacity, business objectives or reputation of our organization.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 146, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

- ii. Continuous Risk Assessment Process – To ensure that key risks are identified and mitigation plans are reviewed, improved and implemented on a quarterly basis through 'Operations Risk Group', a group comprising of functional heads across the company
 - iii. Quarterly Risk Reporting – To ensure comprehensive monitoring mechanism, deliverables of quarterly risk assessment exercise are reviewed by Risk Committee of the Board. These include
 - a. Key Risks Summary: Top-down view of Leadership team on key risks faced by the business and their mitigation plans
 - b. Risk Templates: Management's bottoms up assessment of key risks within each category of risks with residual risk rating. The ratings are assigned on the basis of assessment of key risks against the risk appetite approved by the Risk Committee and the Board
 - c. Risk Heat Map: Summarized view of risk ratings across all risk categories
 - iv. Continuous Internal Audit – monitoring of process internal controls by management for system effectiveness and review of risk management procedures.
- 3B. The financial statements accurately and fairly represent the financial condition of the Company and the insurer is running its business soundly and will be liable over the long term.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED
 REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 16, 2010
 SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

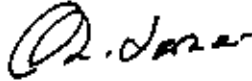
39. Comparative Figures

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

Previous year Schedule number/Line Item	Amount (Rs.'000)	Current year Schedule number/Line Item	Amount (Rs.'000)
Schedule 13 Line 5	171	Schedule 13 Line 4	171
Schedule 4 Line 11	746	Schedule 1 Line 1	746
Schedule 13 Line 9	-	Schedule 13 Line 6	874

As per our report of even date

For V.Sahal Tripathi & Co
Chartered Accountants

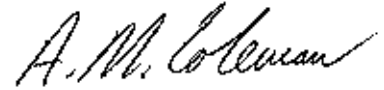


Mahesh Sahai

Partner
Membership No. F 08730
FR No. 000262N



For and on behalf of the Board of Directors



Director

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

K.N.Gupta
Partner
Membership No. F 09169
FR No. 000038N




**Chief Executive Officer
& Director**



Chief Financial Officer



Company Secretary

Place: New Delhi
Date: May 1st, 2012

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

MANAGEMENT REPORT

In accordance with the provisions of the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the Regulation) Management Report is submitted for the year ended 31st March 2012:

1. It is confirmed that the registration certificate granted by the Insurance Regulatory and Development Authority has been renewed and valid up to March 31, 2012.
2. It is certified that all the dues payable to the statutory authorities up to March 31, 2012 have been duly paid.
3. It is confirmed that the Indian and Foreign shareholding pattern during the year ended March 31, 2012 is in accordance with the statutory and regulatory requirements.
4. It is hereby declared that management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. The Company is maintaining the required solvency margins under the Insurance Act, 1938.
6. It is certified that the values of all the assets have been reviewed on the date of Balance Sheet and in management's belief, the assets set forth in the Balance sheet are shown in the aggregate at amounts not exceeding their realizable or market value under the heading - "Loans", "Investments,(wherever applicable) "Agents Balances", "Outstanding Premiums", "Interest, Dividend and Rents Outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or Bodies carrying on Insurance business", "Sundry Debtors ", "Bills Receivable", "Cash" and several items specified under "other Accounts".
7. The Investment Risk is managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of investee companies. The Company has constituted an Investment Committee, which acts as the policy making body for the investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The Investment Committee periodically discusses the investment strategy, portfolio structures, performance of the portfolio and related issues. The Investment policy is reviewed regularly in order to align the same with the Company business plans.
8. It is confirmed that there were no operations of the Company outside India during the year ended March 31, 2012.

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

	FY 2011-12		FY 2010-11	
	No. Of claims	Amount Involved (Rs.'000s)	No. Of claims	Amount Involved (Rs.'000s)
1 month	710	47650	99	3899
1-3 months	131	7223	34	2830
3-6 Months	27	1330	6	382
6 Months - 1 Year	1	400	1	2
1 Year - 5 Years	-	-	-	-
5 Years & above	-	-	-	-

10. As at March 31, 2012, the investments of the Company are mainly in Debt Securities, Bank Deposits, Mutual Funds and CD/CP's. As per the IRDA guidelines, all debt securities are considered as held to maturity and valued at historical cost subject to amortization. Further, the market value for debt securities as at March 31, 2012 has been calculated as per guidelines issued by Fixed Income Money Market & Derivatives Association (FIMMDA).

Acquisition cost of Debt Securities is Rs. 1402275 thousand (Previous year 1131279 thousand), amortized value is Rs. 1429999 thousand (Previous year Rs. 1117089 thousand) and market value at Rs. 1427343 thousand (Previous year Rs. 1113058 thousand).

11. Investments are in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000. Investment Portfolio consists of Government Securities & State Government Securities (Sovereign Guarantee), State Govt. Guaranteed Loan (A+) with Irrevocable Guarantee by Andhra Pradesh State Govt., Infrastructure Bonds (AAA), Housing Sector Bonds (AAA/AA+), Certificate of Deposit/Commercial Papers with A1+/P1+/PR1+ ratings, Debt Mutual Funds and Deposits with various Scheduled Banks. There is no Non Performing Asset as at March 31, 2012.

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

S N	Name of the Director	Entity in which Director is Interested	Interested as	Nature of Payment	Amount of Payment during the Financial Year (Rs. '000)
1	Analjit Singh & Anuroop Singh	Max Healthcare Institute Limited	Director	Pre-employment medical checkup	20
			Director	Claims paid	6786
3	Analjit Singh and Anuroop Singh.	Max New York Life Insurance Company Limited	Director	Insurance Premium	1085
4	James Gordon Wheaton & William Stephen Ward	Bupa (Asia) Limited	Director	Software License Fee	9975

13. It is hereby confirmed:

- a. That the Financial Statements have been prepared in accordance with generally accepted accounting principles and policies, applicable accounting standards and current practices prevailing in the insurance industry and there are no material departures.
- b. That the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the operating Profit or Loss of the Company for the year
- c. That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) and Companies Act 1956 (1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the management has prepared the financial statements on a going concern basis.

- e. That the management has ensured that the Internal audit system is in commensurate with the size and nature of business and is operating effectively.
- f. All the expenses which have been incurred in relation to Miscellaneous- "Health Insurance business, has been appropriately reported in Revenue Account.

For and on behalf of the Board of Directors

A.M. Coleman
Director

[Signature]
Chief Executive Officer
& Director

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

Place: New Delhi

Date: May 1st, 2012

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

Balance Sheet Abstract and Company's General Business Profile

I Registration Details :

Registration No.

U	6	6	0	0	0	D	L	2	0	0	8	P	L	C	1	8	2	9	1	8
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State Code

5	5
---	---

Balance Sheet Date

3	1
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0	3
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2	0	1	2
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Date Month Year

II Capital Raised During the Year (Amount in Rs. Thousand)

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Others
Nil	810000

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	Total Assets
3845620	3845620
Sources of Fund	Reserve and Surplus
Paid-up Capital	-
3520000	-
Share Application Money	Fair Value Change Account
325000	620
Secured Loans	-
-	-
Unsecured Loans	Deferred Tax Liability
-	-

Application of Funds

Net Fixed Assets	Investments
214873	1532983
Net Current assets	Misc. Expenditure
(682945)	-
Accumulated Losses	-
2780709	-

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
846177	1834833
+ - Profit/Loss before tax	+ - Profit/Loss after tax
<input checked="" type="checkbox"/> 1188856	<input checked="" type="checkbox"/> 1188656
Earning per share in Rs.	Dividend Rate (%)
+ - Basic and Diluted	NIL
<input checked="" type="checkbox"/> 3.95	-

V Name of three Principal Products/Service of Company

Item Code No.

N	I	L																		
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Product Description

H	E	A	L	T	H		I	N	S	U	R	A	N	C	E
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FORM HQ
MAX BUPA HEALTH INSURANCE COMPANY LIMITED

TABLE 1 - STATEMENT OF LIABILITIES AS AT 31st Mar, 2012
Classification : Business within India / Total Business (All Business underwritten in India)

(Rs. Lakhs)					
Item No	Description	Reserve for Unexpired risks	Reserve for Outstanding Claims	IBNR Reserves	Total Reserves
(1)	(2)	(3)	(4)	(5)	(6)
1.	Fire	-	-	-	-
2.	Marine Sub-class:				
	Marine Cargo	-	-	-	-
	Marine Hull	-	-	-	-
3.	Miscellaneous				
	Sub-class :				
	Motor Engineering	-	-	-	-
	Aviation	-	-	-	-
	Liabilities	-	-	-	-
	Rural Insurance	-	-	-	-
	Others	-	-	-	-
4.	Health Insurance	5,330.28	509.42	817.00	6,456.70
5	Total Liabilities	6,330.28	609.42	617.00	6,456.70

Certification from Auditor

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

M. Sahel

For V.Sahai Tripathi & Co.
Mahesh Sahel
Membership No. F 06730
FR No. 262N



K.N. Gupta

For Thakur, Valdyanath Aiyer & Co.
K.N. Gupta
Membership No. F 09169
FR No. 000038N



Place:
Date:

Certification from the Appointed Actuary

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

K. Sriram

(K. SRIRAM, FIAI)
Appointed Actuary
Membership No. 00181

Place:
Date:

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

FORM IRDA - ASSETS - AA

STATEMENT OF ASSETS AS AT 31st Mar, 2012

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

(Rs. Lakhs)

Item No. (1)	Category of Asset (2)	Policyholders' funds (3)	Shareholders' funds (4)	TOTAL ASSETS
1	Approved Securities	4,908.21	1,466.39	6,374.60
2	Approved Investments	1,548.48	6,743.81	8,292.29
3	Deposits	-	3,584.89	3,584.89
4	Non-Mandated Investments	-	662.95	662.95
5	Other Assets:			
	Fixed Assets		1,076.38	1,076.38
	Cash and Bank balances		259.66	259.66
	Advances and Other Assets		1,535.64	1,535.64
6	Total	6,456.69	15,329.72	21,786.41
7	Fair Value Change Account		(6.20)	(6.20)
y	Adjusted Value of Assets (6-7)	6,456.69	15,323.52	21,780.21

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

M. Sahai

For V.Sahai Tripathi & Co.
Mahesh Sahai
Membership No. F 06730
FR No. 262N



K. N. Gupta

For Thakur, Vaidyanath Aiyar & Co.
K.N.Gupta
Membership No. F 09169
FR No. 000038N



Place:
Date :

Pravir Kumar

FORM KG

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

TABLE I - STATEMENT OF SOLVENCY MARGIN AS AT 31st Mar, 2012

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

(Rs. Lakhs)

Item No.	Description (Class of Business)	Gross Premiums	Net Premiums	Gross Incurred Claims	Net Incurred Claims	RSM-1	RSM-2	RSM
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Fire	-	-	-	-	-	-	-
2.	Marine	-	-	-	-	-	-	-
3.	Marine Cargo	-	-	-	-	-	-	-
3.	Marine Hull	-	-	-	-	-	-	-
	Miscellaneous							
4.	Motor	-	-	-	-	-	-	-
5.	Engineering	-	-	-	-	-	-	-
6.	Aviation	-	-	-	-	-	-	-
7.	Liability	-	-	-	-	-	-	-
8.	Rural Insurance	-	-	-	-	-	-	-
9.	Others	-	-	-	-	-	-	-
10.	Health Insurance	9,908.48	8,928.50	2,708.77	2,438.23	1,785.30	731.47	5,000.00
11.	TOTAL	9,908.48	8,928.50	2,708.77	2,438.23	1,785.30	731.47	5,000.00

TABLE II - AVAILABLE SOLVENCY MARGIN AND SOLVENCY RATIO

(Rs. Lakhs)

Item	Description	Notes No.	Amount
(1)	(2)	(3)	(4)
1.	Available Assets in Policyholders' Funds:		8458.69
	Deduct:		
2.	Liabilities		8458.70
3.	Other Liabilities		
4.	Excess in Policyholders' funds (1-2-3)		(0.01)
5.	Available Assets in Shareholders' Funds:		15323.52
	Deduct:		
6.	Other Liabilities		5752.94
7.	Excess in Shareholders' funds (5-6)		9570.58
8.	Total ASM (4+7)		9570.57
9.	Total RSM		5000.00
10.	Solvency Ratio (Total ASM / Total RSM)		1.91

Certification

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

M. Sahal
For V.Sahal Tripathi & Co.
Maheeh Sahal
Membership No. F 06730
FR No. 262N



Place:
Date:
A. Jhu
Appointed Actuary
(K. SRIRAM, FIAI)
Membership No. 00181
Place:
Date:

K.N. Gupta
For Thakur, Vaidyanath Aiyar & Co.
K.N. Gupta
Membership No. F 09169
FR No. 000038N



[Signature]
Principal Officer
(Chief Executive Officer)

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

MANAGEMENT REPORT

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4. It is hereby declared that management has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. The Company is maintaining the required solvency margins under the Insurance Act, 1938.
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			Director	Claims paid	6786
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4	James Gordon Wheaton & William Stephen Ward	Bupa (Asia) Limited	Director	Software License Fee	9975

13. It is hereby confirmed:

- a. That the Financial Statements have been prepared in accordance with generally accepted accounting principles and policies, applicable accounting standards and current practices prevailing in the insurance industry and there are no material departures.
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- c. That the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) and Companies Act 1956 (1 of 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the management has prepared the financial statements on a going concern basis.

- e. That the management has ensured that the internal audit system is in commensurate with the size and nature of business and is operating effectively.
- f. All the expenses which have been incurred in relation to Miscellaneous- "Health Insurance business, has been appropriately reported in Revenue Account.

For and on behalf of the Board of Directors

Sd-
A.M Coleman
Director

Sd-
Damien Marmion
Chief Executive Officer
& Director

Sd-
Neeraj Basur
Chief Financial Officer

Sd-
Sandeep Seth
Company Secretary

Place: New Delhi

Date: May _1st_, 2012