

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of Max Bupa Health Insurance Company Limited will be held on **Friday, April 26, 2013 at 1730 hrs (IST)** at the Corporate Office of the Company at 2nd Floor, Salcon Ras Vilas, D-1, District Center, Saket, New Delhi 110017 to transact the following business:

Ordinary Business

- (1) To consider, approve and adopt the Audited Balance Sheet as on March 31, 2013 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. Rahul Khosla who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint director in place of Mr. James Gordon Wheaton who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To appoint Auditors of the Company and to authorize Board of directors to fix their remuneration.

M/s Thakur Vaidyanath and Aiyer & Co., Chartered Accountants, Delhi, being eligible, have expressed their willingness to be re-appointed as auditors of the Company at the ensuing Annual General Meeting for the financial year 2013-14.

However, M/s V Sahai Tripathi & Company, Chartered Accountants will retire by rotation as per the IRDA guidelines and accordingly, M/s Nangia & Co. Chartered Accountants, Delhi have expressed their willingness to be appointed as Statutory Auditors of the Company for the financial year 2013-14.

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. Mohit Talwar**, who was appointed as an Additional Director of the Company effective August 1, 2012 and whose term of office expires, as per Section 260 of the Companies Act, 1956 at 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 for the office of director, be and is hereby appointed as the director of the Company.

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

Max Bupa Health Insurance Company Limited
Corporate Office: D-1, 2nd Floor, Salcon Ras Vilas,
District Centre, Saket, New Delhi - 110 017
Tel.: +91-11-30902000 / 30902120
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Registered Office: Max House, 1 Dr. Jha Marg,
Okhla, New Delhi - 110 020
www.maxbupa.com



- (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 IRDA Corporate Governance Guidelines and Section 255 of the Companies Act, 1956, **Mr. Manasije Mishra**, who was appointed as an Additional Director of the Company effective August 1, 2012 and whose term of office expires, as per Section 260 of the Companies Act, 1956 at 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 for the office of director, be and is hereby appointed as the director of the Company.

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

- (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. Neil Robert Taylor**, who was appointed as an Additional Director of the Company effective January 25, 2013 and whose term of office expires, as per Section 260 of the Companies Act, 1956 at 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 for the office of director, be and is hereby appointed as the director of the Company.

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

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

"RESOLVED THAT pursuant to applicable provisions of the Article of Association of the Company, Companies Act, 1956, Shareholders' Agreement as amended from time to time, Insurance Act, 1938 and rules and regulations framed there under and terms & conditions of approval letter as stipulated by IRDA, the consent of the Company be and is hereby accorded to appoint Mr. Manasije Mishra, Chief Executive Officer of the Company as the 'Whole time Director' for a period of five years effective from August 1, 2012, who shall report directly to the Board and discharge his functions under the supervision of the Board, on such terms and conditions as may be determined by Board of Directors and at a remuneration subject to the ceiling of Rs. One Crore Fifty Lac per annum (remuneration including all perquisites plus bonuses or any other payments made by whatsoever names) in line with the limits specified by IRDA and as may be altered and varied from time to time by the Board.

"RESOLVED FURTHER THAT the remuneration to Mr. Manasije Mishra be paid by the Company in accordance with the terms approved by IRDA.

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

- (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 and 2011 and other applicable laws, the consent of the Company be and is hereby accorded to the Board to issue and allot, **2, 70, 00, 000 Equity Shares** of Rs. 10 each fully paid up for cash at par in the share capital of the Company in one or more tranches 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 on preferential basis:

S. No.	Name	Address	No. of Shares
1	Max India Limited	Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144533	1,99,80,000
2	Bupa Singapore Holdings Pte. Ltd	15, Beach Road, #04-03, Beach Centre, Singapore- 189677	70,20,000
Total			2,70,00,000

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

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

“RESOLVED THAT pursuant to the provisions of Section 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 and 2011 and other applicable laws, the consent of the Company be and is hereby accorded to the Board to issue and allot from time to time , in one or more tranches, **up to 4.74 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:

S. No.	Name	Address
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 Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

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

“RESOLVED THAT pursuant to applicable provisions of the Articles of association, Companies Act, 1956, Shareholders agreement as amended from time to time, the consent of the Company, be and is hereby accorded to contribute a donation of sum of Rs. 20 Lacs to Max India Foundation as part of CSR initiatives/activities for the year 2013.

“RESOLVED FURTHER THAT Company Secretary be and is hereby authorized to do all such acts, deeds, 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. Mohit Talwar as Director of the Company

Mr. Mohit Talwar was appointed as an Additional Director of the Company by the Board of Directors on August 1, 2012 pursuant to Section 260 of the Companies Act, 1956 and Article 91 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 Mr. Talwar can hold Office upto the date of this Annual General Meeting. As required under Section 257 of the Act, a notice in writing has been received from a member of the Company along with requisite deposit, proposing the candidature of Mr. Mohit Talwar for appointment as a nominee director of Max India Limited on the Board of the Company.

No other Director except Mr. Mohit Talwar is concerned or interested in this resolution.

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

(6) To appoint Mr. Manasije Mishra as Director of the Company

Mr. Manasije Mishra was appointed as an Additional Director of the Company by the Board of Directors on August 1, 2012 pursuant to Section 260 of the Companies Act, 1956 and Article 91 of the Articles of Association of the Company

Pursuant to Section 260 of the Act, Mr. Manasije Mishra can hold Office upto the date of this Annual General Meeting. As required under Section 257 of the Companies Act, 1956 and pursuant to provisions of IRDA Corporate Governance Guidelines, a notice in writing has been received from a member of the Company along with requisite deposit, proposing the candidature of Mr. Manasije Mishra for appointment as a director of the Company.

No other Director except Mr. Manasije Mishra is concerned or interested in this resolution.

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

(7) To appoint Mr. Neil Robert Taylor as Director of the Company

Mr. Neil Robert Taylor was appointed as an Additional Director of the Company by the Board of directors on January 25, 2013 pursuant to Section 260 of the Companies Act, 1956 and Article 91 of the Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 Mr. Neil Robert Taylor can hold Office upto the date of this Annual General Meeting. As required under Section 257 of the Act, a notice in writing has been received from a member of the Company along with requisite deposit, proposing the candidature of Mr. Neil Robert Taylor for appointment as a nominee director of Bupa Singapore Holdings Pte. Ltd on the Board of the Company.

No other Director except Mr. Neil Robert Taylor is concerned or interested in this resolution.

Your Directors recommend passing of the resolution contained in Item No. 7 as an Ordinary Resolution.

(8) To appoint Mr. Manasije Mishra, CEO of the Company as 'Whole time Director' defined under the Companies Act, 1956

Mr. Manasije Mishra has completed his Masters in Business Administration from XLRI, Jamshedpur after graduating in Economics from Hansraj College from Delhi University, Delhi. He is also an Associate member of the Chartered Institute of Bankers, UK . He has been a chairman of the UCP 500 Expert Group of the International Chamber of Commerce, India and member of the Foreign Exchange Dealers' Association of India's (FEDAI) working group on NRI remittances.

Since 2008, he served on the Board of HSBC InvestDirect (India) Limited as Managing Director and Chief Executive Officer where he successfully integrated the newly acquired company, IL&FS Investmart, with the HSBC Group. In his 24 years of rich experience was head of Strategy & Business Development, and Global Head of Non Resident Indian Services.

Consequent upon the resignation of Dr. Damien Vincent Marmion from the post of Chief Executive Officer, Mr. Manasije Mishra was appointed as Chief Executive Officer and Whole time director of the Company with effective from August 01, 2012, subject to approval of shareholders and IRDA under Section 34A of the Insurance Act, 1938.

In terms of section 34A of the Insurance Act, 1938, the Company has received a letter of approval from IRDA dated March 18, 2013 to appoint him as Chief Executive Officer of the Company for a period of five (5) years w.e.f August 1, 2012. In terms of the said approval the remuneration is capped up to the ceiling of One Crore Fifty Lac and remuneration beyond aforesaid sum it will be borne by the Share holders Account.

The Board recommends the appointment of Mr. Manasije Mishra, CEO as 'Whole time Director' defined under the Companies Act, 1956.

The remuneration as set out in the Resolution is in accordance terms and conditions stipulated by IRDA.

The Notice read with the Explanatory Statement should be considered as an abstract of the terms of appointment and payment of remuneration to Mr. Manasije Mishra, Chief Executive Officer and 'Whole time Director' defined under the Companies Act, 1956 and a memorandum as to the nature of the concern or interest of the Director as required under section 302 of the Companies Act, 1956.

No other Director except Mr. Manasije Mishra is concerned or interested in this resolution.

Your Directors recommend passing of the resolution contained in Item No. 8 as a Special 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 **2.70 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 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 of 2.70 crores equity shares to be made to the following entities on preferential basis as per the provision of Companies Act, 1956.



S. No.	Name & Address
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 the promoters to subscribe 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 and 2011 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.

Your Directors recommend passing of the resolution contained in Item No. 9 as a Special Resolution.

(10) Issue of further Shares on preferential basis

In order to meet the business requirements in line with the business plan of the Company for the year 2013, the Company would be receiving share subscription moneys, in one or more tranches, for Quarter 3 and Quarter 4 of 2013.

In order to meet the requirement of funds for the business in line with the business plan of the Company for the year 2013, 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 members' approval for issue and allotment of up to 4.74 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 of 4.74 crores equity shares to be made to the following entities on preferential basis as per the provision of Companies Act, 1956.

S. No.	Name & Address
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 and 2011 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.

Your Directors recommend passing of the resolution contained in Item No. 10 as a Special Resolution.

(11) Donation of Rs. 20 Lacs to Max India Foundation as part of Corporate Social Responsibility (CSR) for the year 2013

The company has proposed to contribute a sum of Rs. 20 Lac as a donation and part of its Corporate Social Responsibility initiative to Max India Foundation for the year 2013.

In terms of Section 293(1)(e) of the Companies Act, 1956, such contribution would also require approval by the members of the Company at a General Meeting.

Max India Foundation has been driving the Corporate Social Responsibility initiatives of the Max India Group. It is committed to serve underprivileged children and works towards providing better health to the needy and has awarded with prestigious awards including Golden Peacock Global Award for CSR in 2010. MIF has created a niche for itself amongst the CSR wings of leading organizations. Max India Foundation in partnership with 276 NGOs has made a difference to more than 180,00,000 lives in 295 different locations in short span.

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

Your Directors recommend passing of the resolution contained in Item No. 11 as a Special Resolution.

For Max Bupa Health Insurance Company Limited



Vishal Garg
Company Secretary

New Delhi
April 26, 2013

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifth Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2013.

BUSINESS HIGHLIGHTS

The highlights for the Financial Year ended March 31, 2013 are as under:

Particulars	(Rs in '000)	
	2012-13	2011-12
Gross Written Premium	2072184	990826
Add Reinsurance Accepted	-	889
Less Reinsurance Premium	248989	99085
Net Premium	1823195	892630
Unexpired Risk Reserve	539476	383467
Earned Premium	1283719	509163
Total Underwriting Revenue	1283719	509163
Net Incurred Claims	750352	288573
Commission paid (net)	128634	54969
Expenses of Management	1770942	1492550
Total Underwriting expenses	2649928	1836092
Underwriting Profit/(Loss)	(1366209)	(1326929)
<u>Investment Income:</u>		
Allocated to Revenue Account	97520	41807
Allocated to P&L Account	105852	96333
Other Income	3213	133
Other Expenses	-	-
Profit/(Loss) before Tax	(1159624)	(1188656)
Key Business Parameters		
Solvency Ratio	2.12:1	1.91:1
Share Capital (Rs. crores)	504	352
Foreign Direct Investment(Rs. crores)	131.04	91.52
No. of Employees	1122	861
No. of offices	21	12
No. of Agents	9398	6431
No. of Policies	150311	74899

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 2012 -13 (Period Apr'12-Feb'13) reached Rs 13,632 crore from Rs. 11,695 crore in FY 2011-12 (Period Apr'11-Feb'12), registering 17% growth.

During the year, a number of new regulations and guidelines affecting multiple facets of the insurance industry were issued by the regulator (IRDA). These regulations & guidelines may have an impact on the business activities of the company.

The key guidelines & regulations released were:

1. The Insurance Regulatory and Development Authority (Health Insurance) Regulations, 2013- This regulations lays down parameters of various aspects of conducting health insurance business. This is the first of its kind that governs health insurance sector specifically;
2. Guidelines on Standardization in Health Insurance- This regulation standardizes some common words used in health insurance products, definitions of 11 critical illness , Standardizes pre-authorization and claim form; list of excluded expenses in Hospitalization in indemnity policies; Standard File and Use application form; Database sheet and Customer information sheet ; and has introduced Standard agreement between TPA & insurer and Provider (Hospital) & Insurer ;
3. Guidelines Pertaining to Agents- This Guideline relaxes the requirement of IC 34 certification for Life Insurance Agents that would allow them to sell products of a Standalone Health Insurance Company;
4. IRDA (Investment) (Fifth Amendment) Regulations, 2013- This regulation governs the method and types of investment that insurance companies are permitted to make.
5. The Master Circular on AML/CFT - Guidelines for Insurers- to govern anti-money laundering program of insurance companies;
6. Master circular on preparation of Financial Statements: General Insurance Business- This Master Circular essentially consolidates all directions / Circulars issued by the Authority upto 30th September, 2012 to streamline preparation of financial statements.
7. Insurance Regulatory and Development Authority (Place of Business) Regulations, 2013- This regulations governs the business expansion plan of insurance companies;
8. Insurance Regulatory & Development Authority (General Insurance-Reinsurance) Regulations, 2013 regulations- This regulation governs the re-insurance program of insurance companies.

This year major focus of IRDA has been to introduce standardization of certain commonly used terms, illnesses and documents across the industry so that the customer is assured of certain basic standard across the industry. There has been a shift to control more tightly the relationship of Insurers, TPA's and Network Hospitals. Industry has also received some major business boosting guidelines like opening up the Life Insurance agent channel, creating the health insurance industry as additional sector for banca and corporate agent channels. The percentage of obligatory cessions in Reinsurance has been reduced and the commission payable for that has also been fixed. IRDA has also issued guidelines on anti money laundering.

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 1050 people and network of 21 offices across 13 cities, namely - Delhi, Mumbai, Hyderabad, Chennai, Bangalore, Surat, Ludhiana, Chandigarh, Jaipur, Kochi, Kolkata, Pune and Patna.

The Company has developed a strong network of over 1800 quality hospitals and healthcare providers and intends to increase this to over 3000 hospitals by end of 2013. 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' has created a niche for itself through its focus on health care and its unique service offering.

In addition to this, 'Health Assurance', an assured cash benefit plan, was launched by the company in October 2012 which provides a unique combination of three covers - Critical Illness, Personal Accident and Hospital Cash. Customers have the option of choosing their own sum insured for the guaranteed cash payment ranging from Rs. 3 lakhs to Rs. 10 lakhs in case of Critical Illness cover, Rs. 5 lakhs to Rs. 25 lakhs for Personal Accident cover and Rs. 1, 000 to Rs. 4, 000 per day cash benefit under Hospital Cash.

The Company also launched 'Health@Companion', an online product in January 2013. 'Health@Companion' is designed for individuals and families. It is comprehensive, easy to understand and simple to buy. The product offers better value by leveraging technology to create savings and pass price benefits to customers. In addition the product offers fair and tiered pricing based on the customers city of residence.

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, which have been filed with the regulator:

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

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 2012, helped benchmark performance against competition as well as aided action planning for 2013.

DIRECTORS

The Board of Directors of the Company comprises of eleven (11) members as on March 31, 2013. 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. Rahul Khosla and Mr. James Gordon Wheaton retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

During the year, Mr. Analjit Singh stepped down as Chairman and as a Director of the Company, consequent to which Max India nominated Mr. Anuroop Singh and Mr. Rahul Khosla as Chairman & Co-Vice Chairman respectively. Further, Bupa Singapore Holdings Pte. Ltd. had withdrawn the nomination of Mr. Dean Allan Holden and Mr. William Stephen Ward as directors of the Company and nominated Dr. Damien Vincent Marmion and Ms. Elizabeth Alison Platt in their place. Further, Bupa Singapore also nominated Ms. Elizabeth Alison Platt as Co-Vice Chairperson on the Board.

Your Directors place on record, their appreciation for the valuable contribution made by Mr. Analjit Singh as the Chairman and Mr. Dean Allan Holden and Mr. William Stephen Ward as Directors of the Company during their association with the Company.

Mr. Mohit Talwar, Mr. Manasije Mishra and Mr. Neil Robert Taylor were appointed as additional directors on the Board during the year. Pursuant to Section 260 of the Companies Act, 1956, the additional directors hold office only up to the date of the ensuing Annual General Meeting. The Company has received notices from the members pursuant to Section 255 read with Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Mohit Talwar, Mr. Manasije Mishra and Mr. Neil Robert Taylor, for appointment as Directors of the Company at the ensuing Annual General Meeting. It is also proposed to appoint Mr. Manasije Mishra, Chief Executive Officer of the Company as Whole time director, as defined under the provisions of the Companies Act, 1956.

Dr. Damien Vincent Marmion resigned from the post of Chief Executive Officer of the Company and Mr. Manasije Mishra was appointed in his place as Chief Executive Officer & Whole time director – designate subject to IRDA and shareholders' approval by the board in its meeting on August 1, 2012. IRDA vide letter bearing reference no. IRDA/HLT/MBHI/CEO/2012-13 dated March 18, 2013, in terms of Section 34A of the Insurance Act, 1938, approved the appointment of Mr. Manasije Mishra as CEO for a period of five (5) years w.e.f August 1, 2012 subject to certain conditions.

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, 2013) comprises of seven non-executive directors, three independent directors and one whole time director-designate.

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

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. 352 crore to Rs. 504 crore. Further, the Company has received share application money amounting to Rs. 27 crore in March/April 2013 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 2.12:1.

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 31.03.2013		
	GWP Rs.'000s	No. of Lives	% of GWP
Rural	104297*	787541	5.02%
Social	4608*	19569	0.22%
Urban	1969121	460690	94.76%

* GWP of Rs. 5842 thousands is under both Rural as well as Social sector

AUDITORS

During the year 2010-11, M/s Thakur, Vaidyanath and Aiyer & Co., Chartered Accountants, Delhi were appointed as statutory auditor of the Company.

Further, in line with IRDA requirements, M/s V Sahai Tripathi & Co, Chartered Accountants, Delhi were appointed as the second statutory auditor of the Company in the financial year 2009-10.

M/s Thakur Vaidyanath and Aiyer & Co., Chartered Accountants, Delhi, being eligible, have expressed their willingness to be re-appointed as auditors of the Company at the ensuing Annual General Meeting for the financial year 2013-14.

However, M/s V Sahai Tripathi & Company, Chartered Accountants will retire by rotation as per the IRDA guidelines and accordingly, M/s Nangia & Co. Chartered Accountants, Delhi have expressed their willingness to be appointed as Statutory Auditors of the Company for the financial year 2013-14.

The Company has received certificate from both the auditors stating that their appointment as auditors, if made, will be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956.

Hence, as recommended by the Audit Committee, the Board proposes the reappointment of M/s Thakur Vaidyanath and Aiyer & Co., Chartered Accountants and appointment of M/s Nangia & Co. Chartered Accountants as Joint statutory Auditors of the Company for the financial year 2013-14.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. In the preparation of annual accounts for the financial year ended March 31, 2013, 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, 2013	For the year ended March 31, 2012
i) Foreign Exchange Earnings	Nil	Nil
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	Nil	Nil
- Trading Goods	Nil	Nil
Others	24501	13922

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: April 26, 2013

A.M. Coleman

Director

Mansij

CEO & Director

[Signature]

Company Secretary



B. Constitution of the Audit Committee

Name of the Member	Total Meetings Held	No. of Meetings attended
Anthony Maxwell Solanki-Chairman	4	4
Amal Sharma*	4	4
James Gordon (Member)	4	4
Rahul Khosla	4	4

* included as a member w.e.f. 15/06/2012

ANNEXURES

I. Disclosures for the FY 2012-13 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 Resigned as a Chairman of the Board & Director w.e.f 26/11/2012	4	2
Anuroop Singh– Chairman Appointed as Chairman of the Board w.e.f 26/11/2012	4	4
Rahul Khosla Regularized as Director w.e.f 01/05/2012	4	4
Mohit Talwar Appointed as Additional Director w.e.f 01/08/2012	4	2
Elizabeth Alison Platt Appointed as Director w.e.f 26/11/2012	4	0
Dean Allan Holden Resigned as Director w.e.f 26/11/2012	4	0
William Stephen Ward Resigned as Director w.e.f 26/11/2012	4	2
James Gordon Wheaton Regularized as Director w.e.f 01/05/2012	4	4
Damien Vincent Marmion Appointed as Director w.e.f 26/11/2012 (he resigned as CEO & whole-time director of the Company on August 2, 2012 and was nominated as Director on November 26, 2012)	4	3
Anthony Maxwell Coleman	4	4
Leo Puri Appointed as Director w.e.f 01/05/2012	4	2
Amit Sharma Appointed as Director w.e.f 01/05/2012	4	3
Neil Robert Taylor Appointed as Additional Director w.e.f 25/01/2013	4	0
Manasije Mishra Appointed as Additional Director w.e.f 01/08/2012	4	2

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
Anthony Maxwell Coleman-Chairman	4	4
Amit Sharma*	4	3
James Gordon Wheaton	4	4
Rahul Khosla	4	4

* inducted as a member w.e.f. 01/05/2012

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
Mohit Talwar-Chairman****	4	2
James Gordon Wheaton*****	4	4
Anthony Maxwell Coleman	4	4
Damien Vincent Marmion***	4	2
Manasije Mishra****	4	2
Neeraj Basur	4	4
Vishal Garg	4	4
K. Sriram**	4	0
Biresh Giri*	4	3
Rahul Khosla***	4	2

* Inducted as member w.e.f 01/05/2012

**Ceased to be a member w.e.f 01/05/2012

***Ceased to be member w.e.f 01/08/2012

****Inducted as member w.e.f 01/08/2012 (Mr. Mohit Talwar subsequently appointed as Chairman w.e.f 26/11/2012)

*****Ceased to be Chairman w.e.f 26/11/2012

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	4
Leo Puri	4	2
Anthony Maxwell Coleman	4	4
Rahul Khosla*	4	2
Amit Sharma**	4	3
Mohit Talwar**	4	2

* Ceased to be member w.e.f 01/08/2012

** Inducted as member w.e.f 01/08/2012

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
Damien Vincent Marmion-Chairman****	4	1
William Stephen Ward***	4	2
Anthony Maxwell Coleman	4	4
Rahul Khosla*	4	2
Amit Sharma	4	3
Mohit Talwar **	4	2
Elizabeth Alison Platt*****	4	1

*Ceased to be member w.e.f 01/08/2012

** Inducted as member w.e.f 01/08/2012

***Ceased to be Chairman & member w.e.f 26/11/2012

****Inducted as member and Chairman w.e.f 26/11/2012

*****Inducted as member w.e.f 26/11/2012

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
Anthony Maxwell Coleman-Chairman***	4	4
Dean Allan Holden**	4	0
Leo Puri	4	2
William Stephen Ward****	4	2
Rahul Khosla	4	4
Mohit Talwar*	4	2
Damien Vincent Marmion*****	4	1
Elizabeth Alison Platt*****	4	1

* Inducted as member w.e.f 01/08/2012

** Ceased to be chairman and member w.e.f 26/11/2012

***Inducted as chairman w.e.f 26/11/2012

****Ceased to be member w.e.f 26/11/2012

*****Inducted as member w.e.f 26/11/2012

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	2
Dean Allan Holden*	4	0
Anthony Maxwell Coleman	4	4
Rahul Khosla	4	4
Damien Vincent Marmion**	4	1
Elizabeth Alison Platt**	4	1

*Ceased to be member w.e.f 26/11/2012

**Inducted as member w.e.f 26/11/2012

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

Name	Status of Directorship	Qualifications
Mr. Anuroop Singh Nominee-Max India	Non Executive	Chartered Accountant
Mr. Rahul Khosla Nominee-Max India	Non Executive	Chartered Accountant
Mr. Mohit Talwar Nominee-Max India	Non Executive	Post Graduation in Arts from St. Stephen's College and in Hospitality Management from Oberoi School.
Mr. Elizabeth Alison Platt Nominee-Bupa Singapore	Non Executive	MBA
Mr. James Gorden Wheaton Nominee-Bupa Singapore	Non Executive	Chartered Accountant
Dr. Damien Vincent Marmion Nominee-Bupa Singapore	Non Executive	MB, MS, MSC, MBA
Mr. Neil Robert Taylor Nominee-Bupa Singapore	Non Executive	Chartered Accountant, MBA
Mr. Anthony Maxwell Coleman	Independent	MBA(Macquarie University), Fellow of Institute of Actuaries (Australia), Fellow of Institute of Actuaries (UK)

Mr. Leo Puri	Independent	M.A. (Politics, Philosophy and Economics) from Oxford University and M.A (Law) from Cambridge University
Mr. Amit Sharma	Independent	MBA, MS, B.Tech
Mr. Manasije Mishra	Executive	MBA (XLRI), Associate of the Chartered Institute of Bankers, UK.

For and on behalf of the Board of Directors

Place: New Delhi
Date: April 26, 2013

A.M. Coleman

Director

Manasije

CEO & Director

Pray

Company Secretary



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, 2013

Sl No.	Name	Age (Years)	Designation	Mature of duties	Remuneration (Rs.)	Qualification	Date of Commencement of employment	Experience (Years)	Organisation	Last Employment Held Designation
A. Employed throughout the year and were in receipt of remuneration of not less than Rs. 60,00,000/- per annum										
1	Mr. Neeraj Basur	43	Chief Financial Officer	Financial Management	13,034,952	M.Com, FCA, ACS	01-Jan-2009	21	Max India Limited	Sr. Vice President-Corporate Finance
2	Mr. Munish Sharma	43	Senior Vice President - Finance & Financial Controller	Financial Management	6,598,920	FCA	29-Sep-2009	19	Genpact Limited	Vice President-Finance (BFSI)
3	Mr. Sibarajan Patnaik	49	Head - Agency Channel	Sales and Distribution Management	9,544,255	LLB,WSC	01-Apr-2009	24	Max New York Life Insurance Co. Ltd.	Senior Vice President and National Head of Group Business
4	Mr. Birender Ahluwalia	44	Director-Sales and Distribution	Sales and Distribution Management	16,786,874	Master Degree in Management Studies	25-Jul-2011	21	Tata Sky Ltd	Chief Sales and Services Officer
5	Mr. Biresh Giri	33	Chief Actuary	Actuarial	8,099,330	M Stat, FIAI	26-Dec-2011	11	Milliman India Private Limited	Consulting Actuary
6	Mr. Amit Arora	37	Head-Direct Channel	Sales and Distribution Management	6,556,892	PGDBM,B.A	04-May-2009	12	Citi Bank	Area Director
B. Employed for part of the year and were in receipt of remuneration of not less than Rs. 500,000/- per month										
1	Mr. Pritpal Singh Kular	45	Director-Human Resources	Human Resources Management	6,331,284	Masters of Business Administration	01-Jun-2010	21	Heidelberg Cement India Ltd	Director-Human Resources
2	Dr. Damien Marmion	46	Chief Executive Officer and Whole Time Director	General Management	13,188,480	Masters in Health Management, Medical Practitioner	01-Jan-2009	23	BUPA Limited, HK	Development Director
3	Mr. Dean Pollard	48	Chief Operating Officer	Operations Management	12,814,847	MBA, PGDBM	01-Apr-2009	20	BUPA, Australia	Director of Transformation
4	Ms. Sevanti Bhandari	36	Director - Marketing	Marketing Management	4,799,366	PGDBM	06-Sep-2012	12	ICICI Bank	Head Product and Strategy
5	Mrs. Tarannum Hasib	41	Head - Bancassurance and Third Party Distribution	Sales and Distribution Management	6,034,443	B.Com & CA	01-Aug-2012	16	Canara HSBC OBC Life Insurance Company	Head Business
6	Mr. Manasje Mishra	47	Chief Executive Officer	General Management	20,781,821	ACIB & PGDM	01-May-2012	23	Canara HSBC OBC Life Insurance Company	Managing Director & chief Executive officer
7	Mr. Gagan Bhalla	37	Director - Development	Development - Management	13,627,950	MBA, Healthcare and Finance	29-May-2012	14	AETNA	Managing Director

Notes :

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

New Delhi
April_26_, 2013

A.M. Madan

Director

Manoj

CEO & Director

On behalf of the Board of Directors

[Signature]
Company Secretary



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 Company') as at March 31, 2013, 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, 2013 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, 2013 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013 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, 2013;



- 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



(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: 26 Apr, 2013



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, 2013)

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.

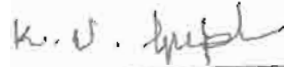
This certificate has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ('The Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and 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: 26 Apr, 2013



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, 2013

SN	Particulars	Schedule	For the year ended Mar 31, 2013 (Rs.'000)	For the year ended Mar 31, 2012 (Rs.'000)
1	Premiums earned (Net)	1	1283719	509163
2	Profit/ Loss on sale/redemption of Investments		-	-
3	Others		-	-
4	Interest, Dividend & Rent – Gross		97520	41807
	Total (A)		1381239	560970
1	Claims Incurred (Net)	2	750352	288573
2	Commission	3	128634	54969
3	Operating Expenses related to Insurance Business	4	1770942	1492550
4	Premium Deficiency		-	-
	Total (B)		2649928	1836092
	Operating Profit/(Loss) from Miscellaneous Business [C= (A - B)]		(1268689)	(1285122)
	Appropriations			
	Transfer to Shareholders' Account		(1268689)	(1285122)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	Total (C)		(1268689)	(1285122)
	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 and on behalf of the Board of Directors

For V.Sahai Tripathi & Co.
Chartered Accountants

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



For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

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



Place : New Delhi
Date: 26 April, 2013

Manoj / AM Coleman
Director / Director

Company Secretary / Chief Financial Officer

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

SN	Particulars	Schedule	For the year ended Mar 31, 2013 (Rs.'000)	For the year ended Mar 31, 2012 (Rs.'000)
1	Operating Profit/(Loss)			
	(a) Miscellaneous Insurance		(1268689)	(1265122)
2	Income From Investments			
	(a) Interest, Dividend and Rent – Gross		84804	76372
	(b) Profit on sale of investments		21048	19961
	Less: Loss on sale of investments		-	-
3	Other Income			
	(a) Gain on Foreign Exchange Fluctuation		-	-
	(b) Interest Income		978	-
	(c) Liabilities no longer required written back		2235	133
	Total (A)		<u>(1159624)</u>	<u>(1188656)</u>
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		-	-
	Total (B)		<u>-</u>	<u>-</u>
	Profit/(Loss) Before Tax		<u>(1159624)</u>	<u>(1188656)</u>
	Provision for Taxation		-	-
	(a) Fringe Benefit Tax		-	-
	Profit/(Loss) After Tax		<u>(1159624)</u>	<u>(1188656)</u>
	Appropriations			
	(a) Interim dividends		-	-
	(b) Proposed final dividend		-	-
	(c) Dividend distribution tax		-	-
	(d) Transfer to any Reserves or Other Accounts		-	-
			<u>-</u>	<u>-</u>
	Balance of Profit/(Loss) brought forward		<u>(2780710)</u>	<u>(1592053)</u>
	Balance carried forward to Balance Sheet		<u><u>(3940334)</u></u>	<u><u>(2780709)</u></u>
	Basic and Diluted Earning per Share of Rs. 10/- each		<u>(2.57)</u>	<u>(3.95)</u>

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.Sahal Tripathi & Co.

Chartered Accountants

Mahesh Sahai

Partner

Membership No. F 06730

FR No. 000262N



For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

K.N.Gupta

Partner

Membership No. F 09169

FR No. 000038N



For and on behalf of the Board of Directors


 Director


 Director


 Company Secretary


 Chief Financial Officer

Place : New Delhi

Date: 26 Apr, 2013

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Schedule	As at Mar 31, 2013 (Rs.'000)	As at Mar 31, 2012 (Rs.'000)
Sources of Funds			
Share Capital	5	5040000	3520000
Share Application Money		70200	325000
Reserves and Surplus	6	-	-
Fair Value Change Account		1382	620
Borrowings	7	-	-
Total		5111582	3845620
Application of Funds			
Investments	8	2598943	1891474
Loans	9	-	-
Fixed Assets	10	228536	214873
Current Assets:			
Cash and Bank Balances	11	31967	25966
Advances and Other Assets	12	289418	153565
Sub-total (A)		321385	179531
Current Liabilities	13	545210	317468
Provisions	14	1432406	903499
Sub-total (B)		1977616	1220967
Net Current Assets (C) = (A - B)		(1656231)	(1041436)
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		3940334	2780709
Total		5111582	3845620
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		-	-
Total		-	-

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.Sahai Tripathi & Co.
Chartered Accountants

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



For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

K.N.Gupta
Partner
Membership No. F 09169
FR No. 000038N
Place : New Delhi
Date: 26 Apr, 2013



For and on behalf of the Board of Directors

Manoj
Director

A.M. Colman
Director

Pranav
Company Secretary

Pranav
Chief Financial Officer

MAX BUPA HEALTH INSURANCE COMPANY LIMITED
REGISTRATION NO: 145, DATE OF REGISTRATION WITH IRDA: FEBRUARY 15, 2010
RECEIPTS AND PAYMENT ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	For the year ended Mar 31, 2013 (Rs.'000)	For the year ended Mar 31, 2012 (Rs.'000)
Cash Flows from the Operating Activities:		
Premium received from Policyholders, including Advance Receipts	2190652	1146206
Other Receipts	843	-
Payments to the re-insurers, net of commissions and claims	(91611)	(42770)
Payments to co-insurers, net of claims recovery	-	-
Payments of claims	(683626)	(232959)
Payments of commission and brokerage	(176074)	(76067)
Payments of Other Operating Expenses	(1704173)	(1388995)
Preliminary and Pre-operative Expenses	-	-
Deposits, Advances and Staff Loans	995	(6305)
Income Taxes Paid (Net)	-	-
Service tax paid	(139012)	(6562)
Other Payments	-	-
Cash Flows before Extraordinary Items	(602007)	(607451)
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	(602007)	(607451)
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(119248)	(75478)
Proceeds from sale of fixed assets	-	300
Purchases of investments(Net)	(6343048)	(4717934)
Loans disbursed	-	-
Sales of investments	-	-
Repayments received	4379727	3322033
Rents/interests/ Dividends received	128090	100905
Investments in money market instruments and in liquid mutual funds (Net)	1297331	859696
Expenses related to investments	(43)	-
Net cash flow from investing activities	(657192)	(510477)
Cash flows from financing activities:		
Proceeds from Share Capital	-	-
Share Application Money	1265200	1135000
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	1265200	1135000
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net increase/(decrease) in cash and cash equivalents.	6001	17072
Cash and cash equivalents at the beginning of the period	25966	8894
Cash and cash equivalents at the end of the period	31967	25966
Net increase/(decrease) in cash and cash equivalents:	6001	17072

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

For V.Sahai Tripathi & Co.
Chartered Accountants

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

For Thakur,Vaidyanath Aiyar & Co.
Chartered Accountants

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

Place : New Delhi
Date: 26 Apr, 2013

For and on behalf of the Board of Directors

Manoj
Director

A.M.Coleman
Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended Mar 31, 2013 (Rs.'000)	For the year ended Mar 31, 2012 (Rs.'000)
SCHEDULE – 1		
PREMIUM EARNED (NET)		
Premium from direct business written*	2072184	990826
Add: Premium on reinsurance accepted	-	889
Less : Premium on reinsurance ceded	<u>248989</u>	<u>99085</u>
Net Premium	1823195	892630
Less: Adjustment for change in reserve for unexpired risks	<u>539476</u>	<u>383467</u>
Total Premium Earned (Net)	<u>1283719</u>	<u>509163</u>
* Net of Service Tax		
SCHEDULE – 2		
CLAIMS INCURRED (NET)		
Claims paid		
Direct	723504	223871
Add: Re-insurance accepted	-	321
Less: Re-insurance Ceded	<u>73814</u>	<u>22085</u>
Net Claims paid	649690	202107
Add: Claims Outstanding at the end of the period	213304	112642
Less: Claims Outstanding at the beginning	<u>112642</u>	<u>26176</u>
Total Claims Incurred*	<u>750352</u>	<u>288573</u>
* Includes an amount of Rs 17130 (previous year Rs 2686) on account of expenses incurred towards loyalty benefit paid to policyholders		
SCHEDULE – 3		
COMMISSION		
Commission paid		
Direct	170427	72390
Add: Re-insurance accepted	-	227
Less: Commission on Re-insurance Ceded	<u>41793</u>	<u>17648</u>
Net Commission	<u>128634</u>	<u>54969</u>
Break Up of expenses incurred to procure business:		
Agents	133875	55983
Brokers	36552	16407
Corporate Agency	-	-
Referral	<u>-</u>	<u>-</u>
	<u>170427</u>	<u>72390</u>



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, 2013			For the year ended Mar 31, 2012		
	Health	Others	Total	Health	Others	Total
SCHEDULE - 1A						
PREMIUM EARNED [NET]						
Premium from direct business written*	2072184	-	2072184	990826	-	990826
Add: Premium on reinsurance accepted	-	-	-	889	-	889
Less : Premium on reinsurance ceded	248989	-	248989	99085	-	99085
Net Premium	1823195	-	1823195	892630	-	892630
Less: Adjustment for change in reserve for unexpired risks	539476	-	539476	383467	-	383467
Total Premium Earned (Net)	1283719	-	1283719	509163	-	509163
* Net of Service Tax						
SCHEDULE - 2A						
CLAIMS INCURRED [NET]						
Claims paid						
Direct	723504	-	723504	223871	-	223871
Add: Re-insurance accepted	-	-	-	321	-	321
Less: Re-insurance Ceded	73814	-	73814	22085	-	22085
Net Claims paid	649690	-	649690	202107	-	202107
Add: Claims Outstanding at the end of the period	213304	-	213304	112642	-	112642
Less: Claims Outstanding at the beginning	112642	-	112642	26176	-	26176
Total Claims Incurred	750352	-	750352	288573	-	288573
SCHEDULE - 3A						
COMMISSION						
Commission paid						
Direct	170427	-	170427	72390	-	72390
Add: Re-insurance accepted	-	-	-	227	-	227
Less: Commission on Re-insurance Ceded	41793	-	41793	17648	-	17648
Net Commission	128634	-	128634	54969	-	54969
Break Up of expenses incurred to procure business:						
Agents	133875	-	133875	55983	-	55983
Brokers	36552	-	36552	16407	-	16407
Corporate Agency	-	-	-	-	-	-
Referral	-	-	-	-	-	-
	170427	-	170427	72390	-	72390



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

REGISTRATION NO: 145, 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 Mar 31, 2013 (Rs.'000)	For the year ended Mar 31, 2012 (Rs.'000)
1 Employees' remuneration and welfare benefits	793812	635790
2 Travel, conveyance and vehicle running expenses	98385	67250
3 Training expenses	20147	35143
4 Rents, rates and taxes**	135010	145247
5 Repairs	62520	45994
6 Printing and stationery	16758	16698
7 Communication	48105	42863
8 Legal and professional charges	232413	159847
9 Auditors' fees, expenses etc		
(a) as auditor	1935	1067
(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
10 Advertisement and publicity	251850	272122
11 Interest and bank charges	13595	6428
12 Others		
(a) Business and Sales Promotion	661	1464
(b) Membership and Subscription	3730	2348
(c) Loss on Disposal of Fixed Assets	55	318
(d) Loss on Foreign Exchange Fluctuation	962	1296
(e) Miscellaneous Expenses*	1353	1060
13 Depreciation	89591	57555
Total	1770942	1492550

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

** Rent expense is after adjustment of Rent Equalization reserve



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**

Particulars	(Rs.'000)			(Rs.'000)		
	For the year ended			For the year ended		
	Health	Others	Total	Health	Others	Total
1 Employees' remuneration and welfare benefits	793812	-	793812	635790	-	635790
2 Travel, conveyance and vehicle running expenses	98385	-	98385	67250	-	67250
3 Training expenses	20147	-	20147	35143	-	35143
4 Rents, rates and taxes**	135010	-	135010	145247	-	145247
5 Repairs	62520	-	62520	45994	-	45994
6 Printing and stationery	16758	-	16758	16698	-	16698
7 Communication	48105	-	48105	42863	-	42863
8 Legal and professional charges	232413	-	232413	159847	-	159847
9 Auditors' fees, expenses etc						
(a) as auditor	1935	-	1935	1067	-	1067
(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	60	-	60
10 Advertisement and publicity	251850	-	251850	272122	-	272122
11 Interest and bank charges (net of cancellation charges)	13595	-	13595	6428	-	6428
12 Others						
(a) Business and Sales Promotion	661	-	661	1464	-	1464
(b) Membership and Subscription	3730	-	3730	2348	-	2348
(c) Loss on Disposal of Fixed Assets	55	-	55	318	-	318
(c) Loss on Foreign Exchange Fluctuation	962	-	962	1296	-	1296
(d) Miscellaneous Expenses*	1353	-	1353	1060	-	1060
13 Depreciation	89591	-	89591	57555	-	57555
Total	1770942	-	1770942	1492550	-	1492550

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

** Rent expense is after adjustment of Rent Equalization reserve



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, 2013 (Rs.'000)	Mar 31, 2012 (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 504000000 Equity Shares of Rs 10 each (Previous year 352000000 Equity Shares of Rs.10 each)	5040000	3520000
3	Subscribed Capital 504000000 Equity Shares of Rs 10 each (Previous year 352000000 Equity Shares of Rs.10 each)	5040000	3520000
4	Called-up Capital 504000000 Equity Shares of Rs 10 each (Previous year 352000000 Equity Shares of Rs.10 each)	5040000	3520000
	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	5040000	3520000

Out of the above, 372960000 (Previous year 260480000) Equity Shares of Rs 10/- each are held by Max India Limited, the holding company along with its nominees

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

Shareholder	As at Mar 31, 2013		As at Mar 31, 2012	
	Number of Shares	% of Holding	Number of Shares	% of Holding
	Promoters			
- Indian	372960000	74.00%	260480000	74.00%
- Foreign	131040000	26.00%	91520000	26.00%
Others	-	-	-	-
Total	504000000	100.00%	352000000	100.00%



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, 2013 (Rs.'000)	As at Mar 31, 2012 (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	<u>-</u>	<u>-</u>

SCHEDULE – 7 BORROWINGS

1	Debentures/ Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	Total	<u>-</u>	<u>-</u>



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, 2013 (Rs.'000)	As at Mar 31, 2012 (Rs.'000)
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	343717	245420
2	Other Approved Securities	-	97424
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	199856	49943
	(e) Other Securities	189289	358491
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	149936	49950
5	Other than Approved Investments	-	-
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note (a.) below)	345950	294616
2	Other Approved Securities	149325	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	40052	36690
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	451252	444380
	(e) Other Securities	285037	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	249544	248265
5	Other than Approved Investments*	194985	66295
	Total	2598943	1891474

* in mutual funds

Notes:

- a. Short Term investments in Government securities include Deposits held under section 7 of Insurance Act 1938, having book value of Rs.99589 thousand (Previous year classified under long term investments in Government securities- Rs. 98782 thousand). Market value of such investments is Rs. 99724 thousands (Previous year classified under investments in long Term Government securities- Rs.98950 thousand)
- b. Aggregate amount of Company's investments other than listed equity securities and derivative instruments is Rs.2598943 thousands (Previous year: Rs.1891474 thousands). Market value of such investments is Rs. 2602580 thousands (Previous year Rs.1888818 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 – 9

LOANS

SN	Particulars	As at Mar 31, 2013 (Rs.'000)	As at Mar 31, 2012 (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 Rs 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			
		As at Apr 1, 2012	Additions	Deductions	As at Mar 31, 2013	Upto Mar 31, 2012	For the year	On Sales/ Adjustment s	To date Mar 31, 2013	As at Mar 31, 2013	As at Mar 31, 2012
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles	-	-	-	-	-	-	-	-	-	-
	a) Softwares	134576	47142	-	181718	45956	50200	-	96156	85562	88620
	b) Website	2533	8069	-	10602	1165	1841	-	3006	7596	1368
3	Land-Freehold	-	-	-	-	-	-	-	-	-	-
4	Leasehold Property	83348	6642	-	89990	18537	11782	-	30319	59671	64811
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	20404	3705	-	24109	10166	4165	-	14331	9778	10238
7	Information Technology Equipment	47463	23555	261	70757	17713	14618	83	32248	38509	29750
8	Vehicles	-	-	-	-	-	-	-	-	-	-
9	Office Equipment	25199	7380	61	32518	10425	6985	16	17394	15124	14774
10	Others	-	-	-	-	-	-	-	-	-	-
	Total	313523	96493	322	409694	103962	89591	99	193454	216240	209501
11	Work in progress	5312	12296	5312	12296	-	-	-	-	12296	5312
	Grand total	318835	108789	5634	421990	103962	89591	99	193454	228536	214873
	Previous year	260404	75087	16656	318835	47159	57555	752	103962	214873	

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.12296 thousands (Previous year Rs 1200 thousands) and capital expenditure pending capitalisation Rs Nil thousands (Previous year Rs Nil).



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, 2013 (Rs.'000)	As at Mar 31, 2012 (Rs.'000)
SCHEDULE – 11			
CASH AND BANK BALANCES			
1	Cash (including cheques, drafts and stamps)	27387	10061
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	-	-
	(bb) Others	-	-
	(b) Current Accounts	4580	15905
	(c) Others		
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	31967	25966
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	13796	10085
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	451	-
6	Others (to be specified)		
	(a) Advance to Suppliers	13426	15707
	(b) Other advances*	68046	100
	Total (A)	95719	25892
OTHER ASSETS			
1	Income accrued on investments**	63307	29176
2	Outstanding Premiums	-	-
3	Agents' Balances	935	666
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business	50111	13470
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***	60532	64380
	(b) Service tax on input services (net)	18814	19940
	(c) Cenvat credit on capital goods	-	41
	Total (B)	193699	127673
	Total (A+B)	289418	153565

* Includes Rs. 65809 thousands (Previous year Rs. Nil) receivable from Central / State Government on account of premium under RSBY Scheme

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

*** Includes deposits of Rs. 2200 thousands (Previous year Rs. 2200 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 Mar 31, 2013 (Rs.'000)	As at Mar 31, 2012 (Rs.'000)
SCHEDULE – 13			
CURRENT LIABILITIES			
1	Agents' balances	22189	13973
2	Balances due to other insurance companies	120861	38335
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	13079	4794
5	Unallocated premium	30219	48746
6	Sundry creditors*	63501	17631
7	Due to subsidiaries/ holding company	1156	17196
8	Claims Outstanding	213304	112642
9	Unclaimed amount of policyholders/insured**	8085	82
10	Due to Officers/ Directors	-	-
11	Others		
	(a) Tax deducted payable	48153	49325
	(b) Other statutory dues	4552	3806
	(c) Advance from Corporate Clients	20111	10938
	Total	545210	317468

* Includes creditors for capital expenditure of Rs. 4902 thousands (Previous year Rs. 18870 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	1072504	533028
2	For taxation (less advance tax paid and taxes deducted at source)	50	50
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others		
	(a) For Gratuity	326	942
	(b) For Leave Encashment	17971	14385
	(c) For Superannuation	35	101
	(d) For Other manpower related	102892	95464
	(e) For commission	5733	1625
	(f) For other operating expense related	232895	257904
	Total	1432406	903499

SCHEDULE – 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

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



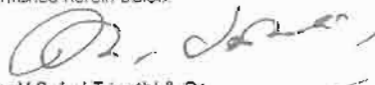
FORM HG
MAX BUPA HEALTH INSURANCE COMPANY LIMITED

TABLE 1 - STATEMENT OF LIABILITIES AS AT 31st March, 2013
Classification : Business within India / Total Business (All Business underwritten in India)

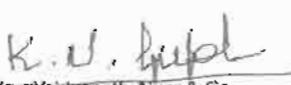
(Rs. Lakhs)					
Item No	Description	Reserve for Unexpired risks	Reserve for Outstanding Claims	IBNR Reserves	Total Reserves
(1)	(2)	(3)	(4)	(5)	(6)
1.	Fire	-	-	-	-
2.	Marine Sub-class:				
	Marine Cargo	-	-	-	-
	Marine Hull	-	-	-	-
3.	Miscellaneous Sub-class :				
	Motor Engineering	-	-	-	-
	Aviation	-	-	-	-
	Liabilities	-	-	-	-
	Rural Insurance	-	-	-	-
	Others	-	-	-	-
4.	Health Insurance	10,725.04	1,030.02	1,103.02	12,858.08
5	Total Liabilities	10,725.04	1,030.02	1,103.02	12,858.08

Certification from Auditor

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



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



For Thakur, Vaidyanath Aiyar & Co.
K.N.Gupta
Membership No. F 08169
FR No. 000036N



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.

Place: New Delhi
Date: 26 April 2013


(Biresh Giri, FIAI)
Appointed Actuary
Membership No. 00061



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

FORM IRDA - ASSETS - AA

STATEMENT OF ASSETS AS AT 31st March, 2013

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

(Rs. Lakhs)

Item No.	Category of Asset	Policyholders' funds	Shareholders' funds	TOTAL ASSETS
(1)	(2)	(3)	(4)	
1	Approved Securities	4,952.75	3,437.17	8,389.92
2	Approved Investments	7,007.96	3,898.45	10,906.41
3	Deposits	897.37	3,845.88	4,743.25
4	Non-Mandated Investments	-	1,949.85	1,949.85
5	Other Assets:			
	Fixed Assets		1,191.62	1,191.62
	Cash and Bank balances		319.67	319.67
	Advances and Other Assets		2,894.18	2,894.18
6	Total	12,858.08	17,536.82	30,394.90
7	Fair Value Change Account	-	(13.82)	(13.82)
y	Adjusted Value of Assets (6-7)	12,858.08	17,523.00	30,381.08

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.

Mahesh 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. 000036N



Place:
 Date :

Biresh Giri
 Appointed Actuary
 (Biresh Giri, FIAI)
 Membership No. 00061

Place: *New Delhi*
 Date: *26 April 2013*



FORM KG

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

TABLE I - STATEMENT OF SOLVENCY MARGIN AS AT 31st March, 2013

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	-	-	-	-	-	-	-
	Marine Hull	-	-	-	-	-	-	-
	Miscellaneous							
4.	Motor	-	-	-	-	-	-	-
5.	Engineering	-	-	-	-	-	-	-
6.	Aviation	-	-	-	-	-	-	-
7.	Liability	-	-	-	-	-	-	-
8.	Rural Insurance	-	-	-	-	-	-	-
9.	Others	-	-	-	-	-	-	-
10.	Health Insurance	20,721.84	18,231.95	8,353.56	7,503.52	3,646.39	2,251.06	5,000.00
11.	TOTAL	20,721.84	18,231.95	8,353.56	7,503.52	3,646.39	2,251.06	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:		12858.08
	Deduct:		
2.	Liabilities		12858.08
3.	Other Liabilities		
4.	Excess in Policyholders' funds (1-2-3)		(0.00)
5.	Available Assets in Shareholders Funds		17523.00
	Deduct:		
6.	Other Liabilities		6918.08
7.	Excess in Shareholders' funds (5 -6)		10604.92
8.	Total ASM (4+7)		10604.92
9.	Total RSM		5000.00
10.	Solvency Ratio (Total ASM / Total RSM)		2.12

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



Place:
Date:

B. Giri
Appointed Actuary
(Bresh Giri, FIAI)

Membership No. 00081

Place: New Delhi

Date: 26 April 2013

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



M. Gupta
Principal Officer
(Chief Executive Officer)

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
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Balance Sheet Date

3	1
---	---

0	3
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2	0	1	3
---	---	---	---

Date Month Year

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

Public Issue	Rights Issue
Nil	Nil
Bonus Issue	Others
Nil	1520000

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

Total Liabilities	Total Assets
5111582	5111582
Sources of Fund	Reserve and Surplus
Paid-up Capital	-
5040000	-
Share Application Money	Fair Value Change Account
70200	1382
Secured Loans	Deferred Tax Liability
-	-
Unsecured Loans	-
-	-
Application of Funds	Investments
Net Fixed Assets	2598943
228536	-
Net Current assets	Misc. Expenditure
(1656231)	-
Accumulated Losses	-
3940334	-

IV Performance of Company (Amount in Rs. Thousand)

	Total Expenditure
Turnover (Total Income)	2648950
1489326	Profit/Loss after tax
+ - Profit/Loss before tax	1159624
<input type="checkbox"/> <input checked="" type="checkbox"/>	1159624
+ - Earning per share in Rs.	Dividend Rate (%)
Basic and Diluted	NIL
<input type="checkbox"/> <input checked="" type="checkbox"/>	-
2.57	-

V Name of three Principal Products/Service of Company

Item Code No

N	I	L																		
---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Product Description

H	E	A	L	T	H		I	N	S	U	R	A	N	C	E						
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SCHEDULE 16

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31st March, 2013**

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 Assurance product.

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 company under contractual obligations on contract period basis or risk period basis,



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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 and claim equalization reserve for benefits which accrue after a deferment period. 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.



(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 15, 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***(Rs. '000)*

Particulars	As at 31.03.2013	As at 31.03.2012
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	-	-

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 (Refer Note ** on Schedule 12). The Company has all assets within India.

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

Particulars	As at 31.03.2013	As at 31.03.2012
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	8109	1746

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

Class of Business	In India		Outside India	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Health	649690	201786	-	-

6. Age-wise Breakup of Claims Outstanding*:*(Rs. '000)*

Class of Business	Outstanding for more than six months		Outstanding for six months or less	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Health	-	360	26491	16274

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

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

Class of Business	As at 31.03.2013	As at 31.03.2012
Health	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

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

Health Business	As at 31.03.2013	As at 31.03.2012
Claims pending at the beginning	869	140
Claims intimated	23813	7838
Claims paid	20252	6192
Claims rejected	2669	917
Claims pending at the closing	1761	869

Ageing of Pending Claims

Health Business	As at 31.03.2013	As at 31.03.2012
1 month	1406	710
1-3 months	323	131
3-6 Months	32	27
6 months – 1 year	-	1
>1 year	-	-
Total	1761	869

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

(Rs. '000)

Class of Business	In India		Outside India	
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
Health	1823195	892630	-	-

(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 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
Health	87%	90%	13%	10%

11. Value of Contracts in relation to Investments:

(Rs. '000)

Particulars	As at 31.03.2013	As at 31.03.2012
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)	(82)	(-)	(-)	(-)	(-)	(-)	(-)
Sum due to the insured / policyholders on maturity or otherwise	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Excess collection of the premium / tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Cheques issued but not encashed by the policyholder/ insured	33649 (14792)	27894#* (13149)	1975* (1171)	1333* (416)	1484* (56)	901* (-)	62* (-)	- (-)

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. Premium Deficiency Reserve

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

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

16. The Company does not have any investment in Real Estate as at March 31, 2013 or March 31, 2012.

17. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 233654 thousand (Previous year Rs. 102366 thousand)

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

(Rs. '000)

Particulars	As at 31.03.2013	As at 31.03.2012
7.27% GOI CG 03-09-2013* (Refer Schedule - 8)	99589	98782

*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.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**19. Details of Managerial Remuneration as per terms of appointment are as under:***(Rs. '000)*

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Salaries & Allowances	16176	9742
Contribution to Provident and other funds	536	580
Perquisites	1618	4678
Total	18330	15000

20. Chief Executive Officer's Remuneration

The compensation during financial year 2012-2013 to Dr. Damien Marmion in the form of salary, allowances, perquisites, bonus and contribution to provident & other funds amounts to Rs. 5000 thousand.

During financial year 2012-13, the Company got approval from IRDA towards appointment of Mr. Manasije Mishra as the Chief Executive Officer of the Company. In view of the terms of the aforesaid approval, compensation during financial year 2012-13 to Mr. Manasije Mishra in the form of salary, allowances, perquisites, bonus and contribution to provident & other funds amounted to Rs 13330 thousand.

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

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Travelling	2872	863
Remuneration	4195	1714
Software License Fees	11013	9975
Professional fees	3100	1016
Others	3321	354
Total	24501	13922

22. Operating Lease Commitments

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

(Rs. '000s)

Particulars	As at 31.03.2013	As at 31.03.2012
Payable not later than one year	119626	125422
Payable later than one year but not later than five years	426299	497280
Payable later than five years	85877	420964
Total	631802	1043666

Aggregate lease rentals charged to Revenue Accounts is Rs. 115256 thousand (Previous year Rs. 130606 thousand) and there are no sub leases.

23. Foreign Currency Exposures

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

('000s)

Particulars	As at 31.03.2013	As at 31.03.2012
Payable in Indian Rupee	-	13699
Payable in GBP	-	167



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24. Related Parties & Transactions:

SN	Description of Relationship	Name of Party
(a)	Holding Company	Max India Limited
(b)	Fellow Subsidiaries	Max 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	Mr. Manasije Mishra (Chief Executive Officer and Whole Time Director – Aug 1, 2012 onwards) Dr. Damien Marmion (Upto July 31, 2012)

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	- (-)	- (-)	- (-)	- (-)
2	Fixed Assets Purchased	- (-)	- (-)	- (-)	- (-)
3	Investments Purchased	- (-)	- (-)	- (-)	- (-)
4	Income and Reimbursements				
	- Premium Received	6875 (2116)	- (-)	95569 (42893)	- (-)
	- Reimbursement of Expenses	- (296)	11830 (49380)	- (-)	- (-)
5	Expenses				
	- Service received	- (-)	- (-)	130 (1541)	- (-)
	- Other Expenses	1360 (15841)	2155 (53812)	2052 (-)	- (-)
	- Remuneration	- (-)	- (-)	- (-)	18330 (15000)



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SN	Particulars	Holding Company	Shareholders With Significant Influence	Fellow Subsidiaries	Key Management Personnel
	- Claims	-	-	35007	-
		(-)	(-)	(10726)	(-)
6	Equity Contribution	1124800	395200	-	-
		(839900)	(295100)	(-)	(-)
7	Share Application Money	-	70200	-	-
		(240500)	(84500)	(-)	(-)
8	Amount Outstanding				
	Other Receivable	-	2789	-	-
		(26)	(-)	(-)	(-)
	Other Payable	1295	-	3425	-
		(17222)	(16301)	(5826)	(193)

Figures in brackets are for previous year

25. 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.

Health Segment	(Rs. '000s)	
	As at 31.03.2013	As at 31.03.2012
Segmental Revenue	2072184	990826
Segmental Result	(1268689)	(1285122)
Segmental Liabilities	1977616	1220967
Segment Assets	1990662	1069678

b) Geographical Segment

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

26. Employee Benefits
A. Defined Contribution Plans – Provident Fund

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

Provident Fund	(Rs. '000s)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
Employers Contribution to Provident Fund*	24104	19015

*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



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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:

Particulars	As at 31.03.2013	As at 31.03.2012
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Interest/Discount Rate (Per Annum)	7.75% p.a.	8.45% 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:

(Rs. '000)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Present value of obligations at the beginning of the year	7991	5497
Current Service Cost	4261	3256
Interest cost	675	453
Liability transfer in/(out)	-	-
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	(3747)	(1215)
Present value of obligations at end of year	9180	7991

iii. Fair Value of Plan Assets:

(Rs. '000)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Fair Value of Plan Assets at beginning of year	7050	4655
Contributions	942	1912
Actual Return on Plan Assets	862	483
Benefits Paid	-	-
Fair Value of Plan Assets at end of year	8854	7050

iv. Amounts recognized in Profit & Loss Account:

(Rs. '000)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Current Service Cost	4261	3256
Interest Cost	675	453
Actual Return on Plan Assets	(563)	(302)
Actuarial (Gain)/loss on obligation	(4047)	(1396)
Amount recognized in Profit & Loss Account	326	2011

v. Amounts recognized in Balance Sheet:

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Present value of obligations at end of Year	9180	7991
Fair Value of Plan Assets at end of Year	8854	7050
Funded Status	(326)	(942)
Net Asset/(Liability) recognized in the balance sheet	(326)	(942)



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vi. Balance Sheet Reconciliation:

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Opening Net Liability/(Asset)	942	843
Expenses recognized in Profit & Loss Account	326	2011
Liability transfer in/(out)	-	-
Contribution Paid	942	1912
Closing Net Liability/(Asset)	326	942

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

C. Other Long Term Benefits:

The Company has recognized liability towards cost of accumulating compensated absences of Rs. 17971 thousand (Previous year Rs. 14385 thousand) and long term incentives of Rs. 73793 thousand (Previous year Rs. 74510 thousand) on an accrual basis as per Accounting Standard-15 (Employee Benefits).

27. 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. 1239824 thousand (Previous year Rs. 852242 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 2013.

28. 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 31.03.2013	Year ended 31.03.2012
a.	Net profit/(loss) after tax	Rs in '000s	(1159624)	(1188656)
b.	Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	450618	300648
c.	Basic/Diluted earnings per share (a/b)	Rs.	(2.57)	(3.95)

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

Operating expenses	(Rs '000)	
	Year ended 31.03.2013	Year ended 31.03.2012
Outsourcing Expenses	89972	53076
Marketing Support	251850	272122
Business Promotion	561	1464

30. Expenses of Management:

As per the IRDA's Order No.: IRDA/F&A/ORD/EMIT/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 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)



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31. 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 31.03.2013			Year ended 31.03.2012		
	GWP Rs.'000s	No. of Lives	% of GWP	GWP Rs.'000s	No. of Lives	% of GWP
Rural	104297*	787541	5.02%	7881	1995	0.80%
Social	4608*	19569	0.22%	2210	23637	0.22%
Urban	1969121	460690	94.76%	980755	189422	98.98%

* GWP of Rs. 5842 thousands is under both Rural as well as Social sector

32. 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.

33. 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, 2013 and March 31, 2012. 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.

34. 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	-	-	-	-
9	Competition Commission of India	-	-	-	-
10	Any other Central/State/local Government/ Statutory Authority	-	-	-	-



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 35. Summary of Financial Statements prescribed by the IRDA in its circular dated 29th April 2003 is provided as under:

		(Rs '000)		
SN	Particulars	2012-2013	2011-2012	2010-2011
1	Gross Premium Written	2072184	991715	255349
2	Net Earned Premium Income	1283719	509163	81463
3	Income from Investments (net)	97520	41807	11424
4	Other Income	-	-	-
5	Total Income	1381239	550970	92887
6	Commission (Net of Reinsurance)	128634	54969	13896
7	Brokerage	-	-	-
8	Operating Expenses	1770942	1492550	1266787
9	Claims, increase in Unexpired Risk Reserve & Other Outgoes	750352	288573	40607
10	Operating Profit/Loss	(1268689)	(1285122)	(1228403)
11	Total Income under Shareholders Account	109065	96466	65929
12	Profit/(loss) before tax	(1159624)	(1188656)	(1162474)
13	Provision for Tax	-	-	-
14	Profit/(Loss) after tax	(1159624)	(1188656)	(1162474)
15	Miscellaneous	-	-	-
16	Policyholder's Account:	Not Applicable	Not Applicable	Not Applicable
	a) Total funds	being General Insurance Company	being General Insurance Company	being General Insurance Company
	b) Total Investments			
	c) Yield on Investments			
17	Shareholder's Account:	Not Applicable	Not Applicable	Not Applicable
	a) Total funds	being General Insurance Company	being General Insurance Company	being General Insurance Company
	b) Total Investments			
	c) Yield on Investments			
18	Paid Up Equity Capital	5040000	3520000	2710000
19	Net Worth*	1171248	1064911	1118924
20	Total Assets	3148864	2285877	1687371
21	Yield on total investments	8.90%	8.50%	6.35%
22	Earning Per Share** (Rs.)	(2.57)	(3.95)	(5.62)
23	Book value per Share (Rs.)	2.32	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. 450618 thousand (Previous year 300648 thousand) is used in computing Earnings per share

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

Performance Ratios	2012-13	2011-2012	2010-2011
	(in times)	(in times)	(in times)
Gross Premium Growth Rate	2.09	3.88	200.39
Gross Premium to Shareholders Funds Ratio	1.77	0.93	0.23
Growth Rate of Shareholders Funds	0.10	(0.05)	0.04
Net Retention Ratio	0.88	0.90	0.90
Net Commission Ratio	0.07	0.06	0.06
Expenses of Management to Gross Direct Premium	0.85	1.51	4.97
Combined Ratio	1.17	1.71	5.03



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Performance Ratios	2012-13	2011-2012	2010-2011
	(in times)	(in times)	(in times)
Technical Reserves to Net Premium Ratio	0.71	0.72	0.76
Underwriting Balance Ratios	(0.70)	(1.44)	(5.36)
Operating Profit Ratio	(0.64)	(1.33)	(5.07)
Liquid Assets to Liability Ratio	2.05	2.97	7.56
Net Earning Ratio	(0.64)	(1.33)	(5.07)
Return on Net Worth	(0.99)	(1.12)	(1.04)
Reinsurance Ratio	0.12	0.10	0.10
Claims incurred	0.58	0.57	0.50

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

37. 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	Tamil Nadu	Chennai	Registered
5	Andhra Pradesh	Hyderabad	Registered
6	Gujarat	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
13	Bihar	Patna	Registration awaited

38. Risk Management Architecture

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

- i. 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.
- 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. The risk mitigation strategy is further supplemented by execution of risk mitigation projects identified every quarter.
- 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



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- 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.
 - d. Risk appetite status: Confirmation and state of Max Bupa business results against risk appetite statements approved by the Board.
 - e. Continuous Internal Audit – independent assessment of internal controls and risk mitigation activities embedded across business processes and evaluation of risk management procedures.
39. The financial statements accurately and fairly represent the financial condition of the Company and the insurer is running its business soundly and will be viable over the long term.
40. 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 4 Line 12 (d)	20	Schedule 1 Line 1	20
Schedule 4 Line 10	2685	Schedule 2 Line 1	2685
Schedule 11 Line 2 (a)	358491	Schedule 8 Line 3 (e)	358491
Schedule 13 Line 1	1626	Schedule 14 Line 5 (e)	1626
Schedule 13 Line 6	95464	Schedule 14 Line 5 (d)	95464
Schedule 13 Line 6	257904	Schedule 14 Line 5 (f)	257904

As per our report of even date

For V.Sahai Tripathi & Co
Chartered Accountants

Mahesh Sahai

Partner
Membership No. F 06730
FR No. 000262NFor Thakur, Vaidyanath Aiyar & Co.
Chartered AccountantsK.N.Gupta
Partner
Membership No. F 09169
FR No. 000038NPlace: New Delhi
Date: Apr 26, 2013

For and on behalf of the Board of Directors

Director

Director

Company Secretary

Chief Financial Officer

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 2013:

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, 2013.
2. It is certified that all the dues payable to the statutory authorities up to March 31, 2013 have been duly paid.
3. It is confirmed that the Indian and Foreign shareholding pattern during the year ended March 31, 2013 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, 2013.

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

	FY 2012-13		FY 2011-12		FY 2010-11	
	No. Of claims	Amount Involved (Rs.'000s)	No. Of claims	Amount Involved (Rs.'000s)	No. Of claims	Amount Involved (Rs.'000s)
1 month	1406	36950	710	47650	99	3899
1-3 months	323	23389	131	7223	34	2630
3-6 Months	32	2772	27	1330	6	382
6 Months - 1 Year	-	-	1	400	1	2
1 Year - 5 Years	-	-	-	-	-	-
5 Years & above	-	-	-	-	-	-

10. As at March 31, 2013, 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, 2013 has been calculated as per guidelines issued by Fixed Income Money Market & Derivatives Association (FIMMDA).

Acquisition cost of Debt Securities is Rs. 1866818 thousand (Previous year 1402275 thousand), amortized value is Rs. 1889581 thousand (Previous year Rs. 1429999 thousand) and market value at Rs. 1893218 thousand (Previous year Rs. 1427343 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, 2013.

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

SN	Entity in which Director is Interested	Nature of Payment	Amount of Payment during the Financial Year (Rs. '000)
1	Max India Limited	Other Expenses	1360
2	Max Life Insurance Company Limited	Insurance Premium	1829
		Other expenses	1601
3	Max Healthcare Institute Limited	Pre-employment medical checkup	100
		Claims paid	25115
4	NIIT Technologies Limited	Professional Fees	9059
5	Bupa (Asia) Limited	Software License Fee	11013

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



Manoj
Director

A. M. Chakraborty
Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

Place: New Delhi

Date: Apr 26, 2013