

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of Max Bupa Health Insurance Company Limited will be held on **Tuesday, April 29, 2014 at 1615 hrs (IST)** at 2, South End Lane, Rajesh Pilot Marg, New Delhi - 110011 to transact the following business:

Ordinary Business

- (1) To consider, approve and adopt the Audited Balance Sheet as on March 31, 2014, Revenue Account 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. Anuroop Singh who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint director in place of Mr. Anthony Maxwell Coleman 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.

The retiring auditors of the Company, M/s Thakur Vaidyanathan Aiyer & Co., Chartered Accountants, Delhi and M/s Nangia & 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 as per the provisions of Companies Act, 2013 read with provisions of Insurance Act, 1938, Insurance Regulatory Development Authority (IRDA) Act and Regulations framed there under.

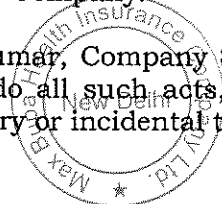
Special Business

(5) **Appointment of Mr. K Narasimha Murthy as Director of the Company**

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

"RESOLVED THAT pursuant to the Section 161 and other applicable provisions, if any, of the Companies Act, 2013, Mr. K. Narasimha Murthy who was appointed as an Additional Director of the Company effective September 24, 2013 and whose term of office expires, as per Section 161 of the Companies Act, 2013 at this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as the Director of the Company."

"RESOLVED FURTHER THAT Mr. R Mahesh Kumar, 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: Block B1/1-2, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi - 110044

Registered Office: Max House, 1 Dr. Jha Marg,
Okhla, New Delhi - 110 020
www.maxbupa.com



(6) Appointment of Mr. Rajesh Sud as Director of the Company

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

“RESOLVED THAT pursuant to the Section 161 and other applicable provisions, if any, of the Companies Act, 2013, Mr. Rajesh Sud who was appointed as an Additional Director of the Company effective April 29, 2014 and whose term of office expires, as per Section 161 of the Companies Act, 2013 at this Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as the Director of the Company.”

“RESOLVED FURTHER THAT Mr. R Mahesh Kumar, 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.”

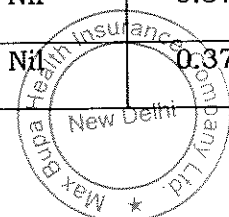
(7) Offer of 2.5 Crore equity shares on Right Basis

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

“RESOLVED THAT as per the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment or re-enactment thereof) read with Memorandum and Articles of Association of the Company and other applicable laws/rules, the consent of the Company be and is hereby accorded to offer 2.5 Crore equity Shares of Rs. 10 each fully paid up for cash, at par in the share capital of the Company on right basis, to the existing shareholders as on record date i.e. April 29, 2014 in the proportion of 1 Share for every 26.76 Share held and that such equity shares shall rank pari passu with the existing shares of the Company;

RESOLVED FURTHER THAT the Shareholders eligible for fractional shares on Right Basis be given fractional entitlement in the proportion of their holding;

Name of the Allottees	Address	No. of shares held as on April 30, 2014	No. of Shares offered under Right Basis	No. of Fractional Entitlement Offered
Max India Limited	Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144533	49,50,59,970	1,84,99,998	0.8789
Analjit Singh	15, Aurangzeb Road, New Delhi - 110011	10	Nil	0.3737
Mohit Talwar	Flat No. - 1518-B, Building No. - 4, Tower -	10	Nil	0.3737



	15, the Magnolias, DLF Golf Links, Golf Course Road, Gurgaon-122009			
C.V Raghu	A-602, Saransh Apartments 34, I P Extn., New Delhi-110092	10	Nil	0.3737
Bupa Singapore Holdings Pte. Ltd.	15, Beach Road, #04-03, Beach Centre, Singapore-189677	17,39,39,970	64,99,998	0.8789
Elizabeth Alisor Platt	56 Hampton Road, Teddington, Middlesex, TW110JX, United Kingdom	10	Nil	0.3737
James Gordon Wheaton	12 High field Mews, Compayne Gardens, London-NW63GB	10	Nil	0.3737
Damien Vincent Marmion	Orchard House, Wyatts Lane, Horsted Keynes, RH17 7AH, United Kingdom	10	Nil	0.3737
Total		66,90,00,000	2,49,99,996	4.00

RESOLVED FURTHER THAT the offer shall be opened on May 5, 2014 and remain open till June 4, 2014. In case the subscription is received is full before the date of the closure of offer, the Board is authorized to proceed with the allotment. The Draft letter of offer enclosed herewith be approved for issue to the above Shareholders;

RESOLVED FURTHER THAT the Board be and is hereby authorized to allot shares once the subscription money is received along with application for Right shares;

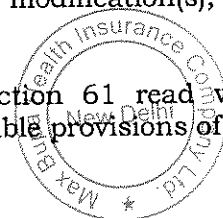
RESOLVED FURTHER THAT the Shareholders, eligible to subscribe to shares on Right Basis, be eligible for renouncing their Right shares and fractional entitlement coupons, subject to the provisions of the Companies Act, 2013, Insurance Act, 1938, Insurance Regulatory Development Authority (IRDA) Regulations, Reserve Bank of India (RBI) and any other applicable laws, in favor of any other person;

RESOLVED FURTHER THAT any one of the Director and/or Mr. R Mahesh Kumar, Company Secretary of the Company be and is hereby authorized to issue letter of offer in connection with the proposed Issue and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto."

(8) To Increase the Authorized Share Capital of the Company

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

"RESOLVED THAT pursuant to the provisions of Section 61 read with Section 64 of the Companies Act, 2013 and other applicable provisions of the



Act, if any, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following:

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

RESOLVED FURTHER THAT any of the Directors of the Company and/or Mr. R Mahesh Kumar, Company Secretary, be and is hereby authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.”

(9) Authority to Board to issue equity shares up to 10 Crore of Rs. 10 each on Right basis, in next 12 months in one or more tranches

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

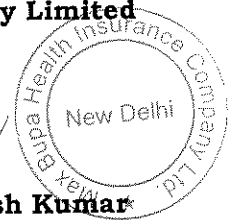
“RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment or re-enactment thereof) read with Memorandum and Articles of Association of the Company and other applicable laws Rules, the consent of the Company be and is hereby accorded to the Board to issue and allot on Rights Basis, from time to time , in one or more tranches, up to 10 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 Right basis, to the shareholders of the Company appearing as Members in the Register of Members, on the date of Rights offer, as the Board may decide and that such equity shares shall rank pari passu with the existing shares of the Company:

RESOLVED FURTHER THAT any of the Directors of the Company and/or Mr. R Mahesh Kumar, 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.”

For Max Bupa Health Insurance Company Limited

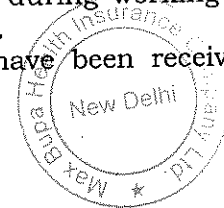
New Delhi
April 29, 2014


R Mahesh Kumar*
Director – Legal & Compliance
and Company Secretary



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 102 of the Companies Act, 2013 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 102 of the Companies Act, 2013

1. A statement setting out the material facts in the nature of concern of interest, financial or otherwise of every director and the manager and every other key managerial person and relatives thereof, concerning item of special business to be transacted at a general meeting ;-

DIN of Director/ Manager/KMP/ Relative	Name of KMP/Director	Nature of Financial Interest	Nature of Other Interest
00023046	K Narasimha Murthy	NIL	Appointment as Director
02395182	Rajesh Sud	Nil	Appointment as Director

2. Item No. 5

Regularization of appointment of Mr. K. Narasimha Murthy as a Director of the Company

Mr. K. Narasimha Murthy was appointed as an Additional Director of the Company by the Board of Directors effective from September 24, 2013 pursuant to Section 161 of the Companies Act, 2013 and Article 88 & 91 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr. K Narasimha Murthy can hold Office up to the date of this Annual General Meeting. As required under Section 160 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. K. Narasimha Murthy for appointment as an Independent Director on the Board of the Company.

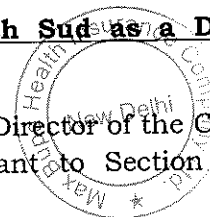
No other Director except Mr. K. Narasimha Murthy is concerned or interested in this resolution.

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

3. Item No. 6

Regularization of appointment of Mr. Rajesh Sud as a Director of the Company

Mr. Rajesh Sud was appointed as an Additional Director of the Company by the Board of Directors on April 29, 2014 pursuant to Section 161(1) of the



Companies Act, 2013 and Article 88 & 91 of the Articles of Association of the Company.

Pursuant to Section 161(1) of the Companies Act, 2013 Mr. Rajesh Sud can hold office up to the date of this Annual General Meeting. As required under Section 160 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. Rajesh Sud for appointment as Non – Executive Nominee Director of Max India Limited on the Board of the Company.

None of the Director except Mr. Rajesh Sud is concerned or interested in this resolution.

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

4. Item no.7

Offer of 2.5 Crore equity shares on Right Basis

In order to meet the requirement of funds for the business, as per Plan, the Company is required to be capitalized by issue of equity shares in the share capital of the Company. Hence, it is proposed to issue further shares to the existing Shareholders of the Company, namely, Max India Limited and Bupa Singapore Holdings Pte. Ltd (and their nominees) on Right Basis.

It is proposed to offer one shares as Rights for every 26.76 shares held as on the record date i.e. April 29, 2014.

None of the Director is deemed to be concerned or interested in this resolution.

Your Directors recommend passing of the resolution contained in Item No. 7 as a Special Resolution.

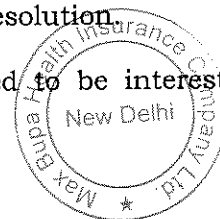
5. Item no. 8

To Increase the Authorized Share Capital of the Company

The Company proposes to increase the Authorized Share Capital from existing Rs. 7000 million to Rs. 1000 million in order to meet the capitalization requirements in line with the business plans.

Pursuant to the provisions of Section 61 read with Section 64 of the Companies Act, 2013 and other applicable provisions of the Act, if any, alteration in the Memorandum of Association by way of increase in the Authorized Share Capital requires members' consent by way of a Special Resolution.

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. 8 as a Special Resolution.

5. Item no. 9

In order to meet the business requirements in line with the business plan of the Company for the financial year 2014-15, the Company shall be receiving share subscription moneys, in one or more tranches, during this period.

It is required to be capitalized by issue of equity shares in the share capital of the Company to the existing shareholders of the Company i.e. Max India Limited and Bupa Singapore Holdings Pte. Ltd. Accordingly, It is proposed to accord members' approval for issue and allotment of up to 10 Crore equity shares of Rs. 10/- each for cash at par on Right basis within a period of ensuing 12 months from the date of this resolution, in one or more tranches, pursuant to Section 62 and other applicable provisions, if any of Companies Act, 2013.

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.

For Max Bupa Health Insurance Company Limited

New Delhi
April 29, 2014


R Mahesh Kumar
Director - Legal & Compliance
and Company Secretary



DIRECTORS' REPORT

Your Directors have pleasure in presenting the sixth Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2014.

BUSINESS HIGHLIGHTS

The highlights for the Financial Year ended March 31, 2014 are as under:

Particulars	(Rs in '000)	
	2013-14	2012-13
Gross Written Premium	3,088,549	2,072,184
Add Reinsurance Accepted	-	889
Less Reinsurance Premium	126,466	248,989
Net Premium	2,962,083	1,823,195
Unexpired Risk Reserve	585,485	539,476
Earned Premium	2,376,598	1,283,719
Total Underwriting Revenue	2,376,598	1,283,719
Net Incurred Claims	1,403,962	750,352
Commission paid (net)	278,760	128,634
Expenses of Management	2,276,676	1,770,942
Premium Deficiency Reserve	5,653	-
Total Underwriting expenses	3,965,051	2,649,928
Underwriting Profit/(Loss)	(1,588,453)	(1,366,209)
Investment Income:		
Allocated to Revenue Account	140,690	97,520
Allocated to P&L Account	117,412	105,852
Other Income	4,035	3,213
Other Expenses	-	-
Provisions	2,397	-
Profit/(Loss) before Tax	(1,328,713)	(1,159,624)
Key Business Parameters		
Solvency Ratio	2.13:1	2.12:1
Share Capital (Rs. crores)	669	504
Foreign Direct Investment(Rs. crores)	173.94	131.04
No. of Employees	1,330	1,122
No. of offices	22	21
No. of Agents	15,347	9,398
No. of Policies	204,901	150,311

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 2013 -14 (Period Apr'13-Feb'14) reached Rs 15,985 crore from Rs. 13,649 crore in FY 2012-13 (Period Apr'12-Feb'13), registering a growth of 17%.

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. Guidelines on submission of Data related to AML/CFT - These guidelines require the insurers to submit quarterly report on AML related information to the Authority.
2. Requirements related to TPAs under IRDA (Health Insurance) Regulations 2013- Directions from the Authority require the insurers to review their agreements entered into with TPAs in terms of IRDA (Health Insurance) Regulations 2013 and file a copy of the Agreements with IRDA. Insurers have been directed to ensure that the detailed guidelines with respect to claims assessment, admission, etc. by the TPA are prepared and given to the respective TPAs for implementation.
3. IRDA (Licensing of Banks as Insurance Brokers) Regulations 2013 – Regulations provide the framework under which Banks may act as insurance brokers for insurance products.
4. TRAI Guidelines- TRAI and IRDA issued guidelines/circulars emphasizing insurers not to engage in any unsolicited commercial calling. They further emphasized that insurers shall not engage any entity not registered with TRAI for any promotional activity. Insurers are also made liable for unsolicited commercial calling done by their agents.
5. Guidelines on Key Persons – Guidelines expands the definition of Key Persons by including certain persons in the scope of the definition and Insurers have been directed to submit details of key persons as per modified definition in the prescribed formats.
6. Disclosures of Unclaimed amounts- Guidelines laid down for insurers to ensure that disclosure of Unclaimed Amount are done on website and adequate steps are taken to make payment to the policyholders of such unclaimed amounts. Audit Committee and Protection of Policyholder's Interest committees have been entrusted to oversee compliance of the guidelines.
7. Policy Servicing Forms in regional languages- Insurers have been directed to make the Policy serving forms available in the languages recognized under Constitution of India and use the font equal to or higher than the minimum font size prescribed under the circular.

The Health Insurance industry in India has undergone transformational changes over the last one year. Changes in the regulatory environment had path-breaking impact on the development of the industry. During the year the Health Insurance Regulations 2013 was due for implementation and all the existing products/ new products were required to be compliant from October 1st, 2013. The Company ensured that the products were compliant with the requirements. The Regulator released several regulations dealing with Insurance broking license to Banks, treatment of unclaimed Policyholder's amount, Third Party Administrators and hospitals, system based report and data submission etc. These regulations will impact our operations to some extent and may require recalibration of certain processes but these regulations mitigates few industry level pending issues. For instance, the guidelines on TPA ensure final adjudication of claim by insurer resulting in better claim experience by the customer thus reducing consumer disputes. IRDA has also initiated the Business Analytics Project (BAP) under which all the returns being filed by the insurers will be moved from manual to online mode. It is expected that manual filing of the returns will be phased out over time.

PHILOSOPHY

Max Bupa's philosophy and mission is to help people live 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 1300 people and network of 22 offices across 13 cities, namely - Delhi, Mumbai, Hyderabad, Chennai, Bangalore, Surat, Ludhiana, Chandigarh, Jaipur, Kochi, Kolkata, Pune, Noida and Patna.

The Company has developed a strong network of over 3400 quality hospitals and healthcare providers up from 1500 last year. 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. Keeping the customer need at the core we have redesigned Heartbeat to offer more comprehensive coverage by extending it to offer international medical treatment and assistance. 'Heartbeat' has created a niche for itself through its focus on Health Care and its unique service offering and we would be launching the new version in next few months

During the year, we have launched two new highly flexible and comprehensive products to serve our group customers better. This includes Group Personal Accident and Group Health Insurance. Group Personal Accident is Max Bupa's first fixed benefit product on group platform. Product offers core coverage for Accidental Death, Permanent Total Disability, Permanent Partial Disability and Temporary Total Disability and customers can pick and choose benefits basis their requirements. In addition to this customers have additional 12 optional benefits which can help them further tweak our offering basis their group members need.

Group Health Insurance is the next generation product which offers a combination of indemnity and fixed benefit coverage to our customers. Customers have the flexibility to cull out 32 possible combinations from the base benefit; in addition they can pick and choose from 18 other optional benefits which are available to them.

Based on feedback received from the customers, intermediaries and as part of our constant efforts towards enriching the product offerings to the customers, the Company modified its flagship product 'Heartbeat' to enhance the coverage being made available to the customers. In tandem with the same, Health Companion with enhanced benefits has also been refilled with the regulator.

DIRECTORS

The Board of Directors of the Company comprises of Ten (10) members as on March 31, 2014. The Board of Directors is responsible for approval of overall corporate strategy and other Board related matters.

In accordance with the provisions of the Companies Act, 1956, the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anuroop Singh and Mr. Anthony Maxwell Coleman retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

During the year, Mr. Leo Puri, Independent Director of the Company and Mr. Neil Robert Taylor, nominee of BUPA Singapore Holdings PLC Ltd., resigned from the Directorship. of the Company.

The Company places on record its deep appreciation of contribution made by Mr. Leo Puri and Mr. Neil Robert Taylor during their association with the Company.

Further, Mr. K Narasimha Murthy was appointed as an Additional and Independent Director on the Board of the Company. Pursuant to Section 161 of the Companies Act, 2013, the additional directors shall hold office only up to the date of the ensuing Annual General Meeting, the appointment of Mr. K Narasimha Murthy needs to be regularized in the ensuing Annual General Meeting. The Company has received notice from a member pursuant to Section 160 of the Companies Act 2013, proposing the candidature of Mr. K Narasimha Murthy, for appointment as Director of the Company at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

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

The Board of the Company as on March 31, 2014 comprises of Six Non-Executive Directors, Three Independent Directors and One Whole Time Director.

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

The Company has received Deed of Covenant and Declaration from Directors appointed during the year 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. 504 crore to Rs. 669 crore.

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, 2014, the solvency ratio of the Company was at 2.13:1.

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 31.03.2014		
	GWP Rs.'000s	No. of Lives	% of GWP
Rural	181,150*	1,087,357	5.87%
Social	14,631*	197,268	0.47%
Urban	2,907,399	698,992	94.13%

* GWP of Rs. 14,631 thousands is under both Rural as well as Social sector

AUDITORS

M/s Thakur Vaidyanathan Aiyer & Co., Chartered Accountants, Delhi and M/s Nangia & Co. Chartered Accountants, Delhi, the current Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible as per the applicable provisions of IRDA and the Companies Act, 2013 have expressed their willingness to be re-appointed as Statutory Auditors of the Company for the financial year 2014-15.

The Company has received certificate from both the auditors confirming that if they are reappointed then it will be in accordance with the limits specified in the Companies Act, 2013.

Hence, as recommended by the Audit Committee, the Board proposes the reappointment of M/s Thakur Vaidyanathan Aiyer & Co., Chartered Accountants and M/s Nangia & Co., Chartered Accountants as Joint Statutory Auditors of the Company for the financial year 2014-15.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:-

1. In the preparation of annual accounts for the financial year ended March 31, 2014, the applicable accounting standards had 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;

UPDATE ON SEXUAL HARASSMENT COMPLAINTS

Three complaints have been received by the Sexual Harassment Committee during the Financial Year 2013-14.

The investigation in respect to one case has been completed and final report is awaited. For the balance two cases, the Investigation is under progress. Both the cases were within 30 days from the receiving of Complaint as on March 31, 2014.

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, 2014 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, 2014	For the year ended March 31, 2013
i)	Foreign Exchange Earnings	Nil	Nil
ii)	Foreign Exchange Outgo		
	CIF Value of Imports		
	- Capital Goods	Nil	Nil
	- Trading Goods	Nil	Nil
	Others	26,374	24,501

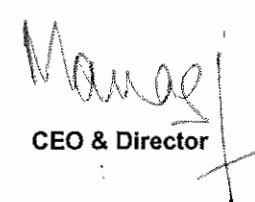
ACKNOWLEDGEMENTS

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 thanked Policyholders, Intermediaries and Employees of the Company for the continued support and cooperation.

For and on behalf of the Board of Directors

Place: New Delhi
Date: April 29, 2014


Director


CEO & Director

ANNEXURES

I. Disclosures for the FY 2013-14 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
Anuroop Singh – Chairman	4	4
Rahul Khosla	4	4
Mohit Talwar	4	4
Elizabeth Alison Platt	4	3
James Gordon Wheaton	4	4
Damien Vincent Marmion	4	4
Neil Robert Taylor Regularized as a Director on Annual General Meeting held on April 26, 2013 and subsequently resigned as a Director w.e.f March 20, 2014	4	1
Anthony Maxwell Coleman	4	3
Amit Sharma	4	4
Leo Puri Resigned as a Director w.e.f August 1, 2013	4	2
K Narasimha Murthy Appointed as an Additional Director w.e.f September 24, 2013	4	2
Manasije Mishra Regularized as a Director on Annual General Meeting held on April 26, 2013. Further, Regularized as a Whole time Director w.e.f August 1, 2012 in the Annual General Meeting held on April 26, 2013	4	4

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
K. Narasimha Murthy – Chairman*	4	2
Anthony Maxwell Coleman**	4	3
Anuroop Singh***	4	1
Amit Sharma	4	4
James Gordon Wheaton	4	4
Rahul Khosla	4	3

* Inducted as a Chairman and Member w.e.f September 24, 2013

** Ceased to be a Chairman w.e.f September 24, 2013

*** Inducted as a Member w.e.f October 7, 2013 and subsequently, ceased to be a Member w.e.f January 24, 2014

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	4
Anuroop Singh*	4	1
Anthony Maxwell Coleman	4	3
James Gordon Wheaton	4	4
Manasije Mishra	4	4
Neeraj Basur	4	3
Vishal Garg	4	3
Biresih Giri	4	3

*Inducted as Member w.e.f October 7, 2013 and subsequently, ceased to be a Member w.e.f January 24, 2014

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
Anuroop Singh*	4	1
Mohit Talwar	4	3
Leo Puri**	4	2
Anthony Maxwell Coleman	4	3
Amit Sharma	4	4
K Narasimha Murthy***	4	2

*Inducted as member w.e.f October 7, 2013 and subsequently, ceased to be a member w.e.f January 24, 2014

** Ceased to be a Member w.e.f August 1, 2013

*** Inducted as a Member w.e.f September 24, 2013

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	4
Anuroop Singh*	4	1
Anthony Maxwell Coleman	4	3
Amit Sharma	4	4
Mohit Talwar	4	3
Elizabeth Alison Platt	4	3

* Inducted to be Member w.e.f October 7, 2013 and subsequently, ceased to be a Member w.e.f January 24, 2014

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	3
Anuroop Singh*	4	1
Leo Puri**	4	2
Rahul Khosla	4	3
Mohit Talwar	4	3
Damien Vincent Marmion	4	4
Elizabeth Alison Platt	4	3

K Narasimha Murthy ***	4	2
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* Inducted as a Member w.e.f October 7, 2013 and subsequently, ceased to be a Member w.e.f January 24, 2014

** Ceased to be a Member w.e.f August 1, 2013

*** Inducted as a Member w.e.f September 24, 2013

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
Anthony Maxwell Coleman – Chairman*	4	3
Leo Puri**	4	2
Anuroop Singh***	4	2
Rahul Khosla	4	4
Damien Vincent Marmion	4	4
Elizabeth Alison Platt	4	4
K Narasimha Murthy ****	4	2

* Inducted as a Chairman w.e.f September 24, 2013

** Ceased to be a Member and Chairman w.e.f August 1, 2013

*** Inducted as a member w.e.f October 7, 2013 and subsequently, ceased to be a Member w.e.f January 24, 2014

**** Inducted as a Member w.e.f September 24, 2013

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 Gordon Wheaton Nominee-Bupa Singapore	Non Executive	Chartered Accountant
Dr. Damien Vincent Marmion Nominee-Bupa Singapore	Non Executive	MB, MS, MSC, MBA
Mr. Anthony Maxwell Coleman	Independent	MBA(Macquarie University), Fellow of Institute of Actuaries (Australia), Fellow of Institute of Actuaries (UK)
Mr. Amit Sharma	Independent	MBA, MS, B.Tech
Mr. K Narasimha Murthy	Independent	B.SC, FCA, FICWAI
Mr. Manasije Mishra	Executive	MBA (XLRI), Associate of the Chartered Institute of Bankers, UK.

i. Your Company did not pay any remuneration to the Independent Non Executive Directors.

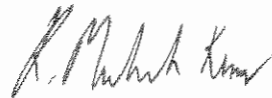
j. Sitting Fees

The Company did not paid any sitting fees to its Directors for attending the Board and Committees meetings of the Company held during FY 2013-14.

Certification from the Compliance Officer in the format prescribed:

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

New Delhi
April 29, 2014



R Mahesh Kumar
Director – Legal & Compliance and
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, 2014

Sl No.	Name	Age (Years)	Designation	Nature of duties	Remuneration (Rs.)	Qualification	Date of Commencement of employment	Experience (Years)	Organization	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 Baur	44	Chief Financial Officer	Financial Management	13,182,167	M.Com, FCA, ACS	01-Jan-2009	21	Max India Limited	Sr. Vice President-Corporate Finance	
2	Mr. Sibirarajan Patnalk	50	Head - Agency Channel	Sales and Distribution Management	8,592,119	LLB, MSc	01-Apr-2009	24	Max New York Life Insurance Co. Ltd.	Senior Vice President and National Head of Group Business	
3	Mr. Anil Arora	38	Head-Direct Channel	Sales and Distribution Management	7,821,171	PGDBMBA	04-May-2009	12	Citi Bank	Area Director	
4	Mr. Munish Sharma	44	Senior Vice President - Finance & Financial Controller	Financial Management	7,589,285	FCA	29-Sep-2009	19	Genpact Limited	Vice President-Finance (BFS)	
5	Mr. Birender Ahluwalia	45	Director-Sales and Distribution	Sales and Distribution Management	17,220,246	Master Degree in Management Studies	25-Jul-2011	21	This Sky Ltd	Chief Sales and Services Officer	
6	Mr. Biresh Gill	34	Chief Actuary	Actuarial	9,865,893	M Stat, FIAI	26-Oct-2011	11	Milliman India Private Limited	Consulting Actuary	
7	Mr. Manasje Mishra	48	Chief Executive Officer	General Management	14,743,657	ACIS & PGDM	01-May-2012	23	Genera-HSEC OBC Life Insurance Company	Managing Director & chief Executive officer	
8	Mr. Gagan Bhalra	38	Director - Development	Development - Management	10,151,669	MBA, Healthcare and Finance	29-May-2012	14	AETNA	Managing Director	
9	Mrs. Tarunam Hasib	42	Head - Bancassurance and Third Party Distribution	Sales and Distribution Management	8,313,669	B.Com & CA	01-Aug-2012	19	Genera-HSEC OBC Life Insurance Company	Head Business	
10	Ms. Swastika Bhandari	37	Director - Marketing	Marketing Management	6,098,956	PGDBM	06-Sep-2012	12	ICICI Bank	Head Product and Strategy	
11	Mr. Somesh Chandra	38	Director-Customer Services, Operations and Technology	Customer Services, Operations and Technology	13,468,049	Bachelor of Technology (B.Tech.)	11-Apr-2013	20	Religare Enterprises Limited	Director and Head O & T Strategy and shared Services	
14	Mr. R. Mahesh Kumar	42	Director - Compliance, Secretarial & Legal	Legal, Compliance & Secretarial	6,640,734	B.Sc. ACA, ICWA, ACS	03-Jun-2013	18	Kotak Mahindra Old Mutual Life Insurance Co Ltd	Head- Legal & Compliance, Risk Control Unit and Company Secretary	
12	Ms. Alexandra May Milnes	31	Associate Vice President-Corporate Strategy	Development - Management	12,727,700	Master of Finance	01-Aug-2013	8	Bupa	Senior Consultant	
13	Mr. Sahej Mohanty	40	Director- Human Resources	Human Resource Development	7,738,470	Post Graduate Program in Professional Management	15-Sep-2013	15	Nestle SA	Global HR BE Manager	

B. Employed for part of the year and were in receipt of remuneration of not less than Rs. 500,000/- per month

1	NIL										
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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.

On behalf of the Board of Directors

Anuroop Singh

Anuroop Singh
Chairman

AUDITOR'S REPORT TO THE SHAREHOLDERS

To
The Members
MAX BUPA HEALTH INSURANCE COMPANY LIMITED
New Delhi

Report on the Financial Statements

We have audited the attached financial statements of **Max Bupa Health Insurance Company Limited** (the Company') which comprise the Balance Sheet as at March 31, 2014, the related Revenue Account, the Profit and Loss account and the Receipts and Payment account, for the year then ended and a summary of significant accounting policies and the explanatory information which we have signed under reference to this report.

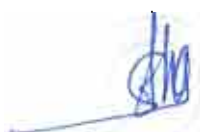
Management's Responsibility for the financial statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the Balance Sheet, the related Revenue Account, the Profit and Loss Account and Receipts and Payment Account of the Company in accordance with the Accounting Principles generally accepted in India, including the provisions of Insurance Act, 1938 ('the Insurance Act'); the Insurance Regulatory Development Authority Act, 1999 (the 'IRDA Act'), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations 2002, (the 'IRDA Financial Statement Regulations'), read with sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') to the extent applicable. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the



auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

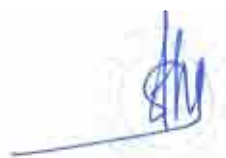
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements are prepared in accordance with the requirements of the Insurance Act, the IRDA Act, the IRDA Financial Statements regulations and the Companies Act, 1956 to the extent applicable, and in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. in the case of Revenue Account, of the deficit for the year ended on that date;
- c. in the case of Profit and Loss Account, of the loss for the year ended on that date; and
- d. in the case of Receipts and Payment Account, of the Receipts and Payment for the year ended on that date.

Other Matter

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, 2014 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.



Report on Other Legal and Regulatory Requirements

1. As required by the IRDA financial Statements Regulations, we set out in an annexure a statement certifying the matters specified in paragraph 4 of Schedule C to the IRDA Financial Statements Regulations.
2. As required by the IRDA Financial Statements Regulations, read with section 227(3) of the Companies Act, 1956, 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 Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account, dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and the rules framed thereunder, to the extent they are non-inconsistent with the accounting principles prescribed in the Regulations and Orders / directions issued by IRDA in this regard;
 - f) In our opinion and according to the information and explanations given to us, we further report that Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders / directions issued by IRDA in this regard;
 - g) 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;
 - h) On the basis of the written representations received from the directors, as at March 31, 2014 and taken on record by the Board of Directors, none of the



directors are disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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:-

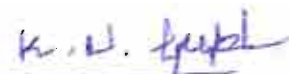
- We have reviewed the management report and there are no apparent mistakes or material inconsistencies with the financial statements; and
- Based on the information and explanations received during the course of our audit, management representations by officers of the Company charged with compliance 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
Nangia & Co
Chartered Accountants

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



(Vikas Gupta)
Partner
M.N.-076879
FRN: 002391C



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

Place: New Delhi
Dated: 29th Apr, 2014

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, 2014)

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
Nangia & Co
Chartered Accountants


(Vikas Gupta)
Partner
M.N.-076879
FRN: 002391C



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


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

Place: New Delhi
Dated: 20th Apr, 2014

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

1	Premiums earned (Net)	1	2376598	1283719
2	Profit/ Loss on sale/redemption of Investments		-	-
3	Others		-	-
4	Interest, Dividend & Rent – Gross		140690	97520
	Total (A)		2517288	1381239
1	Claims Incurred (Net)	2	1403962	750352
2	Commission	3	278760	128634
3	Operating Expenses related to Insurance Business	4	2276676	1770942
4	Premium Deficiency		5653	-
	Total (B)		3965051	2649928
	Operating Profit/(Loss) from Miscellaneous Business [C= (A - B)]		(1447763)	(1268689)
	Appropriations			
	Transfer to Shareholders' Account		(1447763)	(1268689)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	Total (C)		(1447763)	(1268689)

**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 Nangia & Co.
Chartered Accountants



Vikas Gupta
Partner
Membership No. F 076879
FR No. 002391C




Director


Director

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants


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


Company Secretary


Chief Financial Officer

Place : New Delhi
Date: 29th Apr, 2014



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, 2014

SN	Particulars	For the year ended Mar 31, 2014 (Rs.'000)	For the year ended Mar 31, 2013 (Rs.'000)
1	Operating Profit/(Loss)		
	(a) Miscellaneous Insurance	(1447763)	(1268689)
2	Income From Investments		
	(a) Interest, Dividend and Rent – Gross	91958	84804
	(b) Profit on sale of investments	25454	21048
	Less: Loss on sale of investments	-	-
3	Other Income		
	(a) Gain on Foreign Exchange Fluctuation	84	-
	(b) Interest Income	1594	978
	(c) Liabilities no longer required written back	2357	2235
	Total (A)	<u>(1326316)</u>	<u>(1159624)</u>
4	Provisions (Other than Taxation)		
	(a) For diminution in the value of investments	-	-
	(b) For doubtful debts	-	-
	(c) Others	2397	-
5	Other Expenses		
	(a) Expenses other than those related to Insurance Business	-	-
	(b) Bad debts written off	-	-
	(c) Others	-	-
	Total (B)	<u>2397</u>	<u>-</u>
	Profit/(Loss) Before Tax	(1328713)	(1159624)
	Provision for Taxation		
	(a) Fringe Benefit Tax	-	-
	Profit/(Loss) After Tax	<u>(1328713)</u>	<u>(1159624)</u>
	Appropriations		
	(a) Interim dividends paid during the quarter	-	-
	(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	(3940334)	(2780710)
	Balance carried forward to Balance Sheet	<u>(5269047)</u>	<u>(3940334)</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 Nangia & Co.

Chartered Accountants

Vikas Gupta

Vikas Gupta
Partner

Membership No. F 076879
FR No. 002391C



For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

K.N. Gupta

K.N. Gupta
Partner

Membership No. F 09169
FR No. 000038N



Place : New Delhi

Date: 29th Apr, 2014

For and on behalf of the Board of Directors

Mougal
Director

[Signature]
Director

R. Mahesh Kumar
Company Secretary

[Signature]
Chief Financial Officer

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

BALANCE SHEET AS AT MARCH 31, 2014

Particulars	Schedule	As at Mar 31, 2014 (Rs.'000)	As at Mar 31, 2013 (Rs.'000)
Sources of Funds			
Share Capital	5	6690000	5040000
Share Application Money		-	70200
Reserves and Surplus	6	-	-
Fair Value Change Account		787	1382
Borrowings	7	-	-
Total		6690787	5111582
Application of Funds			
Investments	8	3369443	2598943
Loans	9	-	-
Fixed Assets	10	314054	228536
Current Assets:			
Cash and Bank Balances	11	141177	31967
Advances and Other Assets	12	417358	291314
Sub-total (A)		558535	323281
Current Liabilities	13	739650	548812
Provisions	14	2080642	1430700
Sub-total (B)		2820292	1979512
Net Current Assets (C) = (A - B)		(2261757)	(1656231)
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		5269047	3940334
Total		6690787	5111582
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 - CEO Remuneration (Refer Note 20, Part C of Schedule 16)		1072	-
Total		1072	-

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 Nangia & Co.
Chartered Accountants

Uma Gupta
Vikas Gupta
Partner
Membership No. F 076879
FR No. 002391C



For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

K.N. Gupta
K.N. Gupta
Partner
Membership No. F 09169
FR No. 000038N
Place : New Delhi
Date: 29th Apr, 2014



For and on behalf of the Board of Directors

Manoj
Director

[Signature]
Director

[Signature]

Company Secretary

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, 2014

Particulars	For the year ended Mar 31, 2014 (Rs.'000)	For the year ended Mar 31, 2013 (Rs.'000)
Cash Flows from the Operating Activities:		
Premium received from Policyholders, including Advance Receipts	3488755	2190652
Other Receipts	-	843
Payments to the re-insurers, net of commissions and claims	(53550)	(91611)
Payments to co-insurers, net of claims recovery	-	-
Payments of claims	(1272597)	(683626)
Payments of commission and brokerage	(315860)	(176074)
Payments of Other Operating Expenses	(2226976)	(1704173)
Preliminary and Pre-operative Expenses	-	-
Deposits, Advances and Staff Loans	(66276)	995
Income Taxes Paid (Net)	-	-
Service tax paid	(258095)	(139012)
Other Payments	-	-
Cash Flows before Extraordinary Items	(704599)	(602007)
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	(704599)	(602007)
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(211335)	(119248)
Proceeds from sale of fixed assets	-	-
Purchases of investments(Net)	(7790031)	(6343048)
Loans disbursed	-	-
Sales of investments	-	-
Repayments received	5433431	4379727
Rents/Interests/ Dividends received	171160	128090
Investments in money market instruments and in liquid mutual funds (Net)	1630784	1297288
Expenses related to investments	-	-
Net cash flow from investing activities	(765991)	(657192)
Cash flows from financing activities:		
Proceeds from Share Capital	1579800	1265200
Share Application Money	-	-
Proceeds from borrowing	-	-
Repayments of borrowing	-	-
Interest/dividends paid	-	-
Net cash flow from financing activities	1579800	1265200
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net increase/(decrease) in cash and cash equivalents:	109210	6001
Cash and cash equivalents at the beginning of the year	31967	25966
Cash and cash equivalents at the end of the year	141177	31967
Net increase/(decrease) in cash and cash equivalents:	109210	6001

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

For Nangia & Co.
Chartered Accountants


Vikas Gupta
 Partner
 Membership No. F 076879
 FR No. 002391C



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: 29th Apr, 2014

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, 2014 (Rs.'000)	For the year ended Mar 31, 2013 (Rs.'000)
SCHEDULE – 1		
PREMIUM EARNED [NET]		
Premium from direct business written*	3088549	2072184
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	<u>126466</u>	<u>248989</u>
Net Premium	2962083	1823195
Less: Adjustment for change in reserve for unexpired risks	<u>585485</u>	<u>539476</u>
Total Premium Earned (Net)	<u>2376598</u>	<u>1283719</u>

* Net of Service Tax

SCHEDULE – 2

CLAIMS INCURRED [NET]

Claims paid		
Direct	1400180	723504
Add: Re-insurance accepted	-	-
Less: Re-insurance Ceded	<u>112529</u>	<u>73814</u>
Net Claims paid	1287651	649690
Add: Claims Outstanding at the end of the year	329615	213304
Less: Claims Outstanding at the beginning of the year	<u>213304</u>	<u>112642</u>
Total Claims Incurred*	<u>1403962</u>	<u>750352</u>

* Includes an amount of Rs 53925 thousands during the year (previous year Rs 19110 thousands) on account of expenses incurred towards product related benefit paid to policyholders

SCHEDULE – 3

COMMISSION

Commission paid		
Direct	287771	170427
Add: Re-insurance accepted	-	-
Less: Commission on Re-insurance Ceded	<u>9011</u>	<u>41793</u>
Net Commission	<u>278760</u>	<u>128634</u>

Break Up of expenses incurred to procure business:

Agents	197738	133875
Brokers	85386	36552
Corporate Agency	4647	-
Referral	-	-
	<u>287771</u>	<u>170427</u>



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	(Rs.'000)				(Rs.'000)			
	For the year ended			Total	For the year ended			Total
	Health	Personal Accident	Others		Health	Personal Accident	Others	
SCHEDULE – 1A								
PREMIUM EARNED [NET]								
Premium from direct business written*	3075328	13221	-	3088549	2072184	-	-	2072184
Add: Premium on reinsurance accepted	-	-	-	-	-	-	-	-
Less : Premium on reinsurance ceded	123569	2897	-	126466	248989	-	-	248989
Net Premium	2951759	10324	-	2962083	1823195	-	-	1823195
Less: Adjustment for change in reserve for unexpired risks	579081	6404	-	585485	539476	-	-	539476
Total Premium Earned (Net)	2372678	3920	-	2376598	1283719	-	-	1283719

* Net of Service Tax

SCHEDULE – 2A

CLAIMS INCURRED [NET]

Claims paid

Direct

Add: Re-insurance accepted

Less: Re-insurance Ceded

Net Claims paid

Add: Claims Outstanding at the end of the period

Less: Claims Outstanding at the beginning

Total Claims Incurred*

Direct	1399780	400	-	1400180	723504	-	-	723504
Add: Re-insurance accepted	-	-	-	-	-	-	-	-
Less: Re-insurance Ceded	112509	20	-	112529	73814	-	-	73814
Net Claims paid	1287271	380	-	1287651	649690	-	-	649690
Add: Claims Outstanding at the end of the period	328963	652	-	329615	213304	-	-	213304
Less: Claims Outstanding at the beginning	213304	-	-	213304	112642	-	-	112642
Total Claims Incurred*	1402930	1032	-	1403962	750352	-	-	750352

* Includes an amount of Rs 53925 thousands during the year (previous year Rs 19110 thousands) on account of expenses incurred towards product related benefit paid to policyholders

SCHEDULE – 3A

COMMISSION

Commission paid

Direct

Add: Re-insurance accepted

Less: Commission on Re-insurance Ceded

Net Commission

Direct	286360	1411	-	287771	170427	-	-	170427
Add: Re-insurance accepted	-	-	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	8667	344	-	9011	41793	-	-	41793
Net Commission	277693	1067	-	278760	128634	-	-	128634

Break Up of expenses incurred to procure business:

Agents

Brokers

Corporate Agency

Referral

Agents	197452	286	-	197738	133875	-	-	133875
Brokers	84261	1125	-	85386	36552	-	-	36552
Corporate Agency	4647	-	-	4647	-	-	-	-
Referral	-	-	-	-	-	-	-	-
Total	286360	1411	-	287771	170427	-	-	170427



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, 2014 (Rs.'000)	For the year ended Mar 31, 2013 (Rs.'000)
1 Employees' remuneration and welfare benefits	1066808	793812
2 Travel, conveyance and vehicle running expenses	98778	98385
3 Training expenses	24022	20147
4 Rents, rates and taxes*	125538	135010
5 Repairs	84395	62520
6 Printing and stationery	25951	16758
7 Communication	66996	48105
8 Legal and professional charges	319368	228217
9 Auditors' fees, expenses etc		
(a) as auditor	2200	1935
(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	316146	256045
11 Interest and bank charges	16862	13595
12 Others		
(a) Business and Sales Promotion	304	661
(b) Membership and Subscription	3579	3730
(c) Loss on Disposal of Fixed Assets	19837	55
(d) Loss on Foreign Exchange Fluctuation	-	962
(e) Charity & Donation	1000	-
(f) Insurance	1316	465
(g) Miscellaneous Expenses**	1229	889
13 Depreciation	102287	89591
Total	2276676	1770942

* Rent expense is after adjustment of Rent Equalization reserve

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



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	Personal Accident	Others	Total	Health	Personal Accident	Others	Total
1 Employees' remuneration and welfare benefits	1062241	4567	-	1066808	793812	-	-	793812
2 Travel, conveyance and vehicle running expenses	98355	423	-	98778	98385	-	-	98385
3 Training expenses	23919	103	-	24022	20147	-	-	20147
4 Rents, rates and taxes*	125001	537	-	125538	135010	-	-	135010
5 Repairs	84034	361	-	84395	62520	-	-	62520
6 Printing and stationery	25840	111	-	25951	16758	-	-	16758
7 Communication	66709	287	-	66996	48105	-	-	48105
8 Legal and professional charges	318001	1367	-	319368	228217	-	-	228217
9 Auditors' fees, expenses etc								
(a) as auditor	2191	9	-	2200	1935	-	-	1935
(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	314793	1353	-	316146	256045	-	-	256045
11 Interest and bank charges (net of cancellation charges)	16790	72	-	16862	13595	-	-	13595
12 Others								
(a) Business and Sales Promotion	303	1	-	304	661	-	-	661
(b) Membership and Subscription	3564	15	-	3579	3730	-	-	3730
(c) Loss on Disposal of Fixed Assets	19752	85	-	19837	55	-	-	55
(d) Loss on Foreign Exchange Fluctuation	-	-	-	-	962	-	-	962
(e) Charity & Donation	996	4	-	1000	-	-	-	-
(f) Insurance	1310	6	-	1316	465	-	-	465
(g) Miscellaneous Expenses**	1224	5	-	1229	889	-	-	889
13 Depreciation	101849	438	-	102287	89591	-	-	89591
Total	2266932	9744	-	2276676	1770942	-	-	1770942

* Rent expense is after adjustment of Rent Equalization reserve

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



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

**SCHEDULE – 5
 SHARE CAPITAL**

SN	Particulars	As at	
		Mar 31, 2014 (Rs.'000)	Mar 31, 2013 (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		
	669000000 Equity Shares of Rs 10 each (Previous year 504000000 Equity Shares of Rs.10 each)	6690000	5040000
3	Subscribed Capital		
	669000000 Equity Shares of Rs 10 each (Previous year 504000000 Equity Shares of Rs.10 each)	6690000	5040000
4	Called-up Capital		
	669000000 Equity Shares of Rs 10 each (Previous year 504000000 Equity Shares of Rs.10 each)	6690000	5040000
	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	6690000	5040000

Out of the above, 495060000 (Previous year 372960000) 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		As at	
	Mar 31, 2014		Mar 31, 2013	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	495060000	74.00%	372960000	74.00%
- Foreign	173940000	26.00%	131040000	26.00%
Others	-	-	-	-
Total	669000000	100.00%	504000000	100.00%



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

SN	Particulars	As at	As at
		Mar 31, 2014 (Rs.'000)	Mar 31, 2013 (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, 2014 (Rs.'000)	As at Mar 31, 2013 (Rs.'000)
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	820349	343717
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	150124	199856
	(e) Other Securities	3707	189289
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	49881	149936
5	Other than Approved Investments	-	-
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note (a.) below)	486248	345950
2	Other Approved Securities	-	149325
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	50817	40052
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	434619	451252
	(e) Other Securities	851857	285037
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	448492	249544
5	Other than Approved Investments*	73349	194985
	Total	3369443	2598943

* in mutual funds

Notes:

- Short Term Government securities include Deposits held under section 7 of Insurance Act 1938, having book value of Rs.96833 thousands (Previous year amounting to Rs. 99589 thousands). Market value of such investments is Rs. 96833 thousands (Previous year amounting to Rs.99724 thousands)
- Aggregate amount of Company's investments other than listed equity securities and derivative instruments is Rs. 3369443 thousands (Previous year: Rs. 2598943 thousands). Market value of such investments is Rs. 3361037 thousands (Previous year Rs. 2602580 thousands)



MAX BUPA HEALTH INSURANCE COMPANY LIMITEDREGISTRATION 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, 2014 (Rs.'000)	As at Mar 31, 2013 (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**

(Rs.'000)

SN	Particulars	Cost/ Gross Block			Depreciation				Net Block		
		As at Apr 1, 2013	Additions	Deductions	As at Mar 31, 2014	Upto Mar 31, 2013	For the year	On Sales/ Adjustment s	To date Mar 31, 2014	As at Mar 31, 2014	As at Mar 31, 2013
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles	-	-	-	-	-	-	-	-	-	-
	a) Softwares	181718	47065	151	228632	96156	46579	49	142686	85946	85562
	b) Website	10602	236	-	10838	3006	2691	-	5697	5141	7596
3	Land-Freehold	-	-	-	-	-	-	-	-	-	-
4	Leasehold Property	89990	83688	30382	143296	30319	16438	12415	34342	108954	59671
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	24109	8202	2886	29425	14331	5158	1522	17967	11458	9778
7	Information Technology Equipment	70757	46843	3050	114550	32248	21319	2667	50900	63650	38509
8	Vehicles	-	-	-	-	-	-	-	-	-	-
9	Office Equipment	32518	28848	886	60480	17394	10102	616	26880	33600	15124
10	Others	-	-	-	-	-	-	-	-	-	-
	Total	409694	214882	37355	587221	193454	102287	17269	278472	308748	216240
11	Work in progress	12296	5306	12296	5306	-	-	-	-	5306	12296
	Grand total	421990	220188	49651	592527	193454	102287	17269	278472	314054	228536
	Previous year	318835	108789	5634	421990	103962	89591	99	193454	228536	-

Notes:

- Leasehold property consists of civil and other improvements at premises taken on long term lease by the Company.
- Work in progress includes capital advances of Rs. 5306 thousands (Previous year Rs. 12296 thousands).



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

SN	Particulars	As at Mar 31, 2014 (Rs.'000)	As at Mar 31, 2013 (Rs.'000)
SCHEDULE – 11			
CASH AND BANK BALANCES			
1	Cash (including cheques, drafts and stamps)	19306	27387
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	-	-
	(bb) Others	-	-
	(b) Current Accounts	121871	4580
	(c) Others		
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	141177	31967
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	39450	13796
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	451	451
6	Others (to be specified)		
	(a) Advance to Suppliers	35445	13426
	(b) Other advances*	91411	69942
	Total (A)	166757	97615
OTHER ASSETS			
1	Income accrued on investments**	105418	63307
2	Outstanding Premiums	-	-
3	Agents' Balances	664	935
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business	37557	50111
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***	87186	60532
	(b) Service tax on input services (net)	19301	18814
	(c) Cenvat credit on capital goods	475	-
	Total (B)	250601	193699
	Total (A+B)	417358	291314

* Includes Rs. 87737 thousands (Previous year Rs. 65809 thousands) 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. 2675 thousands (Previous year Rs. 2200 thousands) with bank for providing guarantee to network hospitals



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

SN	Particulars	As at Mar 31, 2014 (Rs.'000)	As at Mar 31, 2013 (Rs.'000)
SCHEDULE – 13			
CURRENT LIABILITIES			
1	Agents' balances	30584	24085
2	Balances due to other insurance companies	54340	120861
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	15799	13079
5	Unallocated premium	49835	30219
6	Sundry creditors*	88570	65207
7	Due to subsidiaries/ holding company	209	1156
8	Claims Outstanding	329615	213304
9	Unclaimed amount of policyholders/insured**	12894	8085
10	Due to Officer/ Director***	25992	-
11	Others		
	(a) Tax deducted payable	61387	48153
	(b) Other statutory dues	6003	4552
	(c) Advance from Corporate Clients	64422	20111
	Total	<u>739650</u>	<u>548812</u>

* Includes creditors for capital expenditure of Rs. 20778 thousands (Previous year Rs. 4902 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 C12 of Schedule 16.

*** Amount payable to Former CEO (now director) subject to IRDA approval

SCHEDULE – 14**PROVISIONS**

1	Reserve for Unexpired Risk	1657989	1072504
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	1014	326
	(b) For Leave Encashment	20237	17971
	(c) For Superannuation	115	35
	(d) For Other manpower related	118689	101186
	(e) For commission	3896	5733
	(f) For other operating expense related	272999	232895
	(g) Premium Deficiency Reserve	5653	-
	Total	<u>2080642</u>	<u>1430700</u>

SCHEDULE – 15**MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

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



FORM HG
MAX BUPA HEALTH INSURANCE COMPANY LIMITED

TABLE 1 - STATEMENT OF LIABILITIES AS AT 31st March, 2014
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	16,636.42	1,781.22	1,514.93	19,932.57
5	Total Liabilities	16,636.42	1,781.22	1,514.93	19,932.57

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.

Vikas Gupta

For Nangia & Co.
Vikas Gupta
Membership No. F 076879
FR No. 002391C



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

Place: *New Delhi*
Date: *29th April, 2014*

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: *29th April, 2014*

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

FORM IRDA - ASSETS - AA

STATEMENT OF ASSETS AS AT 31st March, 2014

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	4,862.48	8,203.49	13,065.97
2	Approved Investments	8,831.11	2,508.22	11,339.33
3	Deposits	6,238.98	2,316.66	8,555.64
4	Non-Mandated Investments	-	733.49	733.49
5	Other Assets:			
	Fixed Assets		1,624.22	1,624.22
	Cash and Bank balances		1,411.77	1,411.77
	Advances and Other Assets		4,173.58	4,173.58
6	Total	19,932.57	20,971.43	40,904.00
7	Fair Value Change Account	-	(7.87)	(7.87)
y	Adjusted Value of Assets (6-7)	19,932.57	20,963.56	40,896.13

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.

Vikas Gupta
 For Nangia & Co.
 Vikas Gupta
 Membership No. F 076879
 FR No. 002391C



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

Place: *New Delhi*
 Date :

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

Place: *New Delhi*
 Date: *29th April, 2014*

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

TABLE I - STATEMENT OF SOLVENCY MARGIN AS AT 31st Mar, 2014

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	-	-	-	-	-	-	-
	Marine							
2.	Marine Cargo	-	-	-	-	-	-	-
3.	Marine Hull	-	-	-	-	-	-	-
	Miscellaneous							
4.	Motor	-	-	-	-	-	-	-
5.	Engineering	-	-	-	-	-	-	-
6.	Aviation	-	-	-	-	-	-	-
7.	Liability	-	-	-	-	-	-	-
8.	Rural Insurance	-	-	-	-	-	-	-
9.	Others	-	-	-	-	-	-	-
10.	Health Insurance	30,885.49	29,620.83	15,064.43	14,039.62	5,924.17	4,211.89	5,924.17
11.	TOTAL	30,885.49	29,620.83	15,064.43	14,039.62	5,924.17	4,211.89	5,924.17

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:		19932.57
	Deduct:		
2.	Liabilities		19932.57
3.	Other Liabilities		
4.	Excess in Policyholders' funds (1-2-3)		0.00
5.	Available Assets in Shareholders Funds:		20963.56
	Deduct:		
6.	Other Liabilities		8326.88
7.	Excess in Shareholders' funds (5 -6)		12636.68
8.	Total ASM (4+7)		12636.68
9.	Total RSM		5924.17
10.	Solvency Ratio (Total ASM / Total RSM)		2.13

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.

Vikas Gupta

For Nangia & Co.
Vikas Gupta
Membership No. F 076879
FR No. 002391C



Place: *New Delhi*
Date:

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

Biresh Giri
Appointed Actuary
(Biresh Giri, FIAI)

Membership No. 00061
Place: *New Delhi*
Date: *29th April, 2014*

Mamraj
Principal Officer
(Chief Executive Officer)

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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

SCHEDULE 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2014

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.



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(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, 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



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(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.

(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.



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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.

(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.



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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	4	25%
Intangibles (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.



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



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(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.

(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 relating to insurance business are allocated to specific classes of business on the following basis:

- Expenses that are directly identifiable to a business class are allocated on actuals
- Other expenses, that are not directly identifiable, are allocated on the basis of Gross Written Premium (GWP) in each business class.

(x) Service Tax



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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.



C. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities

(Rs. '000)

Particulars	As at 31.03.2014	As at 31.03.2013
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 - Liability to CEO (Refer Note 20, Part C of Schedule 16)	1072	-

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 31.03.2014	As at 31.03.2013
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	18497	8109

5. Claims, less Reinsurance paid to Claimants:

(Rs. '000)

Class of Business	In India		Outside India	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Health	1287651	649690	-	-

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 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
Health	-	-	40492	26491

*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 31.03.2014	As at 31.03.2013
Health	-	-



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**8. Number of Claims intimated, disposed of and pending:**

Particulars	As at 31.03.2014		As at 31.03.2013	
	Health	PA	Health	PA
Claims pending at the beginning	1761	-	869	-
Claims intimated	49745	2	23813	-
Claims paid	39390	2	20252	-
Claims rejected	8556	-	2669	-
Claims pending at the closing	3560	-	1761	-

Ageing of Pending Claims

Particulars	As at 31.03.2014		As at 31.03.2013	
	Health	PA	Health	PA
1 month	2231	-	1406	-
1-3 months	1246	-	323	-
3-6 Months	83	-	32	-
6 months – 1 year	-	-	-	-
>1 year	-	-	-	-
Total	3560	-	1761	-

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

(Rs. '000)

Class of Business	In India		Outside India	
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
Health	2962083	1823195	-	-

(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 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
Health	95%	88%	5%	12%

11. Value of Contracts in relation to Investments:

(Rs. '000)

Particulars	As at 31.03.2014	As at 31.03.2013
Purchase where deliveries are pending	-	-
Sales where payments are overdue	-	-



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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	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
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	39682 (33649)	28799#* (27894)	3338* (1975)	2927* (1333)	1423* (1484)	1265* (901)	1797* (62)	133* (-)

Figures in brackets are for previous year.

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

Cheques issued which are within the validity period but not yet presented for payment by the policyholders/insured

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 all business segments. The expected claim ratio including claim related expenses was more than 100% for Group Indemnity Health segment, based on which a premium deficiency reserve of Rs. 5653 thousands (previous year Rs. Nil) has been determined. The expected claims ratios for other segments are well within 100%, thus, no premium deficiency reserve has been created for those segments.

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, 2014 or March 31, 2013.

17. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 123379 thousands (Previous year Rs. 233654 thousands)

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

(Rs. '000)

Particulars	As at 31.03.2014	As at 31.03.2013
7.27% GOI CG 03-09-2013 (Refer Schedule - 8)	-	99589
364 day Treasury Bill (7 August 2014) (Refer Schedule - 8)	48332	-
364 day Treasury Bill (24 July 2014) (Refer Schedule - 8)	48501	-

*Face value of Rs. 100000 thousands



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

19. Details of Managerial Remuneration as per terms of appointment are as under:*(Rs. '000)*

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Salaries & Allowances	14188	16176
Contribution to Provident and other funds	515	536
Perquisites	86	1618
Total	14789	18330*

* Includes Rs. 5000 thousands for former CEO and whole time director

The aforesaid remuneration do not include the following:

- Chief Executive Officer and whole time director, Mr. Manasije Mishra was included as a beneficiary in the LTIP 2013 Scheme of the Company duly approved by the Board in July 2013. Consequently, he is eligible for grant of Rs 5005 thousands, payable in four installments of 20%, 20%, 30% and 30% over a period of four years subject to individual performance ratings. The cost on account of this grant has been valued on actuarial basis and included in the financial statements in Schedule 14 – Provisions – Manpower related (amount actually payable is unascertainable).
- As part of Company's employee benefits policy, Mr. Manasije Mishra is entitled to hospitalization insurance, personal accident insurance and term life insurance. He is also entitled to club membership for business use during the tenure of his employment with Max Bupa.

20. Chief Executive Officer's Remuneration

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 with effect from August 1, 2012. As per the terms of the aforesaid approval, remuneration of Mr. Manasije Mishra in the form of salary, allowances, bonus, contribution to provident & other funds and perquisites amounted to Rs 14789 thousands (previous year Rs 13330 thousands).

The Board of Directors and Shareholders of the Company approved revision in the remuneration of Mr. Manasije Mishra in its meeting held on January 24, 2014 with effect from August 1, 2013 subject to IRDA approval. The Company has filed an application in March 2014 with IRDA seeking approval for revision in remuneration of Mr. Manasije Mishra, approval for which is awaited. Pending IRDA approval, the proposed increase in remuneration amounting to Rs. 1072 thousands for the period of August 2013 to March 2014 has not been provided for in the books and shown as a contingent liability.

21. Former Chief Executive Officer's Remuneration

Dr. Damien Marmion, was the CEO of the Company from January 1, 2009 to August 2nd, 2012. In March 2014, the Company has filed an application with IRDA for approving revision in the remuneration of Dr. Damien Marmion, relating to his entitlement for the payment of bonus of Rs. 9111 thousands for the period January 1, 2012 to July 31st 2012 and long term incentive of Rs. 16881 thousands pertaining to his tenure with the Company.

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

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Travelling	1628	2872
Remuneration	-	4195
Software License Fees	12604	11013
Professional fees	4813	3100
Training	1644	-
Reinsurance Premium net of Claims	5652	-
Others	34	3321
Total	26374	24501



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**23. 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 31.03.2014	As at 31.03.2013
Payable not later than one year	87690	119626
Payable later than one year but not later than five years	328361	426299
Payable later than five years	188903	85877
Total	604954	631802

Aggregate lease rentals charged to Revenue Accounts is Rs. 97942 thousands (Previous year Rs. 115256 thousands) and there are no sub leases.

24. Foreign Currency Exposures

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

('000s)

Particulars	As at 31.03.2014	As at 31.03.2013
Payable in Indian Rupee	-	-
Payable in GBP	-	-

25. 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 Max Speciality Films Ltd. (w.e.f May 30, 2013) Max One Distribution and Services Ltd. (w.e.f Sep 30, 2013) Antara Senior Living Limited Antara Purukul Senior Living Pvt Ltd. Antara Gurgaon Senior Living Limited



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SN	Description of Relationship	Name of Party
(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)

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	7350 (6875)	- (-)	7878 (95569)	- (-)
	- Reimbursement of Expenses	- (-)	599 (11830)	- (-)	- (-)
5	Expenses				
	- Service received	- (-)	- (-)	3693 (130)	- (-)
	- Other Expenses	2250 (1360)	1678 (2155)	5459 (2052)	- (-)
	- Remuneration	- (-)	- (-)	- (-)	14789 (18330)
	- Claims	- (-)	- (-)	43393 (35007)	- (-)
6	Equity Contribution	1221000 (1124800)	429000 (395200)	- (-)	- (-)
7	Share Application Money	- (-)	- (70200)	- (-)	- (-)
8	Amount Outstanding				
	Other Receivable	- (-)	420 (2789)	- (-)	- (-)
	Other Payable	405 (1295)	- (-)	5453 (3425)	- (-)

*Figures in brackets are for previous year***26. Segment Information**

a) Business Segments

The Company's primary reportable segments are identified in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002. Segment revenue and segment results have been incorporated in the financial statements. However, due to the nature of the business, segment assets and liabilities have been allocated to the various segments to the extent possible.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Rs. '000s)

	As at 31.03.2014	As at 31.03.2013
Premium Received in Advance - Health	15799	13079
Premium Received in Advance - Personal Accident	-	-
Net Claims outstanding (incl IBNR) - Health	328963	213304
Net Claims outstanding (incl IBNR) - Personal Accident	652	-
Reserve for Unexpired Risk - Health	1651585	1072504
Reserve for Unexpired Risk - Personal Accident	6404	-

b) Geographical Segment

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

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

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

(Rs. '000s)

Provident Fund	Year Ended 31.03.2014	Year Ended 31.03.2013
Employers Contribution to Provident Fund*	33010	24104

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

B. Defined Benefit Plans – Gratuity

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

i. Assumptions Used:

Particulars	As at 31.03.2014	As at 31.03.2013
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Interest/Discount Rate (Per Annum)	9.00% p.a.	7.75% p.a.
Rate of increase in compensation	7.00% p.a.	9.00% p.a.
Withdrawal rate:	60% p.a.	60% p.a.

ii. Changes in benefit obligations:

(Rs. '000)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Present value of obligations at the beginning of the year	9180	7991
Current Service Cost	6776	4261
Interest cost	712	675
Liability transfer in/(out)	-	-
Benefits Paid	-	-
Actuarial (gain)/loss on obligation	979	(3747)
Present value of obligations at end of year	17647	9180



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**iii. Fair Value of Plan Assets:**

(Rs. '000)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Fair Value of Plan Assets at beginning of year	8854	7050
Contributions	6833	942
Actual Return on Plan Assets	916	862
Actuarial gain / (loss) on obligation	30	-
Benefits Paid	-	-
Fair Value of Plan Assets at end of year	16633	8854

iv. Amounts recognized in Profit & Loss Account:

(Rs. '000)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Current Service Cost	6776	4261
Interest Cost	712	675
Actual Return on Plan Assets	(916)	(563)
Actuarial (Gain)/loss on obligation	949	(4047)
Amount recognized in Profit & Loss Account	7521	326

v. Amounts recognized in Balance Sheet:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Present value of obligations at end of Year	17647	9180
Fair Value of Plan Assets at end of Year	16633	8854
Funded Status	(1014)	(326)
Net Asset/(Liability) recognized in the balance sheet	(1014)	(326)

vi. Balance Sheet Reconciliation:

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Opening Net Liability/(Asset)	326	942
Expenses recognized in Profit & Loss Account	7521	326
Liability transfer in/(out)	-	-
Contribution Paid	6833	942
Closing Net Liability/(Asset)	1014	326

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

C. Other Long Term Benefits:

The Company has recognized liability towards cost of accumulating compensated absences of Rs. 20237 thousands (Previous year Rs. 17971 thousands) and long term incentives of Rs. 105017 thousands (Previous year Rs. 73793 thousands) on an accrual basis as per Accounting Standard-15 (Employee Benefits).

28. 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. 1578270 thousands (Previous year Rs. 1239824 thousands) 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



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

sufficient taxable income available to realize such assets in near future, the Company has not provided for deferred tax assets in the financial statements for the year ended 31st March 2014.

29. 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 31.03.2014	Year ended 31.03.2013
a.	Net profit/(loss) after tax	Rs in '000s	(1328713)	(1159624)
b.	Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	579578	450618
c.	Basic/Diluted earnings per share (a/b)	Rs.	(2.29)	(2.57)

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

Operating expenses	Year ended 31.03.2014	Year ended 31.03.2013
Outsourcing Expenses	151151	81142
Marketing Support	316146	256045
Business Promotion	304	661

(Rs '000)

31. Expenses of Management

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

32. 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 31.03.2014			Year ended 31.03.2013		
	GWP Rs.'000s	No. of Lives	% of GWP	GWP Rs.'000s	No. of Lives	% of GWP
Rural	181150*	1087357	5.87%	104297*	787541	5.03%
Social	14631*	197268	0.47%	4608*	19569	0.22%
Urban	2907399	698992	94.13%	1967887	460690	94.97%

* GWP of Rs. 14631 thousands (Previous year Rs. 4608 thousands) is under both Rural as well as Social sector

33. 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.

34. 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, 2014 and March 31, 2013. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS**35. 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	-	-	-	-

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

		(Rs '000)			
SN	Particulars	2013-2014	2012-2013	2011-2012	2010-2011
1	Gross Premium Written	3088549	2072184	991715	255349
2	Net Earned Premium Income	2376598	1283719	509163	81463
3	Income from Investments (net)	140690	97520	41807	11424
4	Other Income	-	-	-	-
5	Total Income	2517288	1381239	550970	92887
6	Commission (Net of Reinsurance)	278760	128634	54969	13896
7	Brokerage	-	-	-	-
8	Operating Expenses	2276676	1770942	1492550	1266787
9	Claims, increase in Unexpired Risk Reserve & Other Outgoes	1409615	750352	288573	40607
10	Operating Profit/Loss	(1447763)	(1268689)	(1285122)	(1228403)
11	Total Income under Shareholders Account	119050	109065	96466	65929
12	Profit/(loss) before tax	(1328713)	(1159624)	(1188656)	(1162474)
13	Provision for Tax	-	-	-	-
14	Profit/(Loss) after tax	(1328713)	(1159624)	(1188656)	(1162474)
15	Miscellaneous	-	-	-	-
16	Policyholder's Account:				
	a) Total funds	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company	Not Applicable being General Insurance Company
	b) Total Investments				
	c) Yield on Investments				



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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SN	Particulars	2013-2014	2012-2013	2011-2012	2010-2011
17	Shareholder's Account:	Not	Not	Not	Not
	a) Total funds	Applicable	Applicable	Applicable	Applicable
	b) Total Investments	being	being	being	being
	c) Yield on Investments	General	General	General	General
		Insurance	Insurance	Insurance	Insurance
		Company	Company	Company	Company
18	Paid Up Equity Capital	6690000	5040000	3520000	2710000
19	Net Worth*	1421740	1171248	1064911	1118924
20	Total Assets	4242032	3148864	2285877	1687371
21	Yield on total investments	8.80%	8.90%	8.50%	6.35%
22	Earning Per Share** (Rs.)	(2.29)	(2.57)	(3.95)	(5.62)
23	Book value per Share (Rs.)	2.13	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. 579578 thousands (Previous year 450618 thousands) is used in computing Earnings per share

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

Performance Ratios	2013-14	2012-13	2011-2012	2010-2011
	(in times)	(in times)	(in times)	(in times)
Gross Premium Growth Rate (Overall)	1.49	2.09	3.88	200.39
Gross Premium Growth Rate (Health)	1.48	2.09	3.88	200.39
Gross Premium Growth Rate (Personal Accident)	1.00	-	-	-
Gross Premium to Net Worth Ratio	2.17	1.77	0.93	0.23
Growth Rate of Net Worth	0.21	0.06	(0.05)	0.04
Net Retention Ratio (Overall)	0.95	0.88	0.90	0.90
Net Retention Ratio (Health)	0.95	0.88	0.90	0.90
Net Retention Ratio (Personal Accident)	0.78	-	-	-
Net Commission Ratio (Overall)	0.09	0.07	0.06	0.06
Net Commission Ratio (Health)	0.09	0.07	0.06	0.06
Net Commission Ratio (Personal Accident)	0.10	-	-	-
Expenses of Management to Gross Direct Premium	0.74	0.85	1.51	4.97
Combined Ratio	1.45	1.63	1.71	5.03
Technical Reserves to Net Premium Ratio	0.67	0.71	0.72	0.76
Underwriting Balance Ratios	(0.61)	(0.99)	(1.44)	(5.36)
Operating Profit Ratio	(0.56)	(0.90)	(1.33)	(5.07)
Liquid Assets to Liability Ratio	1.76	2.05	2.97	7.56
Net Earning Ratio	(0.45)	(0.64)	(1.33)	(5.07)
Return on Net Worth	(0.93)	(0.99)	(1.12)	(1.04)
Reinsurance Ratio	0.04	0.12	0.10	0.10
Claims incurred ¹	0.59	0.58	0.57	0.50



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

S.No.	State	City	Location	Status
1	Delhi	Delhi	Mohan Cooperative – NOC	Registered
2	Delhi	Delhi	Mohan Cooperative – Tele Centre	Registered
3	Delhi	Delhi	Janakpuri	Registered
4	Delhi	Delhi	Preet Vihar	Registered
5	Delhi	Delhi	Pitampura	Registered
6	Delhi	Delhi	Pusa Road	Registered
7	Karnataka	Bangalore	Koramangla	Registered
8	Karnataka	Bangalore	Indra Nagar	Registered
9	Karnataka	Bangalore	Malleswaram	Registered
10	Maharashtra	Mumbai	Khar West	Registered
11	Maharashtra	Mumbai	Viraj	Registered
12	Tamil Nadu	Chennai	Aminjikari	Registered
13	Andhra Pradesh	Hyderabad	Banjara Hills	Registered
14	Gujarat	Surat	Udhna Darwaja	Registered
15	Maharashtra	Pune	Ganesh Khind Road	Registered
16	Punjab	Ludhiana	Mall Road	Registered
17	Rajasthan	Jaipur	Bhagwan Das Road	Registered
18	West Bengal	Kolkata	Park Street	Registered
19	Kerala	Kochi	S.A. Road	Registered
20	Bihar	Patna	Frazer Road	Registered
21	Chandigarh	Chandigarh	Madhya Marg	Registered
22	Uttar Pradesh	Noida	Sector 18	Registered

39. Risk Management Architecture

Max Bupa has adopted robust and well-defined risk management architecture. The Board and other stakeholders of Max Bupa get assurance on risk management processes and its effectiveness from external audit, internal audit, risk management, compliance and fraud investigation function. The Company's risk management strategy comprises of the following elements.

- i. **Three Lines of Defense Model** - To improve coordination and eliminate duplication, Max Bupa has adopted 'Three Line of Defense' model. The model defines clear set of responsibilities for each group of risk and control professionals.
 - a. **First Line:** Involved in day to day risk management, in accordance with agreed risk policies, appetite and controls, at the operational level. This role is performed by Executive Leadership Team & Functional Heads.
 - b. **Second Line:** Responsible for risk oversight, risk guidance and risk reporting. This role is performed by Risk Management, Compliance & Fraud Investigation team.
 - c. **Third Line:** Independent assurance to the board and senior management of the effectiveness of risk management processes. This role is performed by Internal and External Auditors.



MAX BUPA HEALTH INSURANCE COMPANY LIMITED

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SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

- ii. **Enterprise Risk Management Policy** – Max Bupa has adopted 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 through a formally documented and approved ERM policy.
 - iii. **Risk Assessment Process** – 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.
 - iv. **Risk Appetite Statements** - To help define the level of risk that Max Bupa is willing to take, a set of Risk Appetite Statements have been defined which state in both quantitative and qualitative terms the Max Bupa Board's desired risk profile. The statements are reviewed and approved annually by the Board.
 - v. **Quarterly Risk Reporting** – To ensure comprehensive monitoring mechanism, deliverables of quarterly risk assessment exercise are reviewed by Risk Committee of the Board. These include
 - a. **Key Risks Summary:** Top-down view of Leadership team on key risks faced by the business and their mitigation plans
 - b. **Risk Templates:** Bottoms up assessment of key risks within each category of risks with residual risk rating is done through risk management team and operations risk group.
 - 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 on a quarterly basis.
40. 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.

41. Comparative Figures

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

As per our report of even date

For and on behalf of the Board of Directors

For Nangia & Co
Chartered Accountants

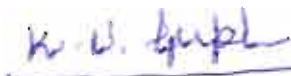


Vikas Gupta

Partner
Membership No. F 076879
FR No. 002391C




For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants




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



Place: New Delhi
Date: Apr 29th, 2014



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 2014:

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, 2014.
2. It is certified that all the dues payable to the statutory authorities up to March 31, 2014 have been duly paid.
3. It is confirmed that the Indian and Foreign shareholding pattern during the year ended March 31, 2014 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, 2014.

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

	FY 2013-14		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)	No. Of claims	Amount Involved (Rs.'000s)
1 month	2231	77563	1406	36950	710	47650	99	3899
1-3 months	1246	32514	323	23389	131	7223	34	2630
3-6 Months	83	334	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, 2014, 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, 2014 has been calculated as per guidelines issued by Fixed Income Money Market & Derivatives Association (FIMMDA).

Acquisition cost of Debt Securities is Rs. 2356919 thousands (Previous year 1866818 thousands), amortized value is Rs. 2389713 thousands (Previous year Rs. 1889581 thousands) and market value at Rs. 2381307 thousands (Previous year Rs. 1893218 thousands).

11. Investments are in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000. Investment Portfolio consists of Central Government Securities, Infrastructure Bonds (AAA), Housing Sector Bonds (AAA), Certificate of Deposit/Commercial Papers with A1+/P1+/PR1+ ratings, Liquid Mutual Funds and Deposits with various Scheduled Banks. There is no Non Performing Asset as at March 31, 2014.

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	3181
2	Max Life Insurance Company Limited	Insurance Premium	3025
		Other expenses	5459
3	Max Healthcare Institute Limited	Pre-employment medical checkup	668
		Claims paid	26326
4	Max Specialty Films Limited	Other expenses	224
5	NIIT Technologies Limited	Professional Fees	16792
6	Bupa (Asia) Limited	Software License Fee	12604

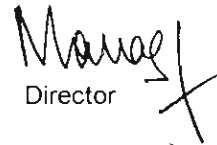
13. It is hereby confirmed:

- 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.

That the management has ensured that the internal audit system is in commensurate with the size and nature of business and is operating effectively.

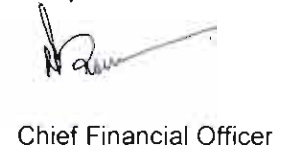
- e. All the expenses which have been incurred in relation to Miscellaneous- "Health Insurance business, have been appropriately reported in Revenue Account.

For and on behalf of the Board of Directors


Director


Director


Company Secretary


Chief Financial Officer

Place: New Delhi

Date: Apr 29, 2014