



Ref: IRDA/TPA/ WRN/ORD/044/03/2015

**FINAL ORDER**

**In the matter of M/s Alankit Health Care TPA Limited.**

This is based on the reply to Show Cause Notice dated 16/19 May 2014 and submissions made during Personal Hearing chaired by Sri M. Ramaprasad, Member (Non-Life), IRDA, on 13<sup>th</sup> February 2015 at 1400 hrs. at the office of Insurance Regulatory and Development Authority, 3<sup>rd</sup> Floor, Parishrama Bhavanam, Basheerbagh, Hyderabad.

Show Cause Notice on observed deficiencies in the functioning of licensed TPA namely, Alankit Health Care TPA Limited (Alankit TPA / TPA) was issued and in deference to the licensed entity's request to hear them on the charges for which they had also filed written submissions, the undersigned during the course of the personal hearing heard the submissions of the TPA company represented by Mr. Alok Kumar Agarwal Managing Director and Mr. Abhishek Rungta, Regional Manager of Alankit TPA. On behalf of the Authority, Mr. M. Ramaprasad, Member (Non-Life), Mrs. Yegna Priya Bharath, Joint Director (Health), Mr. N.M. Behera, Deputy Director (Health Policy) and Mr. Bhaskar Khadakhbavi, Assistant Director (Health – TPA), were present in the personal hearing.

The submissions made by the TPA in their written replies to the Show Cause Notice issued by the Authority and also those made during the course of personal hearing were taken into account.

The findings on explanation offered by Alankit TPA to the issues raised in Show Cause Notice and the decisions are as follows;

**1. Charge No. 1:**

Mr. Mahabir Prashad Gupta (MP Gupta), Director of following three companies namely, i) Alankit Assignments Ltd., ii) Alankit Imaginations Ltd. and iii) Alankit Finsec Ltd. (herein after referred as 'Alankit Group Companies') is also a Promoter, Shareholder and Director of Genins India TPA Ltd. (Genins TPA) The said fact that Mr. M.P. Gupta, is Director of Alankit Group Companies and also Promoter, Shareholder and Director of Genins TPA was not disclosed to the Authority during the process of renewal of TPA license no. 21 of your Company for the period 18-11-2011 to 17-11-2014.

**2. Charge No. 2:**

Mr. Mahabir Prashad Gupta (MP Gupta), is a Director of following three companies namely, i) Alankit Assignments Ltd., ii) Alankit Imaginations Ltd. and iii) Alankit Finsec Ltd. (herein after referred as 'Alankit Group Companies') is also a Promoter, Shareholder and Director of Genins India TPA Ltd. (Genins TPA).

Alankit TPA during the process of renewal of TPA license no. 21 for the period 18-11-2011 to 17-11-2014 and vide 'Annexure – d' dated 21-10-2011 had given wrong / misleading undertaking to the Authority about engagement in any other insurance related activity.



**Violation noted for Charge nos. 1 & 2:**

**Reg. 21 (1) to be read with Reg. 25 (3) of IRDA (TPA – Health Services) Regulation, 2001**

**Reply of Alankit TPA (for Charge Nos. 1 to 2):**

Mr. MP Gupta was an independent director and after query was raised from IRDA he has resigned from all the three companies. As per submissions of Alankit TPA letter dated 06-12-2010 of making Alankit TPA as 100% subsidiary of Alankit Assignments Ltd., was not received by them and it was never implemented. Hence the status was as earlier to the sanction of 100% subsidiary of Alankit Assignments Ltd. Alankit Finsec Ltd. is a NBFC company and investment has been made by that company in Alankit TPA since beginning / approval by IRDA.

About non-disclosure of facts that Mr. MP Gupta is a Director of Genins India TPA Ltd., Alankit TPA has accepted that it is their mistake not intentionally but inadvertently / by ignorance.

**Observation on submissions made during personal hearing:**

Alankit TPA during personal hearing had submitted that letter dated 06-12-2010 of the Authority for making Alankit TPA as 100% subsidiary of Alankit Assignments Ltd., was not received by them and it was never implemented.

However, it was noted from the records that Alankit TPA had not implemented change in shareholding pattern as approved by the Authority vide letter dated 06-12-2010. The said query was noticed and communicated to Alankit TPA vide Authority letter dated 14-10-2011. Alankit TPA in response to this query and vide letter dated 29-10-2011 had not submitted anything about non receipt of Authority letter dated 06-12-2010.

Further, Alankit TPA had submitted Auditors Certificate dated 21-10-2011 stating that;  
*"As per the documents and records made available and according to the information and explanations given to us by the management and officers of Alankit Health Care TPA Ltd. (referred to as Company), we hereby certify and confirm that the approval granted by your office for change in shareholding pattern vide your letter Ref. IRDA/TPA/21/2002/Vol-III dated 06/12/2010, in response to the request letters dated 14/03/2009, 08/05/2009 and 16/07/2010 by the Company, the same has not been given effect till date....."*

It is evident from the certificate of KK Gupta, CA and Auditors of Alankit TPA that, the TPA had received the said letter dated 06-12-2010 of the Authority but Alankit TPA had not implemented the said change in shareholding pattern for reasons best known to them.

Thus, it is evident from the Auditors certificate dated 21-10-2011, that though Alankit TPA had received Authority letter dated 06-12-2010, they had given wrong / misleading information to the Competent Authority during the personal hearing.



**Decision (Charge No. 1 to 2) :**

The issue of deficiency is the presence of director who is holding interest or similar position in another licensed TPA, also non submission of such disclosure to Authority.

During the personal hearing, Alankit TPA admitted to the deficiency but submitted that the intention was to have a knowledgeable person in the field as an Independent Director.

In view of the above and submissions made by the Alankit TPA, the charges are not pressed. However, the licensed TPA is cautioned severely for such lackadaisical approach to their Regulatory Compliances. Any recurrence of regulatory deficiency will be viewed seriously.

Place : Hyderabad

Date : 12-03-2015

M. Ramaprasad  
Member (Non-Life)