



IN THE BUSINESS OF
LIFE

25^{years of} ^{**}excellence

MAX INDIA LIMITED | ANNUAL REPORT 2010-11



“
> DESPITE ITS COMPANIES
AND JOINT VENTURES BEING
AT DIFFERENT STAGES OF
DEVELOPMENT, MAX INDIA IS
NOW ON A SUSTAINED GROWTH
PATH, BOTH IN TERMS OF
REVENUES AND PROFITS”

25 *years of* ^{***}
excellence

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TRUST + SERVICE = GROWTH >



Consolidated Turnover

₹7891 crore

Consolidated Operating Revenue

₹6668 crore

We are in The Business of LIFE...

Building each of our businesses involves Trust

Customers choose insurance companies and healthcare on Trust

The patients choose healthcare and hospitals based on Trust

Pharmaceutical and medical companies choose clinical research partners on Trust

Manufacturers of food products and edibles select packaging material based on the Trust of health and safety

Trust is paramount to our business...

As is our unwavering passion for best-in-class Service

Everywhere; for every customer; all the time

Because we believe in a simple truth...

When you combine Trust with Service

You get Growth

Max India Limited...Building trust for Growth



Customer Base

44 lakhs

People Strength

57 thousands

Network

**Over 500
offices**

across 400 locations in India



WE'VE, INDEED, COME A LONG WAY.
TRAVERSING NEW MILESTONES IN OUR
JOURNEY OF EXCELLENCE TO SCALE NEW
LEVELS OF ACHIEVEMENT

ENVISIONING NEW FRONTIERS OF HOPE
TO REACH NEW HEIGHTS OF SUCCESS.
WE HAVE MADE IT OUR BUSINESS TO
EXCEL IN ALL THAT WE DO



15

*years of
living our values*

1985 – 2000

“



MAX INDIA HAS A STRONG HISTORY OF ENTREPRENEURSHIP AND IS CREDITED WITH FORGING AND SUCCESSFULLY NURTURING STRONG AND FRUITFUL BUSINESS RELATIONSHIPS WITH LEADING GLOBAL COMPANIES OVER THE YEARS. NOT ONLY HAVE THESE PARTNERSHIPS STOOD THE TEST OF TIME, THEY HAVE CONSISTENTLY GROWN, DEVELOPED, AND ATTAINED OPTIMUM STATURE AND CREDIBILITY

”

A SMALL STEP. A BIG VISION.



> 1985



> 1988

MAX INDIA'S FIRST MAJOR DIVERSIFICATION INTO THE SUNRISE SPECIALITY PACKAGING SECTOR

Max India ventured into the speciality packaging business with the setting up of Maxxon. The Company redefined industry standards by setting in motion an innovation and quality revolution, being the first in the Industry to get an ISO Certification. MSF BOPP offerings continue to be the product of choice for top FMCG companies today and have helped ensure the division now rechristened Max Speciality Films remains an undisputed quality leader in flexible packaging, following a strict environment friendly business model. MSF's business has grown 18 times in 22 years.

MAX INDIA PARTNER'S ROYAL GIST BROCADES TO SET UP MAX GB

Max India's growth and quality orientation attracts largest global player Royal Gist Brocades NV of Netherlands to partner with it. Max GB was formed to make Penicillin based bulk drug intermediates.

MAX INDIA BEGINS COMMERCIAL OPERATIONS

Max India started with the business of drug intermediates. It entered a path breaking collaboration with Toyo Jozo, Japan for production of Penicillin based high-end bulk drug intermediates at Toansa, Punjab. The facility emerged a leader for the intermediate 6APA within 6 months and obtained USFDA certificate by 1987. Max India also went on to manufacture and export 7ADCA, becoming its largest exporter in Asia.

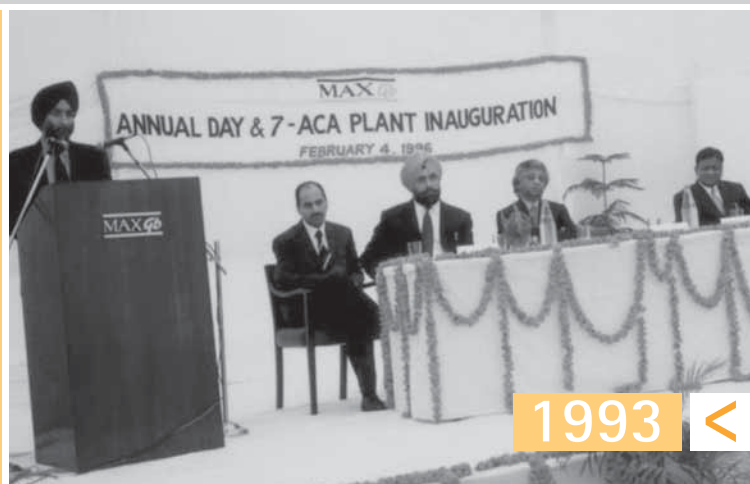


1988 <

MAX INDIA DIVERSIFIES INTO ELECTRONICS

Max India brought the latest in electronic components and plating technologies into India through its partnerships with Global leaders - Motorola Inc, Schering AG and Avnet Inc .

Max India exited these businesses by 2002 to focus on emerging opportunities in the Businesses of Life.



1993 <

MAX INDIA ENTERS MOBILE TELEPHONY BUSINESS

Max India partnered with HutchisonTelecommunications for mobile & paging services. Max Touch started its services in August 1995 in Mumbai and dominated the circle from the beginning. With its outstanding service and quality, in November 1997 Max Touch became India's largest cellular network. Max Page also maintained leadership position in its area of operations.



1985-
2000
MILESTONES



MAX INDIA PARTNERS WITH COMSAT TO PROVIDE VSAT SERVICES

Max India ushered a new generation of communication into India. As a part of the expansion in the electronic & communications space, Max India tied up with world's largest satellite communications service provider, Comsat International Ventures, USA, to set up Comsat Max which provided a comprehensive set of VSAT services to leading banks and corporates in India.

HINDUSTAN MAX GB IS FORMED

Max India partners with Hindustan Antibiotics Ltd, a Public Sector Unit and Royal Gist Brocades NV, to set-up India's first Public-Private-MNC Joint Venture, Hindustan Max GB. This company started Asia's first Penicillin fermentation facility at Pimpri, Pune. Max India later forward integrated to formulations business with the formation of Max Pharma. This unit was also USFDA approved.



MAX SPECIALITY FILMS COMMISSIONS ITS METALIZING PLANT

Max Speciality Films commissions BOPP Metalizing Plant: Launches metalized range of BOPP products specially designed to cater to the needs of diverse packaging industries including food packaging and consumer products.



*years of
being in the business of life*

2001 – 2011

“



IT WAS NOT AN EASY JOURNEY. BUT WE MADE IT. DRIVEN BY OUR VISION TO CREATE SERVICE EXCELLENCE IN ALL OUR BUSINESSES. INSPIRED BY OUR MISSION OF PARTNERING WITH THE BEST IN CLASS WORLD LEADERS. WE MADE IT OUR BUSINESS TO LIVE OUR VALUES, EVERY STEP OF THE WAY. FOCUS ON EXECUTION WAS THE KEY

”

MILESTONES

2001-2011



> 2001



> 2001

MAX HEALTHCARE REDEFINES HEALTHCARE SECTOR WITH UNSURPASSED SERVICE EXCELLENCE

Since its start in 2001, Max Healthcare is credited with redefining healthcare practices in India with its ISO certified world-class facilities. In less than 10 years, MHC is amongst India's leading and most respected Corporate Healthcare Providers with state-of-the-art equipments serving patients across 30 super-specializations. MHC currently operates 1100 beds across 8 Multispeciality & Super-Speciality Hospitals across Delhi & NCR and will be starting four new Hospitals in 2011.



> 2008

MAX INDIA SETS UP MAX INDIA FOUNDATION TO FULFILL ITS COMMITMENT TO SOCIETY

Max India Foundation has been driving the Corporate Social Responsibility initiatives of the Max India Group. It is committed to serve underprivileged children and works towards providing better health to the needy. It also focuses on increasing awareness about environment conservation. Within 3 years, it has touched over 1,20,000 lives. MIF was recently awarded with the Golden Peacock Global Award for CSR and the Social and Corporate Governance Award 2010 by the BSE.

MAX INDIA PARTNERS WITH ONE OF AMERICA'S LARGEST INSURANCE PLAYERS, NEW YORK LIFE TO SETUP MAX NEW YORK LIFE

One of first private Life Insurers, MNYL is now established as a top quartile life insurance company. MNYL has always believed in building trust and service excellence and became the first ISO certified insurance company in India. Its commitment to all its stakeholders has repeatedly earned it the most respected company award. MNYL is now a Superbrand. It has a Sum Assured in excess of ₹1,54,000 crore in 2010 and protected over 4 million lives till now.



2010



MAX INDIA PARTNERS WITH BUPA TO FORM MAX BUPA HEALTH INSURANCE

Max Bupa combines the strength of Bupa's international health insurance and customer service experience with Max India's understanding of healthcare and life insurance sectors in India. Max Bupa has been set up with a mission to help families live healthier, more successful lives and be a healthcare partner providing expertise in life. Max Bupa aims to deliver high quality health insurance and ensure consistent customer experience by offering first in class products and services for the Indian customer.

Letter to Shareholders

Dear Shareholders,

THE BHAGVAD GITA HAS A GUIDING VERSE, WHICH TRANSLATES THUS: THE WORLD CONSISTS OF PAIRS OF OPPOSITES LIKE PROFIT AND LOSS, HEAT AND COLD, JOY AND SORROW AND HONOUR AND DISHONOUR. IT IS UNPREDICTABLE. IT IS CONSTANTLY CHANGING AND IS IMPERMANENT. ENDURE THESE FLUCTUATIONS. ONE WHO IS NOT TROUBLED BY THEM, IS BALANCED IN JOY AND SORROW, AND IS STEADY, IS FIT FOR EXCELLENCE. LOOKING BACK AT 2010-11, I MUST ADMIT THERE WERE CHALLENGES. THIS MADE US LOOK BEYOND. WE REMAINED UNPERTURBED, STRIVED HARD FOR 'EXCELLENCE', AND SUCCEEDED.

> 2010-11 BROUGHT TO LIFE SOME VERY "INTERESTING TIMES" WITH GOOD NEWS AND DIFFICULTIES, VICTORIES AND CONFLICTS, UNEXPECTED EVENTS BOTH GOOD AND BAD, JOYS AND HEARTBURNS — A STATE WHERE THESIS AND ANTI-THESIS COMBINED IN MYRIAD DIFFERENT WAYS AND COLOURS

could weather a regulatory storm that was as profound as it was far reaching.

Consider the facts. Notwithstanding being buffeted by that life-threatening storm, MNYL's total revenue (first year premium plus renewals) grew by 20% to ₹5,813 crore; its market share among private players based on adjusted first year premium went up by 200 basis points to 7.5%; its cost ratio improved from 42% to 38%, due to stringent cost management initiatives; its assets under management grew by 37% to ₹13,836 crore; it maintained more than double the stipulated solvency margin; its profit after tax grew more than 12 times to ₹283 crore; and it generated shareholders' profit of ₹194 crore in 2010-11 compared to a loss of ₹21 crore in 2009-10.

I must put on record my sincere appreciation to the core MNYL team, to its Vice Chairman, Anuroop (Tony) Singh, to key resources from your Company, to an excellent, focused, rapid action facilitating team from McKinsey & Company and to one of my gurus and mentors, Ram Charan, for effecting such a fundamental turnaround under some of the most dire external circumstances.

May we not have any more unsettling changes such as the one we witnessed in September 2010. And may MNYL now be poised for consistently focused, profitable, value enhancing growth — as the preliminary evidence suggests it is.

Compared to the changes that hit the insurance industry, the rest of your Company's business looked like plain sailing.

Max Healthcare is on a profitable growth path. With the new blocks at Patparganj and Saket getting fully operational, the average number of operational hospital beds increased by 23% from 751 in 2009-10 to 926 in 2010-11. Today, a network of six top class hospitals and two speciality medical centres in Delhi and the National Capital Region (NCR) is serviced by around 1,250 doctors, 1,725 nurses and 1,840 para-medical and other staff. The registered patient base now runs at over 11.4 lakh patients. There are over 2.5 lakh patient

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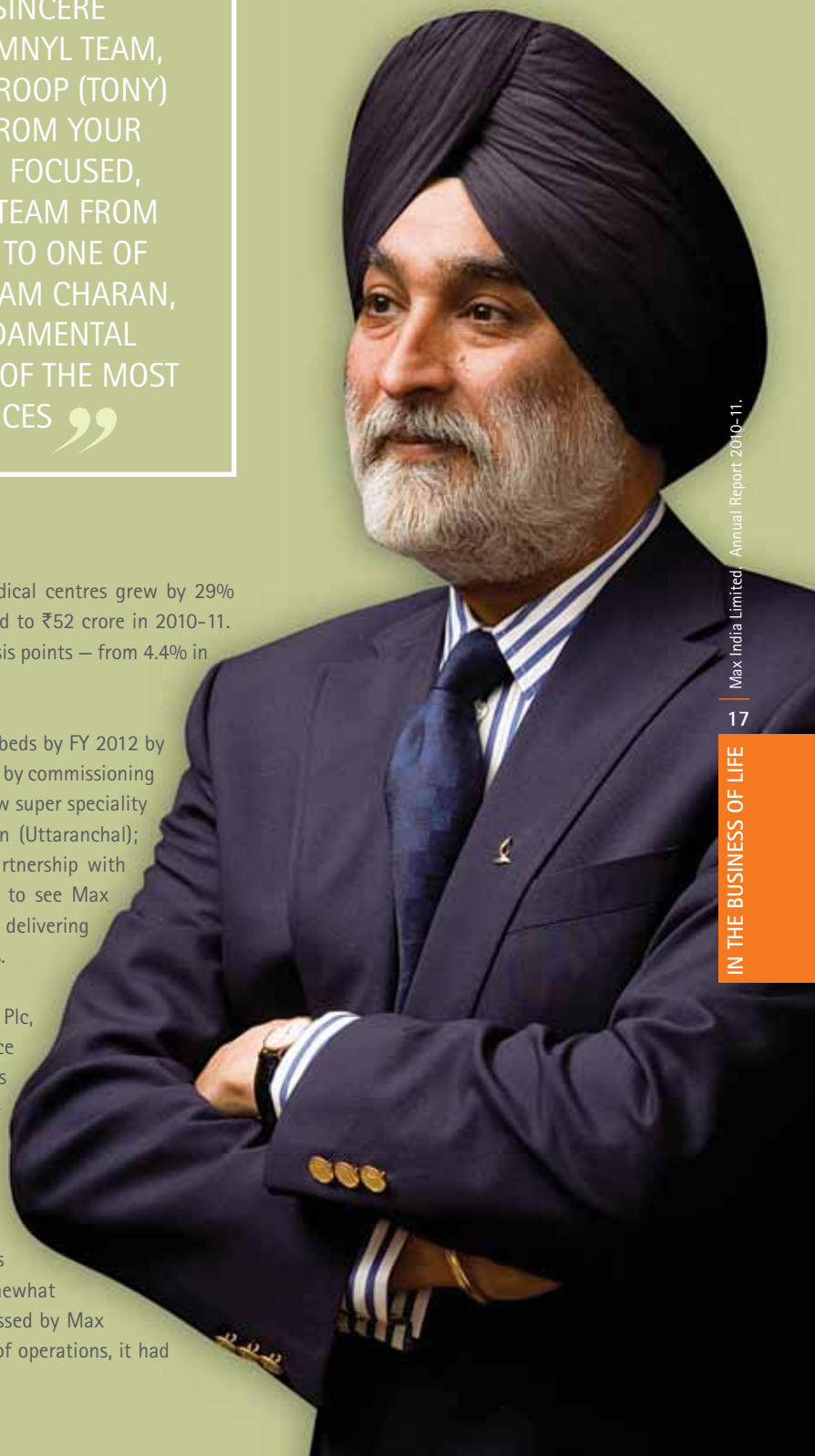
> I MUST PUT ON RECORD MY SINCERE APPRECIATION TO THE CORE MNYL TEAM, TO ITS VICE CHAIRMAN, ANUROOP (TONY) SINGH, TO KEY RESOURCES FROM YOUR COMPANY, TO AN EXCELLENT, FOCUSED, RAPID ACTION FACILITATING TEAM FROM MCKINSEY & COMPANY AND TO ONE OF MY GURUS AND MENTORS, RAM CHARAN, FOR EFFECTING SUCH A FUNDAMENTAL TURNAROUND UNDER SOME OF THE MOST DIRE EXTERNAL CIRCUMSTANCES”

transactions per month.

Its revenue across its network of hospitals and medical centres grew by 29% to ₹685 crore in 2010-11. EBITDA more than doubled to ₹52 crore in 2010-11. More significantly, the EBITDA margin rose by 320 basis points – from 4.4% in 2009-10 to 7.6% in 2010-11.

Max Healthcare will be raising its capacity to 1,900 beds by FY 2012 by not only increasing beds in Delhi and the NCR but also by commissioning more hospitals in North India. You will soon see a new super speciality hospital in Shalimar Bagh (New Delhi); in Dehradun (Uttaranchal); and in Bhatinda and Mohali as a public-private partnership with the Government of Punjab. You should also expect to see Max Healthcare earning profits on a sustained basis while delivering superior patient care across several therapeutic areas.

Max Bupa, your Company's joint venture with Bupa Plc, UK focuses on providing excellent health insurance services. It is a new venture, and 2010-11 was its first full year of operations. Properly priced and well-serviced health insurance is new to India – where the few who got insured typically did so through low priced, loss-making public sector health insurance policies. Thus, while there is considerable demand for such insurance, I expect that it will take a few years for the business to gain sufficient traction; and somewhat longer to deliver profits. Even so, I have been impressed by Max Bupa's performance. At the end of its first full year of operations, it had





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> MAX HEALTHCARE IS ON A PROFITABLE GROWTH PATH. 2011-12 WILL SEE IT DOUBLE ITS CAPACITY AND EXPAND ITS GEOGRAPHIC FOOTPRINT, WITH STATE-OF-THE ART HOSPITALS COMING UP ACROSS NORTH INDIA”

covered a total of 46,000 lives during 2010-11; it earned a gross written premium of over ₹25 crore; and built multi-channel provider networks and associations with hospitals. I hope that the business continues growing smartly with an eye on quality growth, high service benchmarks and profits.

Max Neeman, your Company's calibrated foray into clinical research for global pharmaceutical companies is bearing fruit. Though a small relative to MNYL and Max Healthcare and in a very early stage of development, Max Neeman has a client base of 77 global pharmaceutical

entities — having increased it by 20 in 2010-11. I expect growth from this dual-shored operation.

Max Speciality Films (MSF), your Company's Bi-axially Oriented Polypropylene (BOPP) film and metallising facility in Punjab has continued doing well. MSF's sales turnover was ₹456 crore in 2010-11 against ₹363 crore in 2009-10. Net revenues increased by 25% from ₹333 crore in 2009-10 to ₹417 crore in 2010-11. Despite a 22% increase in overall industry capacity, MSF's operating margin (EBIDTA to net sales) was maintained at 11.7% in

2010-11, which is very creditable in this industry. EBIDTA increased by 23% to ₹53 crore in 2010-11 and PBT increased by 77% to ₹36 crore.

In the aggregate, therefore, your Company has grown in the midst of a rapidly changing environment. Consolidated operating revenue increased by 20% to ₹6,668 crore in 2010-11. It has also turned around: consolidated profit before tax was ₹32 crore in 2010-11 versus a loss of ₹86 crore in 2009-10. On a consolidated basis, net profit was ₹9 crore in 2010-11 compared to a net loss of ₹72 crore in 2009-10. And the treasury corpus was ₹540 crore as on 31 March 2011.

From the above, it is truly visible that Max India Group is on a sustainable and profitable growth trajectory. Over the last two years, the initiative of putting in place an effective Board governed style of working has strengthened the result orientation of our key businesses, including emphasis on outcome based performance and risk management.

However, we continue to live in challenging and complex times, with increasing competition, pressure on profitability, and our commitment to excellence is the key to future success and profitable growth. To strengthen the leadership of your Company, I recently took a decision to step down from the day to day role in my capacity as Managing Director of your Company. Rahul Khosla was appointed by your Board as the future Managing Director of your company on June 8th and will formally be instated as Managing Director on August 18, 2011.

Rahul brings with him value based



“2010-11 WAS MAX BUPA'S FIRST FULL YEAR OF OPERATIONS. WHILE THERE IS CONSIDERABLE DEMAND FOR SUCH INSURANCE, I EXPECT THAT IT WILL TAKE A FEW YEARS FOR THE BUSINESS TO GAIN SUFFICIENT TRACTION; AND SOMEWHAT LONGER TO DELIVER PROFITS”

“MSF CONTINUES TO DO WELL, WITH ITS NEW LINE COMING ON-STREAM, EXPANDING CAPACITY BY 75% TO 52,000 TPA, AND ITS PRODUCTS WINNING GLOBAL RECOGNITION WITH THE WORLDSTAR PACKAGING EXCELLENCE AWARD FOR 2010”



leadership, high energy and rich experience having held key positions in American Express Bank, Bank of America, ANZ Grindlays Bank, Standard Chartered and lastly Visa in Singapore.

Please join me in welcoming and wishing Rahul the very best for his success in his role as Managing Director of your company.

I will continue to serve as Executive Chairman of your company as well as Chairman of its subsidiaries, Max New York Life Insurance, Max Healthcare and Max Bupa.

I wish to sincerely thanks my partners, New York Life Insurance, U.S.A., Bupa, UK; all the Directors who painstakingly work, heading various Sub-Committees of Boards, my Vice Chairman Anuroop (Tony) Singh and the leadership teams of your company and the overall Max India Group.

I look forward to an exciting year ahead and hope that we are able to continue navigating the impermanency, in our quest for excellence and profitable growth.

Analjit Singh
Chairman

DR. SUBASH BIJLANI

DR. OMKAR GOSWAMI

MR. RAJESH KHANNA

MR. VISHAL BAKSHI

MR. AMAN MEHTA

MR. K. NARASIMHA MURTHY

DR. S. S. BAIJAL

> MAX INDIA LIMITED

Dr. S. S. Bajjal - Chairman Emeritus
 Mr. Analjit Singh - Chairman & Managing Director
 Mr. Anuroop (Tony) Singh - Vice Chairman
 Mr. Aman Mehta - Non-Executive Director
 Mr. Ashwani Windlass - Non-Executive Director
 Mr. K. Narasimha Murthy - Non-Executive Director
 Mr. N. C. Singhal - Non-Executive Director
 Dr. Omkar Goswami - Non-Executive Director
 Mr. Piyush Mankad - Non-Executive Director
 Mr. Rajesh Khanna - Non-Executive Director
 Dr. Subash Bijlani - Non-Executive Director
 Mr. Sanjeev Mehra - Non-Executive Director
 Mr. Vishal Bakshi - Alternate Director

> MAX NEW YORK LIFE INSURANCE COMPANY LIMITED

Mr. Analjit Singh - Chairman
 Mr. Anuroop (Tony) Singh - Vice Chairman
 Mr. Rajesh Sud - Managing Director & CEO
 Mr. Rajit Mehta - Executive Director & COO
 Mr. Leo Puri - Non-Executive Director
 Ms. Marielle Theron - Non-Executive Director
 Dr. Omkar Goswami - Non-Executive Director
 Mr. Richard L. Mucci - Non-Executive Director
 Mr. William Beaty - Non-Executive Director

MR. ANUROOP
(TONY) SINGH

MR. SANJEEV
MEHRA

MR. PIYUSH
MANKAD

MR. ANALJIT SINGH

MR. ASHWANI WINDLASS

MR. N. C. SINGHAL

> MAX HEALTHCARE INSTITUTE

Mr. Analjit Singh – Chairman
Mr. Anuroop (Tony) Singh – Vice Chairman
Dr. Pervez Ahmed – Managing Director & CEO
Dr. Pradeep K. Chowbey – Jt. Managing Director
Dr. Ajit Singh – Non-Executive Director
Mr. K. K. Mathur – Non-Executive Director
Dr. K. M. Fock – Non-Executive Director
Mr. K. Narasimha Murthy – Non-Executive Director
Mr. Leo Puri – Non-Executive Director
Dr. R. P. Soonawala – Non-Executive Director
Mr. S. S. H. Rehman – Non-Executive Director

> MAX BUPA HEALTH INSURANCE COMPANY LIMITED

Mr. Analjit Singh – Chairman
Mr. Anthony Coleman – Non-Executive Director
Mr. Anuroop (Tony) Singh – Non-Executive Director
Mr. Dean Allan Holden – Non-Executive Director
Mr. James G. Wheaton – Non-Executive Director
Mr. K. Narasimha Murthy – Non-Executive Director
Mr. Leo Puri – Non-Executive Director
Mr. William Stephen Ward – Non-Executive Director

Management Discussion & Analysis



DRIVEN BY THE SPIRIT OF ENTERPRISE, THE COMPANY'S VISION IS TO BE ONE OF INDIA'S MOST ADMIRABLE COMPANIES FOR SERVICE EXCELLENCE





Overview

MAX INDIA LIMITED ('MAX INDIA' OR 'THE COMPANY') IS A MULTI-BUSINESS ORGANISATION THAT IS FOCUSED ON PEOPLE AND SERVICE-ORIENTED BUSINESSES. DRIVEN BY THE SPIRIT OF ENTERPRISE, THE COMPANY'S VISION IS TO BE ONE OF INDIA'S MOST ADMIRER COMPANIES FOR SERVICE EXCELLENCE.

The Company's core portfolio comprises businesses that deal with life. Each of these businesses has a significant long term value proposition. Today, these are in different stages of their development and growth phases and are supported by well calibrated strategies and investments. The businesses:

'Protects life' through the life insurance subsidiary, Max New York Life Insurance (MNYL), a joint venture between Max India and New York Life Enterprises, a Fortune 100 company.

'Cares for life' through the healthcare company, Max Healthcare (MHC), a subsidiary company.

'Enhances life' through the health insurance company, Max Bupa Health Insurance (MBHI), a joint venture between Max India and Bupa Finance Plc, UK.

'Improves life' through the clinical research business, Max Neeman Medical International (MNMI), a fully owned subsidiary of Max India.

In addition, Max India has a well established and profitable manufacturing

business, Max Speciality Films (MSF), that specialises in manufacturing a wide range of sophisticated barrier and packaging films.

With improved economic conditions, each of the businesses performed well during 2010-11. Thus, as a consolidated

portfolio, Max India Limited improved its financial results in 2010-11.

Performance Highlights: 2010-11

The Company's financial performance highlights are given in Box 1.

Box 1

Max India's Consolidated Financial Highlights in 2010-11

- Operating revenue increased by 20% to ₹6,668 crore in 2010-11.
- Profit before tax (PBT) turned around to ₹32 crore in 2010-11 against a loss of ₹86 crore in 2009-10.
- Net profit was ₹9 crore in 2010-11 against a net loss of ₹72 crore in 2009-10.
- Treasury corpus was ₹540 crore as on 31 March 2011.

Each of the businesses of Max India operate under different business environments and have different imperatives. Highlights of their respective developments are given in Box 2.



Box 2

Key Developments in the Different Businesses, 2010-11

Life Insurance

- Embedded value grew by 18% to ₹3,216 crore in 2010-11.
- Value of new business was ₹235 crore in 2010-11, translating into a margin of 19.5%.
- The market share increased from 5.5% in 2009-10 to 7.5% in 2010-11.
- It generated shareholders' profit of ₹194 crore in 2010-11 against a loss of ₹21 crore in 2009-10.
- Additionally, it generated an undistributed surplus of ₹89 crore during 2010-11 in the policyholders' account against ₹45 crore in 2009-10.

Healthcare (Network of Hospitals)

- EBITDA for ₹52 crore in 2010-11; up 121% over the previous year.
- EBITDA margin improves from 4.4% in 2009-10 to 7.6% in 2010-11.
- Max Super Speciality Hospital, Saket, was awarded with Excellence in Healthcare Delivery and Max Super Speciality Hospital, Patparganj, for Environmental Conservation by FICCI.

Speciality Products

- Expanded capacity to 52,000 tpa with a new line of 22,000 tpa coming on-stream.
- Net profit grew by 77% to ₹36 crore in 2010-11.
- Won the Worldstar Packaging Excellence Award 2010.

Health Insurance

- Created its footprint in the industry with gross written premium of ₹25 crore from 46,000 lives covered in 2010-11.
- Diversified product portfolio – IMEP, SME, Micro Insurance and Retail (rural and urban) products.
- Set benchmark in the industry with highest agent and telesales channel productivity.

Corporate Social Responsibility

- Max India Foundation, the CSR arm of Max India, was awarded with prestigious Golden Peacock Global Award for CSR 2010.

The subsequent sections give detailed review for each of the individual businesses in Max India's portfolio.

➤ 2010-11 WAS A TRANSFORMATIVE YEAR FOR MAX INDIA WITH AGGREGATE OPERATING REVENUE RISING 20% TO ₹6,668 CRORE IN 2010-11 AND OPERATIONS TURNING AROUND TO ACHIEVE PROFIT BEFORE TAX OF ₹32 CRORE VERSUS A LOSS OF ₹86 CRORE IN 2009-10







MNYL IS ONE OF THE FEW PRIVATE LIFE INSURERS WHOSE FIRST YEAR PREMIUM INCOME HAS GROWN DUE TO ITS AGILE RESPONSE TO THE UNEXPECTED CHANGE IN REGULATIONS AIMED AT RE-ORIENTING THE LIFE INSURANCE INDUSTRY TOWARDS ITS CORE FOCUS OF LONG TERM SAVINGS AND PROTECTION FROM UNEXPECTED EVENTS



The Indian Life Insurance Industry

It was a year when the industry witnessed several regulatory changes that affected both consumer preferences and operation structures of life insurance companies. On the macro economic front, there were positives in terms of renewed growth across the global economy. India, too, has recovered well from the global financial turmoil as estimates suggest a growth of 8.5% in 2010-11, on the back of an 8% growth in 2009-10. However, there were two major concern areas. First, driven by high prices of commodities, especially food, inflation rates remained at fairly high levels through the course of the year. Second, the Reserve Bank of India reacted to the inflationary environment by adopting a strict monetary policy, which has resulted in hardening of interest rates. These developments have had a negative impact on customer sentiments. The changed regulatory environment accompanied by some of the uncertainties on the economic front and high degree of volatility in the stock market created a very challenging environment for players in the Indian life insurance industry.

After the economic slowdown of 2008, the life insurance sector in India had picked up and witnessed steady growth from the second half of 2009-10. This trend continued till the end of the first half of 2010-11. At this juncture, growth was halted by the large scale revamping of the regulatory environment. It shows up in the data. In the six months ended 31 August 2011, total individual premium increased by 69%, while that for the private sector players increased by 29%. Since September 2011 when the new unit-linked insurance policy (ULIP)

guidelines came into force, there has been de-growth in the industry. Thus, for 2010-11 as a whole, total individual premium growth reduced to 1%, with the private sector witnessing a 4% reduction.

The regulatory changes were aimed to re-orient the life insurance industry towards its core focus of long term savings and protection from unexpected events. The changes had a major impact on most of the ULIP schemes that were driving growth, and most life insurance companies in India were unprepared to deal with the new regulations.

In the first decade of private participation in the Indian life insurance industry, growth was driven primarily by two factors: (i) expansion of the distribution network; and (ii) a wide range of products, especially ULIPs. In

fact, ULIPs quickly became very popular in a milieu where buoyant stock markets continuously raised expectations of higher than average returns.

The regulatory changes in 2010-11 have taken the industry to its next phase of development — where players have to provide greater customer benefit, curb mis-selling, and offer longer term orientation and benefits to policy holders. Naturally, these changes have brought about the need to relook and recalibrate business models.

An immediate outcome has been the change in focus in distribution from aggressive expansion to consolidation and improvement in network efficiencies. The biggest difference, however, has been the change in consumer perception and awareness of investment risks associated with insurance products.

The result has been a consequential growth in demand for traditional endowment plans. In addition, ULIP regulations have made it almost mandatory for life insurers to sharply focus on cost efficiency and persistency to ensure profitability. In this business environment, with a sudden break in high first year premium growth, as it should be, there is now a growing appreciation of the value of servicing existing customers and generating renewal premiums. Thus, life insurance companies are re-orienting their focus towards selling life insurance for its core value of long-term savings and protection, instead of only selling mutual funds with a bit of protection thrown in.

At present, most Indian life insurance companies are coming to terms with the regulatory and environmental changes.



WITH LIFE INSURANCE PREMIUM AT JUST 4.5% OF GDP, NO SOCIAL SECURITY SYSTEM IN PLACE AND THE UNDERLYING DEMOGRAPHIC & ECONOMIC FACTORS, INDIA IS ONE OF THE TOP POTENTIAL LIFE INSURANCE MARKETS



However, there is no doubt that in the long run the sector has major growth opportunities. Life insurance premium in India is still just 4.5% of the GDP; and this low figure assumes greater significance given that the country does not have a social security system in place. Moreover, the underlying demographic and economic factors that make India one of the top potential life insurance markets continue to display favourable trends. There continues to be a secular growth in the middle class; so too the growth in income levels across socio-economic classifications. The pool of household savings keeps growing. And India is expected to enjoy demographic dividend for more than a decade. A more affluent and larger working age population will have a greater need for long-term financial planning to manage savings to meet their growing life stage needs.

The Regulatory Environment and MNYL

As stated the Insurance Regulatory and Development Authority (IRDA) proposed several regulatory changes during the year. Many of these were also effectively implemented. MNYL had to evaluate the implications of these changes and take strategic decisions.

The most significant of these was the **ULIP Regulation**, which came into force from 1 September 2010. Designed with the intent to position ULIPs as a long-term savings and protection product, the regulations will result in greater focus on good product persistency as well as reduction in costs of these products. Overall, it will foster a more balanced product mix in the industry. MNYL has

responded proactively to this regulation and is one of the few private life insurers whose first year premium income has grown in the second half of 2010-11.

In another important development, the IRDA specified a minimum 4.5% guaranteed return on **pension plans**. While this is well intentioned, in line with the conclusion drawn by most life insurers, MNYL decided not to develop pension products that complied with the new arrangements. MNYL believed that there was a fundamental dichotomy in the new regulatory environment. Generally, the investment strategy for long term retirement obligations needs to include a significant equity component. However, providing long term guarantee necessitates a much higher proportion of investments in long term bonds. This dichotomy makes it imprudent to offer such long guarantee products under a



“THE IRDA NEW PENSION PLANS GUIDELINES PROPOSING GUARANTEED RETURN ARE WELL INTENTIONED, BUT MNYL BELIEVES THERE IS A FUNDAMENTAL DICHOTOMY IN THE NEW REGULATORY INTERPRETATION OF PENSION PLANS AND HAS DECIDED NOT TO DEVELOP PENSION PRODUCTS”

unit linked contract. The Company will re-evaluate this product profile if and when the IRDA revises its guidelines.

The IRDA has also withdrawn the existing Universal Life Product approvals and issued guidelines for a new product form known as **Variable Insurance Plans (VIP)**. Given the constraints on product design and expenses under these new guidelines, MNYL has initially decided not to launch new products of this type.

On the operations front, IRDA issued **Outsourcing Guidelines** that provide direction on the activities a life insurer is allowed to outsource. These divide insurance activities into core and non-core, with the basic rule that core activities cannot be outsourced. These guidelines will result in improved accountability, transparency, risk assessment and risk management. This development has little impact on MNYL's operations as the Company had never outsourced its core activities.

New Referral Guidelines were issued that prevents banks from becoming referral partners. These guidelines had only marginal impact on MNYL, as it was able to convert most of the important and large relationships into corporate agents.

Max New York Life Insurance – Performance Highlights 2010-11

In this environment, MNYL continued to deliver good results. The highlights are:

- Total revenue (first year premium + renewal premium) increased by 20%

to ₹5,813 crore; renewal premium recorded a growth of 25% to ₹3,751 crore; first year premium recorded a growth of 11% to ₹2,062 crore.

- Individual adjusted first year premium (adjusted for single pay), which MNYL believes is the true barometer of new business performance of a life insurance company, was ₹1,724 crore, recording a growth of 9%.
- MNYL's market share among the private players, based on adjusted first year premium, went up by around 200 bps to 7.5%.
- Sum assured recorded a growth of 26% to ₹1,54,687 crore.
- At 81%, MNYL's conservation ratio remained one of the best in the industry.
- Cost ratio improved from 42% to 38% due to the impact of cost management initiatives taken during the year.

- Profit after tax went up more than 12 times to ₹283 crore.

- Assets under management recorded a growth of 37% to ₹13,836 crore.

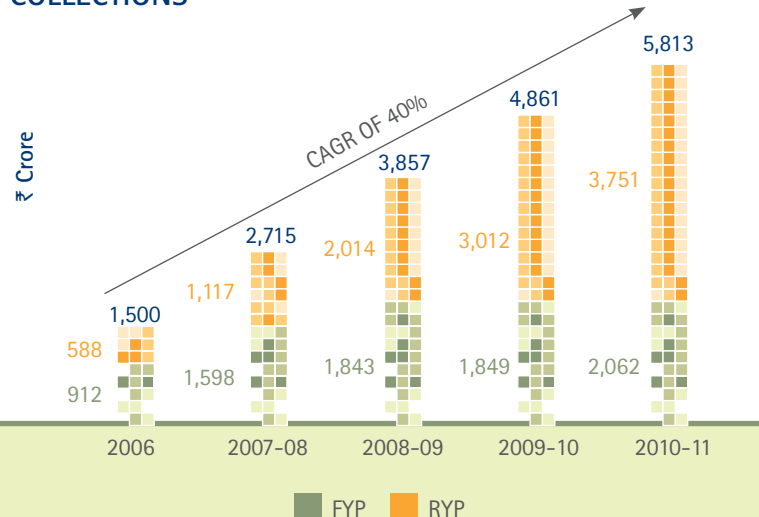
- MNYL maintained more than double the stipulated solvency margin at 365%.

With the performance in 2010-11, MNYL continued to maintain its growth momentum. Chart A plots the steady growth in First Year Premium and Renewal Premium since 2006-07. The Compound Annual Growth Rate (CAGR) during the period is 40%.

Strategic Developments

On several fronts, MNYL's existing business had a good competitive positioning in the new business environment. The company's advice based sales and multi-channel distribution model, with focus on

CHART A: FIVE YEAR TREND IN MNYL'S PREMIUM COLLECTIONS



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 > MNYL
 BANCASSURANCE
 RELATIONSHIP WITH
 AXIS BANK THAT
 ACTIVATED IN MAY
 2010 GENERATED
 SALES OF MORE
 THAN 1 LAKH
 POLICIES BY MARCH
 2011”



quality of agency and commitment to training is well suited to take on the new challenges. This is supported by a strong brand proposition, focus on customer centricity, an ethical culture of meritocracy, and the financial strength of its parent organizations.

With the fundamental business blocks in place, MNYL had to transform its strategic imperatives. The focus of the new roadmap is to leverage its differentiators and create a more responsive and productive organization, with the commitment to build India's most admired Life Insurance Company.

The new strategy is built through an in-depth understanding of inter-linkages

between four core areas:

- i) Market attractiveness
- ii) Industry and regulatory environment
- iii) Internal capabilities and strengths
- iv) Consumer preferences

In line with the regulatory environment, MNYL will focus on insurance products that serve the long-term savings and protection needs of its customers. Considerable effort has been put in to understanding and segregating the different customer segments. The emphasis is to focus on promoting life insurance with a strong element of advice based sales. This will be

supported through a high quality agency distribution network supplemented by bancassurance and other third party partnerships.

Given these imperatives, MNYL has identified six priority areas where it will focus on over the next few years to ensure sustainable and profitable growth. These are:

- > Building agency distribution with high standards in productivity and quality of advice.
- > Building a multi-channel distribution architecture.
- > Designing products based on customer insights.

- Improving persistency.
- Reducing costs.
- Shaping Regulatory Agenda.

These priorities will be supported by enhanced business intelligence and governance. The entire transformation exercise will require sharp execution and a comprehensive change management plan that includes mindset shifts, leadership cohesion and an enhanced engagement with all stakeholders. A transformation office has also been created, which would ensure the continuity of these initiatives through a rigorous review mechanism and consequence management process.

Distribution

MNYL has always believed that a multi-channel distribution model is best suited

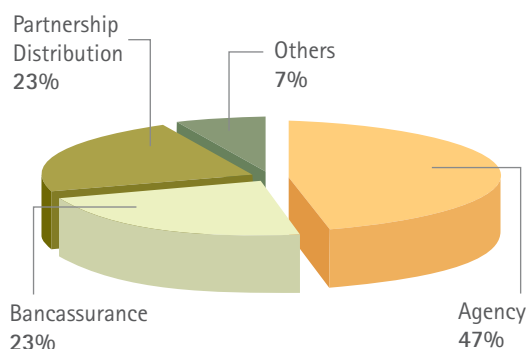
to enhance customer reach. During 2010-11, the company took an important step towards evolving a more comprehensive multi-channel distribution network with the corporate agency agreement with Axis Bank – the third largest private sector bank in the country. This channel became active in May 2010 and provided MNYL with a strong national bancassurance relationship. With around 1,400 branches across more than 600 locations, it was expected that the relationship with Axis Bank will provide MNYL access to a relatively large number of new customers. The expectations have come true. By March 2011, the company had sold more than 1 lakh policies through this new relationship.

As stated earlier, MNYL believes that advice-based sales are best suited for life insurance. Consequently, agency distribution has been at the core of

the company's sales network mix. It continues to take initiatives to create high quality agent advisors. In the process, it also sets high performance standards. Agency distribution remains the largest channel contributing 47% to the new business premium, followed by partnership distribution and bancassurance, contributing 23% each (see Chart B).

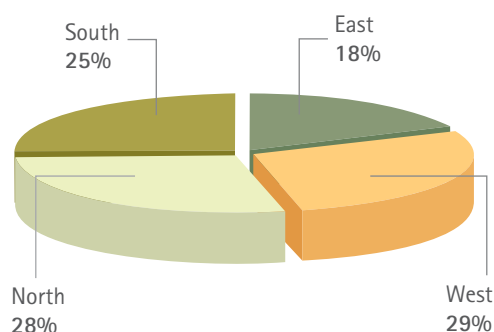
In terms of geography, MNYL has been making efforts at developing a pan-India business. Thus, over the last two years there was a special effort at developing business in the southern and eastern parts of India. This has started bearing fruit in 2010-11. In terms of first year premiums, the regional distribution across India has become more equitable – with the West contributing 29%, the North 28%, the South 25% and East 18% (see Chart C).

CHART B: CHANNEL WISE BREAK UP (2010-11)

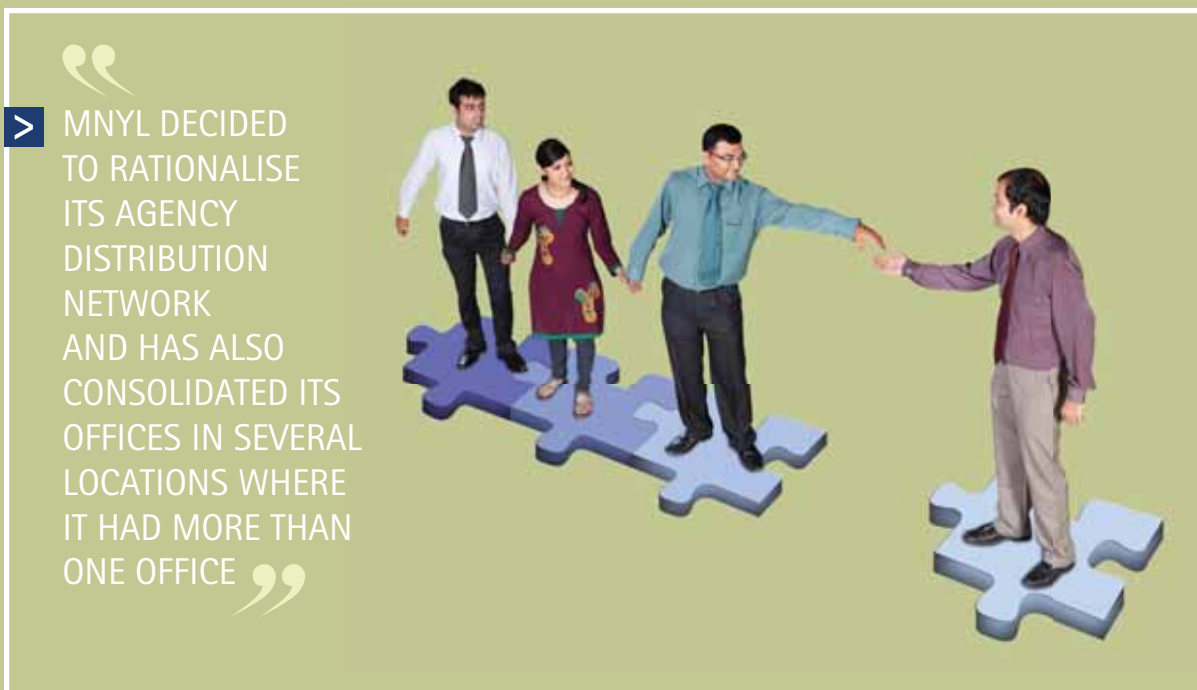


On First Year Premium Basis

CHART C: GEOGRAPHICAL BREAK UP (2010-11)



On First Year Premium Basis



Given its new strategy, MNYL decided to rationalise its agency distribution network. The company has also consolidated its offices in several locations where it had more than one office. As on 31 March 2011, MNYL had 529 offices across 389 cities. It will continue to be present across all key geographies in India and maintain its high level of service to all policyholders and agent advisors.

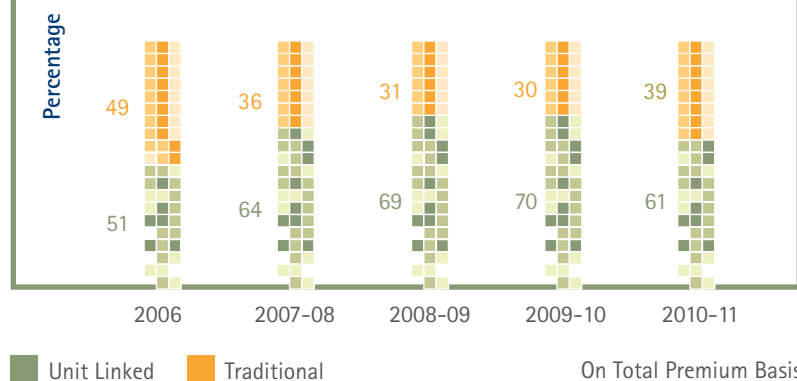
Product Portfolio

As stated before, the business environment and the regulatory changes affected consumer sentiments – leading to a significant shift in preference towards lower risk products. MNYL responded to this and introduced new products, each of which was structured after thorough research of customer

needs and the specific requirements of distribution intermediaries. These research studies clearly indicated that informed consumers buy life insurance mainly for long-term savings and

protection. It also revealed that the Indian consumer understands and is generally inclined in favour of traditional money back endowment plans over any other life insurance product category.

CHART D: PRODUCT MIX





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>

MNYL LAUNCHED A RANGE OF ULIPS, DESIGNED TO MEET SPECIFIC NEEDS OF DIFFERENT CUSTOMERS LIKE SHIKSHA PLUS II, SHUBH INVEST AND FLEXIFORTUNE. THE 'COLLEGE PLAN' FROM MNYL IS TRADITIONAL GUARANTEED MONEY BACK PLAN INTENDED TO HELP CUSTOMERS CREATE A CORPUS FOR THEIR CHILD'S HIGHER EDUCATION”

These findings were used to develop new products, re-train MNYL's distribution team and reposition the existing traditional plans.

During 2010-11, traditional products gained greater share in the Company's product mix. In fact, the share of traditional plans in new business

increased from 27% in 2009-10 to 57% in 2010-11, while that of ULIPs decreased from 73% to 43% over the same period.

Although MNYL had launched a comprehensive range of revised ULIPs in January 2010, the new ULIP guidelines implemented from September 2010

required a complete redesign of the entire ULIP portfolio. MNYL launched two new ULIPs in September 2010 – Shiksha Plus II and Shubh Invest. It added another ULIP product, FlexiFortune, to the portfolio shortly afterwards. During 2010-11, the Company also launched 'College Plan' – a traditional guaranteed money back plan, which helps customers

create a corpus for their child's higher education.

Asset Management

MNYL's products are backed by strong asset management capabilities of the company. The in-house team of analysts and fund managers has ensured that all ULIP funds consistently outperform the benchmark indices. This trend continued in 2010-11.

While focusing on delivering maximum returns to policyholders, MNYL follows a prudent investment philosophy to optimise risk. Investments are in safe instruments: the top five debt investments are AAA rated and majority of the equity investments are in large cap companies. The company's assets under management grew by 37% to ₹13,836 crore as on 31 March 2011, which comprised roughly 60% debt and 40% equity.

Customer Service

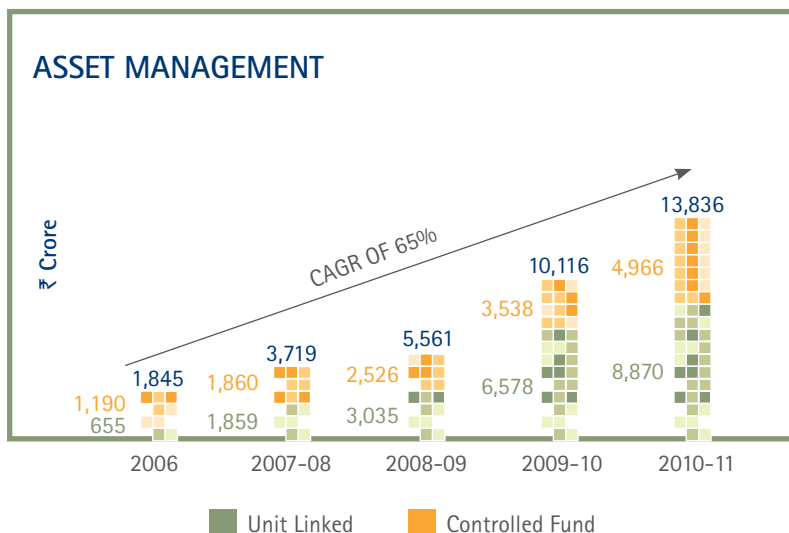
Service excellence is one of the most important foundations on which MNYL strives to be the most admired life insurance Company in India. While 2009-10 was about looking at innovative, effective and more efficient ways of upgrading service offering to the customers and distributors, 2010-11 was about streamlining the service architecture of the company,



MNYL BECAME THE 1ST LIFE INSURANCE COMPANY IN INDIA TO IMPLEMENT THE 'TREATING CUSTOMER FAIRLY' POLICY AIMED AT RAISING THE STANDARDS OF ITS INTERACTIONS WITH CUSTOMERS AT EVERY TOUCH POINT FROM PRE-SALES ENGAGEMENT TO PAYMENT OF BENEFITS



ASSET MANAGEMENT



with constant efforts to match service standards to customer needs.

Customer retention, persistency and conservation is a way of life for the company. Some customer related initiatives include regular monitoring of reminder call quality, creation of easier payment options, improvements in communication, and sending reminders through SMS, email, letter, and telephone.

As a step towards service excellence, MNYL has embarked on the journey of implementing the 'Treating Customer Fairly' (TCF) policy. TCF aims to raise standards of the company's interactions with customers at every touch point right from pre-sales engagement to the payment of benefits. This initiative will enhance MNYL's ability to retain its existing policyholders and assist in providing them with solutions for all their life stage needs. Thus, MNYL should manage to differentiate itself by becoming the first life insurance company in India to have initiated the TCF Policy. This TCF initiative is being driven and monitored

by a Board-level committee.

In 2010-11, the company successfully outsourced certain customer service operations without compromising on service standards and simultaneously fulfilling the objective of greater cost efficiency. MNYL also invested in a new expert underwriting system called 'Planetsoft' for both Health and ULIP plans.

Brand Management

The life insurance market in India is highly competitive, where brand recall value becomes a major competitive advantage. While much of this is created through the quality of distribution and customer service, it is important for strong brand imagery to be created and sustained through media inputs.

On this front, MNYL has made significant progress. Today, Max New York Life is not only one of the most recognised brands in the industry, but also across the Indian corporate sector as a whole. The brand awareness score touched an

all time high of 98% in March 2011. This is a significant 11 percentage point jump over March 2010. With this development, the brand is now ranked fourth among all private insurance players.

This growth in brand awareness was due to multi-faceted activities including creative TV commercials, efficient media planning, public relations initiatives and the launch of an innovative consumer engagement platform called igenius. The company launched the igenius scholarship programme in February 2010, which received an overwhelming response from one million students of standards 3 to 8 across several cities. While continuing to use traditional advertising media, the company has begun to leverage growing digital and social media platforms to build a strong community of engaged consumers. The Company has created a 46,000 strong parenting community on Facebook® of which 95% are active users every month.

To strengthen its relationship with existing customers, MNYL launched an engagement programme called Gold Circle for its high net worth customers. The Gold Circle currently has around 54,000 members. The company also launched a quarterly magazine for these customers, which has been well appreciated.

People Management

The key to successful execution and sustenance of MNYL's strategy is the alignment and engagement of all employees. To enable this, an organisation wide strategy deployment and communication programme was launched during the year covering employees across all locations in India.



MNYL'S BRAND DEVELOPMENT EFFORTS FOCUSED ON ENHANCING CUSTOMER ENGAGEMENT WITH INITIATIVES LIKE THE IGENIUS SCHOLARSHIP PROGRAMME WHERE AN OVERWHELMING ONE MILLION STUDENTS PARTICIPATED AND ALSO THROUGH MNYL'S SOCIAL MEDIA ACTIVITIES THAT HAVE 46,000 STRONG PARENTING COMMUNITY ON FACEBOOK® OF WHICH 95% ARE ACTIVE USERS EVERY MONTH



Besides helping employees understand the new strategic imperatives, the programme reinforced the need to remain customer centric, cost efficient and productive. Initiatives such as CEO Webcasts and functional meets have also helped in re-aligning employees to the new requirements of the industry.

MNYL realizes that it is its people and their talent that will be the differentiator and provide the critical competitive edge. Thus, it continues to invest in its human capital. Flagship leadership development initiatives, deep focus on quality recruitment and employee retention form part of this tale of maintaining competitive edge.

Quality and Business Excellence

MNYL strongly believes in quality initiatives. Over the last three years, the company has been pursuing its Business Excellence journey. It is the first and only Indian life insurance company to have been awarded the CII-EXIM Bank Commendation Certificate for 'Strong Commitment to Excel' for three consecutive years from 2008 to 2010.

The company has institutionalised process excellence across its operations and sales offices - which are certified through an independent external agency, the Bureau Veritas Certification. It was the first life insurance company in India to be certified as ISO 9001:2000 and among the first three to achieve ISO 9001:2008 certification.

MNYL also secured prestigious awards for its continuous improvement programme

including QCI DL Shaw recommendation certificate for a project on 'Reducing Business Leakage for Emerging Markets' and the CII National Six Sigma Runners-Up prize for project on improving 37th month ULIP persistency in agency channel.

Internal Audit and Risk Management Framework

MNYL has institutionalised systems of internal control which are commensurate with its size, and the nature of its operations. These have been designed to provide assurance for recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance with corporate policies.

The company has a well-defined delegation of authority matrix with defined authority limits for approving various expenditure and new risks being exposed to. Processes for formulating and reviewing annual and long-term business plans are well defined. It has an internal audit department. To ensure independence, internal audit department has a reporting line to the Chairperson of the Board Audit Committee. There is a well-defined risk based internal audit plan, which is reviewed each year in consultation with the statutory auditors and the Audit Committee. Internal audit processes are designed to review the adequacy of internal controls and cover all significant areas of the company's

operations. The Audit Committee reviews all audit reports; follows up on the implementation of recommendations; meets the company's statutory auditors to ascertain their views on the adequacy of internal controls; and ensures that the Board of Directors is fully informed of major observations.

MNYL also has an independent Agency Standards team that carries out quality checks to ensure that prescribed sales processes are followed and that the customer's decision has been made after proper understanding of product features and how these meet the customer's needs.

The company continues to develop its Enterprise Risk Management system. The enterprise is scanned across a number of risk categories falling under financial, operational risk and business risks. These are assessed by considering their probable likelihood and potential impact – and the outcomes are rated from 'Very High' to 'Very Low'. The ratings determine the intensity of management response. Risk management activities are supervised by a Management Risk Committee chaired by the CEO and the Board's Product, Actuarial and Risk Committee whose mandate includes that of the Risk Management Committee as prescribed by the IRDA.

Outlook

2011-12 will continue to be a year of transition and adaptation to the new environment for the Indian life insurance industry. With a need to provide long-term savings and protection, life insurers in India will have to focus on

providing consumers with a much more balanced product portfolio. The quality, commitment and ethics of the agent advisor will be tested as product changes; and disclosure requirements will ensure a higher seller and customer engagement at the time of the sale. Some select customer segments may also use the internet for simple products such as term plans and traditional endowment plans.

Distribution trends may also undergo changes. With regulatory changes, the focus will increase on multi-channel distribution. Growth in life insurance is expected from increased distributors' productivity rather than expansion of distribution footprint. Two focus areas for driving profitability in the business will be reducing expenses and improving persistency.

In this milieu, MNYL will focus on efficient implementation of its strategy. The company will offer a comprehensive suite of traditional and ULIP products with a minimum tenure of 10 years and a protection multiple of 20 times and more.

Going forward, MNYL has identified five key areas of improvement:

- Long-term savings and protection focus.
- Quality agency model.
- Robust multi-channel distribution architecture.
- Higher persistency through superior customer engagement.
- Cost management through optimum utilization of resources.





Indian Healthcare Industry

The Indian healthcare industry is expected to touch US\$ 280 billion by 2020, according to Industry reports. Healthcare has emerged as one of the fastest growing & largest service sectors in India with an expected GDP spend of 8 per cent by 2012 from 5.5 per cent in 2009. Healthcare sector is pegged next to only the IT sector now.

As per a study by an industry body and Ernst & Young, India would require

another 1.75 million beds by 2025. The public sector however is likely to contribute only around 15-20 per cent of the required US\$ 86 billion investment. Every year, around 115 crore new cases of various ailments are reported, with nearly 3 crore cases requiring hospitalization. This disease burden is estimated to reduce the expectancy of healthy life at birth by 10 years. It is estimated that the reported number of ailments will rise by 30% to touch 150 crore cases by 2015. This increase will be driven by rising population growth, an increase in reported ailments due

to better affordability, easier access to healthcare facilities owing to increasing urbanization, and a shift in the disease mix towards Non Communicable Diseases (NCDs).

The 1st WHO report on NCDs released in April 2011 puts NCDs on top of the list of killer diseases and is projected to claim 52 million lives by 2030. The region projected to have highest number of deaths in 2020 (10.4 million) is South-East Asia. This alarming projection makes it imperative to focus on promoting healthy lifestyles and standards of



ECONOMIC DEVELOPMENT AND DEMOGRAPHIC DYNAMICS ARE EXPECTED TO MAKE INDIAN HEALTHCARE A US\$ 280 BILLION INDUSTRY BY 2020 THAT TRANSLATES INTO A REQUIREMENT OF AN ADDITIONAL 1.75 MILLION BEDS, ENTAILING AN INVESTMENT OF US\$86 BILLION BY 2025, WITH PRIVATE SECTOR EXPECTED TO PROVIDE FOR THE OVER 80% OF INVESTMENTS REQUIRED



wellness. This is an opportunity for the private sector to develop the wellness business and industry bodies to work toward nurturing this effort.

Planning of the Indian healthcare system has been top down, making it largely unresponsive to healthcare needs at the local level. This has resulted in an inadequate health infrastructure, which is inequitably distributed. The growth of the healthcare infrastructure in the last decade has not kept pace with the increase in the population and the rise in reported ailments. During this period, the population increased by 15% and the number of individuals reporting ailments per thousand population has grown by 66%. While the total number of beds has gone up by 5.1%, bed density (number of beds per thousand population) has declined by 7%. This may be due to lack of capacity building in semi urban and rural areas. Access to healthcare is hindered by inequitable distribution — across states and between rural and urban India.

Around 70% of India's healthcare expenditure is financed out-of-pocket with only 12% of the Indian population being covered by health-related insurance schemes. This limits the capacity of Indians to spend on healthcare, particularly in the lower and middle income groups, which comprise around 95% of the population. Since expenditure is mainly out of individuals' pockets, the incremental spend on healthcare is largely determined by incremental changes in income levels.

Health insurance penetration in India is low on the whole. Major health-related insurance schemes (ESIS, CGHS, group insurance, government schemes

for the poor, community insurance and voluntary insurance) together cover only 12% of the Indian population. Although private health insurance has grown at the rate of 40% per annum, low awareness, high premiums, and an inadequate and inefficient backend infrastructure has kept health insurance out of the reach of a large part of the population. This potential market needs to be tapped innovatively.

There will be further opportunities in

healthcare delivery through public private partnership models. Today, 90% of private healthcare is in the unorganised sector in India. This trend is expected to change with organised players growing in size.

Key trends that are providing an impetus to Max Healthcare's growth are as follows :

- Rising health insurance penetration, which is making health services relatively more affordable.

Box 3

MHC's Financial Highlights (2010-11)

- Revenue across network of hospitals increased by 29% to ₹685 crore.
- Average revenue per occupied bed day increased by 6% to ₹21,558.
- EBIDTA margin rose from 4.4% in 2009-10 to 7.6% in 2010-11.
- EBIDTA more than doubled to ₹52 crore in 2010-11.



MHC CONTINUED TO PROGRESS ALONG ITS LONG TERM GROWTH ROADMAP. MHC HAS STRESSED ON RETAINING AND GROWING PATIENT TRAFFIC BY PROVIDING COMPREHENSIVE AND SEAMLESS 'START TO FINISH' HEALTHCARE SERVICES



- Cost differential in India coupled with the care quotient as compared to developed economies offers significant scope for medical value travel related boom.
- Healthcare expenditure as a percentage of the GDP has been increasing, with growth being driven by the rise in private expenditure. In fact, the percentage of private healthcare expenditure in total healthcare expenditure in India is the highest among BRIC nations. In India, the percentage of private healthcare expenditure in total healthcare expenditure is 81%, while it is 56%, 61% and 38% for Brazil, China and Russia, respectively.
- The younger urban Indian population is seeing a growth in lifestyle related health issues and that requires a renewed focus.

Performance Highlights

MHC continued on the growth roadmap, as it significantly expanded its infrastructure and acquired manpower, in process of expanding capabilities that would help capture the emerging opportunities. The financial highlights of MHC's network of hospitals are given in box 3.

Average Revenue per Occupied Bed day increased by 6% to ₹21,588. EBIDTA margin has grown to 7.6% vs. 4.4% in 2009-10. EBIDTA rose to more than double at ₹52 crore in 2010-11. MHC has stressed on retaining and growing patient traffic by providing comprehensive and seamless 'start to finish' healthcare services that include consultations and diagnostics, testing,

treatment and post-surgical care. This is reflected in the growth in revenues. However, operating profit margins and profits reduced in 2009-10. This needs further explanation.

Much of the costs in this business such as personnel, operating overheads and administrative expenses are fixed in nature. So, whenever there is an expansion, there is an initial phase when there is a cost revenue mismatch. As the new facilities start operating in full swing, profitability picks up. In 2009-10, MHC ramped up its operations and recruited people to operate 350 additional beds. This expansion has added to fixed costs without commensurate additional revenues. In the growth phase, such

Box 4

MHC's Operational Highlights (2010-11)

- Average operational beds have increased by 23% from 751 in 2009-10 to 926 in 2010-11 on account of new blocks of Patparganj and Saket getting fully operational. Average occupancy across all healthcare facilities has therefore fallen to 68% vs. 73% in 2009-10.
- Average length of stay for 2010-11 is 3.56 day's.
- A motivated team of around 1,250 Doctors, 1,725 Nurses and 1,840 para-medical staff across the network of hospitals.
- Registered patient base of 11,42,000 patients with over 2,50,000 average patient transactions a month.

fluctuations in profitability are expected in this industry.

Operations

The highlights of MHC's operations are given in Box 4.

MHC occupies a position of pride amongst the leading players in the Indian healthcare sector, with a mission to make international class medical services, accessible and affordable to customers across the country, with a special focus in the Northern region of the country. MHC is close on the heels of the leader in medical value travel with its annual international patients traffic crossing the 20,000 mark.

There are two key factors that enable MHC to continuously grow its customer base. First, there is emphasis on providing comprehensive and seamless 'start to finish' healthcare services that include consultations and diagnostics, testing, treatment and post-surgical care. There is considerable emphasis on investing in state-of-the-art healthcare infrastructure and equipment. Some of the cutting edge equipment used at MHC include BrainSUITE™ (Asia's first and India's most advanced neurosurgical operating theatre), Novalis Tx with RapidArc technology, LINACs, DSA Lab, DynaCT Cath Lab, 3T MRI, PET-CT & 64-Slice CT Angio.

Secondly, there is a determined quality conscious and patient centric approach. In line with this, MHC has consistently improved its operational and clinical efficiency, got accreditations from NABH and NABL and extended services to cover the entire care spectrum ranging from primary, secondary, tertiary to super-tertiary & quaternary care.

The MHC model of healthcare excellence is founded on:

- Focused management and leadership.
- Best-in-class systems and protocols that deliver quality patient care.
- Continuous improvement through training and development.
- Superior infection control and patient safety measures.
- Stringent audits.
- Regular monitoring of customer feedback.
- Innovative Marketing Initiatives.

Range of Services

MHC through its network of international class Facilities provides a range of services across the healthcare spectrum.

Max Super Speciality Hospital, Saket (A unit of Devki Devi Foundation):

combines cutting edge technology with internationally acclaimed professional expertise to deliver a range of comprehensive and advanced care services in the disciplines of Cardiac care, Cancer care, Minimal Access, Metabolic & Bariatric Surgeries.

The clinical services are supported with the most advanced in-house diagnostic

services. It is also equipped with a state-of-the-art emergency response and management system. This 300+ beds hospital houses the following Centres of Excellence:

➤ **Max Heart & Vascular Institute:**

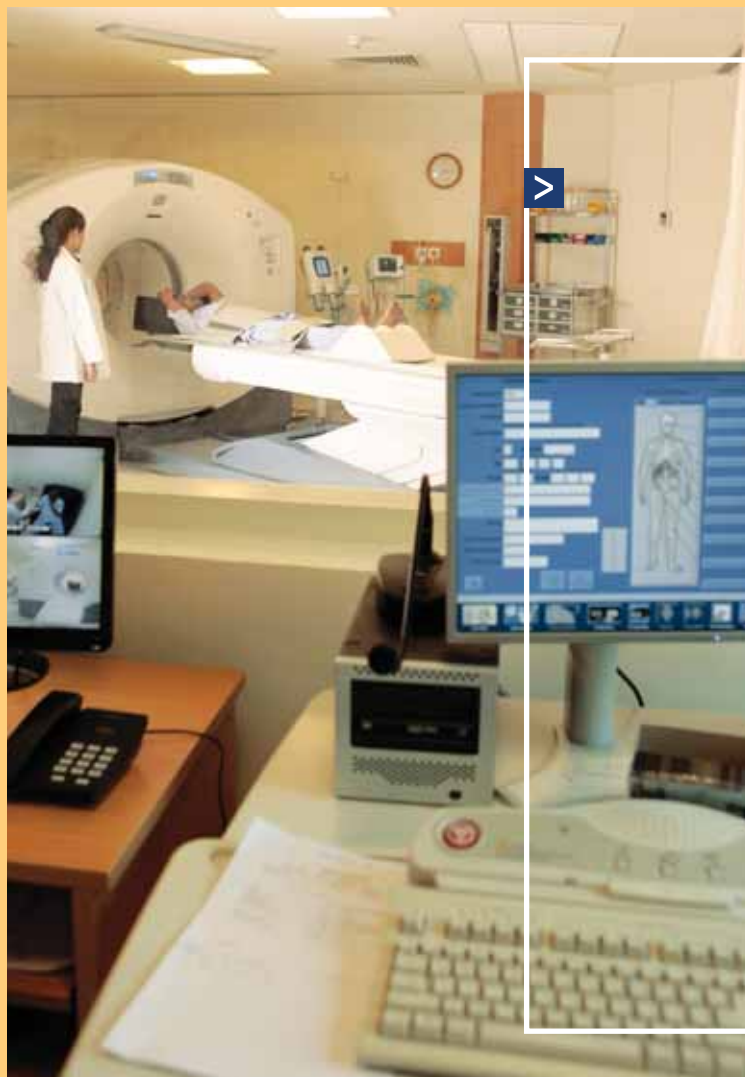
This covers all areas of non-invasive and interventional cardiology, cardio-thoracic, vascular surgery and support services, and includes consultations and diagnostics, testing, surgeries and post-surgical care.

It provides best-in-class cardiovascular care and is committed to pursue independent as well as collaborative research in all aspects



➤ MHC'S MISSION IS TO PROVIDE ACCESSIBLE AND AFFORDABLE INTERNATIONAL-CLASS MEDICAL SERVICES TO CUSTOMERS WITH A SPECIAL FOCUS IN NORTHERN REGION OF THE COUNTRY. IT ALSO HAS A STRONG APPEAL WITH INTERNATIONAL PATIENTS – WITH THIS TRAFFIC CROSSING THE 20,000 MARK IN 2010-11





AT MHC, THERE IS CONSIDERABLE EMPHASIS ON INVESTING IN STATE-OF-THE-ART HEALTHCARE INFRASTRUCTURE. SOME OF THE CUTTING EDGE EQUIPMENTS AT MHC INCLUDE - BRAINSUITE, NOVALIS TX WITH RAPIDARC TECHNOLOGY, LINACS, DSA LAB, DYNACT CATH LAB, 3T MRI, PET-CT & 64-SLICE CT ANGIO



of cardiology, cardiothoracic and vascular surgery. The hospital incorporates modular operation theatres, cardiac cath labs, apex coronary care center, cath recovery centre, Nuclear Medicine, and a high dependency unit.

- **Max Institute of Minimal Access, Metabolic & Bariatric Surgery:**

Under the leadership of Dr. Pradeep Chowbey it endeavours to provide the best healthcare, holistic recovery and rehabilitation services with emphasis on utilization of minimally invasive techniques (Key-Hole Surgery) that help in faster recovery, lesser post-operative pain and minimal post-surgical complications. The centre brings together a team of specialists

with an accumulated experience of over 50,000 laparoscopic and bariatric surgeries spanning over two decades. This team has been at the forefront to develop and expand the frontiers of Minimal Access Surgery in the country and beyond.

- **Max Cancer Centre:** A consolidated review of your case from experts

in Surgical Oncology, Radiation Oncology, Medical Oncology and the concerned speciality. This way, hidden costs and multiple inter-departmental visits are curtailed. Latest international cancer treatment protocols are followed. Superior Cancer treatment technology - Max Healthcare is the first facility in Northern India to acquire Novalis Tx for IMRT/ IGRT, Radiosurgery, SRS/SRT. The centre is also equipped with facilities for Brachytherapy. Complete Cancer Care: Right from cancer screening, early detection, multi-disciplinary treatment to rehabilitation forms the unique service offering .

Max Super Speciality Hospital, Saket: is designed to provide highest levels of

professional expertise and international class care in all major medical disciplines and support specialities. The hospital provides tertiary care services with centres of excellence in Aesthetic and Reconstructive surgery, Internal Medicine, Neurosciences, Orthopaedics and Joint Replacement, Obstetrics and Gynaecology, Paediatrics amongst other support services.

This Hospital houses the following centres of excellence :

➤ **Max Institute of Orthopaedics & Joint Replacement** offers comprehensive and latest treatment for joint replacement (using computer navigation) and ortho disciplines viz., sports medicine, management of arthritis and trauma,

ortho-trauma, spinal surgery and paediatric orthopaedics.

➤ **Max Institute of Neurosciences** boasts of high-end technology including BrainSUITE™ (Asia's first and India's most advanced neurosurgical operating theatre), Flat Panel DSA lab. It also has India's first DSA Lab for treatment of stroke, aneurysm and spinal injuries where an interventional neurologist can see live images of the brain while performing the procedure. BrainSUITE™ is the first integrated high field intra-operative MRI, which neurosurgeons can use to operate upon complicated brain tumours with utmost precision.

➤ **Max Institute of Paediatrics** has



> 2011-12 WILL SEE MHC IMPLEMENT ITS SECOND PHASE OF EXPANSION WHICH WILL WIDEN OPERATIONS BEYOND DELHI NCR TO SOME PARTS OF NORTH INDIA, IN THE PROCESS ENHANCING TOTAL BED CAPACITY BY ALMOST 80% TO 1,900 BEDS



a team of highly experienced paediatricians and paediatric super-specialists. It has fully equipped neonatal ICUs with round-the-clock neonatologists providing multi-speciality care to premature babies. The state-of-the-art paediatric ICUs (PICU) can treat critically ill children suffering from life threatening conditions.

➤ **Max Institute of Obstetrics and Gynaecology** provides advanced maternity and reproductive healthcare service, even to patients in high risk groups. Other services range from menopausal care to mother and child healthcare to infertility treatment.

➤ **Max Institute of Aesthetic and Reconstructive Surgery** is a centre of excellence for advanced microsurgery and craniofacial surgery. It is also a pioneer in aesthetic surgery of the face and body. The Institute has introduced all the latest techniques in plastic surgery like vacuum assisted wound healing, absorbable facial fracture plating, facial assembly-disassembly for brain base tumours, and feather lift in aesthetic surgery.

➤ **Max Institute of Internal Medicine** offers core medical services, which includes indoor patient care, outdoor patient care and preventive health checks. Max Home Care programme under the aegis of this institute extends healthcare services to patients beyond the confines of the hospital and enables patients and caregivers to maintain continuity of care.

Max Super Speciality Hospital, Patparganj (A unit of Balaji Medical

& Diagnostic Research Centre) is an international – class tertiary healthcare facility. It is equipped with high end, infrastructure, systems and processes. The facility and equipment at present offers medical and surgical services in all major disciplines with super specialisations in the disciplines of Cardiac Care, Cancer Care, Neurosciences, Orthopaedics & Joint Replacements; Urology and Kidney transplants.

Max Super Speciality Hospital at Patparganj, has been certified with 'Gold' rating by Indian Green Building Council under LEED rating system for Green Buildings. It is a resource-efficient and environment-friendly building equipped with eco-friendly, energy and water efficient equipments and non-toxic and recycled materials. It is the first of its kind LEED – Gold certified Green Hospital in North India.

The 275 bedded hospital now has one super-speciality Cardiac OT, one dedicated Neuro and Ortho OT, two Transplant OTs and three modular operation theatres, one cardiac cath lab with DYNA CT which is first in Delhi, fully equipped with coronary care unit, Neuro ICU, Transplant ICU, Medical ICU High Dependency Unit, Surgical ICU and Paediatric ICU, Neonatal ICU and Nursery sections.

Max Hospital, Pitampura provides excellent healthcare over a range of services. Well-equipped OTs, dialysis services and provision for advanced laparoscopic surgery are some of the services available.

Max Medcentre, Panchsheel Park: Max Medcentre, offers clinical services to out patients, providing in-house diagnostic services. It offers a range of preventive healthcare programs,

advanced physiotherapy and avant-garde Dermatology & IVF services.

Max Speciality Center, Panchsheel Park: Max Super Speciality Clinic (eye care & dental care) offers clinical services to out patients. It specialises in Dentistry, Ophthalmology including Eye surgery.

Max Hospital, Noida offers speciality treatment for a wide range of ailments including chronic care programmes in diabetes, asthma, arthritis and hypertension.

Max Hospital, Gurgaon is a multi-speciality hospital with Intensive care services, Endoscopy unit, Modular OTs, LDR, Home Care programme and advanced radiology and pathology diagnostics.

With the first phase of roll-out already completed, MHC is implementing its second phase of expansion. This involves widening the operations beyond Delhi/NCR to other parts of northern India in addition to further expanding the existing network in the NCR. MHC is slated to increase its capacity from around 1100 beds today across a network of 6 hospitals and two speciality medical centres to 1,900 beds by FY 2012 by commissioning 2 hospitals under PPP with Govt of Punjab, a 300 bed facility in North Delhi and 180 bed Facility in Dehradun.

Here are some facts:

- The new wing of Max Super Speciality Hospital, Patparganj with 125 additional beds is slated to be operational in the 2nd half of FY 2012.
- Max Cancer Care in the first year of its operation occupied the second

position in Delhi & NCR in terms of both revenue & volumes.

- Max Institute of minimal Access, Metabolic & Bariatric Surgery received international accreditation for being a Centre of Excellence in Endohernia as well as Bariatric surgery.
- 300 bedded Max Super Speciality Hospital, Shalimar Bagh to become operational in Q3 of FY 2012.
- 180 bedded Max Super Speciality Hospital, Dehradun will become operational by Q4, 2011-12.
- Allotted land by Government of Punjab (GoP) under Public Private Partnership (PPP), 200 beds each Super Speciality Hospitals at Bathinda and Mohali to be launched in October 2011. These 200 bedded each multi-super speciality hospitals shall have Cancer & Cardiac and Cardiac & Trauma as tower

specialisations at Bathinda & Mohali respectively.

Training, Education and Research

MHC has achieved distinction in training, education and clinical research.

On education, Max Healthcare has established several Post Graduate/Under Graduate education programmes. Some of these are:

- Post Graduate Programs (Diplomate National Board) in Cardiology, Cardiac Surgery, Cardiac Anesthesia, Interventional Cardiology, Neurology, Minimal Access Surgery (MAS), Internal Medicine, Radiology and Pathology & Anesthesia.
- Post Graduate Diploma in Clinical Cardiology (IGNOU).
- Masters in Emergency Medicine

in Collaboration with George Washington University, USA.

- Post Graduate Diploma in Critical Care Medicine under aegis of Indian Society of Critical Care Medicine, Fellowship in Critical Care.
- Max Healthcare is an American Heart Association (AHA) recognized centre for Advanced Cardiac Life Support Training, Basic Cardiac Life Support Training, Paediatric Life Support, First aid and Airway Management.
- Under an MOU with Hamdard University, New Delhi, B.Sc. in Emergency Trauma Care and Technology.
- Residency Exchange Program with Baylor College of Medicine, USA.
- Several short courses/Fellowships to expose physicians in periphery to super-speciality areas like neuroradiology, spine surgery,

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➤ MHC HAS ACHIEVED DISTINCTION IN TRAINING, EDUCATION AND CLINICAL RESEARCH AND HAS ESTABLISHED SEVERAL POST GRADUATE AND UNDER GRADUATE EDUCATION PROGRAMMES

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cardiology, neonatology and laparoscopic surgery:

- Visiting fellowships in Sonomammography, Interventional Radiology, MRI, Neuroimaging, Musculoskeletal imaging, USG & Colour Doppler.
 - Egaz Muniz Fellowship in Neurointervention & Stroke.
 - Certificate Course in Pediatric Critical Care Medicine.
 - Fellowship – Non Invasive Cardiology.
 - Fellowship in Spine Surgery.
- Simulation Based Trainings have been introduced this year.
- Post Graduate Diploma in Neuro Nursing.

On training, there were around 100 doctors/paramedics/nurses undergoing formal education programs in 2010-11.

MHC has recently entered into an MOU with Baylor College of Medicine, Houston, USA for advancement and international collaboration in patient care, education and research.

On research, several clinical trials are underway. The organization has recently established a Stem Cell Research Committee, and is exploring this new exciting area of research.

Outlook, Risks and Concerns

Healthcare offers good business scope,

as the sector is highly underserved. According to an Ernst & Young estimate, the current ratio of beds per thousand persons in India is a paltry 0.9, compared to the world average of 2.6. Given the demographic and economic developments in India, there is going to be increase in opportunities in the healthcare space in India. The proposed investments of \$86 billion (₹3.7 lakh crore) over the next 15 years in the Indian healthcare sector would only help India reach the level of 2 beds per thousand, which is much lower than even the present hospital bed density levels of Brazil, China and the current world average.

However, competition is going to be strong from other Indian and foreign players including new entrants in the



MHC HAS RECENTLY ENTERED INTO AN MOU WITH BAYLOR COLLEGE OF MEDICINE, HOUSTON, USA FOR ADVANCEMENT AND INTERNATIONAL COLLABORATION IN PATIENT CARE, EDUCATION AND RESEARCH



healthcare sector. MHC recognises that high quality standards and strong brand recall will be major determinants of competitive advantage in an increasingly competitive market.

With MHC almost doubling its bed capacities, managing the increased scale of operations and improving utilisation rates will be challenges. The modern healthcare services industry is very capital intensive and the expansion plans will require significant capital expenditure. Thus, the growth strategies depend on the ability to fund these expenditures and build, acquire and manage additional hospitals as well as expand, improve and augment the existing hospitals.

A major issue facing the healthcare

industry today is attracting and retaining trained medical staff. While the market does exist for healthcare delivery through corporate hospitals, the expansion plans are often inhibited by lack of human resources, ranging from doctors, nurses, to technicians. The density of doctors per 10,000 people in Indians is 6 while the world average is 13. There could be a shortfall of over 4,50,000 doctors by 2012. Density of nurses per 10,000 people is 13 in India while world average is 28. The migration of skilled technicians and nursing personnel to developed countries due to higher compensation levels also adds to the void in quality of personnel at the disposal of hospitals in India.

Hospitals also require a lot of land, which again is a challenge in the metros. Very

often, the title deeds are defective and create difficulties in easy conveyance of the ownership. If the papers are clean, then the price expectations make the project unviable even before it gets appraised. Else, one will have to focus on projects with higher cost of healthcare delivery which has to be borne by the consumer.

Medical equipment accounts for 40-45% of the total expenditure in hospitals. Any change in technology will make existing medical equipments obsolete. High rate of advancement in medical technology is leading to shorter lifespan of equipment, and obsolescence of medical equipment is also requiring medical professionals to upgrade their skills on a constant basis.



THE 275 BED MAX SUPER SPECIALITY HOSPITAL AT PATPARGANJ, IS THE FIRST HOSPITAL TO BE CERTIFIED WITH 'GOLD' RATING BY INDIAN GREEN BUILDING COUNCIL UNDER LEED RATING SYSTEM FOR GREEN BUILDINGS





Max Bupa Health Insurance Company Ltd.



Overview

Max Bupa Health Insurance (Max Bupa) is a joint venture company between Max India Limited and the Bupa (British United Provident Association) Plc, UK. With the commencement of operations in March 2010, Max Bupa entered the Indian health insurance market as the third specialist insurer. It is a young company in India that is in the process of rapidly expanding its footprint while refining its delivery model.

With a purpose to build long-term healthcare partnerships and provide expertise for life, Max Bupa is working towards helping people live longer, healthier and more successful lives. It is guided by its six core values: Caring, Respectful, Ethical, Accountable, Trustworthy and Enabling. Its vision 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.

Indian Health Insurance Industry

Health insurance in India has emerged as the fastest growing segment in the non-life insurance with a 39% CAGR over the last five years. Total health insurance premium in 2010-11 was ₹11,137 crore – a 34% growth over 2009-10. The share of health insurance in overall general insurance in India has increased from 22% in 2009-10 to 26% in 2010-11. The industry is expected to continue with rapid growth. Analysts estimate growth at a CAGR of 25% – 30% till 2014-15, to become a ₹28,000 crore market.

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 > WITH PREMIUM RISING BY 34% IN 2009-10 TO TOUCH ₹11,137 CRORE, HEALTH INSURANCE IN INDIA IS THE FASTEST GROWING SEGMENT IN THE NON-LIFE INSURANCE AND IT IS EXPECTED TO CONTINUE RAPID GROWTH AT A CAGR OF 25% – 30% TO BECOME A ₹28,000 CRORE MARKET BY 2014”



In comparison to many other markets, health insurance in India is under-penetrated with current penetration levels below 5%. Most of the expenditure in health remains funded by households. According to various studies, about 70% of India's healthcare expenditure is private. Of this, 76% is out of the pocket. Analysts believe that healthcare expenditure will increase to ₹353,700 crore by 2012 — driven by growing healthcare needs, changing demographic scenario, large population base and a fast growing middle class.

The Regulatory and Business Environment

While the industry witnessed strong growth in 2010-11, it also faced several issues. The major ones involved the conflict between the state-controlled public sector insurers and private hospitals, the increasing loss ratios of many insurers and the re-pricing of products for specific insurers. There was major confrontation between the public sector insurers and private hospitals, with the insurers effectively refusing to offer cashless coverage. As a result, a Preferred Provider Network (PPN) of hospitals was introduced by the public sector insurers in July 2010 to offer cashless medical treatment. Hopefully, this PPN will create a more direct relationship between the hospitals and the insurers.

The IRDA issued a number of new regulations and guidelines, which are basically targeted at protecting the policy holders' interests. Some of the key guidelines that have an impact on how health insurers run their businesses



IN 2010 -11, THE FIRST FULL YEAR OF MAX BUPA'S BUSINESS OPERATIONS THE COMPANY INSURED OVER 46,000 LIVES WITH GROSS WRITTEN PREMIUM AT ₹25.46 CRORE AND CREATED A NATIONWIDE PROVIDER NETWORK OF 750 HOSPITALS, SPANNING OVER 200 CITIES IN INDIA



were related to:

- Outsourcing of activities by insurance companies.
- Portability of health insurance policies.
- Distance marketing of insurance products.
- IRDA (Sharing of Database for Distribution of Insurance Products) Regulations, 2010.
- Insurance schemes sponsored by state governments.
- Insurance repository and electronic issuance of policies.

The impact of these regulations, which affect all insurers, is being worked through the industry.

Performance highlights

2010 -11 was the first full year of Max Bupa's business operations. It was a year of learning, development and growth. The business highlights are:

- Max Bupa covered a total of 46,000 lives during 2010-11.

- Gross written premium (GWP) was over ₹25 crore.
- The provider network grew to 750, spanning over 200 cities in India.
- Heartbeat Family First received the 'Best Product Innovation Award for 2011' from the India Insurance Review.

Strategy and Development

Max Bupa has a growth strategy to penetrate the Indian market profitably. It can be divided into the following areas:

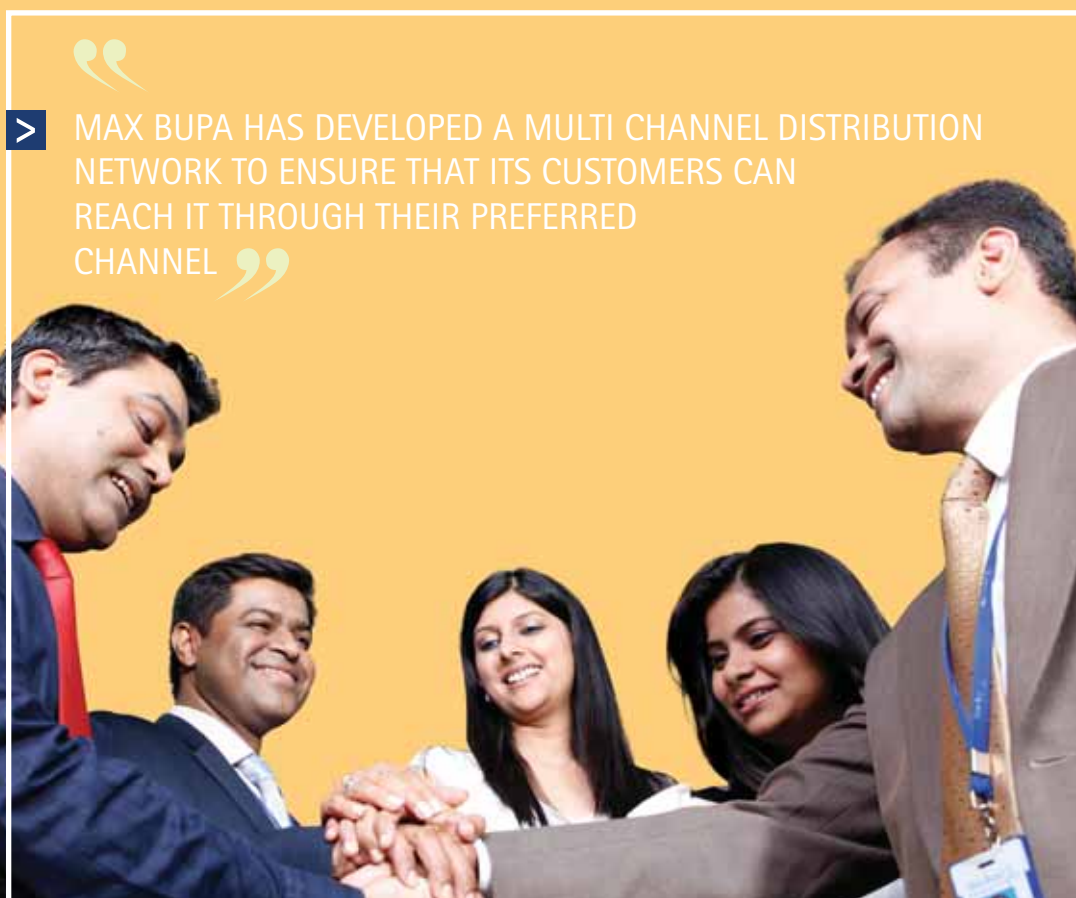
Distribution network: Max Bupa is developing a multi-channel distribution network to ensure that customers can

reach it through their preferred channel. The network includes 10 offices across India, agents across the country, third party distribution partners, in-house field sales operatives, an in-house tele-sales team and an online sales channel.

Marketing and brand initiatives: Operations started in March 2010. A formal brand launch was done on 29



- MAX BUPA LAUNCHED THE HEARTBEAT FAMILY FIRST IN 2010-11, A FIRST OF ITS KIND PRODUCT DESIGNED ESPECIALLY FOR THE EXTENDED INDIAN JOINT FAMILY AND IT WAS LATER AWARDED THE 'BEST PRODUCT INNOVATION AWARD FOR 2011' FROM THE INDIA INSURANCE REVIEW”



> MAX BUPA HAS DEVELOPED A MULTI CHANNEL DISTRIBUTION NETWORK TO ENSURE THAT ITS CUSTOMERS CAN REACH IT THROUGH THEIR PREFERRED CHANNEL

April 2010. It included a series of media and customer events across India, focused around 'Your Health First' — and building awareness about the close relationship between people's health and the need for health insurance. Subsequent branding emphasised the need to buy health insurance.

People: A key priority for Max Bupa is people — and this includes attracting and retaining the right people for the

future growth of the company. The team has grown from 400 at the beginning of the year to 700 by the end of 2010-11. There were a number of new initiatives on hiring and talent management. There were on-the-job training and market readiness tests, performance appraisals and goal setting for all employees, job evaluation exercises, skill development training, management and leadership development programmes, employee satisfaction survey, introduction of an

employee portal and human resources information systems.

Operations

Max Bupa's customer sales and service operations are enabled by in-house systems and processes. This involves a complete chain of activities including selling, servicing, underwriting, enrolling, issuing, billing and renewing, claiming and reporting. The service delivery

concept of Max Bupa is focused on the following five key areas:

- Nurture the customer, which is measurable through customer satisfaction.
- Build in-house capabilities and controls specific to health insurance such as contact service, underwriting, pre-authorisation and

- Create customer welfare services through information and education, targeting health wellness and prevention.

Products

Max Bupa began its business operations in March 2010 with its flagship product Heartbeat for the urban retail customers,

point of sale to the claims processes which are directly serviced.

- Premiums being calculated for each age, and not age bands, making these transparent and fair.
- Owning the customer experience from end to end. This includes reaching the customers through different channels according to their



claims management.

- Provide simple and accessible customer touch-points through retail branches and 24/7 customer contact centres.
- Drive efficiency and productivity with automation of processes across customers and providers, and the standardisation of information flows.

offering comprehensive health insurance ranging from ₹2 lakh to ₹50 lakh for both the individual and families. Heartbeat gradually created a market for itself through its focus on health care and unique service offering such as:

- Customer centric product delivery that addresses health needs across life stages, backed by systems and processes that enable a seamless experience – from underwriting at

convenience backed by a strong network of quality hospitals across the country.

- New born babies being automatically covered till the next renewal under parent's family floater. No age limit to enrol; and health insurance covers for families across life stages – from the newborn to senior citizens of any age.

- Vaccination and health checkups and renewal benefits like assured renewability of policy for your lifetime.

Through 2010-11, Max Bupa has extended its product portfolio. Today, its main product offerings are:

1. The Heartbeat product suite

towards the end of the Year 2010-11.

3. The Swasthya Pratham product (launched in January 2011) for rural and socially weaker households.
4. International medical emergency policy (launched in December 2010) for frequent Indian travellers.



MAX BUPA HAS GROWN FROM 400 TO 700 EMPLOYEES IN 2010-11. ATTRACTING QUALITY TALENT AND RETAINING THE RIGHT PEOPLE ARE KEY PRIORITIES AT MAX BUPA, AS IT ENTERS INTO THE NEXT PHASE OF ACCELERATED GROWTH



(launched March 2010) which targets the retail market of individuals and families. Being the flagship and only product for most part of the year, Heartbeat has been the major contributor to revenues in this year.

2. The Employee First product suite (launched in January 2011), which targets SME and group business. This product was launched

During 2010-11, a new variant to the Heartbeat product was added in the form of Family First. This is the only product in the market to cater to the Indian joint family, by offering cover to the extended families (13 relationships) in one policy. Based on market experience and analysis, a robust product pipeline has been prepared to expand Max Bupa's reach.

Risks, Concerns and Internal Controls

Max Bupa has in place internal controls which are commensurate with its size, and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisations and ensuring compliance of corporate policies.

Max Bupa has a well defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long terms business plans have been laid down. It has an internal audit department. There is a well defined internal audit plan which will be reviewed each year in consultation with the statutory auditors and the Audit Committee of the company's Board of Directors. Internal audit processes are designed to review the adequacy of internal control checks in the system and cover all significant areas of the company's operations.

Outlook

In 2011-12, the industry is expected to grow at a steady pace in line with what was seen in 2010-11.

Max Bupa is looking at accelerating its growth. To achieve this, it plans to focus on continued sales growth and quality of service to all customers and stake holders.







“
 > ESTIMATES SUGGEST THAT THE INDIAN
 CLINICAL TRIALS INDUSTRY WILL
 REACH US\$ 1.3 BILLION BY 2012”

Overview

Max India Limited's increased foray into the business of clinical research is through its wholly owned subsidiary Max Neuman Medical International Limited (MNMI). MNMI is a value adding clinical research organisation (CRO) that provides a broad range of clinical research services to global pharmaceutical, device and biotechnology companies. It also collaborates with other CROs in providing a variety of services. The Company operates through a dual-shoring model. As USA is the global pharmaceuticals hub, one of MNMI's headquarters is based in Cary, North Carolina, USA, which provides closer proximity to customers and is mainly responsible for business development and marketing initiatives. The clinical research operations are based out of India.

Industry Structure and Development

With the high investments and competition that large global pharmaceutical companies face, initiatives on the cost reduction front

have become imperative. This has resulted in widespread outsourcing of non-core activities like clinical research. With its talented clinicians, diverse patient pool and lower cost advantage, India is well poised to take advantage of the outsourcing opportunity arising from the implementation of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) accord and World Trade Organisation (WTO) norms. Estimates suggest that the Indian clinical trials industry will reach US\$ 2bn by 2012.

However, newer entrants in this industry may have to go through longer gestation periods to develop relationships with innovators – as was the case with contract manufacturing companies. There continues to be some hurdles. For example, Phase-I trials of foreign drugs can be conducted in India but only as a 'repeat' of an earlier Phase-I trial done outside India. Applying for this requires submission to the regulators of the earlier Phase-I data generated outside India. Although the regulation is in place to avoid potential abuse, it takes away a part of the potential revenues from Indian companies.

Performance

As a business, MNMI is still at a very early stage of development. Revenues increased from ₹18.65 crore in 2009-10 to ₹24.05 crore in 2010-11, while PBT grew to ₹4.54 crore in 2010-11 against ₹2.23 crore in 2009-10.

MNMI continues to increase its client base. It added 20 new clients during 2010-11 taking the total client base to 77.

Operations

With operations stabilizing, MNMI now offers services across seven fields within the CRO industry. They are (i) Site Management (ii) Site Monitoring (iii) Clinical Data Management (iv) Project Management (v) Supply Chain Management of Clinical Trial Material (vi) Medical Writing and (vii) Central Lab Services.

On the clinical research front, where it provides services in phases II, III & IV of clinical trial studies it now has access to over 1,350 ICH GCP trained investigators. A team of over 210 clinical research coordinators and associates with a pan – India presence across 31 cities gives MNMI access to patients and investigators sites for various therapeutic areas.

With a wider portfolio of offerings, MNMI started getting greater business from several of its established partners in the US and Europe.

Since the commencement of its India operations, MNMI has conducted studies over 2,700 subjects in Phase-I and Phase-II studies and over 11,000 subjects in Phase-III Studies. For Phase-IV, which started recently MNMI has enrolled more than 20,000 subjects in the first year alone. An automated workflow process ensures efficient and accurate

data management. With its high quality operating standards, MNMI successfully provided services to 32 clients over 64 new studies during 2010-11.

MNMI's patient retention rate – a critical business driver in clinical trials – is 92% against an industry average of 65% to 70%. It caters to several prestigious customers that include large pharmaceutical companies such as Abbott, Merck, GlaxoSmithKline, Bristol Myers Squibb, Sanofi-Aventis, Johnson & Johnson, Novartis, Pfizer, AstraZeneca, Genzyme, Pharmacosmos, Biogen Idec, Genzyme, NovoNordisk, and Wyeth as well as other medium size companies such as Achillion, Globelimmune, AP Pharma, ORA, KV Pharmaceuticals, Inspiration, Biotronik, West Ward, Orion, Octapharma, Ocular Therapeutics, SOV Therapeutics, Check Cap, Angel Med, Theracos, Trutek, Sun Pharma, Advaxis, Onyvax, Cardiogenesis, Akorn, Eyegate, Quintiles, Bio Cryst, Heart force, Viro Pharma, Nural Strem, Victhom, Premiere Research, Sintesi Research, Boston Scientific, Semler Research, Mardil, Medtronik, Surpass Medical, Vision Care, Amgen, Acrovan, Mediowound, Ethicon, Cure Tech, Corventis Medical, Capnia, and Onconova.

Most employees of MNMI have professional degrees in medicine or pharmacology. All employees have been trained for a minimum of 50 hours in 2010-11 to improve skill sets. High retention rate has been maintained by providing a harmonious and favourable work environment. The employee count increased from 270 at the end of 2009-10 to over 320 at the end of 2010-11.

MNMI follows a robust system of quality control and all its operational activities are governed by strict adherence to ICH-GCP guidelines. It is the first CRO in India whose five sites have been audited successfully by USFDA. MNMI has been certified for ISO 9001:2008 for site management, monitoring and data management. All its activities and operations are governed by robust standard operating procedures (SOPs). MNMI has also been certified organization-wide for ISO 27001:2005 (Information Security Management System).

Outlook, Risks and Concerns

The CRO industry is highly dependent

on R&D expenditures of pharmaceutical and biotech companies. These expenditure vary in any given year. Operating results are also subject to volatility due to external constraints such as the commencement, completion, cancellation or delay of contracts. Progress of ongoing projects, cost overruns and competitive industry conditions are also sources of risks. The ability to develop and market new services on a timely basis with changes in the service mix for various clients always remains a challenge. Equally, this provides an opportunity to increase client retention with the delivery of superior service skills and offerings.

In this business, there are potential product and conduct liability risks. There is also competition from in-house research departments of pharmaceutical companies, universities and teaching hospitals, as well as other CROs.

Despite these risks, MNMI is confident of future growth. It has the requisite skill sets and infrastructure. It is developing deep relationships with many marquee clients. It has best-in-class processes and controls. Therefore, it expects to grow revenues and profits in the near future.

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> MAX NEEMAN HAS SUCCESSFULLY MET THE NEEDS OF ITS DEMANDING GLOBAL CUSTOMERS SUCH AS MERCK, ABBOTT GLAXOSMITHKLINE, BRISTOL MYERS SQUIBB, SANOFI-AVENTIS, JOHNSON & JOHNSON, NOVARTIS, PFIZER, ASTRAZENECA AND ACHIEVED A PATIENT RETENTION RATE OF 98%, AGAINST THE INDUSTRY AVERAGE OF 65% TO 70%”





SPECIALITY FILMS

Enhancing quality... always

IN THE BUSINESS OF LIFE



Max India Limited. Annual Report 2010-11

Max Specialty Films





Overview

Max Speciality Films (MSF), a division of Max India Limited, manufactures niche and high barrier BOPP films, thermal lamination films and leather finishing foils. Its plant at Railmajra, near Chandigarh, is accredited with ISO 9001:2000 for quality standards, ISO 14001:2004 for environmental standards and has also received OHSAS 18001:1999 certification for occupational health and safety.

MSF's pursuit for quality has made it one of the most recognised and respected players in the BOPP Industry. With core strength in product technology and the ability to produce and sell value added products, MSF focuses on successfully catering to the demands of top end, quality conscious customers. Its ability

to build lasting relationships with such customers has resulted in sustained growth over the last few years. Today, MSF has a distinguished customer base in India and abroad.

2010-11 has been a year of transition for MSF as it successfully commissioned a new state-of-the-art high speed BOPP Film Production Line of 22,000 TPA in March 2011 with an investment of ₹145 crore. The new line was commissioned in record time of 13 months from the date of signing of the letter of intent – one of the fastest commissioning of a new BOPP line in the world. With this expansion, MSF's production capacity has gone up from 30,000 TPA to 52,000 TPA, making it the third largest producer of BOPP films in India. In addition, MSF commissioned its fourth Metalliser in October 2010.

Industry Structure and Development

India is one of the largest and fastest growing markets for flexible packaging. During 2010-11, installed capacity of BOPP in India grew by 22% due to attractiveness of the domestic market and export opportunities. BOPP consumption continues to witness a robust growth rate of 18% to 20% per annum in India and 6% to 7% globally.

With Indian GDP registering 8% and 8.5% growth in the last two years, the demand for flexible packaging has grown strongly. The Union Budget of 2010-11 increased allocation of funds to agriculture, food processing industries and infrastructure in pursuit of inclusive growth. This will result in enhanced purchasing power in rural India and smaller towns, which should further facilitate growth in flexible packaging.

With India expected to maintain a GDP growth of over 8%, consumer products, processed foods, pharmaceuticals and engineering component industries are expected to perform well. These are all customers for MSF's products. Therefore, in the domestic market, the short to medium term outlook for BOPP films as part of the flexible packaging industry is expected to be positive. Moreover, India still has a relatively low per capita consumption of BOPP compared to the USA, the European Union and China. Therefore, BOPP growth in India is expected to remain buoyant. Besides, opportunities continue to unfold for Indian producers to cater to companies in the developed markets and in the Asian region – with many international players looking to obtain their packaging requirements from more cost efficient production sources.



THE COMMISSIONING OF A NEW ₹145 CRORE STATE-OF-THE-ART HIGH SPEED BOPP FILM PRODUCTION LINE, IN A RECORD 13 MONTHS, MAKING MSF THE 3RD LARGEST PRODUCER OF BOPP FILMS IN INDIA



➤ MSF'S PURSUIT FOR QUALITY HAS MADE IT ONE OF THE MOST RECOGNISED AND RESPECTED PLAYERS IN THE BOPP INDUSTRY. MSF WAS AWARDED THE 'WORLD STAR' AWARD FROM THE WORLD PACKAGING ORGANISATION AND THE 'INDIASTAR' AWARDS FOR SIX PRODUCTS FROM INDIAN INSTITUTE OF PACKAGING



Performance Highlights

MSF's sales turnover was ₹456 crore in 2010-11 against ₹363 crore in 2009-10. Net revenues increased by 25% from ₹333 crore in 2009-10 to ₹417 crore in 2010-11. Despite a 22% increase in overall industry capacity, MSF's operating margin (EBIDTA to net sales) was maintained at 12.7% in 2010-11. EBIDTA increased by 23% to ₹53 crore in 2010-11. PBT increased by 77% to ₹36 crore.

Other key achievements during 2010-11 include:

- MSF maintained high production efficiencies and all its BOPP production and metallisation lines achieved 100% capacity utilisation.
- It achieved volume growth of 103% in thermal film sales.
- Exports registered growth of 108%.
- It won the prestigious 'IndiaStar' awards for six products for innovative design and development in packaging from Indian Institute of Packaging.
- Won the 'World Star' award from

the World Packaging Organisation for a new product.

Human Resources

Human resource is the most valuable asset at MSF and the Company continues to attract and retain the best available talent. MSF has a culture oriented towards empowerment and ongoing training and development, and continues to provide a professional work environment. It ensures customised training and development programmes for all levels of its employees. Innovation and good performance are always recognised and rewarded. The Company has also initiated skill-up gradation and education programmes for its workmen.

The total number of employees as on 31 March 2011 was 455.

Relationship with workmen continued to be cordial and MSF staff continues to get awards from Government organizations for safety and productivity. The Company is also in the process of implementing Max Performance Excellence Framework which will help develop a formalized structure for training, employee empowerment and improvement in work processes and customer satisfaction.

Internal Control System and Adequacy

MSF has adequate internal control systems in place and well established management systems and procedures. Periodic audit of these by accrediting agencies, gives a comfort about their adequacy and adherence. Internal audit and management reviews are conducted regularly and the reports are submitted to the Audit Committee of the Board of Max India.

Outlook, Risks and Concerns

With the Indian economy expected to continue growing at over 8% for a reasonable period of time in the future, the momentum for growth in applications in packaging is expected to continue. This will be a driver of demand for BOPP films. However, there is prospect of significant new capacity coming online in 2011-12. This might tilt the demand and supply equation. With the industry operating below full capacity there may be temporary pressures on pricing and margins. In terms of input costs, volatile and growing trend in crude oil prices and resultant fluctuations in polypropylene prices is an area of concern. Up to now, MSF has been successful in passing all raw material cost increases to the market. Apart from fuel inflation, food inflation is also a worrying factor that might destabilise consumer demand.

MSF, with its diversified product range and quality, brand loyalty, customer service, niche positioning and operational efficiencies can mitigate these risks to a large extent. Overall, it maintains a positive outlook in the medium and long term.



CSR: The Max India Foundation





“
8,113 CHILDREN
BENEFITED
THROUGH 101
CAMPS IN 39
LOCATIONS
ACROSS THE
COUNTRY IN
2010-11”

The social initiatives for Max New York Life, Max Healthcare and Max Speciality Films and other group companies are planned and executed through the Max India Foundation (MIF).

The CSR mission of MIF is focused on providing quality healthcare to the underprivileged, especially children, facilitating awareness of health related issues, and promoting and fostering an eco-friendly healthy environment. This is done by engaging Max India Group employees and partnering with reputed NGOs in project execution. In addition to the social objectives, these initiatives help the employees fulfill their desire for social development and welfare, and in the process helps in achieving a strong spirit of bonding between employees across the entire Max group.

2010-11 was a significant milestone for Max India Foundation. MIF gained recognition across the board for the impact it has made. The foundation was awarded the Golden Peacock Global Award for CSR, The Bombay Stock Exchange (BSE) award for the Best Corporate Social Responsibility Practices and Indys International 'Best in Corporate Social Responsibility' award. Within a span of three years, therefore, MIF has created a niche for itself amongst the CSR wings of leading organisations.

Given below are some of the major initiatives undertaken in association with its partner NGOs in 2010-2011.

- **Surgeries for the underprivileged:** 220 surgeries were facilitated by MIF in 2010-11. These include paediatric cardiac surgeries, treatment for

cancer, neurosurgeries, complex reconstructive surgeries and others. This initiative has given hope to the underprivileged who, due to financial constraints, could never think of undergoing complete treatment and leading a normal life.

- **Pan-India immunisation programme:** MIF through Max New York Life Insurance conducts immunisation to protect children from life threatening diseases. They are given the entire spectrum of preventive shots. In 2010-11, 8,113 children benefited through 101 camps in 39 locations across the country.

Health Centres

- **CanSupport's East Delhi Field Centre:** The MIF sponsored

CanSupport East Delhi Field Centre continued to provide palliative care to terminally ill cancer patients and their families. This year, palliative care was given to 200 patients.

➤ **Rail Majra Health Centre:** There is a permanent health centre at village Rail Majra to serve the local population. In 2010-11, over 12,000 patients were checked and given medicines.

➤ **Chinmaya Health Centre, Sunlight Colony, New Delhi:** MIF, in collaboration with its partner NGO, the Chinmaya Mission, has been running a Health Care Unit in Sunlight Colony, Ashram. Health check camps are also organised at the centre. During the year 2010-11, some 9,000 patients were treated.

➤ **JAMGHAT Day Care Centre:** An MIF sponsored day care centre being run by NGO, "JAMGHAT – a Group of Street Children", has been providing rehabilitation and educational facilities to about 25 street children. Max Healthcare doctors visit them once a month for consultation and provide them free medicines.

Health Camps

In 2010-2011, there were 29 health check-up camps. 2,311 patients were screened. Among these, some of the major camps were:

➤ **Camps at Ladakh:** MIF conducted four multi-specialty health camps in remote areas of Ladakh namely Karu, Pangong Tso Lake and two camps at Tangtse in partnership with the Indian army. A team of seven senior and experienced doctors participated in these camps. A total of 1,108 people were screened and given free medicines. Six patients were identified for cardiac surgery



➤ WITHIN A SPAN OF THREE YEARS, MIF HAS CREATED A NICHE FOR ITSELF AMONGST THE CSR WINGS OF LEADING ORGANIZATIONS AND ITS WORK EXTENSIVELY RECOGNIZED THAT IS REFLECTED THROUGH AWARDS SUCH AS THE GOLDEN PEACOCK GLOBAL AWARD FOR CSR, THE BSE BEST CORPORATE SOCIAL RESPONSIBILITY PRACTICES AWARD AND THE INDY'S INTERNATIONAL AWARD FOR 'BEST IN CORPORATE SOCIAL RESPONSIBILITY'”



and 148 pairs of spectacles were prescribed and given.

- **MIF-RAPHAEL partnership month, October 2010:** MIF partnered with the Raphael Centre, Dehradun, in providing care, rehabilitation and treatment to leprosy patients, children with special needs and to TB patients. MIF covered all expenses for October 2010 in addition to organising medical camps for inmates of the centre. Eye and dental check-up camps were organised on 13-14 October 2010

for 229 children and adults. 381 children up to 12 years were given Hepatitis B vaccine.

- **Health Camps for the NGO, Samarpan, at Kotla Mubarakpur** for the Gadhia Lohar community were organized through Doctors from Max Healthcare.

In addition, MIF organised the World Health Day Camps on 7 April 2010; several immunisation camp during the year; a Women's Health Check up Camp on 8 March 2011 to mark International

Women's Day; and an Eye Check-Up Camp at Max Patparganj on 5 December 2010.

Some of the other key events included:

- **Health Check for children of Government High School, Railmajra on 22-24 July 2010:** A Health Camp was organized by the school under MSF. Of the 206 students examined, 109 were found anemic. Two doses of de-worming tablets were given followed by iron therapy for three months.

➤ MIF FACILITATED 220 SURGERIES IN 2010-11 THAT INCLUDED COMPLEX PAEDIATRIC CARDIAC SURGERIES, CANCER TREATMENTS, NEUROSURGERIES AND COMPLEX RECONSTRUCTIVE SURGERIES



➤ **Health Check up Camp with Udayan Ghar:** In November 2010, MIF facilitated a comprehensive health check up for 149 children for the NGO Udayan Ghar at various Max Hospitals in Noida, Patparganj, Gurgaon and Panchshila Park.

➤ **Eye Check up Camps:** During the year, four such camps were organised through which 20 patients were operated for cataract and 48 were given spectacles.

➤ **Multi-speciality Health Check at Shastri Market, Moti Bagh:** MIF, in collaboration with an NGO called Credence, mobilised the community and 200 patients, who were checked by MHC specialists. Free medicines were also given.

Health Awareness

➤ **Leprosy:** On the world Leprosy Day, 29 January 2011, MIF contributed to spread awareness about Leprosy, in association with Sasakawa India Leprosy Foundation, to approximately 12,000 people.

➤ **Psycho-social and emotional concerns of terminally ill cancer patients:** Dr. Samir Parikh, Head of the Department of Psychiatry, Max Hospital spoke on the topic at the 10th Annual Foundation Course in Palliative Care on 21 January 2011 at the India International Centre.

Environment Awareness

MIF has undertaken several steps towards creating awareness on promoting an eco friendly environment. Apart from providing a monthly environment tip, it promoted reduction and recycling of waste paper by using e-communication for MIF updates. It also promoted MIF jute bags to minimise the use of

polythene. Some of the new initiatives undertaken in 2010-11 included:

➤ **Clean Delhi Clean Yamuna:** MIF and Max Healthcare sponsored and participated in the Art of Living "Clean Delhi NCR Drive" from 6 to 11 September 2010 to spruce up the National Capital ahead of the Commonwealth Games. Students, activists, members of RWAs and local residents all joined en masse to conduct the cleaning and awareness drive.

➤ **On the 10th Anniversary of Max New York Life Insurance** in October 2010, MIF initiated a Green Plantation Initiative under the metro rail track at Gurgaon.

➤ **On Children's Day in November 2010,** MIF organised a painting competition for children of Paediatric wards at Max Hospitals in Delhi and the best paintings were chosen for the MIF 2011 calendar.

➤ **Max India Foundation adopted an 'Artiger',** a project involving artists and companies to raise funds for the Ranthambore Foundation to help Save the Tiger. On 10 January 2011, a life-size figure of the Royal Bengal Tiger painted by Shreyas Karle was installed at Max Super Speciality Hospital, East Wing, Saket to create awareness of the importance of ecological balance.

➤ **MIF sponsored 'Knights of Change' workshop by Advit Foundation** on 18 January 2011 at the Rajiv Gandhi Renewable Energy Park, Gurgaon, in which school children were given an understanding of the carbon footprint and an energy efficient lifestyle.

➤ **Team MIF participated in the Eco-Fest Mela called 'Panchtattva'**

organised by middle school students of St. Columba's on 23 October 2010. MIF Environment Tips were displayed and an Environment Awareness Quiz Competition was organised for the students.

➤ **Red Earth with the support of MIF organised** plantation of 100 trees at Lado Sarai, New Delhi. Children of Blue Bells School participated in the campaign.

➤ **The Climate Project India:** MIF has sponsored the Teacher's Training Initiative for creating awareness on Climate Change in the schools of Delhi.

➤ **MIF sponsored a Coffee Table Book by wildlife photographer Baiju Patil** as a mark of the group's commitment to a green, environment friendly world. The book has impressive documentation of wildlife in some of the richest forest reserves of our country.

Social Awareness Films

➤ To mark World Anti-Tobacco Day on 31 May 2010, a short film entitled 'Six Seconds' was produced by MIF to make people aware of the ills of smoking. The film was telecast by CNN-IBN and Bloomberg UTV channels, OOH India and DSM LCD screens in Max Hospitals and in more than 150 different locations.

➤ **MIF produced a five minute film 'With a Little Help'** to create awareness of the lives of cancer patients. It was uploaded on MIF's website, YouTube, Facebook and OOH digital screens.

➤ **MIF is the official Global sponsor of the film '1 a Minute'** – a docu-drama featuring breast cancer survivor celebrities. The film was

screened on 14 March 2011 at the Epicentre Gurgaon, followed by a panel discussion by leading oncologists of Max Oncology Centre.

Disaster Relief

➤ **Disaster Relief in Ladakh:** On 7 Aug 2010, a Max Healthcare medical team with MIF – which was already in Ladakh conducting health camps – focused on disaster relief after the cloudburst and mudslides that occurred in and around Leh. The team moved into Leh; proceeded to the Army General Hospital, and offered services to the Army Medical Corps. Free medicines were also donated to the hospital. 50,000 water purifying tablets were dispatched by air courier. 150 sleeping bags were dispatched and donated to the victims in need for the oncoming winter.

➤ **Aid for Uttaranchal:** 100 blankets were distributed to the victims of floods through the MNYL's office in Dehradun. Drinking water was arranged for and distributed.

Other Sponsorships and Donations

➤ **AIESEC Impact Week 2010:** MIF sponsored an initiative by Association Internationale des Etudiants en Sciences Economiques et Commerciales (AIESEC) to help raise awareness and make a difference across various social issues.

➤ **'Kids on the Ramp-age':** MIF sponsored the event organised by Navjyoti India Foundation providing a unique opportunity to slum children to walk the ramp wearing designer outfits.

➤ 12 wheelchairs were donated to Gurudwara Harmandir Sahib, Amritsar for the elderly and infirm when they visit the Golden Temple.

➤ Physiotherapy equipment was donated to NGO Deepalaya's Special unit in Okhla for the differently abled.

➤ A medical van was donated to the Social Development Forum, Khoriah Trust in the district of Supaul, Bihar, for transportation of poor patients from the surrounding area during medical emergency. A First Aid box containing medicine for 200 children

and adults was also donated.

➤ MIF sponsored screening of film Kites in aid of the Celiac Society to make people aware of the importance of timely diagnoses and management of celiac disease.

➤ MIF sponsored a workshop in Indore for Handling Techniques for Children with Special Needs organised by the NGO, Nirmaan.

➤ Sponsored a spiritual talk on Inspired Living by Jaya Row on the eve of Guru Purnima.



MIF-RAPHAEL PARTNERSHIP MONTH IN OCTOBER 2010 PROVIDED CARE, REHABILITATION AND TREATMENT TO LEPROSY PATIENTS, CHILDREN WITH SPECIAL NEEDS AND TB PATIENTS AT RAPHAEL CENTRE



MAX INDIA BELIEVES THAT THE YEAR WILL BE ANOTHER POSITIVE STEP IN THE COMPANY'S PROGRESS IN CREATING LONG TERM SHAREHOLDER VALUE



Max India Limited: Outlook

The outlook for Max India has to do with those of its different business. As mentioned earlier, most of the businesses are in a development phase. The economic environment is recovering fast, with India well on its way to over 8% year-on-year growth. This should open up several opportunities to tap markets.

The insurance business is expected to regain its growth momentum but at a lower rate than what was seen between 2001 and 2007. Moreover, conditions are unclear given the regulatory changes that have started coming into place since June 2010.

Growth of the healthcare business will depend on Max Healthcare's project management skills with new expansions and its ability to profitably manage

operations at existing facilities. There may be some pressure on profitability in the next couple of years due to costs related to the starting of the newer hospitals.

The health insurance business, Max Bupa, has just commenced commercial operations. It is operating in a fast growing market and one expects good traction in this business in the near future. The focus is on developing the customer base.

The most profitable business, Max Speciality Films, will face some pricing pressure with new capacities coming on board in the industry. However, its product quality and marquee customer base will help in growth.

Although Max India always maintains an air of caution, its outlook for 2011-12 is fairly optimistic. It believes that the year will be another positive step

in the Company's progress in creating long term shareholder value.

Cautionary Statement

Statements in this management discussion and analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downward trend in the Indian economy or the healthcare and packaging industry, rise in input costs, exchange rate fluctuations, and significant changes in political and economic environment in India, environment standards, tax laws, litigation and labour relations.

Corporate Governance Report



MAX INDIA REMAINS COMMITTED TO EXCELLENCE IN CORPORATE GOVERNANCE AND RECOGNIZES THAT IN TODAY'S WORLD, IT IS AN IMPORTANT DRIVER FOR BUILDING ALL ROUND EXCELLENCE, ATTRACTING HIGH-QUALITY TALENT AND INTELLIGENT CAPITAL





Philosophy of Corporate Governance

Max India remains committed to excellence in Corporate Governance and recognizes that in today's world, it is an important driver for building all round excellence, attracting high-quality talent and intelligent capital.

Your company and its subsidiaries have made significant progress in this area since the last 3 years. We continue to have competent and highly active Boards; an enhanced interface between Management, Committees and the Boards in all operating entities.

There is a highly structured, efficient and result oriented Governance process with a clear system of Board functioning. A clear role has been defined for the Promoter family and its interests are represented in the Board through a nominee to ensure that the Promoter does not have to face conflict of interest while facilitating the Board Governance process. To further support good Governance, role clarity and increased focus, the Board has decided to appoint a Managing Director for Max India. The new MD, Rahul Khosla, a seasoned management professional will take charge from 18th August 2011 and will strengthen the leadership and managerial competence at Max India.

The principles of Board Governance that

Max India follows are:

- Multi-level governance – The Board functions through specialized committees, formed on the basis of business needs, e.g. Actuarial Committee for the life insurance business. Each committee has well defined charters and forms the first level of governance. The Board takes decision which these committees are not empowered to take.
- A check and balance based structure – The Board has instituted a maker-checker principle as the risks and complexities in today's business environment are significant. The executives are the decision makers, the sub-committees and Board is the checker. However, the result and accountability rest with the management.
- Inspect what you expect – By inviting outside experts, conducting mystery shopping and such measures.
- Strong belief in measures of success – We decide what success means to us. All companies have a dashboard, which is not only a financial measure, but is geared to long term success.
- Decisions based on facts not opinion – We also invite renowned experts and consultants periodically to provide insights and external perspective in critical business areas. We benchmark by sending teams to other similar industries. Lots of

numerical data comes to the board, to read, get prepared.

The efforts of the last three years have shown clear and tangible results. A case in point has been during the difficult phase in 2010, where, resulting from unexpected regulatory changes in the Life Insurance sector, one of Max India's subsidiaries MNYL was able to leverage the strengths of its Board, to not only tide over challenging business scenario but emerge stronger. Max India's commitment to Corporate Governance has thus allowed it to lead by example and set benchmarks for Governance models.

Board Composition

Your Board of Directors currently comprises of eleven members with an Executive Director and ten Non-Executive Directors of which seven are independent. Mr. Analjit Singh, Chairman & Managing Director of the Company is a Promoter Director. No Director is a member in more than ten committees, or the Chairman of more than five committees, across all public companies in which he is a Director.

The composition of Directors and the attendance at the Board meeting during the year 2010-11 and at the last annual general meeting, including the details of their directorships and committee memberships as of March 31, 2011 are given below:

Director	Board meetings attended	Attendance at last AGM	Directorships*	Memberships/ Chairmanships of Board Committees**
Mr. Analjit Singh [Promoter Director]	6	✓	14	Nil
Mr. Anuroop Singh [Non-Executive Director]	3	--	04	Nil

Director	Board meetings attended	Attendance at last AGM	Directorships*	Memberships/ Chairmanships of Board Committees**
Mr. N.C. Singhal [Non-Executive Independent Director]	6	✓	11	8 (including 5 as Chairman)
Mr. Ashwani Windlass [Non-Executive Director]	5	--	02	3 (including 2 as Chairman)
Mr. Rajesh Khanna [Non-Executive Independent Director]	5	--	04	01 (Chairman)
Mr. Piyush Mankad [Non-Executive Independent Director]	4	--	13	10 (including 1 as Chairman)
Mr. Leo Puri# [Non-Executive Director – Nominee of Warburg Pincus Group]	3	--	04	03
Dr. Subash Bijlani [Non-Executive Independent Director]	3	--	03	01
Mr. Aman Mehta [Non-Executive Independent Director]	3	--	07	7 (including 3 as Chairman)
Mr. K. Narasimha Murthy [Non-Executive Independent Director]	6	--	04	3 (including 2 as Chairman)
Dr. Omkar Goswami [Non-Executive Independent Director]	6	--	10	8 (including 3 as Chairman)
Mr. Sanjeev Mehra [Non Executive Director – Nominee of Goldman Sachs] (Appointed w.e.f. July 30, 2010)	2	--	01	Nil
Mr. Vishal Bakshi [Alternate Director to Mr. Sanjeev Mehra] (Appointed w.e.f. February 11, 2011)	1	--	05	Nil
Mr. N. Rangachary## [Non Executive Independent Director]	1	--	--	--

Mr. Leo Puri resigned from the Board of Directors effective June 17, 2011.

Mr. N. Rangachary resigned from the Board of Directors effective July 26, 2010.

* Excludes Directorships in Indian private limited companies, unlimited liability companies, companies incorporated under Section 25 of the Companies Act, 1956, foreign companies, memberships of managing committees of various chambers/bodies and alternate Directorships.

** Represents Memberships/Chairmanships of Audit Committee & Shareholders/Investors Grievance Committee

Details of Board meetings held during the year ended March 31, 2011:

Date	Board Strength	No. of Directors present
May 29, 2010	12	06
July 30, 2010	12	10
October 27, 2010	12	10
January 17, 2011	12	09
February 11, 2011	12	09
March 29, 2011	12	10

Board Procedures

The calendar for the Board and Committee meetings as well as major items of the agenda is fixed in advance for the whole year. The Company holds at least one Board meeting in a quarter to review financial results and business performance within 45 days from the close of the quarter.

The gap between two board meetings does not exceed four calendar months. Apart from aforesaid four meetings, for urgent requirements, additional board meetings are also convened. Matters of exigency are approved by the Directors by resolutions passed by circulation as permissible under the provisions of the Companies Act, 1956.

Meetings of all Committees of Board are held prior to the Board meeting. To ensure updation to the Board, the Chairman of the respective Committee briefs the Board about the proceedings of the Committee meetings.

All Agenda items are accompanied by comprehensive notes on the related subject and in certain areas such as business plans/business reviews and financial results, detailed presentations are made to the Board members. Additionally, the Directors recommend inclusion of any matter for discussion.

To enable the Board to discharge its responsibilities effectively, members of the Board are briefed at every Board meeting, on the overall performance of the Company and its subsidiaries/joint ventures. The Board has complete access to all the relevant information within the Company and all its employees. Senior Management is invited to attend the Board meetings to provide detailed insight into the items being discussed.

Code of Conduct

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company had adopted a Code of Conduct for the Directors and Employees of the Company, a copy of which is available on the Company's website viz., www.maxindia.com. All the members of the Board of Directors

and senior management personnel had affirmed compliance with the Code for the financial year ended March 31, 2011 and declaration to this effect signed by the Chairman & Managing Director is forming part of this report.

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted an Insider Trading Policy for prevention of insider trading, which is applicable to all the Directors and designated employees.

Committees of The Board

Audit Committee

The Audit Committee of the Company currently comprises of Mr. N.C. Singhal (Chairman), Mr. Ashwani Windlass and Mr. K. Narasimha Murthy. All members of the Committee, except Mr. Ashwani Windlass are Independent Directors. Mr. N. Rangachary and Mr. Leo Puri ceased to be members of this Committee effective July 26, 2010 and June 17, 2011, respectively, in view of their resignation from the Board. The Company Secretary of the Company acts as the Secretary of this Committee. This Committee inter alia, recommends appointment of statutory auditors; reviews Company's financial reporting processes and systems; reviews financial and risk management policies; Company's financial statements, including annual and quarterly financial results; and financial accounting practices & policies. The scope of the audit committee has been defined by the Board of Directors in accordance with Clause 49 of the Listing Agreement and Section 292A of the Act. The Internal Auditors and representatives of Statutory Auditors are invited to the meetings of the Committee, as required. Mr. N.C. Singhal, the Chairman of the Audit Committee, was present at the last Annual General Meeting.

Meetings & attendance during the year ended March 31, 2011:

Director	Number of meetings held	Number of meetings attended
Mr. N. C. Singhal	09	09
Mr. Ashwani Windlass	09	08
Mr. K. Narasimha Murthy	09	08
Mr. Leo Puri	09	05
Mr. N. Rangachary *	03	02

* Mr. N. Rangachary resigned from the Board of Directors effective July 26, 2010.

Remuneration Committee

As of March 31, 2011, this Committee comprised of Mr. Rajesh Khanna (Chairman), Mr. N.C. Singhal, Mr. Ashwani Windlass, Mr. Piyush Mankad and Mr. Leo Puri, out of which, Mr. Rajesh Khanna, Mr. N.C. Singhal and Mr. Piyush Mankad are Independent Directors. Mr. Leo Puri ceased to be a member of this Committee effective June 17, 2011 in view of resignation from the Board. This Committee evaluates compensations and benefits for Executive Directors and Senior Executives

at one level below the Board, recruitment of key managerial personnel and finalise their compensation, induction of Executive and Non Executive Directors and fix the method, criteria and quantum of compensation to be paid to the Non Executive Directors and administers the ESOP Scheme of the Company including allotment of equity shares arising from exercise of stock options. The remuneration policy of the Company is aimed at attracting and retaining the best talent to leverage performance in a significant manner. The strategy takes into account, the remuneration trends, talent market and competitive requirements.

Meetings & attendance during the year ended March 31, 2011:

Director	Number of meetings held	Number of meetings attended
Mr. Rajesh Khanna	03	03
Mr. N.C. Singhal	03	03
Mr. Ashwani Windlass	03	02
Mr. Leo Puri	03	01
Mr. Piyush Mankad	03	03

Remuneration paid to Directors during 2010-2011

The Company has not paid any remuneration to its Non-Executive Directors, except for the Sitting Fee for attending meetings of the Board/Committees. Details of the remuneration charged to profit and loss account in respect of Mr. Analjit Singh, Chairman & Managing Director of the Company for the year ended March 31, 2011 are as under:

Description	Amount in ₹
Salary	49,939,240
Benefits (Perquisites)	7,227,057
Performance Incentive	39,770,936
Retirals	3,240,000
Service contract	--
Notice period	3 months
Stock options, if any (in numbers)	--

Remuneration for the current year also includes an amount of ₹45,914,750 relating to earlier year for which the company has received Central Government approval during the current year and hence the same has been charged to Profit & Loss account in the current year.

Details of equity shares of ₹2/- each held by Directors of the Company as on March 31, 2011 are: (a) Mr. Analjit Singh - 58,76,789 shares, (b) Mr. N.C. Singhal - 25,000 Shares (c) Mr. Ashwani Windlass - 1,28,800 shares, (d) Mr. Piyush Mankad - 5,000 shares, (e) Dr. Subash Bijlani - 5,000 shares and (f) Mr. Aman Mehta - 5,000 shares.

Shareholders/ Investors Grievance Committee

The Committee comprises of Mr. Ashwani Windlass (Chairman), Mr. Piyush Mankad and Mr. N. C. Singhal. Key responsibilities of this Committee are formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time, redressal of shareholders and investor complaints/ grievances. The Committee also approves the transfer and transmission of securities; issuance of duplicate certificates, etc.

Meetings & attendance during the year ended March 31, 2011:

Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	04	03
Mr. Piyush Mankad	04	04
Mr. N.C. Singhal	04	04

Besides, Mr. V. Krishnan, Company Secretary & Compliance Officer has been authorized to effect transfer of shares upto 1000 per folio. The Company has normally attended to the Shareholders/Investors complaints within a period of 7 working days except in cases which were under legal proceedings/disputes. During the financial year ended March 31, 2011, 38 complaints/queries were received by the Company, which were general in nature viz., issues relating to non-receipt of dividend, annual reports, shares, etc., which were resolved to the satisfaction of the respective shareholders.

Investment & Finance Committee

As of March 31, 2011, this Committee comprised of Mr. Ashwani Windlass (Chairman), Mr. N.C. Singhal, Mr. Leo Puri, Dr. Omkar Goswami, Mr. K. Narasimha Murthy, Dr. Subash Bijlani and Mr. Sanjeev Mehra. Mr. Leo Puri ceased to be a member of this Committee effective June 17, 2011 in view of resignation from the Board. The responsibilities of this Committee are to review financial performance of businesses carried on by the Company and its subsidiaries, review and recommend revenue and capital budgets of the Company and its subsidiaries, review and recommend various fund raising options and financial resources allocation to Company's divisions and subsidiaries and to review proposals on business restructuring, mergers, consolidations

acquisitions, investments, establishment of joint ventures and divestments of any businesses, etc. This Committee also has the mandate concerning banking operations matters. During the year under review, Mr. Sanjeev Mehra was co-opted as a member of this Committee and Mr. Vishal Bakshi as his Alternate. This Committee met eight times during the year ended March 31, 2011.

Disclosures

(a) Related party transactions

The Company has not entered into any transaction of a material nature with the promoters, Directors or the management, their subsidiaries or relatives, etc., that may have any potential conflict with the interest of the Company.

Statements/disclosures of all related party transactions are placed before the Audit Committee on a quarterly basis in terms of Clause 49 (IV)(A) and other

applicable laws.

(b) Compliance by the Company

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI, or any other statutory authorities on any matter relating to capital markets during the last three years.

General body meetings

The Annual General Meetings (AGMs) of the Company is held at the Registered Office of the Company at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533. The last three AGMs were held as under:

Date	Time
September 16, 2008	10:00 AM
September 23, 2009	10:30 AM
September 15, 2010	10:30 AM

The following special resolutions were passed by the shareholders in the previous three AGMs:

Date of AGM	Subject matter of the resolution
September 16, 2008	Approval for making investment upto an amount of ₹100 Crores in the equity share capital of a joint venture company for Health Insurance business in collaboration with Bupa Finance Plc., UK.
September 23, 2009	Approval for payment of managerial remuneration to Mr. Analjit Singh, Chairman & Managing Director of the Company for the balance period of his tenure as the Chairman & Managing Director i.e., April 1, 2009 to October 29, 2010.
	Approval for making further investment of upto ₹1000 crore in Max New York Life Insurance Company Limited, a subsidiary of the Company.
	Approval for making investment upto an amount of ₹100 crore in Max Bupa Health Insurance Company Limited, being 74% of the contribution towards its equity share capital.
	Approval for providing Corporate Guarantees/Securities upto an amount not exceeding ₹500 crore on behalf of Max Healthcare Institute Limited, a subsidiary of the Company through postal ballot.
	Approval for making further investment in or providing loans to Max Healthcare Institute Limited, upto an amount not exceeding ₹150 crore through postal ballot.

September 15, 2010	Approval for appointment of Mr. Analjit Singh as the Chairman & Managing Director of the Company for a period of five years effective October 30, 2010 and payment of his remuneration for a period of three years effective the aforesaid date.

Postal Ballot and postal ballot process

During the year under review, the Company passed two special resolutions through postal ballot voting process. Detailed procedure followed by the Company is as under:

Mr. U.P. Mathur, Former Secretary – Company Law Board and former Director of Inspection and Investigation, Department of Company Affairs was appointed as the Scrutinizer for postal ballot voting process. Mr. U.P. Mathur conducted the process and submitted his report to the Company.

The Company issued the postal ballot

Details of voting pattern on postal ballot are as under:

Particulars of resolutions passed	Total valid votes	In favour	Against
To invest in securities of Max Healthcare Institute Ltd., for an aggregate amount of not exceeding ₹750 crores pursuant to Section 372A of the Companies Act, 1956.	158286118	158263795 (99.99%)	22323 (0.01%)
To insert new Articles to the existing Articles of Association of the Company as Part III of the Articles of Association of the Company pursuant to Section 31 of the Companies Act, 1956.	158286038	158263565 (99.99%)	22473 (0.01%)

No special resolution requiring approval of the shareholders through postal ballot is being proposed at the ensuing annual general meeting.

Means of Communication

Timely disclosure of reliable information and corporate financial performance is at the core of good Corporate Governance.

notice dated December 15, 2010 for (i) making investment in any one of the combination of securities, viz., Equity Shares, Convertible Debentures, Convertible and/or Redeemable Preference Shares of Max Healthcare Institute Limited, a subsidiary of the Company, upto an amount not exceeding ₹750 crore and (ii) Amendment to the Articles of Association of the Company for incorporating the rights conferred on the Goldman Sachs Group as Part III of the Articles of Association of the Company.

The draft resolutions together with the explanatory statement and postal ballot forms and self addressed envelopes were

sent to the members under certificate of posting on December 30, 2010 with a request to return the duly completed form to the Scrutinizer on or before January 31, 2011.

After due scrutiny of all the postal ballot forms received upto the close of the working hours of January 31, 2011, the Scrutinizer submitted his final report on February 11, 2011.

The results of the postal ballot were declared at an Extraordinary General Meeting of the Company held on February 18, 2011 at the Registered Office of the Company. The results were informed to the BSE and NSE, where the Company's shares are listed.

Towards this direction, the quarterly/ annual results of the Company were announced within the prescribed period and published in Business Standard/ Financial Express/Desh Sewak. The results can also be accessed on the Company's website www.maxindia.com. The official news releases and the presentations made to the investors/analysts are also displayed on the Company's website. The results are not sent individually to the shareholders. The Company made

presentations to financial analysts and institutional investors after the quarterly/annual financial results were approved by the Board.

General Shareholder Information

A section on the 'Shareholder Information' is annexed, and forms part of this Annual Report.

Management Discussion & Analysis

A section on the 'Management Discussion & Analysis' is annexed and forms part of this Annual Report.

Compliance Certificate on Corporate Governance

M/s S. Mani & Associates, Company Secretaries have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchanges and the same is annexed to the Report.

Non-mandatory requirements

Details of non-mandatory requirements of clause 49 to the extent to which the Company has adopted are given below:

The Company has set up a Remuneration Committee, with an independent director as its Chairman, to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment. There is no audit qualification in respect of financial statements of the Company. All Board members are experts in their respective fields. They are well aware of the business model as well as the risk profile of the Company. Remaining non-mandatory requirements of clause 49 are expected to be addressed in due course.

Declaration by the C&MD on code of conduct as required by clause 49 I (D) (ii)

This is to declare that the Company has received affirmations of compliance with the provisions of Company's Code of Conduct for the financial year ended March 31, 2011 from all Directors and Senior Management personnel of the Company.

For Max India Limited

New Delhi
August 17, 2011

Analjit Singh
Chairman &
Managing Director

Certification by Chairman & Managing Director and Chief Financial Controller

August 17, 2011

The Board of Directors
Max India Limited
Bhai Mohan Singh Nagar,
Railmajra,
Tehsil Balachaur,
Dist. Nawanshahr
Punjab – 144 533

We, Analjit Singh, Chairman & Managing Director and Sujatha Ratnam, Chief Financial Controller of Max India Limited certify to the Board in terms of the requirement of Clause 49(V) of the listing agreement, that we have reviewed the financial statement and the cash flow statement of the Company for the financial year ended March 31, 2011.

1. To the best of our knowledge, we certify that:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading;
 - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations; and
 - (c) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
2. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls (if any), and further state that the internal control systems are adequate, commensurate with the size of business.
3. We do further certify that there has been:
 - (a) no significant changes in internal controls during the year;
 - (b) no significant changes in accounting policies during the year; and
 - (c) no instances of fraud, of which we are aware during the period.

Analjit Singh
Chairman & Managing Director

Sujatha Ratnam
Chief Financial Controller

Certificate Regarding Compliance of Conditions of Corporate Governance

To the Members of Max India Limited,

We have examined the compliance of conditions of Corporate Governance by Max India Limited for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations/representations given to us/made by the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Clause 49 of the Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

New Delhi
August 17, 2011

For S. Mani & Associates
Company Secretaries

Mani Srinivasan
FCS 3799
CP 2848
Company Secretary in Practice

Shareholders' Information

Registered Office and Plant Location

Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab- 144533.

Investor Helpline

Max House, 1, Dr. Jha Marg,
Okhla, Phase III, New Delhi - 110 020.
Tel: 011-42598000
Fax: 011-26324126
E-mail: investorhelpline@maxindia.com

Share Transfer Agent

Mas Services Limited,
T-34, 2nd Floor,
Okhla Industrial Area, Phase - II
New Delhi - 110 020.
Tel: 011-26387281 / 82 / 83
Fax: 011-26387384
E-mail: info@masserv.com

Annual General Meeting

Date and Time: Tuesday, September 27, 2011 at 11.00 am
Venue: Registered Office of the Company

Book Closure

Tuesday, September 20, 2011 to Tuesday, September 27, 2011
(both days inclusive)

Financial Calendar, 2011 - 2012

1. First quarter results - By August 14, 2011
2. Second quarter & half yearly results - By November 15, 2011
3. Third quarter results - By February 15, 2012
4. Annual results - By end of May 2012

Listing on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). The Company confirms that it has paid annual listing fees due to BSE and NSE for the year 2011-12.

Connectivity with Depositories

The Company's shares are in dematerialized mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Stock Code

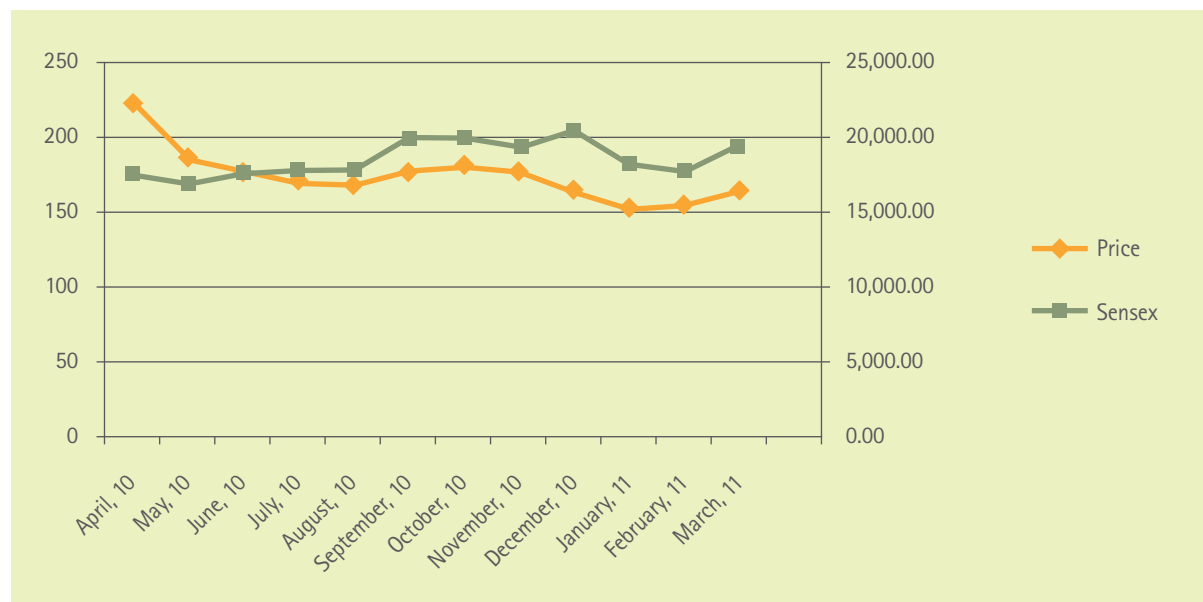
Bombay Stock Exchange Limited	-	500271
National Stock Exchange of India Limited	-	MAX
Demat ISIN No. for NSDL and CDSL	-	INE180A01020

	Reuters	Bloomberg
Bombay Stock Exchange	MAXI.BO	MAX:IN
National Stock Exchange	MAXI.NS	NMAX:IN

Monthly high and low quotation on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 10	223.00	175.70	222.90	175.65
May, 10	186.70	158.30	186.75	158.40
June, 10	176.45	151.65	176.90	151.60
July, 10	169.90	151.50	169.95	142.40
August, 10	168.00	149.35	168.20	149.65
September, 10	177.60	151.00	177.40	151.55
October, 10	181.80	158.00	181.60	155.15
November, 10	177.10	132.90	177.15	132.00
December, 10	164.90	135.00	164.90	135.40
January, 11	152.90	140.30	153.00	139.00
February, 11	155.35	137.00	156.00	137.00
March, 11	164.60	140.10	165.00	137.40

Share Price Vs. Sensex



Shareholding Pattern as on March 31, 2011

Category	No. of shares held	% of shareholding
Promoters	84980654	36.55
Mutual Funds and UTI	2691844	1.16
Banks, Financial Institutions	38160	0.02
Insurance Companies	45750	0.02
Foreign Institutional Investors	69756285	30.00
Foreign Direct Investment	40149631	17.27
Bodies Corporate	9925354	4.27
Non-resident Indians/Overseas Corporate Bodies	3021674	1.30
Clearing Members	392271	0.17
Resident Individuals	21482787	9.24
Total	232484410	100.00

Distribution of shareholding as on March 31, 2011

No. of Shareholders	Percentage to total	Shareholdings	No. of shares	% to total
47363	97.39	01 – 500	13357135	5.75
664	1.37	501 – 1000	2465990	1.06
253	0.52	1001 – 2000	1869126	0.80
87	0.18	2001 – 3000	1084324	0.47
50	0.10	3001 – 4000	896867	0.39
31	0.06	4001 – 5000	705103	0.30
57	0.12	5001 – 10000	2076902	0.89
127	0.26	10001 – above	210028963	90.34
48632	100.00	Total	232484410	100.00

Dematerialisation status as on March 31, 2011

- (i) Shareholding in dematerialised mode 98.67%
- (ii) Shareholding in physical mode 1.33%

Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, a qualified practicing Company Secretary carries out the Secretarial Audit, on a quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid-up capital. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

For shareholders holding shares in dematerialised mode

Shareholders holding shares in dematerialised mode are requested to intimate all changes with respect to bank details, mandate, nomination, power of attorney, change of address, change of name etc. to their depository participant (DP). These changes will be reflected in the Company's records on the down loading of information from Depositories, which will help the Company provide better service to its shareholders.

Share Transfer System

In respect of shares upto 1000 per folio, transfers are effected

on a weekly basis. For others, the transfers are effected within limits prescribed by law. The average turnaround time for processing registration of transfers is 15 days from the date of receipt of requests. The processing activities with respect to requests received for dematerialisation are completed within 7 -10 days.

Unclaimed/unpaid dividend

Under Section 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed for a period of seven years from the date of payment have been transferred to the Investor Education and Protection Fund.

Communication of Financial Results

The unaudited quarterly financial results and the audited annual accounts are normally published in Business Standard/ Financial Express/Desh Sewak. The financial results, press releases and presentations etc. are regularly displayed on the Company's website- www.maxindia.com

Please visit us at www.maxindia.com for financial and other information about your Company.

For Max India Limited

New Delhi
August 17, 2011

Analjit Singh
Chairman & Managing Director

Management and Governance

Board of Directors

- Dr. S.S. Bajjal - Chairman Emeritus
- Mr. Analjit Singh - Chairman & Managing Director
- Mr. Anuroop (Tony) Singh - Vice Chairman
- Mr. Aman Mehta
- Mr. Ashwani Windlass
- Mr. K. Narasimha Murthy
- Mr. N.C. Singhal
- Dr. Omkar Goswami
- Mr. Piyush Mankad
- Mr. Rajesh Khanna
- Dr. Subash Bijlani
- Mr. Sanjeev Mehra
- Mr. Vishal Bakshi (Alternate to Mr. Sanjeev Mehra)

Company Secretary

Mr. V. Krishnan

Major International Affiliates

New York Life Enterprises
Bupa Finance Plc., UK

Auditors

S.R. Batliboi & Co.
Chartered Accountants

Bankers

Citibank N.A.
Kotak Mahindra Bank Ltd.
Yes Bank Ltd.
IndusInd Bank Ltd.
The Royal Bank of Scotland N.V.
The Hongkong and Shanghai Banking Corporation Ltd.
Axis Bank Ltd.
HDFC Bank Ltd.

Corporate Office

Max House, Okhla,
New Delhi - 110 020

Website

www.maxindia.com

Solicitors

AZB & Partners
Luthra & Luthra Law Offices

Audit Committee

- Mr. N.C. Singhal (Chairman)
- Mr. Ashwani Windlass
- Mr. K. Narasimha Murthy

Shareholders/Investors Grievance Committee

- Mr. Ashwani Windlass (Chairman)
- Mr. N.C. Singhal
- Mr. Piyush Mankad

Remuneration Committee

- Mr. Rajesh Khanna (Chairman)
- Mr. N.C. Singhal
- Mr. Ashwani Windlass
- Mr. Piyush Mankad

Investment & Finance Committee

- Mr. Ashwani Windlass (Chairman)
- Mr. N.C. Singhal
- Dr. Omkar Goswami
- Mr. K. Narasimha Murthy
- Dr. Subash Bijlani
- Mr. Sanjeev Mehra/Mr. Vishal Bakshi

Share Transfer Agent

Mas Services Limited
T-34, 2nd Floor,
Okhla Industrial Area Phase II,
New Delhi - 110 020
Tel: 011 26387281-83
Fax: 011 26387384
E-mail: info@masserv.com



Max India Limited





Directors' Report

Your Directors have pleasure in presenting the twenty-third Annual Report of your Company with the audited Statement of Accounts for the financial year ended March 31, 2011.

Consolidated Results

The highlights of the consolidated financial results of your Company and its subsidiaries are as under:

	(RS. CRORE)	
	Year ended March 31, 2011	Year ended March 31, 2010
Income		
Net Sales	527.6	423.9
Service Income	6140.7	5150.3
Income from investment activities	1184.9	2075.3
Other Income	38.0	11.6
	7891.2	7661.1
Expenses		
Manufacturing, Trading & Direct Expenses	5754.9	5857.7
Personnel Expenses	882.1	769.1
Administration & Other Expenses	817.5	874.7
Financial Expenses	112.9	59.1
Depreciation & Amortisation	203.0	141.1
Funds for Future Appropriations	89.1	45.3
	7859.5	7747.0
Profit / (Loss) Before Tax	31.7	(85.9)
Tax Expense	9.9	3.4
Profit / (Loss) After Tax	21.8	(89.3)
Minority Interest	(13.1)	17.7
Profit/(Loss) after tax, (after adjusting Minority Interest)	8.7	(71.6)

The year 2010-11 proved to be another year of high performance for your Company and its subsidiaries. During financial year 2010-11, the consolidated Group revenue was Rs 7,891.2 crore, representing a growth of 3% over the previous year, while the operating revenue stood at Rs. 6,668.3 crore, an increase of 20% over the previous year. The group turned profitable on a consolidated basis, posting net profit after tax (adjusting for minority interest) at Rs. 8.7 Crore in 2010-11, against a net loss of Rs 71.6 crore in the previous year. The turnaround was primarily on account of MNYL profitability, owing to higher renewal income and stringent cost management initiatives. A brief update on the business achievements of your Company's key operating subsidiaries is as below:

(i) Max New York Life Insurance Company Limited

Financial Year 2010-11 was a year of continuing growth for Max New York Life Insurance Company Limited (MNYL). During the year under review, total revenue (first year premium +

renewal premium) increased by 20% to Rs.5,813 crore; renewal premium recorded a growth of 25% to Rs.3,751 crore; first year premium recorded a growth of 11% to Rs.2,062 crore. Individual adjusted first year premium (adjusted for single pay), which MNYL believes is the true barometer of new business performance of a life insurance company, was Rs.1,724 crore, recording a growth of 9%. MNYL's market share among the private players based on adjusted first year premium went up by 200 bps to 7.5%. Sum assured recorded a growth of 26% to Rs.1,54,687 crore. At 81%, MNYL's conservation ratio remained one of the best in the industry. Cost ratio improved from 42% to 38% due to the impact of cost management initiatives taken during the year. Profit after tax went up by more than 12 times to Rs.283 crore. Assets under management recorded a growth of 37% to Rs.13,836 crore. MNYL maintained more than double the stipulated solvency margin at 365%.

During the year under review, MNYL launched a range of ULIPs, designed to meet specific needs of different customers like Shiksha Plus II, Shubh Invest and Flexifortune. MNYL also launched 'College Plan' - a traditional guaranteed money back plan, which helps customers create a corpus for their child's higher education.

During 2010-11, MNYL took an important step towards evolving a more comprehensive multi-channel distribution network with the corporate agency agreement with Axis Bank - the third largest private sector bank in the country. This channel became active in May 2010 and provided MNYL with a strong national bancassurance relationship. With around 1,400 branches across more than 600 locations, it was expected that the relationship with Axis Bank will provide MNYL access to a relatively large number of new customers. This expectation has been achieved. By March 2011, MNYL had sold more than 1 lakh policies through this new relationship. It is the first and only Indian life insurance company to have been awarded the CII-EXIM Bank Commendation Certificate for 'Strong Commitment to Excel' for three consecutive years from 2008 to 2010.

In terms of first year premiums, the regional distribution across India has become more equitable. West contributed 29%, North 28%, South 25% and East 18%.

During 2010-11, traditional products gained greater share in MNYL's product mix. In fact, the share of traditional plans in total revenue increased from 30% in 2009-10 to 39% in 2010-11, while that of ULIPs decreased from 70%

Directors' Report

to 61% over the same period. MNYL's assets under management grew by 37% to Rs.13,836 crore as on 31 March 2011, which comprised roughly 60% debt and 40% equity.

During the period under review, MNYL has made significant progress. Today, MNYL is not only one of the most recognised brands in the life insurance segment, but also across the Indian corporate sector as a whole. The brand awareness score touched an all time high of 98% in March 2011. This is a significant 11 percentage point jump over March 2010. With this development, the brand is now ranked fourth among all private insurance players.

(ii) Max Healthcare Institute Ltd:

Max Healthcare Institute Ltd. (MHC) provides comprehensive, integrated and international class healthcare services with state-of-art infrastructure designed in accordance with international norms. MHC operates six super-specialty and multi-specialty hospitals and two specialty medical centres located in New Delhi and the surrounding NCR region offering services in over 30 medical disciplines. MHC is implementing its second phase of expansion which widens operations beyond Delhi/ NCR to other parts of North India in addition to expanding the existing network in the NCR.

During the fiscal 2010-11, MHC continued to progress along its long term growth roadmap. It also significantly expanded its infrastructure and manpower, and expanded capabilities to capture the growing opportunities in the high quality Indian healthcare space. Its new 200 bed Max Super Speciality Hospital, Shalimar Bagh, is stated to become operational in October 2011. The 100 bed Max Super Speciality Hospital, Dehradun will become operational in Q4, 2011-12. In addition, MHC has been allotted land by Government of Punjab under Public Private Partnership (PPP), to set up two 200 bed Super Speciality Hospitals at Bhatinda and Mohali, to be launched in October, 2011.

During the year under review, revenue across the network of hospitals grew by 28% to Rs.685 crore in 2010-11, average revenue per occupied bed day increased by 6% to Rs. 21,558. EBIDTA margin rose from 4.4% in 2009-10 to 7.6% in 2010-11. Average operational beds increased by 23% from 751 in 2009-10 to 926 in 2010-11, with the new blocks of Patparganj and Saket getting fully operational. The incremental capacity across all MHC's healthcare facilities reduced from 73% in 2009-10 to 68% in 2010-11 in a relative sense, although total beds

occupied continues to show an upward trend. Average length of stay was 3.56 days in 2010-11.

As on March 31, 2011, MHC has approximately 1,250 doctors, 1,725 nurses and 1,840 para-medical and other staff across the network of hospitals. There is a registered patient base of 11.42 lakh patients with an average of approximately over 250,000 patient transactions per month.

(iii) Max Bupa Health Insurance Company Limited:

Max Bupa Health Insurance Company Limited (MBHI) was formed in September 2008. With a purpose to build long-term healthcare partnerships and provide expertise for life, MBHI is working towards helping people live longer, healthier and more successful lives.

During the fiscal 2010-11, total market for health insurance premium in India was Rs.11,137 crore - a 34% growth over 2009-10. The share of health insurance in overall general insurance in India has increased from 22% in 2009-10 to 26% in 2010-11. The industry is expected to continue with rapid growth. Analysts estimate growth at a CAGR of 25% - 30% till 2014-15, to become a Rs. 28,000 crore market. MBHI has grown from 400 to 700 employees in 2010-11, as it enters into the next phase of accelerated growth.

The period for the financial year 2010 -11, was the first full year of MBHI's business operations. It was a year of learning, development and growth. MBHI completed 2010-11 with over 46,000 lives under cover. Gross written premium (GWP) was Rs.25 crore. The provider network grew to 750, spanning over 200 cities in India.

MBHI launched the Heartbeat Family First in 2010-11, a first of its kind product designed especially for the extended Indian Joint Family and it was later awarded the 'Best Product Innovation Award for 2011' from the India Insurance Review.

(iv) Max Neeman Medical International Limited:

Max Neeman Medical International Limited (MNMI) is a value added contract research organization (CRO) that provides a broad range of clinical research services to global pharmaceutical, device and biotechnology companies. It also collaborates with other CROs in providing a variety of services. Estimates suggest that the Indian clinical trials industry will reach US\$ 1.3bn by 2012.

During the period under review, MNMI had a team of over 210 clinical research coordinators and associates with a pan - India presence across 22 cities which gives MNMI access to patents and investigators sites for various therapeutic areas. MNMI has conducted studies over 2,700 subjects in Phase-I

Directors' Report

and Phase-II studies and over 11,000 subjects in Phase –III Studies. For Phase-IV, which started recently MNMI has enrolled more than 20,000 subjects in the first year alone. An automated workflow process ensures efficient and accurate data management. With its high quality operating standards, MNMI successfully provided services to 32 clients over 64 new studies during 2010-11.

In fiscal 2010-11, revenues increased from Rs. 18.7 crore in 2009-10 to Rs. 24.1 crore in 2010-11, while PBT grew to Rs. 4.5 crore in 2010-11 against Rs. 2.2 crore in 2009-10. MNMI continues to increase its client base. It added 20 new clients during 2010-11 taking the total client base to 77. The employee count increased from 270 at the end of 2009-10 to over 320 at the end 2010-11.

Standalone Results

The highlights of the stand-alone financial results of your Company are as under:

	(RS. CRORE)	
	Year ended March 31, 2011	Year ended March 31, 2010
Income		
Gross sales	456.0	362.7
Less: Sales return	(3.4)	(2.4)
Discount	(4.5)	(3.8)
Excise Duty	(31.1)	(23.4)
Net sales	417.0	333.1
Income from Investment Activities	45.9	21.9
Other income	23.1	3.7
	486.0	358.7
Expenditure		
Manufacturing and other expenses	439.0	329.0
Financial expenses*	67.2	14.5
Depreciation and amortization	14.6	12.6
	520.8	356.1
Profit/(loss) before tax	(34.8)	2.6
Tax expense	7.3	3.2
Profit/(Loss) After Tax	(42.1)	(0.6)

* Includes Rs. 62.6 Crore (Previous Year Rs. 3.5 Crore) on account of interest on 12% Compulsorily Convertible Debentures("CCDs") which has been converted into equity shares on June 10, 2011. The said interest has resulted in a cash loss of Rs 27.5 crore during the current year. The interest on CCDs is thus non recurring in nature.

Fiscal 2010-11 was a year of consolidation for Max Speciality Films (MSF), the Speciality Packaging Manufacturing division of Max India Limited. Its plant at Railmajra, near Chandigarh, is accredited with ISO 9001:2000 for quality standards, ISO 14001:2004 for environmental standards and has also received OHSAS 18001: 1999 certification for occupational health and safety. 2010-11 has been a year of transition for MSF as it successfully commissioned a new state-of-the-art high speed BOPP Film Production Line of 22,000 TPA in March 2011 with an investment of Rs.145 crore. The new line was commissioned in record time of 13 months. With this expansion, MSF's production capacity has gone up from 30,000 TPA to 52,000 TPA, making it the third largest producer of BOPP films in India. In addition, MSF commissioned its fourth Metalleriser in October 2010.

During the period under review, installed capacity of BOPP in India grew by 22% due to attractiveness of the domestic market and export opportunities. BOPP consumption continues to witness a robust growth rate of 18% to 20% per annum in India and 6% to 7% globally. MSF's sales turnover was Rs.456 crore in 2010-11 against Rs.363 crore in 2009-10. Net revenues increased by 25% from Rs.333 crore in 2009-10 to Rs.417 crore in 2010-11. Despite a 22% increase in overall industry capacity, MSF's operating margin (EBIDTA to net sales) was maintained at 12.7% in 2010-11. Consequently, EBIDTA increased by 23% to Rs.53 crore in 2010-11. PBT increased by 76% to Rs.36 crore.

MSF maintained high production efficiencies and all its BOPP production and metallisation lines achieved 100% capacity utilisation. It achieved volume growth of 103% in thermal film sales. Exports registered growth of 108%. The total number of employees as on 31 March 2011 was 455.

In the year 2010-11, MSF won the prestigious 'IndiaStar' awards for six products for innovative design and development in packaging from Indian Institute of Packaging. It also won the 'World Star' award from the World Packaging Organisation for a new product.

Dividend

In view of the loss incurred by the Company and considering the funding requirements of the underlying businesses, your directors do not recommend any dividend.

Approval for increase in Directors

During the year under review, your Directors obtained the approval of the Central Government to increase the number of Directors of the Company from twelve to fifteen.

Directors' Report

Directors

Your Directors are pleased to inform the following:

The Board of Directors in its endeavour to address the growing needs of the Max India Group, a complex business environment as also the growth potential of our various businesses, appointed Mr. Rahul Khosla as the Managing Director of the Company. He is expected to assume the office on August 18, 2011. Mr. Analjit Singh would relinquish the position of Managing Director effective August 18, 2011 and shall continue as Executive Chairman of the Company effective that date. Requisite approval of the shareholders for the aforesaid appointment of Mr. Rahul Khosla as Managing Director and payment of remuneration are being sought at the ensuing Annual General Meeting.

Mr. Leo Puri, a Director nominated by Warburg Pincus group resigned from the Directorship of the Company effective June 17, 2011. Your Directors place on record, their appreciation for the valuable contribution made by Mr. Leo Puri during his association with the Company.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Anuroop Singh, Mr. N.C. Singhal, Dr. Subash Bijlani, Mr. Aman Mehta and Mr. Ashwani Windlass retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. Mr. Vishal Bakshi was appointed as an Alternate Director effective February 11, 2011 to Mr. Sanjeev Mehra, nominee director of Xenok Limited, a wholly owned subsidiary of GS Capital Partners VI Fund, LP, controlled by Goldman Sachs Group.

Increase in paid up share capital of the Company

During the year under review, the paid up equity share capital of the Company stood increased from Rs. 46.50 crore to Rs. 46.48 crore arising from allotment of 109,677 equity shares of Rs. 2/- each under the 'Employee Stock Plan 2003'.

As of the date of this Report, the paid up equity share capital of the Company stood further increased to Rs. 52.91 crore arising from following:

- (i) Allotment of equity shares on conversion of Compulsorily Convertible Debentures to Xenok Limited

The Company allotted 24,079,700 equity shares of Rs.2/- each at a premium of Rs. 214.75/- per equity share, on conversion of 6,019,925 Compulsorily Convertible Debentures of Rs. 867/- each ("CCDs") to Xenok Limited, a wholly owned subsidiary of GS Capital Partners VI Fund, L.P., on June 10, 2011. With the aforesaid allotment, the paid up share capital of the Company stood increased to Rs. 51,31,28,220/-, effective that date.

- (ii) Conversion of Promoter Warrants

Dynavest India Private Limited ('Dynavest'), a company forming the Promoter Group exercised its right to convert 2,000,000 Promoter Warrants of Rs. 867/- each into 8,000,000 equity shares of Rs. 2/- each at a premium of Rs. 214.75 per equity share by paying the full warrant consideration of Rs. 173.4 crore. Your Board allotted 8,000,000 equity shares of Rs. 2/- each on August 4, 2011 to Dynavest. With the aforesaid allotment, the paid up share capital of the Company stood increased to Rs. 52,91,28,220/-, effective that date.

Business Investments

The Company made an additional investment of Rs. 53.39 crore towards equity contribution in MHC during year under review, taking the total equity contribution in MHC to Rs. 219.49 crore as of March 31, 2011. Further, the Company contributed an amount of Rs. 100 cores towards subscription to Compulsorily Convertible Preference Shares (CCPS) of MHC as of date.

Your Directors have already approved acquisition of 47,617,924 equity shares of Rs. 10/- each of MHC constituting the entire shareholding of 16.37% held by the entities forming part of Warburg Pincus group at an acquisition price of Rs. 29.40 per share for a total consideration of Rs. 140 crore, subject to requisite approvals. The Company expects to conclude aforesaid transaction on or before December 15, 2011. With this acquisition, your Company's equity shareholding in MHC would stand increased to 91.84%.

During the year under review, your Company also made a further investment of Rs.88.80 crore in MBHI. With this, the total equity contribution by the Company in MBHI stood increased to Rs.200.54 crore as of March 31, 2011.

Your Company also made a further investment of Rs. 5.92 crore in MNYL taking the total investment in MNYL to Rs.1466.51 crore as of March 31, 2011.

Management Discussion & Analysis

A review of the performance of businesses, including those of your Company's joint ventures and subsidiaries, is provided in the Management Discussion & Analysis.

Fixed Deposits

Your Company has not accepted/renewed any deposit up to the date of this Report.

Directors' Report

Employee Stock Option Plan

- (i) Your Company had instituted an 'Employee Stock Plan 2003' ('2003 Plan'), which was approved by the Board of Directors in August 2003 and by the shareholders in September 2003. The 2003 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees and directors of the Company. The 2003 Plan is administered by the Remuneration Committee appointed by the Board of Directors. During the year under review, 1,09,677 Options were vested and upon exercise 1,09,677 equity shares of Rs. 2/- each for cash at par were allotted. Your Company also granted 10,000 Options to certain directors during the year under review.
- (ii) The particulars of options granted, as on the date of this report, under the aforesaid stock option plan as required under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given below:

Sl. No.	Description	2003 Plan
(a)	Total number of options granted till March 31, 2011	28,46,500
(b)	The pricing formula	Rs. 2/- per share
(c)	Number of options vested till March 31, 2011	12,27,714
(d)	Number of options exercised till March 31, 2011	12,27,714
(e)	Total number of shares arising from exercise of options	12,27,714
(f)	Number of options lapsed/forfeited till March 31, 2011	3,00,005
(g)	Variation in terms of options	-
(k)	Money realized by exercise of options (Rs. Crore)	0.25
(l)	Total number of options in force as on date	13,18,781
(m)	Number of options granted to senior management including directors in FY 2010-11	10,000
(n)	Employees holding 5% or more of the total number of options granted during the year	None
(o)	Employees granted options equal to or exceeding 1% or more of the issued capital during the year	None

The diluted earning per share was Rs. (1.81) for the financial year ended March 31, 2011. The diluted earning per share for the previous year was Rs. (0.03).

- (iii) In respect of stock options granted till March 31, 2011 under the 2003 Plan, the Company has calculated employee compensation cost using intrinsic value of the stock options. Accordingly, an amount of Rs. 44.22 crore has been recognized as total compensation charge for grants made in October 2003, March 2005, December 2005, June 2006, November 2008, January 2009, September 2009, January 2010 and June 2010, out of which, in the current financial year, Rs. 15.31 crore has been taken to the Profit and Loss account as expense. The additional details required to be disclosed in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 relating to the 2003 Plan are given below:

- The employee compensation cost based on fair value of stock options granted in October 2003, March 2005, December 2005, June 2006, November 2008, January 2009, September 2009, January 2010 and June 2010 under the 2003 Plan is Rs. 44.28 crore, out of which, in the current financial year, Rs. 15.38 crore would have been recognized as compensation cost if the Company had used fair value basis instead of adopting intrinsic value basis of accounting for these stock options.
- On fair value basis of recognizing the employee compensation cost, loss after tax for the current financial year would have been Rs. 42.17 crore instead of Rs. 42.10 crore reported in the Profit and Loss account.
- Basic and diluted earnings per share would have remained unchanged at Rs. (1.81), had the Company adopted fair value basis of recognizing the employee compensation cost due to insignificant amount of difference in the recognized expense and fair value of the ESOP expense.
- The exercise price of the stock options on the grant date is Rs. 2/- per existing equity share of Rs. 2/- each and the fair value of for June 2010 grant Rs. 158.45.
- The computation of fair value of stock options granted under the 2003 Plan has been done using Black Scholes Option Pricing Model. The following assumptions have been used in applying this options pricing model:
 - Risk free interest rate of 6.63% for June 2010 grant,

Directors' Report

- ii) Expected life of these stock options are: 3 year option for September 2009 grant, 3 year option for January 2010 grant and 1 year option for June 2010 grant.
- iii) Expected volatility of 34.82% for January 2010 grant, 63.58% for September 2009 grant and 34.82% for June 2010 grant, based on historical volatility of the Company's share,
- iv) No dividend expectation based on current year's dividend recommendation, and
- v) Price of Rs.181.30 for September 2009 grant, Rs. 221.10 for January 2010 and Rs. 160.05 for June 2010 grant being the latest available closing price of the Company's share on the National Stock Exchange prior to the date of grant.

Statutory Disclosures

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 are given in the prescribed format annexed to this Report as **Annexure –A**. A statement giving particulars of employees under Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975 for the financial year ended March 31, 2011 is annexed to this Report as **Annexure–B**. Statement pursuant to Section 212 of the Act relating to the subsidiaries of your Company, is annexed to this Report.

Central Government vide its circular No. 5/12/2007-CL-III dated February 8, 2011 has granted a general exemption under Section 212(8) of the Act, to companies provided certain conditions are fulfilled. Based on the aforesaid circular, the Board of Directors of the Company passed a resolution giving consent for not attaching the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and the Report of the Auditors of its subsidiaries. Your Company will make available these documents/details upon request by any member of the Company and its subsidiaries interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection by members at the respective registered offices of the Company and its subsidiary companies. However, pursuant to Accounting Standard 21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements are presented by the Company as part of the annual report which includes the financial information of the subsidiaries.

Ministry of Corporate Affairs (MCA) had issued "Corporate Governance Voluntary Guidelines" in December 2009. These

guidelines are recommendatory in nature. The Company will examine the possibilities of adopting the guidelines in an appropriate manner.

Auditors

S.R. Batliboi & Co., Statutory Auditors of your Company, retires and offers themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1B) of the Act to the effect that their reappointment, if made, would be in conformity with the limits specified in that Section.

The Auditors' Report read alongwith notes to accounts is self explanatory and therefore does not call for any comments.

Group for interse transfer of shares

As required under Clause 3(e) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting Group within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969 for the purpose of Regulation 10 to 12 of aforesaid SEBI Regulations are as follows:

(a) Mr. Analjit Singh, (b) Mrs. Neelu Analjit Singh, (c) Ms. Piya Singh (d) Mr. Veer Singh, (e) Ms. Tara Singh, (f) Ms. Nira Singh (g) Neeman Family Foundation, (h) Medicare Investments Limited, (i) Cheminvest Limited, (j) Liquid Investment and Trading Co Pvt Ltd., (k) Maxopp Investments Limited, (l) Mohair Investment & Trading Co. (P) Ltd., (m) Boom Investments Private Limited, (n) PVT Investment Limited, (o) Pen Investments Limited, (p) Pivot Finances Limited, (q) Dynavest India Private Limited. (r) Maxpak Investment Limited (s) Trophy Holdings Private Limited and (t) Moav Investment Limited.

Directors' Responsibility Statement

The Board of Directors of the Company confirms that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors 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 profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

Directors' Report

- (iv) The Directors have prepared the annual accounts on a going concern basis.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

Acknowledgements

Your Directors would like to place on record their appreciation of the contribution made by its Management and its employees who through their competence and commitment have enabled the Company to achieve impressive growth. Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, Financial Institutions and Banks, Shareholders, Joint Venture partners and all other business associates.

For and on behalf of the Board of Directors

New Delhi
August 17, 2011

ANALJIT SINGH
Chairman & Managing Director

Annexure - 'A'

PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken

The Company has taken several steps to conserve energy. Energy conservation continues to be on high priority for existing as well as new projects. Various steps taken to bring about savings are :-

- Installation of energy management system in new speciality line commissioned in Mar'11 to control and monitor consumption of energy by various equipments.
- Reduction in furnace oil consumption by using high efficiency thermic Oil heater in newly commissioned BOPP Line.
- Reduction in energy consumption by use of common high efficiency Water chiller .
- Installation of AC drives on Cooling Tower Fans.
- Installation of high efficient electrical motors in plant.
- Conservation of energy by using high efficiency lighting fixtures.
- Conservation of energy by using day light in newly commissioned BOPP Line.
- Reduction in energy consumption by using cooling tower water instead of chilled water in winter for New BOPP line.
- Converted Street lighting from High pressure sodium vapour to Led lamps.
- Reduction in Furnace oil consumption in new BOPP Line by re-using hot Air by virtue of heat recovery system.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

Created new Energy cell to do energy audit & identify and implement new Energy saving projects/measures. Energy saving projects / measures as may be identified during energy audit will be implemented accordingly. Most efficient electrical equipments are being added to the new electrical installations.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

- i Above measures will result in reduction in energy consumption and consequent Specific energy consumption per unit of approved output.

(d) Total energy consumption and energy consumption per unit as per Form A of the annexure of "Particulars pursuant to companies (Disclosure of particulars in the Report of the Board of Directors) Rule 1988

NOT APPLICABLE

B. RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

I. RESEARCH AND DEVELOPMENT

1. Research & Development

- Though in-house research and development efforts, new products were developed for various applications.
- Development of indigenous additives and speciality compounds to minimize dependency on imported raw materials.
- Alternate vendors for raw material, additives & machinery spares are being developed.
- Developed BOPP substrate for Thermal Lamination for Japan and USA market.
- Improvement in productivity of Sandwich Lamination film by redesigning formulation and process of material handling and packing.

2. Process Improvement and Development

- Optimization of process parameters of BOPP film lines to enhance efficiencies / yields.
- Improvement in efficiency of newly developed high value added products.
- Process optimization of metallisers to increase production.
- Quality of reprocessed granules being continuously improved.

3. Benefits Derived

- Received the prestigious "Worldstar 2010" award at a ceremony held in Dusseldorf, Germany. "Worldstar" awards are given by the World Packaging Organisation to honour unique product innovations

Annexure - 'A'

- Won Six India star awards - INDIA top award for Excellence in Packaging by IIP(Indian Institute of Packaging)
- Steady increase in efficiency of machines, productivity and reduction in waste.
- Scientific working has substantially improved the machine utilization, devices, processes, materials, systems and services.
- Cost competitiveness, effectiveness and high quality products.
- Better & optimized product mix resulting in better price realization
- Packaging change for various Customers, helped brand owner to reposition their products

4. Future Plan of Action

- High value added niche products to be continuously added to existing range, every year.
- Efficiency improvement to surpass even International standards.
- To further improve product mix resulting in better value addition.
- To improve further quality and delivery index for top customers.

5. Expenditure on R & D

- Capital : 'Nil'
- Recurring : Rs. 24.57 lacs
- Total : Rs. 24.57 lacs
- R&D expenditure as % of net sales : 0.06%

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1 EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Company has in-house development and R & D cell which perpetually develops new products. These products are commercialized after successful trials at customer end.

2 BENEFITS DERIVED AS A RESULT OF ABOVE EFFORTS

New developments as per customer's requirements further result in product mix optimization and higher margins.

3 INFORMATION ABOUT IMPORTED TECHNOLOGY IN LAST 5 YEARS

BOPP and Foil Business did not import any technology in the last 5 years.

C. FOREIGN EXCHANGE EARNING AND OUTGO

I. Activities Relating to Exports

- Enhanced Focus on more exports of high-value-added films.
- Enhanced presence in Asian, African, America & Europeans countries.
- Increase in BOPP film Export quantum by 52% & by value term 87%.
- Increase in Thermal film Export quantum by 159% & by value term 189%.

II. Total Foreign Exchange Earned and Used

	RS. LACS	
	Year ended March 2011	Year ended March 2010
Earnings	12,763	5,273
Outgo	17,625	5,482

For and on behalf of the Board of Directors

New Delhi
August 17, 2011

Analjit Singh
Chairman & Managing Director

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, 2011

Sr. No.	Name	Age (Yrs.)	Designation	Nature of duties	Remuneration (In Rs.)	Qualification	Date of commencement of employment	Experience (Yrs.)	Last employment held Organisation	Designation
A. Employed throughout the year and were in receipt of remuneration of not less than Rs. 60,00,000/- per annum										
1	Dwarakanath, P.	63	Director - Group Human Capital	Group Human Resources	13,161,540	B. Sc., LL.B., PGDM (PM & IR)	02.04.2007	42	Glaxo SmithKline Consumer Healthcare	Director-Human Resources & Administration (India/South Asia)
2	Mathur, S. K.	58	Chief Executive - Max Speciality Films	Chief - Operations	10,329,384	B.Tech, PGDBM	06.10.2005	35	Ester Industries Ltd.	Vice President - Marketing
3	Raghuv, C.V.	48	Director - Legal & Regulatory Affairs	Legal & Regulatory Affairs	12,146,993	Bachelor of Science & Law, PGD IR & PM	30.07.2008	21	American Express Banking Corp. General Counsel's Office	VP & Group Counsel India & Area Countries
4	Ratnam, Sujatha	47	Chief Financial Controller	Corporate Finance/Accounts & Treasury	9,215,646	B. Com (Hons), ACA	12.07.2004	22	Jubilant Organosys Ltd.	General Manager - Finance
5	Singh, Analjit	57	Chairman & Managing Director	General Management	56,854,148	BA, BS, MBA (Boston)	30.10.2001	33	Max UK Ltd.	Chairman
6	Talwar, Mohit	51	Director - Corporate Development	Corporate Development	15,061,564	Post Graduate (Arts), Post Graduate (Hospitality Management)	01.11.2007	32	Standard Chartered Bank	Director & Head Wholesale Bank, East India
B. Employed for part of the year and were in receipt of remuneration of not less than Rs. 5,00,000/- per month										
7	Hoskote Prashant	45	VP - Quality & Service Excellence	Corporate Quality Function	7,044,140	B.Sc., Diploma in Computer Science & Management, Certified Trainer & Facilitator from the Juran Institute, INC, USA	7-Jun-10	24	Mastrebank	Sr. Vice President and Head - Customer Experience & Quality Division
8	Malik, Lalit	44	Vice President - Corporate Development	Corporate - Insurance	4,644,290	PGDM, CA	17.12.2008	17	AIG Consumer Financial Services (India) Ltd.	Head - Business Development & Strategy
9	Reddy Vikram B	58	Sr Vice President - Business Relations	Liaison	2,222,456	MBA	01.12.2010	31	Cosmo Films, Inc, A Delaware corporation, Addison, Illinois, USA	VP operations - North Americas
10	Sarin, Rajiv	53	General Manager - Business Development	Business Development	5,709,472	B. SC	01.11.2009	31	Malsi Estates Ltd.	Director - Business Development

Notes :

- 1 Remuneration includes salary, allowances, value of rent free accommodation, bonus, medical expenses, leave travel assistance, personal accident and health insurance, Company's contribution to Provident, Pension, Gratuity and Superannuation fund, leave encashment and value of perquisites. The term remuneration as the meaning assigned to it, in the Explanation to section 198 of the Companies Act, 1956
- 2 None of the above employees is a relative of any director of the Company.
- 3 The services of Mr. Analjit Singh are contractual in nature.
- 4 Mr. Analjit Singh holds by himself along-with his spouse and dependent children **2.38% of the Equity Shares** of the Company as of the date of this report.

For and on behalf of the Board of Directors

New Delhi
August 17, 2011

ANALJIT SINGH
Chairman & Managing Director

Auditors' Report

TO THE MEMBERS OF MAX INDIA LIMITED

1. We have audited the attached Balance Sheet of Max India Limited ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.

Firm registration number: 301003E

Chartered Accountants

per MANOJ GUPTA

Partner

Membership No.: 83906

Gurgaon

May 26, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE MAX INDIA LIMITED ('THE COMPANY')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at the year end.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
Further, since the Central Government has till date not prescribed the manner and the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues outstanding of income-tax, sales tax, wealth-tax, service tax, custom duty, excise duty

Auditors' Report

and cess on account of any dispute, other than the following:

Name of the Statute	Nature of the Dues	Amount (Rs.in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty demand on valuation of goods cleared for captive consumption.	149.77	1997-98 to 2008-09	CESTAT, New Delhi
Central Excise Act, 1944	Reversal of Cenvat credit on various grounds.	1,527.54	1999-00 to 2010-11	Commissioner, Chandigarh
Finance Act, 1994 (Service Tax)	Service tax demands on various matters	113.82	2001-02 to 2008-09	Commissioner, (Appeals)
Finance Act, 1994 (Service Tax)	Service tax demands on various matters	5.93	2005-06	Joint Commissioner
Finance Act, 1994 (Service Tax)	Service tax demands on various matters	202.11	1997-98 to 2000-01	CESTAT, New Delhi
Income Tax Act, 1961	Income tax demands on various disallowances	259.80	2002-03 to 2007-08	Income Tax Appellate Tribunal, Amritsar
Income Tax Act, 1961	Income tax demand on erstwhile subsidiary "Max Telecom Ventures Limited".	24,927.76	1999-00	High Court

- (x) The Company has no accumulated losses at the end of the financial year. The Company has incurred cash losses in the current year. In the immediately preceding financial year, the Company had not incurred cash losses.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/ trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company, in its

own name.

- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and

Auditors' Report

explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO.

Firm registration number: 301003E

Chartered Accountants

per MANOJ GUPTA

Partner

Membership No.: 83906

Gurgaon

May 26, 2011

Balance Sheet as at March 31, 2011

		(RS. IN LACS)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	4,649.69	4,647.49
Share warrants	2	8,670.00	8,670.00
Employee stock options outstanding	3	1,896.88	551.21
Reserves and Surplus	4	211,858.83	215,882.74
		227,075.40	229,751.44
Loan Funds			
Secured Loans	5	10,216.40	8,201.75
Unsecured Loans	6	52,192.75	52,192.75
		62,409.15	60,394.50
Deferred Tax Liability (Net)		997.98	269.04
		290,482.53	290,414.98
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	7	43,055.06	27,125.86
Less: Accumulated Depreciation/Amortisation		10,116.72	8,712.30
Net Block		32,938.34	18,413.56
Capital Work-in-Progress including capital advances		277.23	2,239.63
		33,215.57	20,653.19
INVESTMENTS	8	197,067.02	258,256.15
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	9	4,156.10	2,546.00
Sundry Debtors	10	7,524.52	6,120.08
Cash and Bank Balances	11	45,768.64	1,443.50
Other Current Assets	12	830.39	2.63
Loans and Advances	13	9,819.25	5,433.16
(A)		68,098.90	15,545.37
Less: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	14	7,305.08	3,042.62
Provisions	15	593.88	997.11
(B)		7,898.96	4,039.73
NET CURRENT ASSETS (A-B)		60,199.94	11,505.64
		290,482.53	290,414.98
NOTES TO ACCOUNTS	23		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 301003E
Chartered Accountants

per **MANOJ GUPTA**
Partner
Membership Number: 83906

GURGAON
MAY 26, 2011

For and on behalf of the Board of Directors of
Max India Limited

ANALJIT SINGH
Chairman & Managing Director

LONDON
MAY 26, 2011

N. C. SINGHAL Director
ASHWANI WINDLASS Director
SUJATHA RATNAM Chief Financial Controller
V. KRISHNAN Company Secretary

NEW DELHI
MAY 26, 2011

Profit and Loss Account for the year ended March 31, 2011

(RS. IN LACS)

	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Turnover (Gross)		45,601.35	36,268.88
Less: Sales return		(341.15)	(237.18)
Discount		(454.30)	(383.09)
Excise duty		(3,104.86)	(2,334.45)
Turnover (Net)		41,701.04	33,314.16
Income from Investment activities	16	4,594.13	2,186.02
Other Income	17	2,305.22	369.89
		48,600.39	35,870.07
EXPENDITURE			
Manufacturing and other Expenses	18	32,986.76	25,602.54
(Increase)/ Decrease of Inventories	19	(439.98)	110.89
Personnel Expenses	20	6,004.68	3,386.11
Administration and other Expenses	21	5,343.93	3,798.59
Financial Expenses	22	6,721.55	1,455.58
Depreciation/Amortisation	7	1,464.03	1,259.88
		52,080.97	35,613.59
Profit/(Loss) before tax		(3,480.58)	256.48
Provision for Tax			
Current tax		-	46.21
Deferred tax charge		728.94	269.04
Total tax expense		728.94	315.25
Loss after tax		(4,209.52)	(58.77)
Balance brought forward from previous year		68,658.18	68,716.95
Profit carried forward to the balance sheet		64,448.66	68,658.18
Earnings Per Share (Refer note no. C14 of schedule 23)			
Basic [Nominal value of shares Rs. 2/- (Previous year Rs. 2/-)] Rs.		(1.81)	(0.03)
Diluted [Nominal value of shares Rs. 2/- (Previous year Rs. 2/-)] Rs.		(1.81)	(0.03)

NOTES TO ACCOUNTS

23

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 301003E
Chartered Accountants

For and on behalf of the Board of Directors of
Max India Limited

per **MANOJ GUPTA**
Partner
Membership Number: 83906

ANALJIT SINGH
Chairman & Managing Director

N. C. SINGHAL Director
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V. KRISHNAN Company Secretary

GURGAON
MAY 26, 2011

LONDON
MAY 26, 2011

NEW DELHI
MAY 26, 2011

Cash Flow Statement for the year ended March 31, 2011

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT / (LOSS) BEFORE TAXATION	(3,480.58)	256.48
Adjustments for:		
Depreciation / Amortisation	1,464.03	1,259.88
Employee Stock Option Expense	1,531.28	557.63
Wealth Tax	1.94	1.70
Net Loss on Sale of Fixed Assets	17.44	24.14
Net Profit on Sale of Investments	(1,969.43)	(1,760.85)
Fixed Assets and Spares Written Off	-	0.89
Provision for Doubtful Debts and Advances	5.94	0.42
Diminution in value of Investments and Doubtful Advances to Subsidiary	34.41	8.53
Interest Expense	6,579.99	1,357.13
Interest Income	(1,878.61)	(251.14)
Dividend Income from current non trade investments	-	(47.76)
Liability/Provision no Longer Required Written Back	(14.68)	(174.44)
Unrealised Foreign Exchange (Gain)/Loss	18.74	(75.94)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,310.47	1,156.67
MOVEMENT IN WORKING CAPITAL :		
Decrease / (Increase) in sundry debtors	(1,404.44)	(830.34)
Decrease / (Increase) in inventories	(1,610.10)	258.31
Decrease / (Increase) in Loans and advances	(3,814.51)	330.01
(Decrease) / Increase in trade payables	2,698.12	(113.25)
(Decrease) / Increase in provisions	(152.68)	160.29
Cash Generated From Operations	(1,973.14)	961.69
Income Tax Refunded/(Paid)	(687.93)	(18.47)
CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	(2,661.07)	943.22
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments in subsidiaries	(14,811.17)	(25,082.48)
Purchase of investments in mutual funds	(176,358.23)	(606,304.44)
Proceeds from sale of investments in mutual funds	254,327.97	544,722.08
Deposits with initial maturity of more than three months	(36,000.00)	-
Purchase of Fixed Assets	(12,504.90)	(2,080.61)
Proceeds from sale of fixed assets	9.43	15.05
Interest Received	874.36	267.95
Dividend income from current non trade investments	-	47.76
CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	15,537.46	(88,414.69)

Cash Flow Statement for the year ended March 31, 2011

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from preferential issue of shares	-	15,000.00
Proceeds from issue of warrants	-	8,670.00
Shares issue expenses	-	(593.13)
Proceeds from exercise of employee stock options	2.20	0.36
Interest Paid	(6,568.10)	(1,048.60)
Proceeds from issue of Compulsorily Convertible Debentures	-	52,192.75
Proceeds from Long term borrowing	10,155.02	53.85
Repayment of Long Term Loans	(5,237.62)	(2,066.03)
Proceeds/(Repayment) of Short Term Borrowings	(2,902.75)	72.57
CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	(4,551.25)	72,281.77
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	8,325.14	(15,189.70)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,443.50	16,633.20
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	9,768.64	1,443.50
COMPONENTS OF CASH AND CASH EQUIVALENTS	As at March 31, 2011	As at March 31, 2010
Cash on hand	3.70	5.69
Cheques in Hand	26.35	-
Balances with scheduled banks:		
On current accounts	730.70	775.49
On debenture interest accounts	7.74	10.67
On fixed deposit account	45,000.00	651.36
Stamps in hand	0.15	0.29
Cash and bank balance as per Schedule 11	45,768.64	1,443.50
Less: Fixed deposits have maturity of more than three months not considered as cash equivalents	36,000.00	-
Cash and cash equivalents in Cash Flow statement	9,768.64	1,443.50

Note: Balance in debenture interest account is not available for use by the Company

The schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 301003E
Chartered Accountants

For and on behalf of the Board of Directors of
Max India Limited

per **MANOJ GUPTA**
Partner
Membership Number: 83906

ANALJIT SINGH
Chairman & Managing Director

N. C. SINGHAL Director
ASHWANI WINDLASS Director
SUJATHA RATNAM Chief Financial Controller
V. KRISHNAN Company Secretary

GURGAON
MAY 26, 2011

LONDON
MAY 26, 2011

NEW DELHI
MAY 26, 2011

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED		
460,000,000 (Previous year: 460,000,000) equity shares of Rs. 2/- each	9,200.00	9,200.00
800,000 (Previous year: 800,000) Preference shares of Rs. 100/- each	800.00	800.00
	10,000.00	10,000.00
ISSUED, SUBSCRIBED & PAID UP		
232,484,410 (Previous year: 232,374,733) equity shares of Rs. 2/- each fully paid-up	4,649.69	4,647.49
	4,649.69	4,647.49
of the above:		
(i) 57,660,400 (Previous year: 57,660,400) equity shares of Rs. 2/- each are allotted as fully paid up bonus shares out of Securities Premium account.		
(ii) 1,577,714 (Previous year: 1,468,037) Equity shares of Rs. 2/- each are allotted as fully paid up under employee stock option plan.		
SCHEDULE-2		
SHARE WARRANTS		
(Refer Note C4 on Schedule 23)		
2,000,000 (Previous year 2,000,000) share warrants of Rs. 867/- each, partly paid up	8,670.00	8,670.00
	8,670.00	8,670.00
SCHEDULE-3		
EMPLOYEE STOCK OPTION OUTSTANDING		
Balance as per last account	2,996.15	73.39
Add: Stock options issued during the year	16.09	2,942.54
Less : Stock options exercised during the year	185.61	19.78
Less : Stock options forfeited during the year	8.82	-
Balance at the end of year	2,817.81	2,996.15
Less: Deferred employee compensation (Refer Note C23 on Schedule 23)	920.93	2,444.94
	1,896.88	551.21
SCHEDULE-4		
RESERVES AND SURPLUS		
Capital Reserve	50.00	50.00
	50.00	50.00
Securities Premium Account		
Balance as per last account	138,222.72	124,002.59
Add: Addition during the year	185.61	14,813.26
Less: Deletion / utilisation during the year	-	593.13
	138,408.33	138,222.72
General Reserve	8,951.84	8,951.84
	8,951.84	8,951.84
Profit and Loss Account		
Balance as per last account	68,658.18	68,716.95
Less : Loss during the year	4,209.52	58.77
	64,448.66	68,658.18
	211,858.83	215,882.74

Schedules annexed to and forming part of the accounts

(RS. IN LACS)										
					As at March 31, 2011		As at March 31, 2010			
SCHEDULE-5										
SECURED LOANS										
(Refer Note C3 on Schedule 23)										
Term loans from banks					10,077.83		5,200.00			
(Due within one year Rs. Nil (Previous year: Rs. 1,600.00 Lacs))										
Loans and advances from banks										
Fund based working capital facilities					-		2,902.75			
Vehicle Loans					138.57		99.00			
(Due within one year Rs. 51.91 Lacs (Previous year: Rs. 40.37 Lacs))										
					10,216.40		8,201.75			
SCHEDULE-6										
UNSECURED LOANS										
(Refer Note C5 on Schedule 23)										
Debentures					52,192.75		52,192.75			
6,019,925 (Previous year 6,019,925), 12% compulsorily convertible debentures of Rs. 867/- each fully paid up.										
					52,192.75		52,192.75			
SCHEDULE-7										
FIXED ASSETS										
Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at April 1, 2010	Additions	Deletions/ Adjustments	As at March 31, 2011	As at April 1, 2010	Additions	Deletions/ Adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Freehold Land	337.15	-	-	337.15	-	-	-	-	337.15	337.15
Building	3,338.94	2,138.94	-	5,477.88	677.86	110.77	-	788.63	4,689.25	2,661.08
Leasehold Improvements	837.87	-	-	837.87	391.78	113.56	-	505.34	332.53	446.09
Plant and Machinery	20,989.18	13,623.09	11.33	34,600.94	6,872.92	1,117.31	8.48	7,981.75	26,619.19	14,116.26
Furniture, Fittings & Equipments	1,036.29	126.42	41.95	1,120.76	540.43	63.94	33.48	570.89	549.87	495.86
Vehicles	386.89	121.36	33.20	475.05	88.25	41.82	17.65	112.42	362.63	298.64
Intangible Assets										
Computer Software	199.54	5.87	-	205.41	141.06	16.63	-	157.69	47.72	58.48
Total	27,125.86	16,015.68	86.48	43,055.06	8,712.30	1,464.03	59.61	10,116.72	32,938.34	18,413.56
Previous year	24,921.16	2,286.20	81.50	27,125.86	7,493.83	1,259.88	41.41	8,712.30		
Capital Work in Progress including capital advances									277.23	2,239.63
									33,215.57	20,653.19

Notes :

- Borrowing cost capitalised during the year Rs. 283.50 Lacs (Previous year Rs. 7.50 Lacs). (Refer Note C22 on Schedule 23)
- Pre-operative expenses excluding borrowing cost capitalised during the year Rs. 630.88 Lacs (Previous year Rs. 27.47 Lacs). (Refer Note C22 on Schedule 23)
- Capital work-in-Progress includes :
 - Preoperative expenses pending allocation and capitalization Rs. Nil (Previous year Rs. 295.76 Lacs).
 - Capital advances of Rs. 210.69 Lacs (Previous Rs. 876.34 Lacs).

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-8		
INVESTMENTS		
(Refer Note C8 of Schedule 23)		
Long Term Investments (At cost)		
A. Trade (Unquoted)		
In Subsidiaries Companies		
Equity Shares	197,630.91	182,819.73
Less: Provision for diminution	(3,592.23)	(3,592.23)
Preference Shares	1,500.00	1,500.00
B. Other than trade (Quoted), at cost		
Equity Shares	0.65	0.65
Current Investment (At lower of cost and market value) (Unquoted)		
Units in Mutual Fund		
- Unutilised monies raised through preferential issue proceeds	-	52,196.99
- Others	1,527.69	25,331.01
	197,067.02	258,256.15
Aggregate value of unquoted investments	197,066.37	258,255.50
Aggregate value of quoted investments	0.65	0.65
Market value of quoted investments	2.79	2.38
SCHEDULE-9		
INVENTORIES		
(at lower of cost and net realisable value)		
Raw Materials	2,144.16	1,239.95
(including stock in transit Rs. 247.78 Lacs (Previous year; Rs. 161.50 Lacs))		
Stores and spares	728.98	645.05
Work in progress	911.32	538.01
Finished goods	371.64	122.99
	4,156.10	2,546.00
SCHEDULE-10		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	-	25.91
Unsecured, considered doubtful	211.21	211.21
Other debts		
Unsecured, considered good	7,524.52	6,094.17
	7,735.73	6,331.29
Less: Provision for doubtful debts	(211.21)	(211.21)
	7,524.52	6,120.08

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-11		
CASH AND BANK BALANCES		
Cash on hand	3.70	5.69
Cheques in Hand	26.35	-
Balances with scheduled banks:		
On current accounts	730.70	775.49
On debenture interest accounts	7.74	10.67
On fixed deposits	45,000.00	651.36
Stamps in hand	0.15	0.29
	45,768.64	1,443.50
SCHEDULE-12		
OTHER CURRENT ASSETS		
Interest receivable on deposits	830.39	2.63
	830.39	2.63
Included in Other Current Assets are:		
Due from companies under the same management		
Pharmax Corporation Limited	-	-
(Maximum amount outstanding during the year Rs. 11.44 Lacs (Previous year Rs. 122.31 Lacs))		
SCHEDULE-13		
LOANS AND ADVANCES		
Secured, considered good		
Housing loan	3.11	3.64
Unsecured, considered good		
Subsidiaries		
Loans and advances to subsidiaries	3,260.65	3,022.45
Share application money pending allotment	3,223.25	723.25
Security deposits	120.80	120.80
Others		
Advances recoverable in cash or in kind or for value to be received	1,176.73	1,039.64
Balances with customs, excise and sales tax authorities etc.	1,142.78	392.68
Security deposits	280.00	130.70
Advance income tax (net of provisions)	611.93	-
Unsecured, considered doubtful		
Loans and advances to subsidiaries	2,522.36	2,489.60
Advances recoverable in cash or in kind or for value to be received	303.00	303.00
Balances with customs, excise and sales tax authorities etc.	2.09	-
Security deposits	5.50	-
Less: Provision for doubtful advances	(2,832.95)	(2,792.60)
	9,819.25	5,433.16

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
Included in Loans and advances are:		
(i) Due from directors of the Company (Maximum amount outstanding during the year Rs. 391.80 Lacs (Previous year: Rs. 358.43 Lacs)	-	284.22
(ii) Due from Companies under the same Management		
Max Healthcare Institute Limited (Maximum amount outstanding during the year Rs. 4,343.63 Lacs (Previous year: Rs. 1,420.91 Lacs)	4,338.22	1,418.99
Max New York Life Insurance Co. Limited (Maximum amount outstanding during the year Rs. 36.41 Lacs (Previous year: Rs. 35.01 Lacs)	36.41	28.21
Pharmax Corporation Limited (Maximum amount outstanding during the year Rs. 458.80 Lacs (Previous year: Rs. 1401.14 Lacs)	458.80	458.80
Max Ateev Limited (Provided for in the books) (Maximum amount outstanding during the year Rs. 681.38 Lacs (Previous year: Rs. 676.98 Lacs)	681.38	676.98
Max Neeman Medical International Limited (Maximum amount outstanding during the year Rs. 933.64 Lacs (Previous year: Rs. 909.97 Lacs)	933.64	909.97
Max HealthStaff International Limited (Provided for in the books) (Maximum amount outstanding during the year Rs. 1,840.99 Lacs (Previous year: Rs. 1,822.82 Lacs)	1,840.99	1,822.82
Neeman Medical International NV (Maximum amount outstanding during the year Rs. 92.57 Lacs (Previous year: Rs. 92.57 Lacs)	92.57	92.57
Neeman Medical International BV (Maximum amount outstanding during the year Rs. 723.25 Lacs (Previous year: Rs. 723.25 Lacs)	723.25	723.25
Max Bupa Health Insurance Co. Limited (Maximum amount outstanding during the year Rs. 224.11 Lacs (Previous year: Rs. 224.07 Lacs)	16.77	224.07
Hometrail Estate Pvt. Limited (Maximum amount outstanding during the year Rs. 5.04 Lacs (Previous year: Rs. 0.43 Lacs)	5.03	0.43
SCHEDULE-14		
CURRENT LIABILITIES		
Sundry Creditors		
(a) total outstanding dues of Micro and Small Enterprises (Refer Note C6 on Schedule 23)	132.38	80.90
(b) total outstanding dues of other than Micro and Small Enterprises	6,424.15	2,352.03
Subsidiary companies	43.98	43.97
Advance from customers	104.03	55.00
Investor Education and Protection Fund (Due and payable)		
Unpaid Debenture Interest	5.16	8.09
Other Liabilities	251.39	170.53
Interest accrued but not due on loans	343.99	332.10
	7,305.08	3,042.62

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE -15		
PROVISIONS		
Provision for Leave Encashment	389.32	330.70
Provision for Gratuity (Refer Note C9 on Schedule 23)	202.62	412.22
Provision for Wealth Tax	1.94	1.70
Provision for Income Tax (net of advance tax)	-	252.49
	593.88	997.11
		(RS. IN LACS)
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE-16		
INCOME FROM INVESTMENT ACTIVITIES		
Interest on:		
Inter Corporate Deposits (TDS Rs. 2.54 Lacs, Previous year Rs. 13.64 Lacs)	25.35	121.14
Fixed deposits (TDS Rs. 176.49 Lacs, Previous year Rs. 11.14 Lacs)	1,764.92	92.66
Profit on sale of current non trade investments	1,969.43	1,760.85
Dividend income from current non-trade investments	-	47.76
Option fee (Refer Note C18 on Schedule 23)	834.43	163.61
	4,594.13	2,186.02
SCHEDULE-17		
OTHER INCOME		
Other Interest Income (TDS Rs. 9.16 Lacs, Previous year Rs. 5.71 Lacs)	88.34	37.34
Liabilities/Provisions no longer required written back	14.68	174.44
Gain on Foreign Exchange Fluctuation (Net)	177.83	23.16
Settlement Compensation (Refer Note C21 on Schedule 23)	1,794.28	-
Miscellaneous income	230.09	134.95
	2,305.22	369.89
SCHEDULE-18		
MANUFACTURING EXPENSES		
Raw materials consumed	28,095.22	21,432.06
Increase/(Decrease) of Excise Duty on Closing Stock	41.75	13.53
Power and Fuel	2,651.77	2,464.84
Stores and Spares Consumed	602.23	512.26
Packing Material Consumed	1,269.02	967.43
Freight Inward	91.66	53.31
Repairs and Maintenance-Plant and Machinery	213.54	130.85
Processing Charges	21.57	28.26
	32,986.76	25,602.54

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE-19		
(INCREASE)/ DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS		
Closing Inventory		
Work-in-progress	911.32	538.01
Finished goods	371.64	122.99
	1,282.96	661.00
Opening Inventory		
Work-in-progress	538.01	579.29
Finished goods	122.99	192.60
	661.00	771.89
(Increase)/ Decrease in work-in-progress and finished goods	(621.96)	110.89
Less: Trial run inventory of finished goods	181.98	-
Net (Increase)/ Decrease in work-in-progress and finished goods	(439.98)	110.89
SCHEDULE -20		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	3,837.40	2,430.27
Amortisation of Employee Stock Compensation expense (Refer Note C10 on Schedule 23)	1,531.28	557.63
Gratuity (Refer Note C9 on Schedule 23)	60.14	92.05
Contribution to Provident and Other Funds	188.48	157.87
Recruitment	208.03	35.97
Staff Welfare	179.35	112.32
	6,004.68	3,386.11

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE-21		
ADMINISTRATION AND OTHERS EXPENSES		
Rent	237.75	231.38
Insurance	138.72	88.50
Rates and Taxes	20.69	11.28
Repairs and Maintenance:		
Building	42.61	21.19
Others	401.01	363.08
Electricity and Water	43.30	38.61
Printing and Stationery	79.60	66.09
Travelling and Conveyance	774.31	610.62
Communication	92.66	77.57
Legal and Professional	1,447.95	936.57
Directors' Fee	25.76	16.34
Business Promotion	84.12	53.83
Commission to Other than Sole Selling Agents	87.39	51.96
Cash Discounts	188.08	78.26
Freight Outward	1,202.41	970.50
Advertisement and Publicity	108.03	255.70
Provision for Doubtful Debts and Advances	5.94	0.42
Diminution in value of Investments and doubtful advances to subsidiary	34.41	8.53
Loss on Sale/Disposal of Fixed Assets	17.44	24.14
Fixed Assets and Spares Written Off	-	0.89
Charity and Donation	668.04	232.29
Miscellaneous Expenses	87.31	82.66
Less: Overheads Recovery*	(443.60)	(421.82)
	5,343.93	3,798.59
* Tax Deducted at source Rs. 1.85 Lacs (Previous year Rs. 1.40 Lacs)		
SCHEDULE-22		
FINANCIAL EXPENSES		
Interest on:		
Debentures	6,263.13	353.56
Term Loans	212.16	701.65
Others	104.70	301.92
Bank charges	141.56	98.45
	6,721.55	1,455.58

Schedules annexed to and forming part of the accounts

SCHEDULE 23: NOTES TO ACCOUNTS

A. NATURE OF OPERATIONS

Max India Limited is a Company registered under the Companies Act, 1956, listed on National Stock Exchange and Bombay Stock Exchange. Max India Limited is a leading manufacturer of speciality plastic film products for packaging industry. Further, the Company has invested in various subsidiaries in diversified businesses such as healthcare, life insurance, health insurance, clinical research, etc.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(3) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(4) Depreciation

- (i) Depreciation is provided using Straight Line Method on a pro rata basis as per the useful lives of the assets estimated by the management, the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the lease term.
- (iii) Assets costing Rs. 5,000 or below are depreciated at the rate of 100%.
- (iv) Software in the nature of Intangible assets are depreciated over a period of 6 years.

(5) Impairment

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(6) Intangible Assets

Intangible assets are recognised if they are separately identifiable and the Company controls the future economic benefits arising out of them. Research costs are expensed as incurred. Development expenditure incurred on software implementation

Schedules annexed to and forming part of the accounts

is recognized as an intangible asset when its future recoverability can reasonably be regarded as assured and are separately identifiable. Any expenditure so capitalised is amortized over the estimated useful lives of six years on straight line basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

(7) Expenditure on new projects

Expenditure directly relating to construction phase is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent it is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account.

All direct capital expenditure on expansion is capitalized. As regards, indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

(8) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term.

(9) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments.

(10) Inventories

Inventories are valued as follows:

Raw material, packing material, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

(12) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Schedules annexed to and forming part of the accounts

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty, sales tax and VAT deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

(ii) Income from investments

Revenue is recognised on an accrual basis in accordance with the terms of relevant contracts.

(iii) Interest Income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iv) Dividend income

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of Schedule VI of the Companies Act, 1956.

(13) Foreign Currency Translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discounts arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year.

(14) Retirement and other employee benefits

(i) Provident fund

Retirement benefit in the form of Provident Fund is a defined benefit obligation. The Company and its employees are contributing to a provident fund trust "Max India Limited Employees Provident Fund Trust" and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. Shortfall in the fund, if any, is adequately provided for by the Company.

Schedules annexed to and forming part of the accounts

(ii) Superannuation fund

Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund is accounted for as per the Company's Scheme and contributed by the Company to "Max India Limited Superannuation Fund" every year. The contribution to the fund is charged to the Profit and Loss Account of the year. The Company does not have any other obligation to the fund other than the contribution payable.

(iii) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has a recognised gratuity trust "Max India Limited Employees Gratuity Fund" which in turn has taken a policy with LIC to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

(iv) Compensated absences

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/ losses are taken to Profit and Loss Account for the year.

(15) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company reassesses deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(16) Government grants and Subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attaching conditions will be complied.

When the grants and subsidy related to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the cost, which it is intended to compensate.

Schedules annexed to and forming part of the accounts

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related assets.

Government grants of the nature of promoter's contribution are credited to the capital reserve and treated as a part of shareholders fund.

(17) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

(18) Segment Reporting Policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the location of customers.

Allocation of common costs

Common allocable costs are allocated to each segment in proportion to the relative revenue of each segment.

Unallocated items

All the common income, expenses, assets and liabilities, which are not possible to be allocated to different segments, are treated as unallocated items.

Segment policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting financial statements of the Company as a whole.

(19) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

(20) Provisions

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 its present value and are determined based on best management 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.

(21) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Schedules annexed to and forming part of the accounts

C. NOTES TO THE ACCOUNTS

1. Contingent Liabilities not provided for

S.No.	Particulars	(RS. IN LACS)	
		As at March 31, 2011	As at March 31, 2010
i.	Corporate guarantee given to financial institutions / banks in respect of financial assistance availed by a subsidiary of the Company. (Refer note (a))		
	- Export-Import Bank of India	6,375.00	6,937.50
	- Housing Development Finance Corporation Limited	19,563.60	21,370.80
ii.	Claims against the Company not acknowledged as debts (Refer note (b))		
	- Excise Duty Demands	1,677.31	744.53
	- Custom Duty Demands	363.36	376.43
	- Service Tax Demands	333.86	339.02
iii.	Liability on account of discounting of Bills	609.99	Nil
iv.	Letters of credit outstanding with various banks in favour of domestic and foreign suppliers for supply of raw materials and capital goods	1,482.49	8,111.16
v.	Obligation arising from import of capital equipment at concessional rate of duty during the year under Export Promotion Capital Goods Scheme (Refer note (c))	2,995.33	1,810.75
vi.	Put option liability of 2% Optionally Partially convertible preference shares allotted by a subsidiary (Refer note (d))	36,997.51	33,256.15
vii.	Income Tax cases	(Refer note (e))	

Note:

- Guarantees given by the Company on behalf of a subsidiary is not considered as prejudicial to the interest of the Company as it provides opportunities for growth and increase in operations.
- Claims against the Company not acknowledged as debts represent the cases pending with judicial forums/authorities. Based on management estimation, future cash outflow in respect of these cases are determinable only on receipt of judgements / decisions pending with various forums/authorities. The Company has not made any provision for the demands in Excise, Service Tax and Customs as the Company believes that they have a good case based on existing judicial pronouncements.
- The export obligation undertaken by the Company for import of capital equipment under Export Promotion Capital Goods Scheme of the Central Government at concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within the respective timelines.
- In 2007-08, the Company had granted a put option to International Finance Corporation ("IFC"), in respect of its subscription to the Company's subsidiary Max Healthcare Institute Limited's Optional Cumulative Partially Convertible Redeemable Preference Shares aggregating Rs. 25,000.00 Lacs together with an assured IRR of 11.25%. The Company's obligation on the above put option is exercisable by IFC any time after July 20, 2010 or in the event of non performance of certain obligations by Max Healthcare Institute Limited and/or by the Company. As confirmed by management, no such event has happened that necessitates provision of such obligation in books of account.

Schedules annexed to and forming part of the accounts

e. INCOME TAX CASES

i. Contingent liabilities not acknowledged as debts in respect of Income Tax cases are as follows:

Assessment year	As at March 31, 2011 (RS. IN LACS)	As at March 31, 2010 (RS. IN LACS)	Appeal against the disallowance pending Before
2001-02	-	15.65	Income Tax Appellate Tribunal
2002-03	-	41.77	Income Tax Appellate Tribunal
2003-04	357.10	-	Income Tax Appellate Tribunal
2004-05	40.96	0.76	Income Tax Appellate Tribunal
2005-06	149.16	-	Income Tax Appellate Tribunal
2006-07	202.09	98.96	Income Tax Appellate Tribunal
2007-08	66.65	-	Income Tax Appellate Tribunal
	815.96	157.14	

Note: -

(a) The Company is hopeful that above appeals will be disposed off in its favour.

(b) The Company had received the order of the CIT(Appeals) for the period AY 2002-03 to AY 2006-07, deleting majority of the disallowances made by the Assessing Officer, in February 2011. However, notices for revised tax demands, if any, are pending till date.

Further, in the following cases, penalty under section 271(1)(c) of the Income Tax Act, 1961 has been levied which are pending disposal.

Assessment year	As at March 31, 2011 (RS. IN LACS)	As at March 31, 2010 (RS. IN LACS)	Appeal Pending Before
1992-1993	18.78	18.78	CIT(Appeals)
1993-1994	14.63	14.63	CIT(Appeals)

Note: -

The Company is hopeful that above appeals will be disposed off in its favour.

ii. Apart from demands as stated above, in the case of an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005), a demand of Rs. 9,503.93 Lacs (Previous year Rs. 9,503.93 Lacs) was raised by the Income Tax Authorities for the Assessment year 1998-99 in connection with capital gains realized by MTVL from the sale of shares of Hutchison Max Telecom Limited ("HMTL") by holding that the sale transaction pertains to previous year relevant to assessment year 1998-99 and by denying exemption under section 10(23G) of the Income Tax Act, 1961 ("the Act"). On appeal by MTVL, the CIT (Appeals), while holding that the sale transaction pertains to previous period relevant to assessment year 1998-99, quashed the order of the Assessing Officer regarding denial of exemption under section 10(23G) and the demand was cancelled. The Tax Authorities filed an appeal against this order with the Income-Tax Appellate Tribunal ("ITAT") which is pending as on date.

Subsequently, in the next assessment year i.e. 1999-00, the above-mentioned transaction was once again sought to be taxed both as capital gains and under a different head of income (i.e., business income) on a protective basis by the Assessing Officer as MTVL had asked the Tax Authorities to treat the transaction as that arising in Assessment year 1999-00 and not in Assessment year 1998-99. This, along with a few other additions, resulted in creation of a further demand of Rs. 24,993.19 Lacs (Previous year Rs. 24,993.19 Lacs) which included the demand of Rs. 24,368.00 Lacs (Previous year Rs. 24,368.00 Lacs) on protective basis. On appeal by MTVL, the CIT (Appeals) decided in favour of MTVL and the demand was cancelled. The Tax Authorities have filed appeal against ITAT, which is pending as on date.

Schedules annexed to and forming part of the accounts

MTVL had also filed an appeal before ITAT for assessment year 1998-99 contending that the aforesaid sale transaction pertains to previous period relevant to assessment year 1999-2000. This appeal had been disposed off by ITAT by applying a circular of Tax Department applicable only to capital gains and holding, as a result, that the transaction of sale of shares pertains to previous period relevant to assessment year 1998-99. However, the Tax Authorities filed a petition before the ITAT requesting a review of the said order of the ITAT on the ground that all the three appeals pertaining to the aforesaid sale transaction should have been clubbed and heard together. The said petition of the Department was accepted by the ITAT which recalled its earlier order in the Company's appeal for Assessment year 1998-99. Aggrieved, the Company filed a writ petition to the Hon'ble High Court of Punjab and Haryana challenging the above action of ITAT on the ground that the same was beyond jurisdiction. The Hon'ble High Court of Punjab and Haryana has admitted the writ petition and stayed the operations of the order of ITAT accepting the petition filed by the Department. The ITAT has in the meanwhile adjourned sine-die all the three appeals pending operation of the stay imposed by the Hon'ble High Court (HC). The Department in turn had moved in Special Leave Petition (SLP) to Hon'ble Supreme Court against the stay granted by Hon'ble HC. The said SLP has now been dismissed by the Hon'ble Supreme Court. However, the Hon'ble Supreme Court has instructed the Hon'ble HC to expeditiously dispose the writ petition filed by MTVL.

Again, in the case of the erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005), a demand of Rs. 15,585.17 Lacs (Previous year Rs. 15,585.17 Lacs), had been raised by the Income Tax Authorities for the Assessment year 2006-07 in connection with capital gains realized by MTVL from the sale of remaining shares of Hutchison Max Telecom Limited ("HMTL") by holding the gains from sale transaction to be in the nature of business income and not capital gains and as a consequence denying exemption under Section 10(23G) of the Act. MTVL had filed an appeal before CIT (Appeals) against the said order. Further, on application by MTVL, the outstanding demand of Rs 14,885.17 Lacs had been stayed by the Tax Authorities till the disposal of first appeal by CIT(Appeals) [The Company had paid Rs. 700.00 Lacs during the year for stay of balance demand]. The CIT(Appeals) has, now, vide order dated March 22, 2011, quashed the assessment order framed by the Assessing Officer, holding that the assessment was nullity in law and cannot survive in view of the fact that the order was framed in the name of MTVL, an entity which had ceased to exist w.e.f. December 1, 2005. As a consequence, the previously raised demand of Rs. 15,585.17 Lacs stands deleted. The Department has now sought to reinstitute proceedings u/s 147 read with section 148 of the Income Tax Act, 1961, on Max India Limited as Successor of MTVL, vide notice dated April 26, 2011.

The Company is hopeful that above appeals will be disposed off in its favour.

2. Capital Commitments

	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for	657.63	9,090.87
Less: Capital Advances	210.69	876.34
Net capital commitment for acquisition of capital assets	446.94	8,214.53

3. Loans

- (a) Term loan from Kotak Mahindra Bank Ltd amounting to Rs. 2,470.00 Lacs (Previous year Nil) is secured by a first pari passu charge on all existing and future movables (excluding vehicles) and immovable fixed assets of the company and second pari passu charge on all existing and future current assets of the Company.
- (b) Term loan from IndusInd Bank Ltd amounting to Rs. 5,267.36 Lacs (Previous year Nil) is secured by a first pari passu charge on the all movable fixed assets (excluding vehicles) of the company and first pari passu charge on immovable properties of the Company. Further the loan is secured by a second pari passu charge on the current assets of the Company, both present and future.

Schedules annexed to and forming part of the accounts

- (c) Term loan from Yes Bank Ltd amounting to Rs. 2,340.47 Lacs (Previous year Nil) is secured by a first pari passu charge on all existing and future movables (excluding vehicles) and immovable fixed assets and second pari passu charge on the current assets of the Company, both present and future.
 - (d) Term Loan from Punjab National Bank amounting to Rs Nil (Previous year Rs. 2,600 Lacs) was secured by a first pari pasu charge on the fixed assets of the Company and second pari pasu charge on the current assets of the company, both present and future.
 - (e) Term Loan from Oriental Bank of Commerce amounting to Rs Nil (Previous year Rs. 2,600 Lacs) was secured by a first pari pasu charge on the fixed assets of the Company and second pari pasu charge on the current assets of the company, both present and future.
 - (f) Fund based working capital facilities from banks are secured by a first pari passu hypothecation charge on all current assets and a second charge on immovable and movable fixed assets of the Company, both present and future.
 - (g) Vehicle Loans Rs. 138.57 Lacs (Previous year Rs. 99.00 Lacs) are secured by way of hypothecation of respective vehicles.
4. During the previous year, the Company has allotted 2,000,000 warrants of the face value of Rs. 867/- each to Dynavest India Private Limited, one of the promoter group companies. Each warrant entitles the holder thereof to subscribe to four equity shares of Rs. 2/- each in the Share Capital of the Company at a premium of Rs. 214.75 per equity share. Each warrant is convertible into four Equity Share as per prevalent SEBI guidelines at any time before expiry of 18 months from the date of allotment i.e. February 6, 2010. In consideration of the warrants, the Company had received a deposit of Rs. 8,670.00 Lacs (Previous year Rs. 8,670.00 Lacs) (being 50% of the consideration for the issue of shares arising upon conversion of the warrants).
 5. During previous year, the Company has allotted 6,019,925 Compulsorily Convertible Debentures ('CCDs') of the face value of Rs. 867/- each for an aggregate consideration of Rs. 52,192.75 Lacs to Xenok Limited, a wholly owned indirect subsidiary of GS Capital Partners VI Fund, L.P. and certain affiliated funds which are controlled by The Goldman Sachs Group Inc., on a preferential basis in the Extra Ordinary General meeting held on January 22, 2010. The aforesaid CCDs bearing a coupon of 12% per annum will have to be compulsorily converted into four equity shares of face value of Rs. 2/- each at a premium of Rs. 214.75 per equity share on or before 15 months from the date of issue of CCDs.

6. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 (RS. IN LACS)		
Particulars	March 31, 2011	March 31, 2010
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	132.38	80.90
The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and,	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil

Schedules annexed to and forming part of the accounts

7. Directors' Remuneration

Particulars	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Salary and Allowances	897.10	186.00
Perquisites	72.27	-
Contribution to Provident and Superannuation Fund	32.40	29.16
Total	1,001.77	215.16

Note:-

- a. As the liabilities for Gratuity and Leave Encashment are provided on an actuarial basis for the company as a whole, the amounts pertaining to the directors are not included above.
- b. Remuneration for the current year also includes an amount of Rs. 459.15 Lacs relating to earlier year for which the company has received Central government approval during the current year.

Schedules annexed to and forming part of the accounts

8. Investments

Details of Investments are given below:

Particulars	Face Value (Rs.)	As at March 31, 2011		As at March 31, 2010	
		Numbers	Value (Rs. Lacs)	Numbers	Value (Rs. Lacs)
Long Term Trade Investment (At Cost)					
In Subsidiary Companies					
Equity Shares					
- Max New York Life Insurance Company Limited	10	1,356,764,514	146,650.73	1,354,807,014	146,058.47
- Max Healthcare Institute Ltd`	10	219,489,127	21,948.92	166,100,000	16,610.00
- Max Bupa Health Insurance Co. Limited	10	200,540,000	20,054.01	111,740,000	11,174.01
- Pharmax Corporation Limited	1	47,117,247	1,420.65	47,117,247	1,420.65
- Max Neeman Medical International Limited	10	4,166,813	416.68	4,166,813	416.68
- Max UK Limited	GBP 1	299,742	213.00	299,742	213.00
- Neeman Medical International BV	Euro 500	38	3,334.69	38	3,334.69
- Max Ateev Limited	10	31,443,600	3,144.36	31,443,600	3,144.36
Less: Provision for Diminution		-	(3,144.36)	-	(3,144.36)
- Max Healthstaff International Limited	10	3,945,000	447.87	3,945,000	447.87
Less: Provision for Diminution			(447.87)		(447.87)
Sub total (a)			194,038.68		179,227.50
Preference Shares					
- Pharmax Corporation Limited-9% CRPS	100	1,500,000	1,500.00	1,500,000	1,500.00
Sub total (b)			1,500.00		1,500.00
Long Term Investment - other than Trade (At Cost)					
Equity Shares					
- ICICI Bank Limited	10	250	0.65	250	0.65
Sub total (c)			0.65		0.65
Current Investment (At lower of cost and market value) (Unquoted)					
Units in Mutual Fund					
Birla Sun Life					
- A. Savings Fund-Ins.-Growth	10	-	-	2,276,797	398.00
- B. Short Term Fund - Growth	10	-	-	113,252,334	12,389.12
- C. Floating Rate Fund-Short Term-Growth	10	1,917,473	309.12	-	-
IDFC					
- A. Money Manager Fund - Treasury Plan - Super Inst Plan C - Growth	10	-	-	137,756,087	15,037.87
- B. Cash Fund-Super Institutional Plan C-Growth	10	5,033,346	600.00	-	-
Reliance					
- A. Reliance Medium Term Fund Growth Option	10	-	-	97,722,559	18,643.61
TATA					
- A. Floater Fund - Growth	10	-	-	136,913,679	18,799.34
- B. Liquid Super High Inv. Fund-Appreciation	1000	16,579	300.00	-	-
UTI					
- A. Floating Rate Fund -Short Term Plan-Inst. Growth Option	1000	29,026	318.57	-	-
- B. Treasury Advantage Fund IP - Growth	1000	-	-	991,373	12,260.06
Sub total (d)			1,527.69		77,528.00
Total (a+b+c+d)			197,067.02		258,256.15

Schedules annexed to and forming part of the accounts

The following current investments have been purchased and sold during the year

Movement in Investments in Subsidiaries during the year:

Name of the Investment	Face value (Rs.)	Purchases		Sales	
		Shares/Units (Numbers)	Value (Rs. In Lacs)	Shares/Units (Numbers)	Value (Rs. In Lacs)
Max New York Life Insurance Co. Limited	10	1,957,500	592.26	-	-
Max Bupa Health Insurance Company Limited	10	88,800,000	8,880.00	-	-
Max Healthcare Institute Limited	10	53,389,127	5,338.92	-	-
Total			14,811.18		

Movement in Mutual Funds during the year:

Name of the Investment	Face value (Rs.)	Purchases		Sales	
		Shares/Units (Numbers)	Value (Rs. In Lacs)	Shares/Units (Numbers)	Value (Rs. In Lacs)
Birla					
Sun Life Ultra Short Term Fund - Institutional - Growth	10	164,569,724	18,322.57	277,822,058	31,078.13
Sun Life Cash Plus - Institutional Premium - Growth	10	23,574,215	3,587.31	23,574,215	3,609.27
Sun Life Savings Fund Institutional - Growth	10	94,547,878	16,815.81	96,824,675	17,222.43
Sun life Floating Rate Fund -Short Term - Growth	10	1,917,473	309.13	-	-
IDFC					
Cash Fund - Super Institutional Plan C - Growth	10	129,268,983	14,799.38	124,235,637	14,316.56
Money Manager Fund - Treasury Plan -					
Super Inst Plan C - Growth	10	82,431,946	9,266.56	220,188,033	24,507.77
Reliance					
Money Manager Fund -Inst Option- Growth	10	31,177,438	6,107.69	128,899,997	24,981.62
Money Manager Fund -Inst Option- Growth	1000	1,872,930	23,881.62	18,72,930	24,097.89
Liquid Fund - Cash Plan - Growth Plan / Option	10	15,955,622	2,485.20	15,955,622	2,505.51
TATA					
Floater Fund - Growth	10	151,965,511	21,209.91	288,879,190	40,420.90
Liquid Super High Inv. Fund - Appreciation	1000	1,397,022	24,195.90	1,380,443	23,920.75
UTI					
Treasury Advantage Fund IP - Growth	1000	1,064,817	13,422.53	2,056,190	25,948.32
Liquid Cash Plan Institutional - Growth Option	1000	1,029,550	15,906.99	1,029,550	15,931.09
Floating Rate Fund - Short Term Plan -					
Institutional Growth Option	1000	536,876	5,729.06	536,876	5,787.73
Money Market Fund -Institutional Growth	1000	29,026	318.57	-	-
Total			176,358.23		254,327.97

Schedules annexed to and forming part of the accounts

9. Employees Benefit

i) Gratuity:

The company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in form of a qualifying insurance policy.

The following table summarises the component of net benefit expense recognised in Profit and Loss account, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

	(RS. IN LACS)	
	Gratuity	
	March 31, 2011	March 31, 2010
Current service cost	54.51	49.28
Interest cost on benefit obligation	37.23	30.66
Expected return on plan assets	(22.38)	(6.67)
Net actuarial (gain) / loss recognized in the year	(9.22)	18.78
Past service cost	-	-
Net benefit expense	60.14	92.05
Actual return on plan assets	22.39	5.34

BALANCE SHEET

Details of Provision for gratuity

	(RS. IN LACS)	
	Gratuity	
	March 31, 2011	March 31, 2010
Defined benefit obligation	543.20	465.36
Fair value of plan assets	340.58	53.14
Funded Status	(202.62)	(412.22)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(202.62)	(412.22)

Changes in the present value of the defined benefit obligation are as follows:

	(RS. IN LACS)	
	Gratuity	
	March 31, 2011	March 31, 2010
Opening defined benefit obligation	465.36	393.12
Interest cost	37.23	30.66
Current service cost	54.51	49.28
Benefits paid	(4.68)	(25.15)
Actuarial (gains) / losses on obligation	(9.22)	17.45
Closing defined benefit obligation	543.20	465.36

Schedules annexed to and forming part of the accounts

Changes in the fair value of plan assets are as follows:

	(RS. IN LACS)	
	Gratuity	
	March 31, 2011	March 31, 2010
Opening fair value of plan assets	53.14	72.95
Expected return	22.38	6.67
Contributions by employer	269.74	-
Benefits paid	(4.68)	(25.15)
Actuarial gains / (losses)	-	(1.33)
Closing fair value of plan assets	340.58	53.14

The Company expects to contribute Rs. Nil to gratuity in 2011-12.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	March 31, 2011	March 31, 2010
	%	%
Life Insurance Corporation of India	100	100

The principal assumptions used in determining benefit obligations for the Company's plans are shown below:

	(RS. IN LACS)	
	Gratuity	
	March 31, 2011	March 31, 2010
	%	%
Discount rate	8.00	8.00
Expected rate of return on assets	9.15	9.15
Retirement Age	58 years	58 years
Employee turnover		
- Upto 30 years	5%	5%
- 31 to 44 years	5%	3%
- Above 44 years	5%	1%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous three years are as follows:

	(RS. IN LACS)			
	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	543.20	465.36	393.12	353.76
Plan assets	340.58	53.14	72.96	95.66
Surplus / (deficit)	(202.62)	(412.22)	(320.16)	(258.10)
Experience adjustments on plan liabilities	(11.47)	(26.67)	8.79	(14.58)
Experience adjustments on plan assets	Nil	(1.33)	(1.74)	(0.25)

ii) Provident Fund:

The Company has set up a provident fund trust, which is managed by the Company and as per the Guidance Note on AS-15, Employee Benefits (revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability. However, the Company has duly provided for the shortfall in the interest liability payable by the Provident Fund Trust.

Schedules annexed to and forming part of the accounts

10. Employee Stock Option Plan

Employee Stock Option Plan – 2003 ("the 2003 Plan")

The Company has instituted the 2003 Plan, which was approved by the Board of Directors on August 25, 2003 and subsequently by the shareholders on September 30, 2003. The 2003 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2003 Plan is administered by the Remuneration Committee appointed by the Board of Directors. Vesting period ranges from one to four years and options can be exercised after one year from vesting date.

Particular	March 31, 2011		March 31, 2010	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Outstanding at the start of the year	1,423,458	2.00	66,320	2.00
Granted during the year	10,000	2.00	1,375,250	2.00
Forfeited during the year	(5,000)	2.00	-	2.00
Exercised during the year	(109,677)	2.00	(18,112)	2.00
Outstanding at the end of the year	1,318,781	2.00	1,423,458	2.00
Exercisable at the end of the year	400,000	2.00	-	2.00

Weighted average fair value of options granted on the date of grant is Rs. 158.45 (Previous year Rs. 214.46)

Grant Date	For the year ended March 31, 2011		For the year ended March 31, 2010	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
November 19, 2008	36,156	2.5	48,208	3.5
September 04, 2009	72,625	2.5	175,250	3.5
January 01, 2010	800,000	2.5	800,000	3.5
January 01, 2010	400,000	-	400,000	3.5
June 01, 2011	10,000	2.5	-	-

The following table illustrates the effect on net income and earnings per share if the company had applied the fair value method to Stock Based employee compensation:

Particular	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Net Profit as reported (After Tax Exp.)	(4,209.52)	(58.77)
Add: Employee stock compensation under intrinsic value method	1,531.28	557.63
Less: Employee stock compensation under fair value method	(1,538.16)	(558.22)
Proforma profit	(4,202.64)	(59.36)
Earnings Per Share		
Basic		
- As reported	(1.81)	(0.03)
- Proforma	(1.81)	(0.03)
Diluted		
- As reported	(1.81)	(0.03)
- Proforma	(1.81)	(0.03)

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

Schedules annexed to and forming part of the accounts

Black Scholes Option Pricing model for Grant date

Particulars	March 31, 2011	(RS. IN LACS)	
		March 31, 2010	
		Grant 1	Grant 2
A. Stock Price Now (in Rupees)	160.05	181.30	221.10
B. Exercise Price (X) (in Rupees)	2.00	2.00	2.00
C. Expected Volatility (Standard Dev - Annual) (#)	34.82%	63.58%	34.82%
D. Life of the options granted (Vesting and exercise period) in years	3.33	4.07	3.75
E. Expected Dividend	0%	0%	0%
F. Average Risk- Free Interest Rate	6.63%	7.00%	6.42%

11. Segment Reporting

(a) Business Segments

The Company has considered business segment as the primary segment for disclosure. The products / services included in each of the reported business segments are as follows:

- **Speciality Plastic Products** - The manufacturing facility located at Railmajra, Nawanshahr (Punjab), produces packaging films supported with polymers of propylene, leather finishing transfer foils and related products.
- **Business Investments** - The Company makes strategic business investments in companies operating in the areas of Life Insurance, Health Insurance, Healthcare and Clinical Research businesses. These investments along with its treasury investments have been combined to form Business Investment Segment.

The above segments have been identified considering:

- The nature of products and services
- The differing risks and returns
- Organisational structure of the group, and
- The internal financial reporting systems.

Schedules annexed to and forming part of the accounts

(RS. IN LACS)

	Speciality Plastic Products		Business Investments		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
REVENUE						
External Sales	41,701.04	33,314.16	-	-	41,701.04	33,314.16
Income from Investment activities	-	-	4,594.13	2,186.02	4,594.13	2,186.02
Other Income	409.12	233.81	-	-	409.12	233.81
Total Segment Revenue	42,110.16	33,547.97	4,594.13	2,186.02	46,704.29	35,733.99
Interest Income					88.34	37.34
Unallocated Income					1,807.76	98.74
Total Revenue					48,600.39	35,870.07
RESULT						
Segment Result	3,668.75	3,108.71	(1,669.00)	1,832.45	1,999.75	4,941.16
Add: Unallocated Income					1,807.76	98.74
Less: Unallocated Expense					6,918.01	3,718.74
Profit from Operations					(3,110.50)	1,321.16
Interest Income					88.34	37.34
Less: Interest Expense					458.42	1,102.02
Profit before Tax					(3,480.58)	256.48
Income Tax					728.94	315.25
Profit from Ordinary Activities					(4,209.52)	(58.77)
OTHER INFORMATION						
Segment Assets	46,591.71	29,358.60	248,912.92	262,776.21	295,504.63	292,134.81
Unallocated Assets					2,876.86	2,319.90
Total Assets					298,381.49	294,454.71
Segment Liabilities	6,510.37	2,737.34	52,236.73	52,236.24	58,747.10	54,973.58
Unallocated Corporate Liabilities					12,558.99	9,729.69
Total Liabilities					71,306.09	64,703.27
Cost to Acquire Tangible and Intangible Asset						
Capital Expenditures	15,942.68	1,652.14	-	-	15,942.68	1,652.14
Unallocated Capital Expenditures					73.00	634.06
Total Additions					16,015.68	2,286.20
Depreciation and Amortisation Expenses						
Depreciation	1,308.07	1,184.75	-	-	1,308.07	1,184.75
Unallocated Depreciation					155.96	75.13
Total Depreciation and Amortisation Expenses					1,464.03	1,259.88
Other Non Cash Expenses						
Non Cash Expenses other than Depreciation and Amortisation	9.36	17.68	34.41	8.53	43.77	26.21
Unallocated Non Cash Expenses other than Depreciation and Amortisation					1,545.40	8.22
Total Other Non Cash Expenses					1,589.17	34.43

(b) Geographical Segments

The Company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, the revenues are bifurcated based on location of customers in India and outside India (primarily Europe and North America).

The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced.

(RS. IN LACS)

Sales revenue by Geographical Market	For the year ended March 31, 2011	For the year ended March 31, 2010
India	35,385.70	30,378.19
Outside India	11,318.59	5,406.50
	46,704.29	35,784.69

Schedules annexed to and forming part of the accounts

Assets and additions to tangible and intangible fixed assets by geographical area. The following table shows the carrying amount of segment assets and additions to segment assets by geographical area in which assets are located.

(RS. IN LACS)

	Carrying amount of segment assets and intangible assets		Additions to fixed assets and intangible assets	
	As at March 31, 2011	As at March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2010
India	287,906.78	286,431.09	15,942.68	1,652.14
Outside India	7,597.85	5,703.72	-	-
	295,504.63	292,134.81	15,942.68	1,652.14

12. Related Parties

a. Names of related parties

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Subsidiary Companies	1. Max New York Life Insurance Company Limited 2. Max Healthcare Institute Limited 3. Max Bupa Health Insurance Company Limited 4. Max UK Limited 5. Pharmax Corporation Limited 6. Max Ateev Limited 7. Max Healthstaff International Limited 8. Max Neeman Medical International Limited 9. Max Neeman Medical International Inc. 10. Neeman Medical International BV 11. Neeman Medical International NV 12. Max Medical Services Limited 13. Alps Hospital Limited 14. Hometrail Estate Private Limited 15. Hometrail Buildtech Private Limited
Names of other related parties with whom transactions have taken place during the year	
Key Management Personnel	Mr. Analjit Singh
Relatives of key management personnel	Ms. Tara Singh (Daughter of Mr. Analjit Singh) Mr. Veer Singh (Son of Mr. Analjit Singh)
Enterprises owned or significantly influenced by key management personnel or their relatives	1. New Delhi House Services Limited 2. Lakeview Enterprises 3. Delhi Guest House Private Limited 4. Dynavest India Private Limited 5. Malsi Estates Limited 6. Max India Foundation 7. Bhai Mohan Singh Foundation 8. Max Bupa Health Insurance Company Limited (Upto December 16, 2009) 9. Max & Company Ventures Private Limited
Employee benefit funds	1. Max India Ltd. Employees' Provident Fund Trust 2. Max India Ltd. Superannuation Fund 3. Max India Limited Employees' Gratuity Fund

b. TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR:

(RS. IN LACS)

	Subsidiaries		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may be influenced by such personnel in his dealings with the Company)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Reimbursement of expenses paid												
Max Healthcare Institute Limited.	427.23	449.96	-	-	-	-	-	-	-	-	427.23	449.96
New Delhi House Services Limited.	-	-	-	-	-	-	15.13	17.79	-	-	15.13	17.79
Max India Foundation	-	-	-	-	-	-	11.23	10.83	-	-	11.23	10.83
Bhai Mohan Singh Foundation	-	-	-	-	-	-	17.90	19.66	-	-	17.90	19.66
Max & Company Ventures Pvt. Limited.	-	-	-	-	-	-	10.62	-	-	-	10.62	-
Max Bupa Health Insurance Company Limited.	-	-	-	-	-	-	-	6.69	-	-	-	6.69
Others	93.00	76.50	-	-	-	-	2.29	0.27	-	-	95.29	76.77
Reimbursement of expenses received												
Pharmax Corporation Limited	10.56	12.42	-	-	-	-	-	-	-	-	10.56	12.42
Max UK Limited	68.96	78.67	-	-	-	-	-	-	-	-	68.96	78.67
New Delhi House Services Limited	-	-	-	-	-	-	161.81	146.32	-	-	161.81	146.32
Others	5.95	4.79	-	-	-	-	-	-	-	-	5.95	4.79
Services Received												
Pharmax Corporation Limited	347.51	339.52	-	-	-	-	-	-	-	-	347.51	339.52
Veer Singh	-	-	-	-	9.96	9.08	-	-	-	-	9.96	9.08
Tara Singh	-	-	-	-	4.29	4.20	-	-	-	-	4.29	4.20
New Delhi House Services Limited	-	-	-	-	-	-	56.24	47.05	-	-	56.24	47.05
Delhi Guest House R Limited	-	-	-	-	-	-	15.61	11.83	-	-	15.61	11.83
Lakeview Enterprises	-	-	-	-	-	-	12.36	11.21	-	-	12.36	11.21
Others	3.88	3.49	-	-	-	-	8.17	5.79	-	-	12.04	9.28
Director's Remuneration												
Arajit Singh	-	-	1,001.77	215.16	-	-	-	-	-	-	1,001.77	215.16
Donation Paid												
Max India Foundation	-	-	-	-	-	-	65.00	40.85	-	-	65.00	40.85
Company's contribution to Provident Fund Trust												
Company's contribution to Gratuity Trust	-	-	-	-	-	-	-	-	99.49	74.19	99.49	74.19
Company's contribution to Superannuation Trust	-	-	-	-	-	-	-	-	60.14	81.30	60.14	81.30
	-	-	-	-	-	-	-	-	42.24	48.80	42.24	48.80

(RS. IN LACS)

	Subsidiaries		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Provision for Diminution												
Max Ateev Limited.	16.24	-	-	-	-	-	-	-	-	-	16.24	-
Max Healthstaff International Limited.	18.17	8.53	-	-	-	-	-	-	-	8.53	18.17	
Loans given												
Max Healthstaff International Limited.	18.17	8.45	-	-	-	-	-	-	-	-	18.17	8.45
(Sale) / Purchase of fixed assets												
Max Bupa Health Insurance Company Limited.	-	-	-	-	-	-	-	1.40	-	-	-	-
Max Ateev Limited.	-	0.42	-	-	-	-	-	-	-	-	-	0.42
Loans/Advances (taken from) / given to directors												
Analljit Singh	-	-	-	284.22	-	-	-	-	-	-	-	284.22
Interest (Expense) / income												
Pharmax Corporation Limited.	25.35	121.14	-	-	-	-	-	-	-	-	25.35	121.14
Guarantees given / (obtained)												
Max Healthcare Institute Limited.	-	150.00	-	-	-	-	-	-	-	-	-	150.00
Investments made												
Max Newwork Life Insurance Company Limited	592.27	13,435.44	-	-	-	-	-	-	-	-	592.27	13,435.44
Max Healthcare Institute Limited.	5,338.91	-	-	-	-	-	-	-	-	-	5,338.91	-
Max Bupa Health Insurance Company Limited.	8,880.00	10,369.00	-	-	-	-	-	-	-	-	8,880.00	10,369.00
Advance against Compulsary Convertible Preference Shares												
Max Healthcare Institute Limited.	2,500.00	-	-	-	-	-	-	-	-	-	2,500.00	-
Warrants against Share Capital												
Dynareast India Private Limited.	-	-	-	-	-	-	-	8,670.00	-	-	-	8,670.00
Balance outstanding at the year end												
Corporate Guarantee/ Put Option												
Max Healthcare Institute Limited.	62,936.11	61,564.45	-	-	-	-	-	-	-	-	62,936.11	61,564.45
Loans and Advances Given												
Max Ateev Limited	681.38	676.98	-	-	-	-	-	-	-	-	681.38	676.98
Max Newwork Life Insurance Company Limited	36.41	28.21	-	-	-	-	-	-	-	-	36.41	28.21
Max Healthcare Institute Limited	1,838.22	1,418.99	-	-	-	-	-	-	-	-	1,838.22	1,418.99
Pharmax Corporation Limited	458.80	458.80	-	-	-	-	-	-	-	-	458.80	458.80
Max Bupa Health Insurance Company Limited	16.77	224.07	-	-	-	-	-	-	-	-	16.77	224.07

(RS. IN LACS)

	Subsidiaries		Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Max Neeman Medical International Limited	933.64	909.97	-	-	-	-	-	-	-	-	933.64	909.97
Neeman Medical International NV	92.57	92.57	-	-	-	-	-	-	-	-	92.57	92.57
Max Healthstaff International Limited	1,840.99	1,822.82	-	-	-	-	-	-	-	-	1,840.99	1,822.82
Neeman Medical International BV	723.25	723.25	-	-	-	-	-	-	-	-	723.25	723.25
Hometrail Estates Private Limited	5.03	0.43	-	-	-	-	-	-	-	-	5.03	0.43
New Delhi House Services Limited	-	-	-	-	-	-	0.26	0.26	-	-	-	0.26
Malvi Estates Limited	-	-	-	-	-	-	2.14	0.09	-	-	2.14	0.09
Max India Foundation	-	-	-	-	-	-	11.18	2.57	-	-	11.18	2.57
Bhal Mohan Singh Foundation	-	-	-	-	-	-	-	10.58	-	-	-	10.58
Max Et Company Ventures Pvt. Limited.	-	-	-	-	-	-	10.42	-	-	-	10.42	-
Provision made against above												
Max Ateev Limited	(681.38)	(676.98)	-	-	-	-	-	-	-	-	(681.38)	(676.98)
Max Healthstaff International Limited	(1,840.99)	(1,822.82)	-	-	-	-	-	-	-	-	(1,840.99)	(1,822.82)
Amount Payable												
New Delhi House Services Limited	-	-	-	-	-	-	(13.61)	-	-	-	(13.61)	-
Pharmax Corporation Limited	(11.18)	(13.69)	-	-	-	-	-	-	-	-	(11.18)	(13.69)
Max UK Limited	(32.80)	(30.28)	-	-	-	-	-	-	-	-	(32.80)	(30.28)
Warrents against Share Capital												
Dynavest India Private Limited.	-	-	-	-	-	-	8,670.00	8,670.00	-	-	8,670.00	8,670.00
Investment in Equity Share Share Capital												
Max Ateev Limited	3,144.36	3,144.36	-	-	-	-	-	-	-	-	3,144.36	3,144.36
Max Newyork Life Insurance Company Limited	146,650.73	146,058.47	-	-	-	-	-	-	-	-	146,650.73	146,058.47
Max Healthcare Institute Limited.	21,948.92	16,610.00	-	-	-	-	-	-	-	-	21,948.92	16,610.00
Max Bupa Health Insurance Company Limited	20,054.01	11,174.01	-	-	-	-	-	-	-	-	20,054.01	11,174.01
Pharmax Corporation Limited	1,420.65	1,420.65	-	-	-	-	-	-	-	-	1,420.65	1,420.65
Max Neeman Medical International Limited	416.68	416.68	-	-	-	-	-	-	-	-	416.68	416.68
Max Healthstaff International Limited	447.87	447.88	-	-	-	-	-	-	-	-	447.87	447.88
Neeman Medical International BV	3,334.69	3,334.68	-	-	-	-	-	-	-	-	3,334.69	3,334.68
Max UK Limited	213.00	213.00	-	-	-	-	-	-	-	-	213.00	213.00
Provision made against above												
Max Ateev Limited	(3,144.36)	(3,144.36)	-	-	-	-	-	-	-	-	(3,144.36)	(3,144.36)
Max Healthstaff International Limited	(447.87)	(447.88)	-	-	-	-	-	-	-	-	(447.87)	(447.88)
Investment in Preference Share Share Capital												
Pharmax Corporation Limited	1,500.00	1,500.00	-	-	-	-	-	-	-	-	1,500.00	1,500.00

Schedules annexed to and forming part of the accounts

13. Leases

Operating Lease (As a Lessee)

The Company has entered into operating leases for its office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the Profit and Loss account for the year is Rs. 237.75 Lacs (Previous year Rs. 231.38 Lacs). The Company has not entered into sublease agreements in respect of these leases. Further, the Company has not entered into any non-cancellable leases.

14. Earnings Per Share

Calculation of EPS (Basic and Diluted)

Particulars	As at March 31, 2011	As at March 31, 2010
Basic		
Profit/(Loss) after tax (Rs. in Lacs)	(4,209.52)	(58.77)
Weighted average number of equity shares outstanding during the year (Nos.)	232,434,229	230,123,298
Basic Earnings Per Share (Rs.)	(1.81)	(0.03)
Diluted		
Employee Stock Options Outstanding (Nos)	1,317,082	460,332
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	233,751,311	230,583,630
Diluted Earnings Per Share (Rs.)	(1.81)	(0.03)
Warrants against Share Capital (Nos)	8,000,000	1,183,562
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	241,751,311	231,767,192
Diluted Earnings Per Share (Rs.)	(1.74)	(0.03)
Profit/(Loss) after tax as above (Rs. in Lacs)	(4,209.52)	(58.77)
Add: Interest on 12% Compulsorily Convertible Debentures (Net of Tax) (Rs. in Lacs)	4,182.67	233.39
Adjusted Profit/(Loss) after tax (Rs. in Lacs)	(26.85)	174.62
12% Compulsorily Convertible Debentures	24,079,700	1,319,436
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos.)	265,831,011	233,086,628
Diluted Earnings Per Share (Rs.)	(0.01)	0.07

Note: The conversion effect of potential dilutive equity shares are anti dilutive in nature, hence the effect of potential equity shares are ignored in calculating diluted earnings per share.

Schedules annexed to and forming part of the accounts

15. Deferred Tax

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. The movement of provision for deferred tax is given below

Particulars	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	3,084.59	2,329.12
Gross Deferred Tax Liability	3,084.59	2,329.12
Deferred Tax Asset		
Carried forward business loss and Unabsorbed depreciation	1,577.08	858.80
Provision for doubtful debt and advances	70.98	794.91
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	438.55	406.37
Gross Deferred Tax Assets	2,086.61	2,060.08
Net Deferred Tax Asset / (Liability)	(997.98)	(269.04)

16. During the year, Rs. 24.57 Lacs (Previous year Rs. 21.47 Lacs) has been charged to the profit and loss account relating to Research and Development expenditure under the heads Raw Material Consumed and Power & Fuel.
17. During the year, the Company shared the services of some of its employees and facilities with group companies. Consequently, the share of costs attributable to these companies has been charged out to the relevant group companies.
18. As a consequence of the Company's investment of Rs. 11,174.01 Lacs during the previous year, Max Bupa Health Insurance Co. Limited became a 74% subsidiary on December 17, 2009. In addition, the Company has a put option to transfer and Bupa Singapore Pte. Limited (Bupa Singapore) has a call option under which the company would be required to transfer 24% of its shareholding to Bupa Singapore subject to approval under applicable laws and regulations. As a consideration of the call option granted by the Company, Bupa Singapore is obliged to pay an option fee to the Company. Accordingly, the Company has recognised "Option fee" income of Rs. 834.43 Lacs (Previous year Rs. 163.61 Lacs) during the year and disclosed the same under "Income from Investment Activities".
19. During financial year 2008-09, a Memorandum of Understanding (MOU) dated November 12, 2008 has been entered between Government of Punjab ("GOP"), Max India Group and Others ("the Founder Supporters") and Indian School of Business, Hyderabad ("ISB"). As per the MOU, a second campus of ISB is proposed to be established in the Knowledge city at Mohali, with an equal contribution from each of the Founder Supporters. The Shareholders' of the Company approved contribution for an amount not exceeding Rs. 1,700.00 Lacs from the Company to this initiative. A sum of Rs. 589.00 Lacs (Previous year Rs.190.00 Lacs) has been contributed by the Company disclosed under the head Charity and Donation during the year.
20. The Board of Directors of the Company in its meeting held on March 30, 2010 approved the proposal of MNYL, a 73.70% subsidiary to issue equity shares of approximately 4% of post issue equity base of MNYL to Axis Bank Ltd. ("Axis Bank") at par. Thereafter, on May 3, 2010, MNYL signed a Corporate Agency agreement with Axis Bank for a period of ten years whereby Axis Bank would be distributing life Insurance products of MNYL across India. Further, on May 10, 2011, MNYL has received the requisite approval from Insurance Regulatory and Development Authority of India to issue 4% stake to Axis Bank.
21. Pursuant to the settlement of a dispute between General Binding Corporation ("GBC") and the Company arising out of the breach of manufacturing and sale agreement by GBC, the Company and GBC have executed a settlement agreement on May 18, 2010. As per the terms of the settlement agreement GBC had paid Rs. 1,794.28 Lacs to the Company as a settlement amount and the same is disclosed under the head "Other Income".

Schedules annexed to and forming part of the accounts

22. Details of Pre-Operative Expenses

Particulars	(RS. IN LACS)	
	March 31, 2011	March 31, 2010
Opening Balances	303.26	-
Add:		
Salaries, wages and bonus	152.33	125.82
Travel & Communication	72.23	56.24
Insurance Expenses	11.27	0.71
Interest Expenses	283.50	7.50
Other financial Expenses	16.95	84.19
Miscellaneous Expenses	47.68	28.80
Raw Material Consumed on trial run	212.76	-
Power and Fuel Expense on trial run	15.70	-
Total	1,115.68	303.26
Less: Inventory of trial run	181.98	-
Less: Sales realization	19.32	-
Less: Capitalised during the year	914.38	-
Preoperative expenses pending capitalisation	-	303.26

23. Movement in Deferred Employee Compensation Account

Particulars	(RS. IN LACS)				
	As at April 1, 2010	Reversed during the year	Additions	Amortised during the year	As at March 31, 2011
Deferred Employee Compensation *	2,444.94 (60.03)	8.82 (-)	16.09 (2,942.54)	1,531.28 (557.63)	920.93 (2,444.94)
	2,444.94 (60.03)	8.82 (-)	16.09 (2,942.54)	1,531.28 (557.63)	920.93 (2,444.94)

*Figures in brackets are for previous year

24. Additional information pursuant to the provisions of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI to Companies Act, 1956:

a. Sales of Manufactured goods

Materials	Unit	Quantity		Value (RS IN LACS)	
		For the year ended March 31, 2011	For the year Ended March 31, 2010	For the year ended March 31, 2011	For the year Ended March 31, 2010
BOPP Film	Tonnes	31,526.16	29,678.26	44,969.39	35,596.89
Soft Leather Finishing Foil	Lacs (SFT)	83.23	70.38	631.96	671.99
Total				45,601.35	36,268.88

Schedules annexed to and forming part of the accounts

b. Raw materials consumed

Materials	Unit	Quantity		Value (RS IN LACS)	
		For the year ended March 31, 2011	For the year Ended March 31, 2010	For the year ended March 31, 2011	For the year Ended March 31, 2010
Polypropylene	Tonnes	30,431.83	29,294.44	21,708.76	18,557.85
Polypropylene Compounds	Tonnes	1,660.62	1,727.86	2,038.24	1,962.85
Others				4,348.22	911.36
Total				28,095.22	21,432.06

c. Consumption of Raw material and Stores and Spares

Materials	For the year ended March 31, 2011		For the year ended March 31, 2010	
	% of Consumption	Value (RS. IN LACS)	% of Consumption	Value (RS. IN LACS)
Raw Materials				
- Imported	26.56	7,461.42	23.02	4,934.26
- Indigenous	73.44	20,633.80	76.98	16,497.80
	100.00	28,095.22	100.00	21,432.06
Store and Spares				
- Imported	32.76	197.29	34.13	174.81
- Indigenous	67.24	404.94	65.87	337.45
	100.00	602.23	100.00	512.26

d. Installed Capacity and Actual Production

Class of Goods	Licenced Capacity	Unit	Installed Capacity (Annual) Note (a) and (b)		Actual Production	
			As at March 31, 2011	As at March 31, 2010	As at March 31, 2011	As at March 31, 2010
BOPP Film	NA	Tonnes	51,150	29,150	31,725.09	29,646.56
Soft Leather Finishing Foil	NA	Lacs (SFT)	591	591	83.65	69.81

Note:

Installed capacity is as certified by the management.

e. Value of Imports calculated on CIF Basis

	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Raw material	7,800.70	4,621.30
Components and Spares parts	411.98	343.16
Capital goods	8,753.67	54.44
	16,966.35	5,018.90

Schedules annexed to and forming part of the accounts

f. Stock of Finished goods manufactured

Product	Unit	Quantity		Value (RS IN LACS)	
		As at	As at	As at	As at
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Opening Stock					
BOPP Film	Tonnes	118.50	150.20	119.20	181.42
Soft Leather Finishing Foil	Lacs (SFT)	0.68	1.25	3.79	5.14
Total				122.99	186.56
Closing Stock					
BOPP Film	Tonnes	317.43	118.50	366.74	119.20
Soft Leather Finishing Foil	Lacs (SFT)	1.10	0.68	4.90	3.79
Total				371.64	122.99

g. Details of Trading goods

Product	Quantity (SFT)		Value (RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010	For the year ended March 31, 2011	For the year ended March 31, 2010
Soft leather furnishing foil				
Opening Stock	Nil	0.56	Nil	6.04
Add: Purchases	Nil	Nil	Nil	Nil
Less: Sales	Nil	0.56	Nil	0.66
Closing Stock	Nil	Nil	Nil	Nil

h. Expenditure in Foreign Currency

Particulars	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Legal and Professional	504.56	338.47
Commission	21.29	13.99
Others	133.16	110.45
Total	659.01	462.91

i. Income in Foreign currency

Particulars	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Exports on FOB basis	10,968.29	5,272.85
Settlement compensation	1,794.28	-
Total	12,762.57	5,272.85

j. Auditor's Remuneration

Particulars	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
As auditors:		
Audit fee (including service tax)	19.85	16.55
Reimbursement of out of pocket expenses	6.08	1.00
In other capacity:		
Certification / Other fee	-	56.25
Total	25.93	73.80

Schedules annexed to and forming part of the accounts

k. Details of utilisation of Preferential Issue Proceeds is as follows:

Particulars	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Opening Balance	52,196.99	2,009.84
Addition:		
On preferential allotment of equity shares	-	15,000.00
On allotment of warrants	-	8,670.00
On allotment of CCDs	-	52,192.75
Total	52,196.99	77,872.59
Utilizations:		
Investment in subsidiary companies	14,811.18	25,082.47
Share application money in subsidiary company pending allotment	2,500.00	-
Share issue expenses	-	593.13
Total	17,311.18	25,675.60
Balance funds invested	34,885.81	52,196.99
- In Fixed Deposits	34,885.81	Nil
- In Mutual Funds	Nil	52,196.99

i. Derivative Instruments and Unhedged Foreign Currency Exposure

Particulars of Derivatives			Purpose
Forward Contracts (Buy) outstanding at Balance Sheet Date (in Lacs)			
March 31, 2011		March 31, 2010	
USD	12.20 (INR 548.02)	USD 3.50 (INR 159.52)	To hedge the liability against outstanding creditors.
EURO	10.35 (INR 660.54)	EURO 93.15 (INR 5,922.25)	To hedge the liability against outstanding creditors.
GBP	2.09 (INR 152.23)	GBP 22.04 (INR 1,554.59)	To hedge the liability against outstanding creditors.
Forward Contracts (Sell) outstanding at Balance Sheet date (in Lacs)			
USD	50.35 (INR 2,234.03)	USD 20.52 (INR 947.15)	To hedge the outstanding debtors.
EURO	2.23 (INR 139.11)	NIL	To hedge the outstanding debtors.

Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	Foreign Currency in Lacs		Indian Rupees in Lacs	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Import Creditors (EUR)	1.62	2.70	103.82	165.00
Import Creditors (GBP)	0.21	0.28	15.62	1.93
Debtors (USD)	15.74	3.22	698.54	144.72
Debtors (EURO)	1.54	3.47	96.34	207.58
Debtors (GBP)	0.79	0.76	56.45	51.00
Import Creditors (USD)	6.57	3.75	29.51	175.00

Closing rates are as under:-

Currency	March 31, 2011		March 31, 2010	
	TT Buy	TT Sell	TT Buy	TT Sell
USD	44.37	44.92	44.87	45.37
EUR	62.38	63.82	59.82	61.10
GBP	71.01	72.63	67.27	68.72

Schedules annexed to and forming part of the accounts

25. Previous year Comparatives

The figures of previous year were audited by a firm of Chartered Accountants other than S.R. Batliboi and Co.

Previous year's figures have been regrouped where necessary to confirm this year's classification.

As per our report of even date

For S.R. BATLIBOI & Co.

Firm Registration Number: 301003E

Chartered Accountants

per Manoj Gupta

Partner

Membership Number: 83906

For and on behalf of the Board of Directors of

Max India Limited

ANALJIT SINGH

Chairman & Managing Director

N. C. SINGHAL

Director

ASHWANI WINDLASS

Director

SUJATHA RATNAM

Chief Financial Controller

V. KRISHNAN

Company Secretary

GURGAON

MAY 26, 2011

LONDON

MAY 26, 2011

NEW DELHI

MAY 26, 2011

Balance Sheet Abstract and Company's General Business Profiles

I Registration Details :

Registration No. State Code

Balance Sheet Date

Date Month Year

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

Public Issue	Rights Issue
N I L	N I L
Bonus Issue	Others
N I L	2 2 0

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

Total Liabilities	Total Assets
2 9 0 4 8 2 5 3	2 9 0 4 8 2 5 3
Sources of Fund	
Paid-up Capital	Warrant against Share Capital
4 6 4 9 6 9	8 6 7 0 0 0
Employee Stock option Outstanding	Reserve & Surplus
1 8 9 6 8 8	2 1 1 8 5 8 8 3
Secured Loans	Unsecured Loans
1 0 2 1 6 4 0	5 2 1 9 2 7 5
Deferred Tax Liability (Net)	
9 9 7 9 8	
Application of Funds	
Net Fixed Assets	Investments
3 3 2 1 5 5 7	1 9 7 0 6 7 0 2
Net Current assets	
6 0 1 9 9 9 4	

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)	Total Expenditure
4 8 6 0 0 3 9	5 2 0 8 0 9 7
+ - Profit before tax	+ - Profit after tax
3 4 8 0 5 8 <input checked="" type="checkbox" value=""/>	4 2 0 9 5 2 <input checked="" type="checkbox" value=""/>
+ - Basic Earning per share in Rs.	Dividend Rate (%)
1 . 8 1 <input checked="" type="checkbox" value=""/>	N I L
+ - Diluted Earning per share in Rs.	
1 . 8 1 <input checked="" type="checkbox" value=""/>	

V Name of three Principal Products/Service of Company

Item Code No. (ITC code)

Product Description

F	I	L	M	S	S	U	P	P	O	R	T	E	D
W	I	T	H	P	O	L	Y	M	E	R	S		
O	F		P	R	O	P	Y	L	E	N	E		

**DISCLOSURE OF LOANS/ADVANCES AND INVESTMENTS
AS REQUIRED UNDER CLAUSE 32 OF THE LISTING AGREEMENT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2011

(RS. IN LACS)

SN	Name	Amount Outstanding	
		As of March 31, 2011	Maximum amount during the year
I.	Loans and advances in the nature of loans		
A.	To Subsidiaries		
A.1	Max Ateev Ltd.	681.38	681.38
A.2	Pharmax Corporation Ltd.	338.00	338.00
A.3	Max HealthStaff International Ltd.	1840.99	1840.99
A.4	Max Neeman Medical International Ltd.	933.64	933.64
B.	To Associates	Nil	Nil
C.	Where there is no repayment schedule or repayment beyond seven years	Nil	Nil
D	Where there is no interest or interest below Section 372A of Companies Act	Nil	Nil
E	To firms/Companies in which directors are interested	Nil	Nil
II.	Investments by the loanee in the shares of parent company and subsidiary company when the company has made loan or advance in the nature of loan	Nil	Nil

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(3) AND 212(5) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Financial Year to which Accounts relate	Holding Company's interest as at close of Financial Year of Subsidiary Company	Net aggregate amount of Subsidiary Company's profits after deducting its losses or vice-versa, so far as it concerns Members of Holding Company which are not dealt within the Company's Account		Net aggregate amount of Subsidiary Company's profits after deducting its losses or vice-versa, so far as it concerns Members of Holding Company which are dealt within the Company's Account		Holding Company's interest as at 31.03.2011 incorporating Changes Since Close of Financial Year/Period of Subsidiary
			For the Current Financial Year (Rs. in Lacs)	For the Previous Financial Years (Rs. in Lacs)	For the Current Financial Year (Rs. in Lacs)	For the Previous Financial Years (Rs. in Lacs)	
Domestic:	31.03.2011	135,67,64,514 Equity Shares of Rs. 10 each	73.70%	14302.26	(75444.37)	NIL	Not Applicable
	31.03.2011	20,05,40,000 Equity Shares of Rs. 10 each	74.00%	(8602.31)	(3178.88)	NIL	Not Applicable
	31.03.2011	21,94,89,127 Equity Shares of Rs. 10 each	75.47%	42.58	(8356.68)	NIL	Not Applicable
	31.03.2011	1,41,42,535 Equity Shares of Rs. 10 each	75.47%	(992.86)	(1110.08)	NIL	Not Applicable
	31.03.2011	50,000 Equity Shares of Rs. 10 each	75.47%	(530.15)	(1525.55)	NIL	Not Applicable
	31.03.2011	10,000 Equity Shares of Rs. 10 each	75.47%	(10.67)	(97.44)	NIL	Not Applicable
	31.03.2011	10,000 Equity Shares of Rs. 10 each	75.47%	(8.18)	(98.80)	NIL	Not Applicable
	31.03.2011	41,66,813 Equity Shares of Rs. 10 each	100.00%	245.51	(402.11)	NIL	Not Applicable
	31.03.2011	4,71,17,247 Equity Shares of Re. 1 each	85.20%	140.10	(449.20)	NIL	Not Applicable
	31.03.2011	3,14,43,600 Equity Shares of Rs. 10 each	100.00%	(3.10)	(3810.84)	NIL	Not Applicable
	31.03.2011	3,945,000 Equity Shares of Rs. 10 each	100.00%	(59.50)	(2181.62)	NIL	Not Applicable
	31.03.2011	38 Ordinary Shares of Euro 500 each	100.00%	(10.34)	(5413.24)	NIL	Not Applicable
Overseas:	31.03.2011	125 Ordinary Shares of Euro 500 each	100.00%	(11.42)	(8645.31)	NIL	Not Applicable
	31.03.2011	325 Shares (Note 5)	100.00%	72.23	(3668.99)	NIL	Not Applicable
	31.03.2011	2,99,742 Ordinary Shares of GBP 1 each	100.00%	0.11	(140.70)	NIL	Not Applicable
	31.03.2011	2,99,742 Ordinary Shares of GBP 1 each	100.00%	0.11	(140.70)	NIL	Not Applicable

Notes:

- Held through Max Healthcare Institute Ltd.
- Held through Max Medical Services Ltd.
- Held through Neeman Medical International B.V., Netherlands
- Held through Neeman Medical International N.V., Netherlands
- Paid value of 325 shares is US\$ 750,000 equivalent Rs. 36608 Lacs.
- Figures in brackets indicate loss.

New Delhi
August 17, 2011

For and on behalf of the Board of Directors

Analjit Singh
Chairman & Managing Director



Max India Limited
Consolidated





Auditors' Report

The Board of Directors Max India Limited

We have audited the attached consolidated balance sheet of Max India Limited Group, as at 31st March 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Max India Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs.19,729.65 lacs as at 31st March 2011, the total revenue of Rs.2001.57 lacs and cash flows amounting to Rs.(329.73 lacs) for the year then ended. These financial statements and other financial information have been audited by other auditors whose report(s) have been furnished to us, and our opinion is based solely on the report of other auditors.

The joint ventures of the group, having total assets of Rs 1,580.84 lacs as at March 31, 2011, total revenue of Rs 567.75 lacs and net cash flows amounting to Rs 378.17 lacs for the year then ended have been consolidated based on the management's estimate and are unaudited.

We report that the consolidated financial statements have been prepared by the Max India Limited's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)].

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we

are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Max India Limited Group as at 31st March 2011;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.
Firm registration number: 301003E
Chartered Accountants

per MANOJ GUPTA
Partner
Membership No.: 83906

Gurgaon
May 26, 2011

Consolidated Balance Sheet as at March 31, 2011

		(RS. IN LACS)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	4,649.69	4,647.49
Share Warrants	2	8,670.00	8,670.00
Employee Stock Options Outstanding	3	2,332.54	726.19
Reserves and Surplus	4	153,258.38	160,155.42
		168,910.61	174,199.10
Preference Shares	5	25,000.00	25,000.00
Minority Interest (Refer Note B3 on Schedule 25)		36,430.14	34,108.70
LOAN FUNDS			
Secured Loans	6	45,590.05	38,801.45
Unsecured Loans	7	57,347.75	57,347.75
		102,937.80	96,149.20
Deferred Tax Liabilities (Net) (Refer Note B11 of Schedule 25)		1,037.24	269.05
Policyholders' Liabilities		1,227,308.67	917,108.48
Funds for Future Appropriations – Participating Policies		15,135.60	6,229.38
		1,576,760.06	1,253,063.91
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	8	152,165.10	135,580.69
Less: Accumulated Depreciation/Amortisation		58,838.59	46,701.42
Net block		93,326.51	88,879.27
Capital work-in- progress including capital advances		19,290.08	7,632.84
		112,616.59	96,512.11
Deferred Tax Assets (Refer Note B11 of Schedule 25)		77.91	68.89
INVESTMENTS	9	1,380,053.87	1,093,304.01
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	10	5,662.03	4,307.81
Sundry Debtors	11	38,853.30	31,347.68
Cash and Bank Balances	12	71,722.59	25,238.24
Other Current Assets	13	34,277.79	22,459.12
Loans and Advances	14	50,550.45	51,797.69
	(A)	201,066.16	135,150.54
Less: Current Liabilities and Provisions			
Current Liabilities	15	128,636.13	96,055.61
Provisions	16	15,127.49	2,971.64
	(B)	143,763.62	99,027.25
NET CURRENT ASSETS	(A-B)	57,302.54	36,123.29
Profit and Loss Account		26,709.15	27,055.61
		1,576,760.06	1,253,063.91
NOTES TO ACCOUNTS			
	25		

The schedules referred to above and notes to consolidated accounts form an integral part of the Consolidated Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 301003E
Chartered Accountants

per **MANOJ GUPTA**
Partner
Membership Number: 83906

GURGAON
MAY 26, 2011

For and on behalf of the Board of Directors of
Max India Limited

ANALJIT SINGH
Chairman & Managing Director

LONDON
MAY 26, 2011

N. C. SINGHAL
ASHWANI WINDLASS
SUJATHA RATNAM
V. KRISHNAN

NEW DELHI
MAY 26, 2011

Director
Director
Chief Financial Controller
Company Secretary

Consolidated Profit and Loss Account for the year ended March 31, 2011

		(RS. IN LACS)	
	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Turnover (Gross)		56,663.58	45,345.60
Less: Sales return		(341.15)	(237.18)
Discount		(454.30)	(383.09)
Excise duty		(3,104.86)	(2,334.45)
Turnover (Net)		52,763.27	42,390.88
Service Income	17	614,068.70	515,030.79
Income from Investment Activities	18	118,489.66	207,528.32
Other Income	19	3,803.21	1,162.84
		789,124.84	766,112.83
EXPENDITURE			
(Increase)/ Decrease in work-in-progress and finished goods	20	(439.97)	110.88
Manufacturing, Trading and Direct Expenses	21	575,936.16	585,662.85
Personnel Expenses	22	88,206.47	76,912.92
Administrative and Other Expenses	23	81,746.70	87,466.16
Financial Expenses	24	11,293.25	5,907.68
Depreciation/Amortisation	8	20,301.18	14,108.10
Funds for Future Appropriations - Participating Policies		8,906.22	4,534.80
		785,950.01	774,703.39
Profit/(Loss) before tax		3,174.83	(8,590.56)
Provision for Tax			
Current tax		231.20	158.69
Deferred tax charge		759.17	180.09
Total tax expense		990.37	338.78
Profit/(Loss) after tax		2,184.46	(8,929.34)
Minority Interest		(1,316.82)	1,771.83
Profit/(Loss) after tax (after adjusting Minority Interest)		867.64	(7,157.51)
Balance brought forward from previous year		(27,055.61)	(19,488.37)
Profit/(Loss) Available for Appropriation		(26,187.97)	(26,645.88)
Appropriations (Refer Note B4(d) on Schedule 25)			
Dividend on Preference Shares		(500.00)	(500.00)
Tax on Dividend		(77.87)	(84.98)
Total		(577.87)	(584.98)
Less: Share of Minority Interest		56.69	175.25
Loss carried forward to the balance sheet		(26,709.15)	(27,055.61)
Earnings Per Share (Refer Note B12 on Schedule 25)			
Basic [Nominal value of shares Rs. 2/- (Previous year Rs. 2/-)]		0.15	(3.29)
Diluted [Nominal value of shares Rs. 2/- (Previous year Rs. 2/-)]		0.14	(3.29)

NOTES TO ACCOUNTS

25

The schedules referred to above and notes to consolidated accounts form an integral part of the Consolidated Profit and Loss Account

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 301003E
Chartered Accountants

per **MANOJ GUPTA**
Partner
Membership Number: 83906

GURGAON
MAY 26, 2011

For and on behalf of the Board of Directors of
Max India Limited

ANALJIT SINGH
Chairman & Managing Director

LONDON
MAY 26, 2011

N. C. SINGHAL
ASHWANI WINDLASS
SUJATHA RATNAM
V. KRISHNAN

NEW DELHI
MAY 26, 2011

Director
Director
Chief Financial Controller
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2011

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT / (LOSS) BEFORE TAXATION	3,174.83	(8,590.56)
Adjustments for:		
Depreciation	20,301.18	14,108.10
Interest Expense	10,112.11	4,628.42
Interest Income	(50,659.25)	(33,542.46)
Amortisation of Discount/(Premium) on Non Trade Investments	(146.87)	(219.88)
Dividend Income from Non Trade Investments	(6,016.75)	(3,766.23)
Appropriation / Expropriation Adjustment Account	(434.08)	-
Net (Profit) / Loss on Sale of Fixed Assets	163.57	147.64
Net (Profit) / Loss on Sale of Investments	(60,398.28)	(65,289.43)
Unrealised (Gain) / Loss on investments	3,685.25	(103,394.40)
Amortisation of Miscellaneous Expenditure	0.36	0.36
Fixed Assets and Spares Written off	4.18	0.89
Debts and Debit Balances Written Off	37.91	20.88
Provision for Doubtful Debts and Advances	482.94	489.20
Goodwill Written off	6.52	3,208.40
Liability/ Provisions No Longer Required Written Back	(357.80)	(311.69)
TDS on Service and Other Income	(44.82)	(586.39)
Other Provisions	230.84	(86.56)
Employee Stock Option Expense	1,897.86	792.28
Change in Policyholder Reserves	310,200.19	418,569.98
Transfer to/(from) Fund For Future Appropriations	8,906.22	4,534.80
Change in reserves for unexpired risk	1,484.26	11.35
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	242,630.37	230,724.70
Movement in working capital:		
Decrease / (Increase) in Sundry Debtors	(941.82)	(4,148.49)
Decrease / (Increase) in Inventories	(1,354.21)	(244.58)
Decrease / (Increase) in Loans and Advances	25.76	5,993.90
(Decrease) / Increase in Trade Payables	29,295.79	27,632.62
(Decrease) / Increase in Provisions	(100.66)	80.76
Cash Generated From Operations	269,555.23	260,038.91
Direct Taxes Refunded / (Paid) (Net)	(1,464.03)	(149.58)
CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	268,091.20	259,889.33
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(34,083.08)	(17,740.93)
Sale of Fixed Assets	674.62	196.50
Investments Made (Others)	(4,840,166.50)	(2,948,734.68)
Sale of Investments	4,602,553.11	2,589,542.45
Deposits with initial maturity of more than three months	(36,000.00)	-
Interest Received	45,692.49	31,938.02
Dividend Received on Non Trade Investments	5,810.75	3,766.32
Other Loans	(1,511.76)	(2,161.36)
Cash and Cash Equivalents Acquired on Subsidiarisation /Joint Venture	8.71	-
CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	(257,021.66)	(343,193.68)

Consolidated Cash Flow Statement for the year ended March 31, 2011

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Preferential Issue of Shares	-	15,000.00
Issue of Warrants	-	8,670.00
Increase in Share Capital (Minority Share in Subsidiaries)	3,462.00	5,617.46
ESOPs Exercised	2.19	0.36
Proceeds from Compulsorily Convertible Debentures	-	52,192.75
Shares Issue Expenses	(5.34)	(593.13)
Proceeds from Long Term Loans	12,555.02	7,553.85
Repayment of Long Term Loans	(5,246.97)	(3,958.72)
Proceeds/(Repayment) of Short Term Borrowings (Net)	(2,875.77)	5,675.42
Repayment of Short Term Borrowings	1,779.40	(56.03)
Interest Paid	(10,259.14)	(4,375.32)
CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	(588.61)	85,726.64
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	10,480.93	2,422.29
Impact of Foreign Exchange Fluctuations	3.42	(20.92)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	25,238.24	22,836.87
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	35,722.59	25,238.24
COMPONENTS OF CASH AND CASH EQUIVALENTS	As at March 31, 2011	As at March 31, 2010
Cash on Hand	1,584.04	1,397.93
Cheques in Hand	481.41	103.62
Balances with scheduled banks:		
On Current Accounts	19,253.06	18,873.11
On Cash Credit Accounts	253.50	-
On Debenture Interest Accounts	7.74	10.67
On Fixed Deposit Account	50,082.37	4,812.75
Stamps in Hand	60.47	40.16
Cash and Bank Balance as per Schedule 12	71,722.59	25,238.24
Less: Fixed Deposits not considered as cash equivalents	36,000.00	-
Cash and cash equivalents in Cash Flow Statement	35,722.59	25,238.24

Note: Balance in debenture interest account is not available for use by the Company

The schedules referred to above and the notes to accounts form an integral part of the Consolidated Cash Flow Statement

As per our report of even date

For S.R. BATLIBOI & Co.

Firm Registration Number: 301003E

Chartered Accountants

per **MANOJ GUPTA**

Partner

Membership Number: 83906

GURGAON

MAY 26, 2011

For and on behalf of the Board of Directors of

Max India Limited

ANALJIT SINGH

Chairman & Managing Director

LONDON

MAY 26, 2011

N. C. SINGHAL

Director

ASHWANI WINDLASS

Director

SUJATHA RATNAM

Chief Financial Controller

V. KRISHNAN

Company Secretary

NEW DELHI

MAY 26, 2011

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE -1		
SHARE CAPITAL		
AUTHORISED		
460,000,000 (Previous year: 460,000,000) equity shares of Rs. 2/- each	9,200.00	9,200.00
800,000 (Previous year: 800,000) Preference shares of Rs.100/- each	800.00	800.00
	10,000.00	10,000.00
ISSUED, SUBSCRIBED & PAID UP		
232,484,410 (Previous year: 232,374,733) equity shares of Rs. 2/- each fully paid up	4,649.69	4,647.49
	4,649.69	4,647.49
Of the above:		
(i) 57,660,400 (Previous year: 57,660,400) equity shares of Rs. 2/- each are allotted as fully paid up bonus shares out of Securities Premium account.		
(ii) 1,577,714 (Previous year: 1,468,037) Equity shares of Rs. 2/- each are allotted as fully paid up under employee stock option plan.		
SCHEDULE-2		
SHARE WARRANTS		
(Refer Note B7 on Schedule 25)		
2,000,000 (Previous year 2,000,000) share warants of Rs. 867/- each, partly paid up	8,670.00	8,670.00
	8,670.00	8,670.00
SCHEDULE -3		
EMPLOYEE STOCK OPTION OUTSTANDING		
Balance as per last account	10,895.68	872.81
Add: Stock options issued during the year	111.49	10,042.65
Less : Stock options excercised during the year	185.61	19.78
Less : Stock options forfeited during the year	8.82	-
	10,812.74	10,895.68
Less: Deferred employee compensation (Refer Notes B29 on schedule 25)	8,480.20	10,169.49
	2,332.54	726.19
SCHEDULE-4		
RESERVES AND SURPLUS		
Capital Reserve		
Balance as per last account	50.39	50.39
	50.39	50.39
Securities Premium Account		
Balance as per last account	152,399.14	137,983.00
Add: Addition during the year	332.46	28,227.65
Less: Deletion / utilisation during the year	7,223.37	13,811.51
	145,508.23	152,399.14
Foreign Currency Translation Reserve		
Balance as per last account	(185.80)	(198.59)
Add: Addition during the year	6.13	-
Less: Deletion / utilisation during the year	-	12.79
	(191.93)	(185.80)
General Reserve		
	7,891.69	7,891.69
	153,258.38	160,155.42

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE -5		
PREFERENCE SHARES		
(Refer Notes B4(d) on Schedule 25)		
250,000,000 (Previous year 250,000,000), 2% Cumulative Partially Convertible Preference Shares of Rs.10/- each (issued by Max Healthcare Institute Limited, a Subsidiary Company)	25,000.00	25,000.00
	25,000.00	25,000.00
SCHEDULE-6		
SECURED LOANS		
(Refer Note B6 on Schedule 25)		
Term loans from banks	10,957.93	5,842.83
(Due within one year Rs. 253.55 Lacs (Previous year: Rs. 2,399.63 Lacs))		
Term Loans from Financial Institutions	31,038.60	28,308.30
(Due within one year Rs. 2,977.00 Lacs (Previous year: Rs. 1,807.20 Lacs))		
Loans and advances from banks		
Fund Based Working Capital Facilities	3,345.51	4,414.75
Vehicle Loans	248.01	235.57
(Due within one year Rs. 90.78 Lacs (Previous year: Rs. 1,604.18 Lacs))	45,590.05	38,801.45
SCHEDULE -7		
UNSECURED LOANS		
Debentures (Refer Note B8 on Schedule 25)		
6,019,925 (Previous year 6,019,925), 12% Compulsorily Convertible Debentures of Rs. 867/- each fully paid up	52,192.75	52,192.75
Other Loans		
From Banks	5,000.00	5,000.00
From Others	155.00	155.00
(Due within one year Rs. 5,000.00 Lacs (Previous year: Rs. 5,000.00 Lacs))	57,347.75	57,347.75

Schedules annexed to and forming part of the consolidated accounts

SCHEDULE-8 FIXED ASSETS

(RS. IN LACS)

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at April 1, 2010	Additions	Deletions/ Adjustments	As at March 31, 2011	As at April 1, 2010	For the year	Deletions/ Adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets										
Land (Freehold)	337.99	-	-	337.99	-	-	-	-	337.99	337.99
Land (Leasehold)	6,257.62	-	-	6,257.62	-	-	-	-	6,257.62	6,257.62
Building	13,513.72	2,277.18	-	15,790.90	1,374.02	277.20	-	1,651.22	14,139.68	12,139.70
Leasehold Improvements	22,739.59	694.15	4,559.31	18,874.43	9,331.96	7,172.00	4,142.07	12,361.89	6,512.54	13,407.63
Plant and Machinery	43,131.29	15,978.51	73.71	59,036.09	12,551.87	2,677.37	32.84	15,196.40	43,839.69	30,579.42
Vehicles	1,273.96	317.46	229.05	1,362.37	410.49	176.31	150.62	436.18	926.19	863.47
Furniture, Fittings and Equipments	31,158.07	1,952.34	3,971.71	29,138.70	16,045.78	8,340.50	3,656.87	20,729.41	8,409.29	15,112.29
Intangible Assets										
Software	9,987.24	3,164.93	48.03	13,104.14	6,810.46	1,646.34	43.88	8,412.92	4,691.22	3,176.78
Goodwill *	6,986.19	1,225.90	6.52	8,205.57	-	-	-	-	8,205.57	6,986.19
Technical Know-how	195.02	-	137.73	57.29	176.84	11.46	137.73	50.57	6.72	18.18
Total	135,580.69	25,610.47	9,026.06	152,165.10	46,701.42	20,301.18	8,164.01	58,838.59	93,326.51	88,879.27
Previous year	121,743.06	18,487.66	4,650.03	135,580.69	33,623.31	14,108.10	1,018.59	46,701.42		
Capital work-in-progress including capital advances									19,290.08	7,632.84
									112,616.59	96,512.11

Notes:-

- Capital work in progress includes:
 - Pre-Operative expenses pending allocation and capitalisation excluding borrowing cost Rs. 1,078.63 Lacs (Previous year Rs. 864.42 Lacs) (Refer Note B28 on Schedule 25)
 - Borrowing Cost Rs. 742.02 Lacs (Previous year Rs. 188.69 Lacs)
 - Capital Advances Rs. 3,418.71 Lacs (Previous year Rs. 2,017.04 Lacs)
- Borrowing cost capitalised during the year Rs. 283.50 Lacs (Previous year Rs.Nil).
- Pre-operative expenses excluding borrowing cost capitalised during the year Rs. 630.88 Lacs (Previous year Rs. 27.47 Lacs).
- *Goodwill arising on consolidation

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-9		
INVESTMENTS		
Life Insurance Business:		
a) Long Term-Non Trade, at cost		
(Quoted)		
Government Securities ¹	339,371.33	235,996.65
Equity Shares ²	547,820.11	409,444.86
Bonds ³	273,753.55	196,231.39
(Unquoted)		
Term Deposit	11,480.00	2,801.49
b) Current-Non Trade (At lower of cost and market value)		
(Quoted)		
Government Securities	2,018.15	7,521.28
Bonds	14,095.55	22,670.37
(Unquoted)		
Units in Mutual Fund ⁴	27,186.56	25,800.43
Commercial Paper/Certificate of Deposit	141,032.18	87,235.82
Term Deposit	6,475.71	10,651.94
	1,363,233.14	998,354.23
Health Insurance Business:		
a) Long Term-Non Trade, at cost		
(Quoted)		
Government Securities	1,956.64	3,150.27
Bonds	-	2,004.97
b) Current-Non Trade (At lower of cost and market value)		
(Quoted)		
Government Securities	4,034.19	1,009.75
Bonds	2,007.70	519.27
(Unquoted)		
Units in Mutual Fund	1,445.41	619.26
Commercial Paper/Certificate of Deposit	3,172.36	1,956.63
	12,616.30	9,260.15
Other Business:		
a) Long Term-Trade, at cost		
(Unquoted)		
Equity Shares	-	455.75
b) Long Term-Non Trade, at cost		
(Quoted)		
Equity Shares	0.65	0.65
c) Current-Non Trade (At lower of cost and market value)		
(Unquoted)		
Units in Mutual Fund		
- Unutilised monies raised through preferential issue	-	52,739.96
- Others	4,203.78	32,493.27
	4,204.43	85,689.63
	1,380,053.87	1,093,304.01
Aggregate value of unquoted investments	183,516.00	214,754.55
Aggregate value of quoted investments	1,196,537.87	878,549.46
Market value of quoted investments	1,340,566.12	983,967.58

- Includes Rs. 275,935.02 Lacs (Previous year Rs. 208,710.45 Lacs) earmarked for Life Insurance Policyholders
- Net of credit in fair value change account amounting to Rs. (-) 541.50 Lacs (Previous year Rs. (-) 407.25 Lacs)
- Includes Rs. 236,504.74 Lacs (Previous year Rs. 221,954.87 Lacs) earmarked for Life Insurance Policyholders
- Net of credit in fair value change account amounting to Rs. (-) 23.65 Lacs (Previous year (-) 3.12 Lacs)

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE -10		
INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)		
Manufacturing Activities		
Raw Materials (including stock in transit Rs. 247.78 Lacs (Previous year Rs. 161.50 Lacs))	2,144.16	1,239.94
Stores and Spares	728.98	645.05
Work in Progress	911.32	538.02
Finished Goods	371.64	122.99
Trading Activities		
Stock-in-trade	1,505.93	1,571.97
Construction Activities		
Work in Progress	-	189.84
	5,662.03	4,307.81
SCHEDULE-11		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	11,871.51	14,080.16
Unsecured, considered doubtful	1,146.86	927.66
Other Debts		
Unsecured, considered good	26,981.79	17,267.52
Unsecured, considered doubtful	0.57	0.57
	40,000.73	32,275.91
Less: Provision for Doubtful Debts	(1,147.43)	(928.23)
	38,853.30	31,347.68
Included in Sundry Debtors are:		
Due from directors of the Company (Maximum amount outstanding during the year Rs. Nil (Previous year Rs. 0.08 Lacs))	-	-
SCHEDULE-12		
CASH AND BANK BALANCES		
(Refer Note B14 on Schedule 25)		
Cash on Hand	1,584.04	1,397.93
Cheques in Hand	481.41	103.62
Balances with Scheduled Banks		
On Current Accounts	19,453.77	18,791.37
On Debenture Interest Accounts	7.74	10.67
On Fixed Deposit Accounts*	50,082.37	4,812.75
Stamps in Hand	60.47	40.16
Balances with Non-Scheduled Banks		
In Current Accounts	52.79	81.74
	71,722.59	25,238.24

* held under lien by various authorities Rs. 577.06 Lacs (Previous year Rs. 49.03 Lacs)

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-13		
OTHER CURRENT ASSETS		
Interest receivable on deposits**	13,771.04	9,205.15
Unbilled Revenue	660.86	461.70
Other Current Assets - Unit Linked	19,845.89	12,792.27
	34,277.79	22,459.12
** Includes interest accrued on investments Rs. 11,721.89 Lacs (Previous year Rs. 7,839.41 Lacs)		
SCHEDULE-14		
LOANS AND ADVANCES		
Secured, considered good		
Housing Loans	3.11	3.64
Loans to Policyholders	1,162.22	860.66
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	15,258.73	23,248.60
Inter Corporate Deposits	11,746.94	10,147.92
Balances with customs, excise and sales tax authorities etc.	12,239.81	7,896.84
Security Deposits	7,376.83	8,387.85
Advance income tax (net of provisions)	2,762.81	1,252.21
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	902.39	608.15
Security Deposits	5.50	36.00
Less: Provision for Doubtful Advances	(907.89)	(644.15)
	50,550.45	51,797.72
Included in Loans and advances are:		
Due from directors of the Company	-	284.22
Maximum amount outstanding during the year Rs. 391.80 Lacs (Previous year Rs. 358.43 Lacs)		
SCHEDULE-15		
CURRENT LIABILITIES		
Acceptances	481.52	-
Sundry Creditors		
(a) total outstanding dues of Micro and Small Enterprises	132.38	232.28
(b) total outstanding dues of other than Micro and Small Enterprises	72,375.09	55,597.83
Advances from Policyholders	32,178.00	16,167.44
Claims Outstanding (Includes Claims Pending Investigation)	5,544.75	5,646.70
Unclaimed Amount - Policyholders	11,633.35	11,916.40
Advance from Customers	502.39	508.28
Provision for employee stock options	334.68	264.04
Investor Education and Protection Fund (Due and payable)		
Unpaid Debenture Interest	5.16	8.09
Interest accrued but not due on loans	372.44	358.49
Other Liabilities	5,076.37	5,356.06
	128,636.13	96,055.61

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-16		
PROVISIONS		
Provision for Leave Encashment	1,152.01	1,025.30
Provision for Gratuity (Refer Note B13 on Schedule 25)	169.67	360.65
Provision for Reserve for Unexpired Risk	1,495.61	11.35
Provision for Dividend on Preference Shares	1,839.73	1,339.73
Provision for guaranteed internal rate of return on cumulative convertible preference shares	10,157.79	-
Provision for Tax on Corporate Dividend	305.56	227.69
Provision for Wealth Tax	7.12	6.92
	15,127.49	2,971.64
		(RS. IN LACS)
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE -17		
SERVICE INCOME		
Life Insurance Premium	581,252.10	486,053.87
Less: Premium on Reinsurance Ceded	(7,642.26)	(5,967.97)
	573,609.84	480,085.90
Healthcare Business ¹	36,851.70	31,202.17
Health Insurance Premium (Net premium earned)	807.17	0.12
Construction Activities	596.32	1,906.05
Clinical Research Business ²	2,203.67	1,816.08
Placement Revenue	-	0.67
Other Services	-	19.80
	614,068.70	515,030.79
1. Tax deducted at source Rs. 841.46 Lacs (Previous year Rs. 397.72 Lacs) and excludes discounts given		
2. Tax deducted at source Rs. 74.68 Lacs (Previous year Rs. 80.34 Lacs)		
SCHEDULE-18		
INCOME FROM INVESTMENT ACTIVITIES		
Dividend Income from		
Non Trade Investments-Long term	5,998.68	3,710.73
Non Trade Investments-Current	18.07	55.50
Interest on loans and non-trade investments (Gross) ³ :		
Government Securities	34,893.09	24,416.39
Bonds	11,967.26	7,313.14
Inter Corporate Deposits	39.66	1,330.45
Fixed Deposits	2,232.40	245.79
Others	1,526.84	236.69
Amortisation of Discount/(Premium) on Non Trade Investments	146.87	219.88
Profit on Sale of Investments-Long term	57,498.10	62,718.08
Profit on Sale of Investments-Current	2,900.18	2,571.36
Unrealised Gain on Investments	-	103,394.40
Option fee (Refer Note B22 on Schedule 25)	834.43	163.61
Appropriation / Expropriation Adjustment Account	434.08	1,152.30
	118,489.66	207,528.32
3 Tax deducted at source Rs. 215.31 Lacs (Previous year Rs. 88.16 Lacs)		

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE-19		
OTHER INCOME		
Liabilities/Provisions No Longer Required Written Back	357.80	311.69
Gain on Foreign Exchange Fluctuation (Net)	213.21	57.86
Settlement Compensation (Refer Note B33 on Schedule 25)	1,794.28	-
Miscellaneous Income ⁴	1,437.92	793.29
	3,803.21	1,162.84
4 Tax deducted at source Rs. 9.00 Lacs (Previous year Rs. 27.34 Lacs)		
SCHEDULE-20		
(INCREASE)/ DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS		
Closing Inventory		
Work-in-Progress	911.32	538.02
Finished goods	371.64	122.99
	1,282.96	661.01
Opening Inventory		
Work-in-Progress	538.02	579.29
Finished goods	122.99	192.60
	661.01	771.89
(Increase)/ Decrease in work-in-progress and finished goods	(621.95)	110.88
Less: Trial run inventory of finished goods	181.98	-
Net (Increase)/ Decrease in work-in-progress and finished goods	(439.97)	110.88
SCHEDULE-21		
MANUFACTURING, TRADING AND DIRECT EXPENSES		
Manufacturing and Trading Expenses		
Raw Materials Consumed	28,095.22	21,432.06
Excise Duty on Closing Stock	41.75	13.53
Power and Fuel	2,651.95	2,465.06
Stores and Spares Consumed	602.23	512.26
Packing Material Consumed	1,269.03	967.43
Freight Inward	91.66	53.31
Repairs and Maintenance-Plant and Machinery	213.54	130.85
Processing Charges	21.57	28.26
	32,986.95	25,602.76
Direct Expenses		
Life Insurance Business		
Agents' Commission	53,989.81	42,120.87
Increase in Policy Reserves	310,200.19	418,569.98
Unrealised loss on Investments	3,685.25	-
Claims/other benefits	123,678.98	58,917.37
Policy Issuance Costs	20,323.69	13,373.57
Agency Training and Recruitment Expenses	1,589.57	1,530.01
	513,467.49	534,511.80

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Healthcare Business		
Consumption of Medical Consumables	8,867.43	8,719.19
Cost of Goods Sold	9,021.37	6,443.30
Professional and Consultancy Fee	8,243.67	6,592.66
Outside Lab Investigation	213.99	252.78
Repairs and Maintenance-Medical Equipments	686.92	644.70
Patient Catering Expenses	496.84	435.76
	27,530.22	23,088.39
Health Insurance Business		
Commission	138.96	0.25
Claims incurred	395.84	0.07
Policy issuance cost	159.18	-
	693.98	0.32
Healthcare Staffing Business	-	0.70
Sub-Contracting Expenses	575.84	1,906.05
Clinical Research Business		
Clinical Trial Expenses (Refer Note B21 on Schedule 25)	681.68	552.83
	575,936.16	585,662.85
SCHEDULE-22		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	78,715.33	67,910.97
Amortisation of Employee Stock Compensation expense (Refer Note B10 on Schedule 25)	1,897.86	792.28
Contribution to Provident and Other Funds	2,444.62	2,340.79
Gratuity	414.36	478.31
Recruitment	2,887.24	3,441.47
Staff Welfare	1,847.06	1,949.10
	88,206.47	76,912.92

Schedules annexed to and forming part of the consolidated accounts

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE-23		
ADMINISTRATIVE & OTHER EXPENSES		
Rent	12,842.80	11,272.36
Insurance	1,062.82	673.81
Rates and Taxes	6,794.85	11,815.50
Repairs and Maintenance:		
Building	292.57	371.58
Others	11,619.02	13,947.25
Electricity and Water	3,918.27	4,308.98
Printing and Stationery	2,683.17	2,794.85
Travelling and Conveyance	5,781.10	5,257.13
Communication	5,028.06	6,734.78
Legal and Professional	7,012.73	4,893.76
Directors' Fee	37.31	20.69
Business Promotion	216.34	125.14
Commission to Other than Sole Selling Agents	100.48	56.76
Cash Discounts	188.08	78.26
Selling and Distribution	4,576.43	3,370.30
Branding, Advertisement and Publicity	16,475.73	16,374.06
Provision for Doubtful Debts and Advances	482.94	489.20
Net Loss on Sale/Disposal of Fixed Assets	163.57	147.64
Goodwill Written off	6.52	3,208.40
Debts Written Off	7.90	20.10
Debit Balances Written Off	30.01	0.78
Fixed Assets and Spares Written Off	4.18	0.89
Charity and Donation	1,559.60	932.11
Amortisation of Miscellaneous Expenditure	0.36	0.36
Miscellaneous	1,010.50	714.40
Less: Overheads Recovered *	(148.64)	(142.92)
	81,746.70	87,466.17
* Tax deducted at source Rs. 0.54 Lacs (Previous year Rs. 0.76 Lacs)		
SCHEDULE-24		
FINANCIAL EXPENSES		
Interest on:		
Debentures	6,263.13	353.56
Term Loans	3,621.42	3,875.86
Others	227.56	399.00
Bank Charges	1,181.14	1,279.26
	11,293.25	5,907.68

Schedules annexed to and forming part of the consolidated accounts

SCHEDULE-25 NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

(1) Accounting Convention

The consolidated financial statements are prepared to comply in material aspects, except as disclosed in the accounting policies given below with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 in so far as applicable to the consolidated financial statements.

The financial statements of Max New York Life Insurance Company Limited and Max Bupa Health Insurance Company Limited, subsidiaries of the company, which are included in these Consolidated Financial Statements, are prepared in accordance with the accounting principles prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statement and Auditor's Report of Insurance Companies) Regulations, 2002, the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Insurance Act 1938, Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder and the Companies Act, 1956, to the extent applicable and the practices prevailing within the insurance industry in India.

(2) Basis of Consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures laid down by the accounting standard on Consolidated Financial Statements issued by the ICAI.

The subsidiaries of Max India Ltd. ("Company") have been defined as those entities in which the Company owns directly or indirectly more than one half of the voting power or otherwise has power to exercise control over the composition of the Board of Directors of such entities. Max India Ltd. and its subsidiaries are herein after referred to as Group Companies or Group.

The financial statements of subsidiaries are consolidated from the date on which the control is transferred to a Group Company and are excluded from consolidation from the date such control ceases. The financial statements of all Group Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all intra-group balances and transactions and resulting unrealized gains/losses. The consolidated financial statements are prepared applying uniform accounting policies in use by the Company.

(3) Revenue Recognition

(a) Life Insurance Business: Premium is recognized as income when due. Premium on lapsed policies is recognized as income when such policies are reinstated. For linked business, premium income is recognized when the associated units are created. Top-up premiums are recognized as single premium. Fees on linked policies including fund management charges, policy administration charges, surrender charges, mortality charges, etc. are recovered from the linked fund and recognized in accordance with the terms and conditions of the policies.

Reinsurance premium ceded is accounted at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the re-insurers.

(b) Clinical Research Business: Revenue from services is recognized by reference to the stage of completion of clinical study projects subscribed with pharmaceutical companies.

Revenue from services is recognized with reference to the stage of completion of clinical data management service projects subscribed with pharmaceutical companies.

Schedules annexed to and forming part of the consolidated accounts

- (c) **Healthcare Business:** Revenue from healthcare facilities is recognized on the performance of related service and includes services for patients undergoing treatment and pending billing, which is shown as unbilled under other current assets.

Revenue from trading sales is recognized on delivery of goods.

Income from other healthcare service providers and sponsorship and educational income are recognized on the performance of related services as per the terms of contracts.

- (d) **Health Insurance Business:** 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.

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

- (e) **Lease Rentals:** In respect of lease rentals on operating leases, revenue is recognized proportionately over the period of the related agreements. Contingent lease rent is recognized based on the occurrence of the contingency.

- (f) Export sales are accounted for on the basis of the date of bill of lading/airway bill. Other sales are accounted for at ex-factory prices on transfer of risks and rewards.

- (g) Income from investments is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under advance tax.

- (h) Dividend is recognized as and when the right to receive such payment is established.

- (i) Revenue from construction and sale of hospital buildings is recognized on percentage of completion method as prescribed under AS-7 issued by the Institute of Chartered Accountants of India.

(4) Fixed Assets

- (a) Fixed Assets are stated at their original cost including freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation.

- (b) Expenses of revenue nature, which can be regarded as incidental and related to project set-up are transferred to "Pre-operative Expenses Pending Capitalization". These expenses are allocated to fixed assets/deferred revenue in the year of commencement of the related project.

- (c) Assets, which are revalued, are stated at the revalued amounts. The resultant increase in carrying amounts is credited to the revaluation reserve. Depreciation relating to the revalued amounts is adjusted against the revaluation reserve.

- (d) Assets acquired under the business transfer agreement are stated at amounts based on a valuation report.

(5) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Schedules annexed to and forming part of the consolidated accounts

(6) Depreciation

- (a) Depreciation is charged on straight-line method on a pro-rata basis at rates prescribed under Schedule XIV to the Companies Act, 1956 or estimated by the management based on the economic useful life of the assets, which are not lower than the rates prescribed under Schedule XIV to the Companies Act, 1956. In life insurance business, depreciation is provided for the full month in the month of acquisition of the related asset and no depreciation is provided in the month of sale/disposal of the asset.
- (b) Leasehold improvements are depreciated over respective lease periods.
- (c) Assets costing not more than Rs. 5,000 each individually are depreciated at 100%.
- (d) Intangible assets are amortized over a period of two to six years based on management's estimate of economic useful life of the assets.

(7) Investments

- (a) Investments are classified into current investments and long-term investments. The cost of investments include acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost or fair value.
- (b) Long-term investments are valued at cost. Provision for diminution is made to recognise a decline, other than temporary, in the carrying value of each investment.
- (c) **Insurance businesses:**

Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 and subsequent circulars/notifications issued by the IRDA from time to time.

Investments are recorded at cost on date of purchase, which includes brokerage and statutory levies, if any and excludes interest paid, if any, on purchase. Diminution in the value of investment, other than temporary decline, is charged to revenue and profit and loss account as applicable.

i) Classification

Investments intended to be held for a period less than twelve months or maturing within twelve months from the balance sheet date are classified as short term investments. All other investments are classified as long-term investments.

ii) Valuation – shareholders' investments and non-linked policyholders' investments

Debt securities, which include government securities, are considered as 'held to maturity' and measured at historical cost. The premium/discount, if any, on purchase of debt securities including money market instruments is recognized and amortized in the revenue account and profit and loss account, as applicable, over the remaining period to maturity on the basis of their intrinsic yield.

Listed equity shares, as at balance sheet date, are valued at fair value, being the last quoted closing price on the National Stock Exchange (NSE) and in case the same is not available, then on the Stock Exchange, Mumbai (BSE). Unlisted Equity shares are valued at historical cost. A provision is made for diminution, if any, in the value of these shares to the extent that such diminution is other than temporary. Investments in mutual fund units are valued at previous day's net asset value of the respective funds.

iii) Valuation – Linked Investments

Government securities are valued at the prices obtained from CRISIL (Credit Rating Information Services of India Limited). Debt securities other than Government Securities are valued on the basis of Bond Valuer (CRISIL). Listed equity shares are valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on the BSE. Mutual fund units are taken at the previous day's net asset values.

Debt securities are valued at amortized cost (from cost/last valuation price till the beginning of the day to the redemption value), spread uniformly over the remaining maturity period of the instrument.

Schedules annexed to and forming part of the consolidated accounts

iv) Transfer of Investments

Investments in debt securities are transferred from shareholders to policyholders at net amortized cost. Investments other than debt securities are transferred from shareholders to policyholders at lower of book value or market value. Transfer of investments between unit linked funds is affected at market price as at previous day closing.

(8) Inventories

Inventories are valued as follows:

Raw material, packing material, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(9) Government grant and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/ subsidy will be received and all attached conditions will be complied.

When the grants and subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the cost, which grant/subsidy is intended to compensate.

When the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of related assets.

Government grants of the nature of promoter's contribution are credited to the capital reserve and treated as a part of shareholders fund.

(10) Employee Stock Option Scheme

Max India Limited

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

Max New York Life Insurance Company Limited

The value of options is equal to the aggregate of the intrinsic value of the options granted. Intrinsic value is the option discount represented by excess of market price, which is determined by the independent valuer, over the exercise price. The intrinsic value of the options is amortized on a straight line basis over the vesting period. As and when the options are exercised, the same are accounted for as paid up capital to the extent of the face value. Options that lapse are reversed by a credit to employee compensation expense equal to the amortized portion of the value of the lapsed options and a credit to deferred employee compensation expense equal to the unamortized option.

Max Healthcare Institute Limited (MHIL)

Measurement and disclosure of the employee share- based payment plans is done in accordance with the Guidance note on Accounting for Employee Share-based payments, issued by the Institute of Chartered Accountants of India. MHIL measures compensation cost relating to employee stock option using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

Schedules annexed to and forming part of the consolidated accounts

(11) Taxation

Direct Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Indirect Taxes

The company claims credit of service tax for input services, which is set off against tax on output services. Unutilized credit is carried forward for future set off in subsequent periods. Relevant provision is created, if required, based on estimated realization of the unutilized credit.

(12) Employee Benefits

(a) Provident Fund

Retirement benefit in the form of Provident Fund is a defined benefit obligation as the Company and its employees are contributing to a provident fund trust "Max India Limited Employees Provident Fund Trust" and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. Shortfall in the fund, if any, is adequately provided for by the Company.

(b) Superannuation fund

Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the employees is accounted for as per the Company's Scheme and contributed to "Max India Limited Superannuation Fund" every year. The contributions to the funds are charged to the Profit and Loss Account of the year. The Company does not have any other obligation to the fund other than the contribution payable.

(c) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has a recognised gratuity trust "Max India Limited Employees Gratuity Fund" which in turn has taken a policy with LIC to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Schedules annexed to and forming part of the consolidated accounts

(d) Compensated Absences

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/ losses are immediately taken to Profit and Loss Account and are not deferred.

(e) Other Group Companies within India have various schemes of retirement benefits namely provident fund, superannuation and gratuity. Contributions made to these benefit plans are charged to revenue every year. Accruals for gratuity and leave encashment are made on the basis of actuarial valuation done at the year end.

Group Companies situated outside India have employee benefit schemes as per their respective local laws.

(13) Foreign Exchange Transactions

- (a) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
- (b) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognized in the profit and loss account.
- (c) Exchange difference in respect of liabilities incurred to acquire fixed assets are recognized in the profit and loss account.
- (d) In case of foreign exchange forward contracts where an underlying asset or liability exists at the balance sheet date, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expense over the life of the contract.
- (e) For consolidation of accounts, in respect of Group Companies situated outside India, the assets and liabilities are translated at closing rate whereas the revenue and expenses are translated using the average rate during the year. The resultant gain or loss arising out of such translation is recognized in a separate reserve "Foreign Currency Translation Reserve" as required under Accounting Standard-11 revised.

(14) Leases

Assets given under operating lease are shown in the balance sheet under fixed assets and are depreciated on a basis consistent with the depreciation policy of the company. Lease income is recognized in the profit and loss account on accrual basis.

Assets acquired on finance lease are recognized in the financial statements at the lower of the fair value and present value of minimum lease payments at the inception of the lease term and disclosed as leased asset. The depreciation policy for such assets is consistent with that for depreciable assets that are owned by the Group.

Operating lease expense is recognized in the profit and loss account on a straight-line basis over the lease term.

(15) Benefits for Life Insurance Policy Holders

Death and other claims are accounted for, when notified. Surrenders / Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Survival benefit claim and maturity benefits are accounted for when due for payment. Claims payable include the direct costs of settlement. Reinsurance recoverable thereon, if any, is accounted for in the same period as the related claim. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.

Schedules annexed to and forming part of the consolidated accounts

(16) Policy Holders' Acquisition Cost

Acquisition costs are expenses incurred to solicit and underwrite insurance contracts such as commission, medical fee etc. and are expensed in the year in which they are incurred.

(17) Liability for Life Insurance Policies in Force

The estimated liability for life policies in force is determined by the appointed actuary of Max New York Life Insurance Company Ltd. ("MNYL"), pursuant to his annual investigation of the life insurance business, using appropriate methods and assumptions that conform with regulations issued by Insurance Regulatory and Development Authority (Actuarial Report and Abstract) Regulations, 2000 and Professional Guidance notes issued by the Actuarial Society of India (ASI). The liability is so calculated that together with future premium payments and investment income, all future claims (including bonus entitlements to policyholders) and expenses are met. Liabilities, if any, as determined by appointed actuary, in respect of Linked policies which have lapsed are maintained till the expiry of the revival period. Liabilities under linked policies comprise of policies and non unit liability for meeting mortality and morbidity risk, which is based on actuarial valuation done by appointed actuary.

(18) Contributions to Policyholders' Account (Technical Account)

Contribution to Policyholders' Account (Technical Account) is made as decided by the board of directors of MNYL and approved by the Shareholders.

(19) 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.

(20) 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 IBNER provision also includes provision, if any, required for claims incurred but not enough reported. IBNR and IBNER liabilities are provided based on actuarial principles and certified by the Appointed Actuary of the Company. The methodology and assumptions on the basis of which the liability has been determined has also been certified by the Appointed Actuary to be appropriate, in accordance with guidelines and norms issued by the Institute of Actuaries of India and in concurrence with the IRDA

(21) 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.

(22) Allocation of Investment Income

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

(23) 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.

(24) 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.

Schedules annexed to and forming part of the consolidated accounts

(25) 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.

(26) 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 upto the year end, information/estimates provided by the insured/ surveyors and judgment based on the past experience and other applicable laws and practices.

(27) Appropriation/Expropriation

In accordance with the Unit Linked guidelines issued by the IRDA effective October 1, 2009, the Company has followed the Appropriation/Expropriation method for calculating the Net Asset Value ('NAV'). This method provides for adjusting the NAV on account of the 'Dealing Costs'. The accounting for dealing costs is disclosed in the Revenue Account as an adjustment with corresponding changes to the Change in Valuation of Policy Liability Account. Corresponding adjustments are also made in the Assets Held to cover Policy Liabilities and the Provisions for Linked Liabilities in the Balance Sheet.

(28) Funds for future appropriations

The balance in the funds for future appropriations account represents funds, the allocation of which, either to participating policyholders or to shareholders, has not been determined at the balance sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholder fund.

(29) 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.

(30) Provision and Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities are disclosed after an evaluation of the facts and legal aspects of the matter involved.

(31) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(32) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

Schedules annexed to and forming part of the consolidated accounts

B. NOTES TO ACCOUNTS

(1) The list of subsidiary companies considered in consolidated financial statements:

	Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2011	Proportion of ownership as at March 31, 2010
1	Max New York Life Insurance Company Limited	India	73.70%	73.68%
2	Max Healthcare Institute Limited	India	75.47%	70.04%
3	Max Medical Services Limited ⁽ⁱ⁾	India	100.00%	100.00%
4	Hometrail Estate Private Limited ⁽ⁱ⁾	India	100.00%	100.00%
5	Hometrail Buildtech Private Limited ⁽ⁱ⁾	India	100.00%	100.00%
6	Alps Hospital Limited ⁽ⁱⁱ⁾	India	100.00%	100.00%
7	Max Bupa Health Insurance Company Limited	India	74.00%	74.00%
8	Pharmax Corporation Limited	India	85.20%	85.20%
9	Max Ateev Limited	India	100.00%	100.00%
10	Max HealthStaff International Limited	India	100.00%	100.00%
11	Max Neeman Medical International Limited	India	100.00%	100.00%
12	Neeman Medical International BV	Netherlands	100.00%	100.00%
13	Neeman Medical International NV ⁽ⁱⁱⁱ⁾	Netherlands	100.00%	100.00%
14	Max Neeman Medical International Inc. ^(iv)	United States of America	100.00%	100.00%
15	Max UK Limited	United Kingdom	100.00%	100.00%

The list of joint venture of subsidiary companies considered in consolidated financial statements:

	Name of Joint Venture	Country of Incorporation	Proportion of ownership as at March 31, 2011	Proportion of ownership as at March 31, 2010
1	Forum I Aviation Limited ^(v)	India	14.29%	Nil
2	Nova Medical Centres NCR Region Private Limited ^(vi)	India	34.00%	Nil

- (a) The financial statements of parent company and its subsidiaries have been consolidated as per Accounting Standard 21 (Consolidated financial statements), issued by Institute of Chartered Accountants of India, on line by line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and the unrealized profit/losses on intra group transactions, and are presented to the extent possible, in the same manner as the company's independent financial statements.
- (b) The financial statements of joint ventures have been consolidated as per Accounting Standard 27 (Financial reporting of interest in joint ventures), issued by Institute of Chartered Accountants of India, on proportionate consolidation basis where consolidated financial statements includes its share of assets, liabilities, income & expenses of jointly controlled entities.
- (c) Figures pertaining to the subsidiaries and joint ventures have been re-classified wherever necessary to bring them in line with the parent company's financial statements.

Notes:

- (i) Held through Max Healthcare Institute Limited
- (ii) Held through Max Medical Services Limited
- (iii) Held through Neeman Medical International BV, Netherlands
- (iv) Held through Neeman Medical International NV, Netherlands
- (v) Joint Venture of Pharmax Corporation Limited
- (vi) Joint Venture of Max Healthcare Institute Limited

Schedules annexed to and forming part of the consolidated accounts

(2) Reserves shown in the consolidated balance sheet represent the Group's share in the respective reserves of the Group Companies. Goodwill arising on consolidation is shown under fixed assets (Refer Schedule 8 – Fixed Assets).

(3) The movement in share of minority interests is as follows:

(RS. IN LACS)

Name of the Subsidiary	Balance as on April 1, 2010	Increase in Capital	Profit/(Loss) for the year	Adjustment*	Balance as on March 31, 2011
Max New York Life Insurance Co. Limited	24,987.11	312.00	5,017.77	(155.91)	30,160.97
Max Healthcare Institute Limited	6,310.60	30.00	(716.05)	(2,301.45)	3,323.10
Max Bupa Health Insurance Co. Limited	2,810.99	3,120.00	(3,024.33)	-	2,906.66
Pharmax Corporation Limited	-	-	39.41	-	39.41
Total	34,108.70	3,462.00	1,316.82	(2,457.36)	36,430.14

* The adjustments in minority interest consist of:

- (i) Changes in the shareholding pattern during the year; and
- (ii) Share of preference dividend

(4) Contingent Liabilities not provided for:

(RS. IN LACS)

S. No.	Particulars	As at March 31, 2011	As at March 31, 2010
i.	Corporate guarantee given to financial institutions / banks on behalf of others [Refer note (a)]		
-	Export-Import Bank of India	2,920.00	3,000.00
-	Housing Development Finance Corporation Limited	4,800.00	2,990.00
-	Punjab National Bank	2,618.00	-
ii.	Claims against the Company not acknowledged as debts [Refer note (b)]		
-	Excise Duty Demands	1,677.31	744.53
-	Custom Duty Demands	363.36	376.43
-	Service Tax Demands	333.86	4171.00
-	Others	1,311.89	1,046.19
-	Potential liability in respect of repudiated policyholders claims	626.45	315.66
iii.	Liability on account of discounting of bills	609.99	-
iv.	Letters of credit outstanding with various banks in favour of domestic and foreign suppliers for supply of Raw materials and capital goods	3,563.72	8,227.82
v.	Bank Guarantees	27.00	25.00
vi.	Liability on assumed IRR [Refer note (d)]	-	6,916.37
vii.	Obligation arising from import of capital equipment at concessional rate of duty during the year under Export Promotion Capital Goods Scheme [Refer note (c)]	2,995.33	1,810.75
viii.	Income Tax cases		[Refer note (e)]

Note:

- a. Guarantees given by the Company on behalf of others is not considered as prejudicial to the interest of the Company.
- b. Claims against the Company not acknowledged as debts represent the cases pending with judicial forums/authorities. Based on management estimation, future cash outflow in respect of these cases are determinable only on receipt of judgements / decisions pending with various forums/authorities. The Company has not made any provision for the demands in Excise, Service Tax and Customs as the Company believes that they have a good case based on existing judicial pronouncements.

Schedules annexed to and forming part of the consolidated accounts

- c. The export obligation undertaken by the Company for import of capital equipment under Export Promotion Capital Goods Scheme of the Central Government at concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within the respective timelines.
- d. During the financial year 2007-08, Max Healthcare Institute Limited (MHIL) together with the Company had entered into a tripartite subscription agreement dated June 29, 2007, for issue of equity and preference share capital, with International Finance Corporation, USA (IFC).

As per the agreement, IFC had subscribed to the share capital of MHIL amounting to Rs. 30,000.00 Lacs on July 28, 2007, as detailed below:

- a. 9,090,909 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 45/- each aggregating to Rs. 5,000.00 Lacs.
- b. 250,000,000, 8 years 2% Cumulative Partially Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 25,000.00 Lacs.

The Preference Shares carry a dividend rate of 2% which is cumulative in nature, payable until date of redemption or date of purchase or conversion into equity shares, whichever is earlier. The earliest date of redemption or conversion or purchase is 3 years from the date of issue of the said shares.

Also, the Preference Shares have been issued with a guaranteed internal rate of return (GIRR) of 11.25%. The said GIRR is inclusive of 2% dividend rate, premium on redemption and discount to any initial public offering (IPO) price. The Preference Shareholders also have an option to convert a portion of Preference Shares into Equity Shares at a discount to a future IPO price of MHIL, subject to a maximum of 7.5% equity stake in MHIL upon such conversion.

The Preference Shares which have not been converted into equity shares shall be redeemable at the expiry of eight years from the date of issue. The said redemption of Preference Shares will be at a GIRR of 11.25% p.a. inclusive of payment of 2% annual dividend and premium on redemption of Preference Shares.

MHIL also has a right to redemption of the aforesaid preference shares at any time provided IFC is paid the redemption amount at the GIRR.

Subsequent to the above mentioned agreement, MHIL has entered into another tripartite "put option" agreement together with the Company and IFC. As per the said agreement IFC has a right to exercise the put option in respect of the said preference shares on Company as under:-

- i) At any time after 3 years from date of subscription; or
- ii) At any time after giving due notice, in the event of non-performance of certain obligations by MHIL and/or the Company.

Also, the price to be determined as per the 'put option' would be equivalent to the amount paid to redeem the Preference Shares so as to generate GIRR of 11.25% as adjusted with the following:-

- i) Payment of 2% preference dividend;
- ii) Discount on IPO Price on such portion of Preference Shares which have been converted to Equity Shares; and
- iii) Premium paid on Preference Shares already redeemed or to be redeemed.

During the year, MHIL has provided for the aforesaid liability of Rs. 10,157.79 Lacs and adjusted against securities premium account.

Schedules annexed to and forming part of the consolidated accounts

e. Income Tax Cases

i. Max India Limited

(RS. IN LACS)			
Assessment Year	As at March 31, 2011	As at March 31, 2010	Appeal against the disallowance pending Before
2001-02	-	15.65	Income Tax Appellate Tribunal
2002-03	-	41.77	Income Tax Appellate Tribunal
2003-04	357.10	-	Income Tax Appellate Tribunal
2004-05	40.96	0.76	Income Tax Appellate Tribunal
2005-06	149.16	-	Income Tax Appellate Tribunal
2006-07	202.09	98.96	Income Tax Appellate Tribunal
2007-08	66.65	-	Income Tax Appellate Tribunal
	815.96	157.14	

Note: -

(a)The Company is hopeful that above appeals will be disposed off in its favour.

(b)The Company had received the order of the CIT(Appeals) for the period AY 2002-03 to AY 2006-07, deleting majority of the disallowances made by the Assessing Officer, in February 2011. However, notices for revised tax demands, if any, are pending till date.

Further, in the following cases, penalty under section 271(1)(c) of the Income Tax Act, 1961 has been levied which are pending disposal.

(RS. IN LACS)			
Assessment Year	As at March 31, 2011	As at March 31, 2010	Appeal Pending Before
1992-1993	18.78	18.78	Commissioner of Income Tax (Appeals)
1993-1994	14.63	14.63	Commissioner of Income Tax (Appeals)

Note:

The Company is hopeful that above appeals will be disposed off in its favour.

Apart from demands as stated above, in the case of an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005), a demand of Rs. 9,503.93 Lacs (Previous year Rs. 9,503.93 Lacs) was raised by the Income Tax Authorities for the Assessment Year 1998-99 in connection with capital gains realized by MTVL from the sale of shares of Hutchison Max Telecom Limited ("HMTL") by holding that the sale transaction pertains to previous year relevant to assessment year 1998-99 and by denying exemption under section 10(23G) of the Income Tax Act, 1961 ("the Act"). On appeal by MTVL, the CIT (Appeals), while holding that the sale transaction pertains to previous period relevant to assessment year 1998-99, quashed the order of the Assessing Officer regarding denial of exemption under section 10(23G) and the demand was cancelled. The Tax Authorities filed an appeal against this order with the Income-Tax Appellate Tribunal ("ITAT") which is pending as on date.

Subsequently, in the next assessment year i.e. 1999-00, the above-mentioned transaction was once again sought to be taxed both as capital gains and under a different head of income (i.e., business income) on a protective basis by the Assessing Officer as MTVL had asked the Tax Authorities to treat the transaction as that arising in Assessment Year 1999-00 and not in Assessment Year 1998-99. This, along with a few other additions, resulted in creation of a further demand of Rs. 24,993.19 Lacs (Previous year Rs. 24,993.19 Lacs) which included the demand of Rs. 24,368.00 Lacs (Previous year Rs. 24,368.00 Lacs) on protective basis. On appeal by MTVL, the CIT (Appeals) decided in favour of MTVL and the demand was cancelled. The Tax Authorities have filed appeal against ITAT, which is pending as on date.

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MTVL had also filed an appeal before ITAT for assessment year 1998-99 contending that the aforesaid sale transaction pertains to previous period relevant to assessment year 1999-2000. This appeal had been disposed off by ITAT by applying a circular of Tax Department applicable only to capital gains and holding, as a result, that the transaction of sale of shares pertains to previous period relevant to assessment year 1998-99. However, the Tax Authorities filed a petition before the ITAT requesting a review of the said order of the ITAT on the ground that all the three appeals pertaining to the aforesaid sale transaction should have been clubbed and heard together. The said petition of the Department was accepted by the ITAT which recalled its earlier order in the Company's appeal for Assessment year 1998-99. Aggrieved, the Company filed a writ petition to the Hon'ble High Court of Punjab and Haryana challenging the above action of ITAT on the ground that the same was beyond jurisdiction. The Hon'ble High Court of Punjab and Haryana has admitted the writ petition and stayed the operations of the order of ITAT accepting the petition filed by the Department. The ITAT has in the meanwhile adjourned sine-die all the three appeals pending operation of the stay imposed by the Hon'ble High Court (HC). The Department in turn had moved in Special Leave Petition (SLP) to Hon'ble Supreme Court against the stay granted by Hon'ble HC. The said SLP has now been dismissed by the Hon'ble Supreme Court. However, the Hon'ble Supreme Court has instructed the Hon'ble HC to expeditiously dispose the writ petition filed by MTVL.

Again, in the case of the erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005), a demand of Rs. 15,585.17 Lacs (Previous year Rs. 15,585.17 Lacs), had been raised by the Income Tax Authorities for the Assessment Year 2006-07 in connection with capital gains realized by MTVL from the sale of remaining shares of Hutchison Max Telecom Limited ("HMTL") by holding the gains from sale transaction to be in the nature of business income and not capital gains and as a consequence denying exemption under Section 10(23G) of the Act. MTVL had filed an appeal before CIT (Appeals) against the said order. Further, on application by MTVL, the outstanding demand of Rs 14885.17 lacs had been stayed by the Tax Authorities till the disposal of first appeal by CIT(Appeals) [The Company had paid Rs. 700 Lacs during the year for stay of balance demand]. The CIT(Appeals) has, now, vide order dated March 22, 2011, quashed the assessment order framed by the Assessing Officer, holding that the assessment was nullity in law and cannot survive in view of the fact that the order was framed in the name of MTVL, an entity which had ceased to exist w.e.f. December 1, 2005. As a consequence, the previously raised demand of Rs. 15585.17 Lacs stands deleted. The Department has now sought to reinstitute proceedings u/s 147 read with section 148 of the Income Tax Act, 1961, on Max India Limited as Successor of MTVL, vide notice dated April 26, 2011.

The Company is hopeful that above appeals will be disposed off in its favour.

ii. Max Ateev Limited ("Max Ateev")

There are certain income-tax proceedings pending against the Company at various stages of appeal, as per the detailed given below:

Assessment year	(RS. IN LACS)		
	Demand As at March 31, 2011	Demand As at March 31, 2010	Appeal Pending Before
2001-2002	5.73	Nil	Commissioner of Income Tax(Appeals)

The Company is hopeful that the above appeals will be disposed off in its favor.

Schedules annexed to and forming part of the consolidated accounts

(iii) Max Healthcare Institute Limited

Certain income-tax proceedings are pending against the Company as detailed below:-

Assessment Year	Disallowances made by the Assessing Officer (2010-11)	Disallowance made by the Assessing Officer (2009-10)	Appeal against the disallowance pending Before	(RS. IN LACS) Demand (if any)
2003-04	1,157.72	1,157.72	Commissioner of Income Tax(Appeals)	Nil
2004-05	641.01	641.01	Commissioner of Income Tax(Appeals)	Nil
2005-06	649.14	649.14	Commissioner of Income Tax(Appeals)	Nil
2006-07	462.42	462.42	Commissioner of Income Tax(Appeals)	Nil
2007-08	917.31	917.31	Commissioner of Income Tax(Appeals)	Nil
2008-09	241.84	Not Applicable	Commissioner of Income Tax(Appeals)	Nil

Note:

Based on the management assessment of cases, it believes that the above appeals would be disposed off in its favour.

(iv) Max New York Life Insurance Company Limited ("MNYL")

For the assessment year 2002-2003, the Assessing Officer has reduced the returned loss of Rs. 6,684.09 Lacs (Previous year Rs. 6,684.09 Lacs) to Rs. 6,482.08 Lacs (Previous year Rs. 6,482.08 Lacs) by making disallowance of Rs. 202.01 Lacs (Previous year Rs. 202.01 Lacs) u/s 92CA(3) of the Income-tax Act, 1961 relating to Transfer Pricing. Similarly, for the assessment years 2003-04 & 2004-05, the returned losses have been reduced from Rs. 7,408.37 Lacs (Previous year Rs. 7,408.37 Lacs) to Rs. 7,331.92 Lacs (Previous year Rs. 7,331.92 Lacs) and from Rs. 7,563.42 Lacs (Previous year Rs. 7,563.42 Lacs) to Rs. 7,285.17 Lacs (Previous year Rs. 7,285.17 Lacs) respectively by the Assessing Officer by making similar disallowances appeals against the above orders have been filed to the CIT (Appeals), which are pending for disposal. Further, for the assessment year 2005-06, the returned loss has been reduced from Rs. 9,427.20 Lacs (Previous year Rs. 9,427.20 Lacs) to Rs. 9,199.80 Lacs (Previous year Rs. 9,199.80 Lacs) by making disallowance of Rs. 121.70 Lacs u/s 92CA(3) of the Income Tax Act, 1961 relating to Transfer Pricing and Rs. 105.70 Lacs due to disallowance of loss on sale of investment. Appeal against the order has been filed to CIT(Appeals). For the assessment year 2006-07, the returned loss has been reduced from Rs. 5,805.44 Lacs (Previous year Rs. 5,805.44 Lacs) to Rs. 5,414.09 Lacs (Previous year Rs. 5,414.09 Lacs) by making disallowance of Rs. 11.83 Lacs u/s 92CA(3) of the Income Tax Act, 1961 relating to Transfer Pricing, Rs. 90.48 Lacs due to disallowance of loss on sale of investment, Rs. 255.75 Lacs on provision for FBT and Rs. 33.28 Lacs on provision for bad & doubtful debts. Appeal against the order has been filed with Income tax appellate tribunal.

For the assessment year 2007-08, the returned loss has been reduced from Rs. 5,671.22 Lacs to Rs. 5,023.02 Lacs by making disallowance of Rs. 270.19 Lacs on account of loss on sale of investment, Rs. 311.43 Lacs on provision for FBT and Rs. 58.08 Lacs on provision for bad & doubtful debts & Rs. 8.50 Lacs on donation paid. Appeal against the order has been filed with CIT (Appeals).

For the assessment year 2008-09, the Assessing officer has recomputed the value of fringe benefits from Rs. 1,421.15 Lacs to Rs. 1,460.05 Lacs & has raised demand of Rs. 17.76 Lacs. Appeal against the order has been filed with CIT (Appeals).

Schedules annexed to and forming part of the consolidated accounts

(5) Capital Commitments

Particulars	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for	23,859.42	18,245.44
Less: Capital Advances	3,418.71	2,017.04
Net capital commitment for acquisition of capital assets	20,440.71	16,228.40

(6) Loans

(i) Max India Limited

- a) Term loan from Kotak Mahindra Bank Ltd amounting to Rs. 2,470.00 Lacs (Previous year Nil) is secured by a first pari passu charge on all existing and future movables (excluding vehicles) and immovable fixed assets of the company and second pari passu charge on all existing and future current assets of the Company.
- b) Term loan from IndusInd Bank Ltd amounting to Rs. 5,267.36 Lacs (Previous year Nil) is secured by a first pari passu charge on the all movable fixed assets (excluding vehicles) of the company and first pari passu charge on immovable properties of the Company. Further the loan is secured by a second pari passu charge on the current assets of the Company, both present and future.
- c) Term loan from Yes Bank Ltd amounting to Rs. 2,340.47 Lacs (Previous year Nil) is secured by a first pari passu charge on all existing and future movables (excluding vehicles) and immovable fixed assets and second pari passu charge on the current assets of the Company, both present and future.
- d) Term Loan from Punjab National Bank amounting to Rs. Nil (Previous year Rs. 2,600 Lacs) was secured by a first pari pasu charge on the fixed assets of the Company and second pari pasu charge on the current assets of the company, both present and future.
- e) Term Loan from Oriental Bank of Commerce amounting to Rs Nil (Previous year Rs. 2,600 Lacs) was secured by a first pari pasu charge on the fixed assets of the Company and second pari pasu charge on the current assets of the company, both present and future.
- f) Vehicle Loans Rs. 138.57 Lacs (Previous year Rs. 99.00 Lacs) are secured by way of hypothecation of respective vehicles.

(ii) Max Healthcare Institute Limited ("MHIL")

- a) For the Phase I expansion MHIL has availed term loans from financial institutions to finance its hospital projects. The details of loans outstanding till date are as follows:
Rs. 12,063.60 Lacs (Previous year Rs. 13,870.80 Lacs) from Housing Development Finance Corporation Limited and Rs 6,375.00 Lacs (Previous year Rs. 6,937.50 Lacs) Export Import Bank of India secured by way of charge (s) created/ to be created as below:-
 - i. Equitable mortgage of the immovable properties of the Company and a Society
 - ii. First charge on the whole of movable fixed assets including medical equipments, movable plant and machinery, spares etc (excluding vehicles) of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited
 - iii. First charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited, present and future (subject to a prior charge in favour of working capital bankers restricted to working capital limits of Rs. 5,000.00 Lacs in aggregate).
- b) For the Phase II expansion MHIL has availed the term loan from financial institution as follows:
Rs. 7,500.00 Lacs (Previous year Rs. 7,500.00 Lacs) from Housing Development Finance Corporation Limited secured by way of:
 - i. Equitable mortgage of the immovable properties of the Company
 - ii. First charge on the whole of movable fixed assets including medical equipments, movable plant and machinery, spares etc (excluding vehicles) of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited

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- iii. First charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited, present and future (subject to a prior charge in favour of working capital bankers restricted to working capital limits of Rs. 5,000.00 Lacs in aggregate).

(iii) Pharmax Corporation Limited ("Pharmax")

Term loan from Canara Bank amounting to Rs. 413.07 Lacs (Previous year Rs. 642.83 Lacs) is secured against a charge on monthly lease rentals receivable from various lessees and equitable mortgage of freehold property at Okhla, New Delhi.

(iv) Forum I Aviation Limited

Term loan from HDFC Bank Ltd amounting to Rs. 467.03 Lacs (Previous year Nil) is secured by way of first and specific charge on the aircraft purchased out of the proceed of loan.

(v) Hometrail Buildtech Private Limited

Term loan of Rs. 2,400.00 Lacs (Previous year Rs. Nil) from L&T Infrastructure Finance Company Limited to finance its hospitals projects secured by way of:

- a. Assignment by way of security on all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts which can be legally assigned.
- b. First charge on all movable fixed assets, including movable plant & machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets excluding vehicles.
- c. First pari passu charge on all the current assets.
- d. First charge on all intangibles.

(vi) Hometrail Estate Private Limited

Term loan of Rs. 2,700.00 Lacs (Previous year Rs. Nil) from L&T Infrastructure Finance Company Limited to finance its hospitals projects secured by way of:

- a. Assignment by way of security on all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts which can be legally assigned.
- b. First charge on all movable fixed assets, including movable plant & machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets excluding vehicles.
- c. First pari passu charge on all the current assets.
- d. First charge on all intangibles.

- (7) During previous year, the Company has allotted 20,00,000 warrants of the face value of Rs. 867/- each to Dynavest India Private Limited, one of the promoter group companies. Each warrant entitles the holder thereof to subscribe to four equity shares of Rs. 2/- each in the Share Capital of the Company at a premium of Rs. 214.75 per equity share. Each warrant is convertible into four Equity Share as per prevalent Securities & Exchange Board of India (SEBI) guidelines at any time before expiry of 18 months from the date of allotment i.e. February 6, 2010. In consideration of the warrants, the Company had received a deposit of Rs. 8,670.00 Lacs (Previous year Rs. 8,670.00 Lacs) (being 50% of the consideration for the issue of shares arising upon conversion of the warrants).

- (8) During previous year, the Company has allotted 6,019,925 Compulsorily Convertible Debentures ('CCDs') of the face value of Rs. 867/- each for an aggregate consideration of Rs. 52,192.75 Lacs to Xenok Limited, a wholly owned indirect subsidiary of GS Capital Partners VI Fund, L.P. and certain affiliated funds which are controlled by The Goldman Sachs Group Inc., on a preferential basis in the Extra Ordinary General meeting held on January 22, 2010. The aforesaid CCDs bearing a coupon of 12% per annum will have to be compulsorily converted into four equity shares of face value of Rs. 2/- each at a premium of Rs. 214.75 per equity share on or before 15 months from the date of issue of CCDs.

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(9) Actuarial Assumptions – Life Insurance Business

MNYL's Appointed Actuary has determined valuation assumptions that conform with Regulations issued by the IRDA and professional guidance notes issued by the Institute of Actuaries of India. Details of assumptions are given below:

- (a) **Interest:** The assumptions take into account the current and projected yields on the fund and the current and projected yields on Government Securities. A rate of 7.75% (Previous year – 7.75%) for participating business, non-participating, health business and riders has been used. The rate was reduced by margins for adverse deviations of 0.80% (Previous year – 0.80%) for participating business and 1.80% (Previous year – 1.80%) for non-participating business. A gross unit growth rate of 7.75% pa (Previous year – 7.75% pa) has been used which was reduced by a margin of adverse deviation of 1.30% (Previous year – 1.30%) per annum. For Unit Linked products where there is a guaranteed premium benefit payable, the margin for adverse deviation (MAD) for the unit linked fund growth rate was 2.5 % (Previous year – 1.30%).
- (b) **Mortality:** The starting point assumption is the Indian Assured Lives Mortality 94-96 as prescribed by the IRDA which is then adjusted to take into account observed experience. For participating Life products, the assumption in year 1 and beyond are 95% (Previous year – 90%) and 70% (Previous year – 70%) of the base table respectively. The mortality assumption for the unit-linked products is 80% (Previous year – 80%) of the base table in year 1 and 70% (Previous year – 70%) of the base table thereafter. In general, the assumptions in the initial years have been increased to reflect anti-selection but those in the later years have been retained in line with experience. The assumptions have been increased by a margin for adverse deviation of 10% (Previous year – 10%) for participating business and 25% (Previous year – 25%) for non-participating, unit linked and health business.
- (c) **Morbidity:** Given the lack of published experience in India, the Institute of Actuaries has recommended the use of the UK CIBT93 study for morbidity incidence rates. Proportions of 95% to 300% (Previous year – 95% to 300%) of these tables have been used which were further increased by a margin for adverse deviation of 25% (Previous year – 25%).
- (d) **Expenses:** The maintenance expense assumptions are based on the current expense levels of the company. For prudence, future expected savings in expenses are not anticipated. The assumptions were increased by margins for adverse deviation of 10% (Previous year – 10%) for participating policies and 10% (Previous year – 10%) for non-participating and health policies.
- (e) **Inflation:** An assumption of 6.5 % pa (Previous year – 6.25% pa) for expense inflation has been used and the increase compared to previous year reflects the indications that relatively high levels of inflation appear to be coming entrenched.
- (f) **Commission:** Commission is allowed for at the rates an agent would be entitled to with no recognition of the fact that in practice commission might not be paid as a result of the termination of an agency. This prudent approach is consistent with the Regulations.
- (g) **Lapses:** Lapse assumptions are based on assessments of expected structural experience taking into account experience observed. The rates were adjusted by margins for adverse deviation of 20% (Previous year – 20%) for participating policies, 50% (Previous year – 50%) for non-participating policies and 20% (Previous year – 20%) for health plans.
- (h) **Future bonuses:** For participating business allowance is made with the reserves for future bonuses based on the levels that would be expected to be paid if future experience was in line with the valuation assumptions and after considering Policyholders' Reasonable Expectations.
- (i) **Linked Liabilities:** Liabilities under linked policies comprise of a unit liability representing the fund value of policies and non unit liability for meeting future claims and expenses in excess of future charges. In respect of the fund value component the question of assumptions does not arise and in respect of the non unit liability the assumptions used are consistent with the comments above.

Schedules annexed to and forming part of the consolidated accounts

(10) Employee Stock Option Plans

(i) Max India Limited

Employee Stock Option Plan – 2003 ("the 2003 Plan"):

The Company had instituted the 2003 Plan, which was approved by the Board of Directors in August 25, 2003 and by the shareholders in September 30, 2003. The 2003 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2003 Plan is administered by the Remuneration Committee appointed by the Board of Directors. Vesting period ranges from one to four years and options can be exercised after one year from vesting date.

Particulars	For the year ended March 31, 2011		For the year ended March 31, 2010	
	Number of options	Weighted average exercise price (Amt in Rs.)	Number of options	Weighted average exercise price (Amt in Rs.)
Outstanding at the start of the year	1,423,458	2.00	66,320	2.00
Granted during the Year	10,000	2.00	1,375,250	2.00
Forfeited during the year	(5,000)	2.00	-	2.00
Exercised during the year	(109,677)	2.00	(18,112)	2.00
Outstanding at the end of the year	1,318,781	2.00	1,423,458	2.00
Exercisable at the end of the year	400,000	2.00	-	2.00

Weighted average fair value of options granted on the date of grant is Rs. 158.45 (Previous year Rs. 214.46).

Grant Date	For the year ended March 31, 2011		For the year ended March 31, 2010	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
November 19, 2008	36,156	2.5	48,208	3.5
September 04, 2009	72,625	2.5	175,250	3.5
January 01, 2010	800,000	2.5	800,000	3.5
January 01, 2010	400,000	-	400,000	3.5
June 01, 2011	10,000	2.5	-	-

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

Black Scholes Option Pricing model for Grant date

Particulars	March 31, 2011	March 31, 2010	
		Grant 1	Grant 2
A. Stock Price Now (in Rupees)	160.05	181.30	221.10
B. Exercise Price (X) (in Rupees)	2.00	2.00	2.00
C. Expected Volatility (Standard Dev - Annual) (#)	34.82%	63.58%	34.82%
D. Life of the options granted (Vesting and exercise period) in years	3.33	4.07	3.75
E. Expected Dividend	0%	0%	0%
F. Average Risk- Free Interest Rate	6.63%	7.00%	6.42%

Schedules annexed to and forming part of the consolidated accounts

(ii) Max New York Life Insurance Company Limited

	ESOP 2004	ESOP 2006	ESOP 2009 (I)	ESOP 2009 (II)
Date of Grant	September 28, 2004	March 09, 2007	August 28, 2009	September 01, 2010
No. of options granted	5,900,000	2,500,000	22,205,000	4,190,000
Exercise Price (Rs.)	0.001	10.00	32.04	26.28
Graded Vesting Period				
1st Year	-	-	10%	10%
2nd Year	-	-	20%	20%
3rd Year	-	75%	30%	30%
4th Year	-	25%	40%	40%
5th Year	100%	-	-	-
Mode of Settlement	Equity			

A summary of status of Employee Stock Based Plans is given below:

Particulars	(Nos.)	
	Year Ended March 31, 2011	Year Ended March 31, 2010
Outstanding at the beginning of the year	24,160,000	7,050,000
Add: Granted during the year	4,190,000	22,205,000
Less: Exercised during the year	1,540,000	3,985,000
Less: Forfeited/lapsed during the year	(2,800,000)	(1,110,000)
Outstanding at the end of the year	24,010,000	24,160,000

(iii) Max Healthcare Institute Limited

Employee Stock Option Plan – 2006 ("the 2006 Plan"):

MHIL has instituted the 2006 Plan, which was approved by the Board of Directors on July 31, 2006 and subsequently by the shareholders on August 10, 2006. The 2006 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of MHIL to eligible employees of MHIL. The 2006 Plan is administered by the Remuneration Committee appointed by the Board of Directors. Vesting period ranges from one to four years and options can be exercised after one year from vesting date.

The 2006 Plan gives an option to the employee to purchase the share at a price determine by Remuneration Committee subject to minimum par value of shares (Rs. 10/-). However employees have a right to choose to settle in cash at a value calculated as a difference between Fair Market value of Shares and Exercise Price of Share. MHIL has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of Cash Settlement.

Particulars	March 31, 2011		March 31, 2010	
	Number of options	Weighted average exercise price (Amt in Rs.)	Number of options	Weighted average exercise price (Amt in Rs.)
Outstanding at the start of the year	3,405,000	10.00	905,000	10.00
Option Grant During the Year	259,500	10.00	2,500,000	10.00
Exercised during the year	620,000	10.00	-	10.00
Outstanding at the end of the year	3,044,500	10.00	3,405,000	10.00
Exercisable at the end of the year	1,535,000	10.00	695,000	10.00

Schedules annexed to and forming part of the consolidated accounts

From the last year exercisable option exercise period has been enhanced to 27th Feb 2012 for 535,000 shares. The weighted average share price for the period over which stock options were exercised was Rs. 14.34. Weighted average fair value of options granted on the date of grant is Rs. 15.78 (Previous year Rs. 17.45).

Grant Date	For the year ended			
	March 31, 2011		March 31, 2010	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
22-Aug-06	200,000	-	200,000	1.39 Years
28-Dec-06	120,000	-	120,000	1.74 Years
12-Dec-07	50,000	-	50,000	1.70 Years
27-Feb-09	535,000	0.91 Years	535,000	0.91 Years
07-Dec-09	2,250,000	1.46 Years	2,500,000	2.39 Years
01-Sep-10	259,500	2.42 Years	-	-

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the Following assumptions.

Black Scholes Option Pricing model for Grant date for

PARTICULARS	March 31, 2011	March 31, 2010
A. Stock Price Now (in Rupees)	23.56	25.80
B. Exercise Price (X) (in Rupees)	10	10
C. Expected Volatility (Standard Dev - Annual)	38.02%	18.93%
D. Historical Volatility	38.02%	18.93%
E. Life of the options granted (Vesting and exercise period) in years	3 Years	2.74 Years
F. Expected Dividend	Nil	Nil
G. Average Risk- Free Interest Rate	7.63%	6.58%
H. Expected Dividend Rate	Nil	Nil

The following table illustrates the effect on net income and earnings per share if the company had applied the fair value method to Stock Based employee compensation:

Particular	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Net Profit after tax and minority interest as reported	867.64	(7,157.51)
Add: Employee stock compensation under intrinsic value method	1897.86	792.28
Less: Employee stock compensation under fair value method	2,911.66	1611.09
Proforma profit	(146.16)	(7,976.35)
Earnings Per Share		
Basic		
- As reported	0.15	(3.29)
- Proforma	(0.06)	(3.45)
Diluted		
- As reported	0.14	(3.29)
- Proforma	(0.06)	(3.45)

Schedules annexed to and forming part of the consolidated accounts

(11) Deferred Tax

The break up of deferred tax components are as follows:

(RS. IN LACS)		
Particulars	As at March 31, 2011	As at March 31, 2010
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	3,132.10	2,348.90
Gross Deferred Tax Liability	3,132.10	2,348.90
Deferred Tax Assets		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	438.55	292.36
Other Provisions	105.19	936.04
Carried forward business loss and Unabsorbed depreciation	1,629.03	920.34
Gross Deferred Tax Assets	2,172.77	2,148.74
Net Deferred Tax Asset/(Liability)	(959.33)	(200.16)

Few subsidiaries have net deferred tax asset with brought forward losses and unabsorbed depreciation as a major component. Consequently, deferred tax asset has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future.

(12) Earnings per Share (EPS)

Calculation of EPS (Basic and Diluted)

(RS. IN LACS)		
Particulars	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Basic		
Net Profit/(Loss) after Tax and minority interest	867.64	(7,157.51)
Less: Dividend on Preference Shares	521.18	409.73
Net Profit/(Loss) for EPS	346.46	(7,567.24)
Weighted average number of Equity Shares	232,434,229	230,123,298
Basic Earning Per Share (Rs.)	0.15	(3.29)
Diluted		
Employee Stock Options outstanding (Nos.)	1,317,082	460,332
Weighted average number of equity shares outstanding during the year for dilutive EPS (Nos.)	233,751,311	230,583,630
Diluted EPS(Rs.)	0.15	(3.29)
Warrants against share capital	8,000,000	1,183,562
Weighted average number of equity shares outstanding during the year for dilutive EPS (Nos.)	241,751,311	231,767,192
Diluted EPS (Rs.)	0.14	(3.29)
Profit/(Loss) after tax and minority interest as above	346.46	(7,567.24)
Add: Interest on 12% Compulsorily Convertible Debentures (Net of Tax)	4,182.67	233.39
Adjusted Profit/(Loss) after tax	4,529.13	(7,333.85)
12% Compulsorily Convertible Debentures	24,079,700	1,319,436
Weighted average number of equity shares outstanding during the year for dilutive EPS (Nos.)	265,831,011	233,086,628
Diluted EPS* (Rs.)	1.70	(3.15)

*The conversion effect of potential dilutive equity share are anti dilutive in nature, hence the effect of potential equity shares are ignored in calculating diluted earnings per share.

Schedules annexed to and forming part of the consolidated accounts

(13) Employee Benefits

(i) Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (on the basis of last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table summarises the component of net benefit expense recognised in Profit and Loss account, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

(RS. IN LACS)

	Gratuity	
	March 31, 2011	March 31, 2010
Current service cost	726.45	616.79
Interest cost on benefit obligation	155.02	109.48
Expected return on plan assets	(147.25)	(61.37)
Net actuarial (gain) / loss recognized in the year	(319.86)	(186.59)
Past service cost	-	-
Net benefit expense	414.36	478.31

Balance sheet

Details of Provision for gratuity

(RS. IN LACS)

	Gratuity	
	March 31, 2011	March 31, 2010
Defined benefit obligation	2,304.50	1,905.59
Fair value of plan assets	2,134.83	1,544.94
Funded Status	169.67	360.65
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	169.67	360.65

Changes in the present value of the defined benefit obligation are as follows:

(RS. IN LACS)

	Gratuity	
	March 31, 2011	March 31, 2010
Opening defined benefit obligation	1,918.37	1,372.87
Interest cost	155.02	109.48
Current service cost	726.45	616.79
Benefits paid	(212.12)	(118.06)
Actuarial (gains) / losses on obligation	(283.33)	(75.49)
Closing defined benefit obligation	2,304.39	1,905.59

Schedules annexed to and forming part of the consolidated accounts

Changes in the fair value of plan assets are as follows:

(RS. IN LACS)

	Gratuity	
	March 31, 2011	March 31, 2010
Opening fair value of plan assets	1,558.81	729.46
Expected return	147.26	61.01
Contributions by employer	588.49	751.52
Benefits paid	(196.26)	(108.50)
Actuarial gains / (losses)	36.53	111.46
Closing fair value of plan assets	2,134.83	1,544.95

The Company expects to contribute Rs. Nil to gratuity in 2011-12.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	March 31, 2011	March 31, 2010
	%	%
Life Insurance Corporation of India	100	100

The principal assumptions used in determining benefit obligations for the Company's plans are shown below:

	Gratuity	
	March 31, 2011	March 31, 2010
	%	%
Discount rate	7.80-8.25	7.80-8.25
Expected rate of return on assets	6.26-9.15	8.00-9.15
Retirement Age	58 Years	58 Years
Employee turnover		
- Upto 30 Years	5%	5%
- 31 to 44 years	5%	3%
- Above 44 years	5%	1%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous three years are as follows:

(RS. IN LACS)

	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Defined benefit obligation	2,304.50	1,905.59	1,372.86	916.26
Plan assets	2,134.83	1,544.94	729.48	542.63
Surplus / (deficit)	(169.67)	(360.65)	(643.38)	(373.63)
Experience adjustments on plan liabilities	(30.13)	(37.22)	50.22	2.42
Experience adjustments on plan assets	36.53	111.46	(56.73)	(31.35)

Schedules annexed to and forming part of the consolidated accounts

ii) Provident Fund:

The Company has set up a provident fund trust, which is managed by the Company and as per the Guidance Note on AS-15, Employee Benefits (revised 2005) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability. However, the Company has duly provided for the shortfall in the interest liability payable by the Provident Fund Trust.

(14) Detail of Balances with Non-scheduled Banks

				(RS. IN LACS)
Name of the Bank	Balance as on March 31, 2011	Maximum Balance Outstanding during April 01, 2010 to March 31, 2011	Balance as on March 31, 2010	Maximum Balance Outstanding during April 01, 2009 to March 31, 2010
In Current Accounts				
Wachovia Bank	4.36	47.06	14.49	83.91
Barclay Bank Plc	29.94	74.67	26.81	65.41
Rabo Bank	-	40.44	40.44	89.02
ING Bank	18.49	18.49	-	-
Total	52.79		81.74	

(15) Segment Reporting

(a) Business Segments

The Company has considered business segment as the primary segment for disclosure. The products/ services included in each of the reported business segments are as follows:

- **Speciality Plastic Products** - The holding company's manufacturing facility located at Railmajra, Nawanshar (Punjab), produces packaging films supported with polymers of propylene, leather finishing transfer foils and related products.
- **Life Insurance** - This segment relates to the nation wide life insurance business carried out by one of the Company's subsidiary.
- **Healthcare Business** - Some of the Company's subsidiaries are engaged in the delivery of healthcare services in the national capital territory of Delhi through its primary and tertiary health care delivery centers. This also includes revenue from leasing of medical and other equipments.
- **Clinical Research** - Consists of business activities relating to conduct of ethical medical research involved in drug development process as a Clinical Research Service provider. The group of subsidiaries involved in this business segment & offer study management services, project management services, data base management services, monitoring services and clinical trial pharmacy supply chain management services to the pharmaceutical, medical device, biotechnology and Contract Research Organizations worldwide.
- **Business Investments** - This segment is represented by treasury investments.
- **Health Insurance** - One of the Company's subsidiaries is engaged in the business of health Insurance.
- **Others** - The leasing activities undertaken by one of the Company's subsidiary are classified under this segment.

The above business segments have been identified considering:

- The nature of products and services
- The differing risks and returns
- Organizational structure of the group, and
- The internal financial reporting systems.

Schedules annexed to and forming part of the consolidated accounts

Segment Revenue consists of revenue from external customers and revenue from other segments.

Segment Result is the difference of segment revenue and segment operating expenses.

Unallocated Assets include assets pertaining to the holding company's corporate office such as, loans, advance and deposits.

Unallocated Liabilities include tax provisions and interest bearing loans not directly related to any business segment.

Unallocated Expenses - Expenses incurred at corporate office of the holding company relate to various business segments. As there is no reasonable basis of allocating this expenditure to various segments, the same are shown as unallocated reconciling expenses. Interest expense is not treated as part of a segment expense and is reflected as a separate line item, except interest on loans allocated to business segment.

The segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting these financial statements.

(b) Geographical Segments

The Company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, the revenues are bifurcated based on location of customers in India and outside India.

SEGMENT INFORMATION

PRIMARY SEGMENT

	(RS. IN LACS)							
	Speciality Plastic Products	Healthcare Business	Business Investment	Life Insurance	Health Insurance	Clinical Research Services	Others	Total
a. Segment Revenue from								
Sales to external customers	41,701.04 (33,314.16)	11,055.79 (9,076.72)	- (-)	- (-)	- (-)	- (-)	6.44 (-)	52,763.27 (42,390.88)
Service Income	- (-)	37,448.02 (33,128.01)	- (-)	573,609.84 (480,085.90)	807.17 (0.12)	2,203.67 (1,816.08)	- (0.68)	614,068.70 (515,030.79)
Service/Interest Income from inter segments	- (-)	4,984.67 (4,024.09)	25.35 (121.14)	10.80 (-)	- (-)	191.85 (226.45)	412.62 (367.98)	5,625.29 (4,739.66)
Income from investment activities	- (-)	317.29 (1,639.67)	4,568.78 (2,064.88)	111,428.24 (203,393.24)	794.12 (130.83)	19.77 (9.33)	10.41 (119.58)	117,138.61 (207,193.92)
Other Income	409.12 (233.81)	737.80 (518.75)	- (-)	235.00 (62.69)	8.92 (13.97)	178.18 (56.02)	426.43 (290.89)	1,995.45 (1,064.09)
Total Segment Revenue	42,110.16 (33,547.97)	54,543.57 (48,387.24)	4,594.13 (2,186.02)	685,283.88 (683,541.83)	1,610.21 (144.92)	2,593.47 (2,107.88)	855.90 (779.13)	791,591.32 (770,582.95)
Less: Inter segment revenue								5,625.29 (4,739.66)
Segment Revenue from external customers								785,966.03 (765,843.29)
Add: Unallocated Revenue								1,807.76 (98.74)
Add: Interest Income								1,351.05 (170.80)
Total Revenue								789,124.84 (766,112.83)

Schedules annexed to and forming part of the consolidated accounts

(RS. IN LACS)								
	Speciality Plastic Products	Healthcare Business	Business Investment	Life Insurance	Health Insurance	Clinical Research Services	Others	Total
b. Segments Results	3,668.75	224.10	(1,669.00)	19,405.97	(11,619.79)	442.29	355.52	10,807.84
	(3,108.71)	(901.07)	(1,832.45)	((2,121.81))	((1,422.99))	(192.27)	(153.07)	(2,642.77)
Interest Income								1,351.05
								(170.80)
Sub-total								12,158.89
								(2,813.57)
Less: Unallocated Expenses								4,993.42
								(6,826.64)
Less: Interest Expenses								3,990.64
								(4,577.49)
Profit/(Loss) before tax								3,174.83
								((8,590.56))
Provision for taxation (includes provision for Deferred Tax)								990.37
								(338.78)
Profit/(Loss) after tax								2,184.46
								((8,929.34))
c. Carrying amount of segment assets	46,591.71	100,860.12	47,046.52	1,464,473.90	16,865.25	2,254.47	2,766.17	1,680,858.14
	(29,358.60)	(89,708.67)	(77,528.66)	(1,100,394.78)	(12,809.25)	(1,444.84)	(2,416.31)	(1,313,661.11)
Add: Unallocated assets								4,750.82
								(4,388.28)
Cost of Control								8,205.57
								(6,986.19)
Total Assets								1,693,814.53
								(1,325,035.58)
d. Segment Liabilities	6,510.37	19,644.89	52,192.75	1,349,541.26	5,674.25	1,053.37	2,506.95	1,437,123.84
	(10,876.87)	(9,054.72)	(52,192.75)	(1,005,289.29)	(1,779.20)	(663.04)	(1,729.94)	(1,081,585.81)
Add: Unallocated liabilities								53,059.09
								(37,197.58)
Total Liabilities								1,490,182.93
								(1,118,783.39)
e. Cost to acquire tangible & intangible fixed assets	15,942.68	2,261.77	-	3,835.30	1,432.95	59.05	779.82	24,311.57
	(1,651.27)	(5,265.37)	(-)	(6,568.33)	(1,115.16)	(51.27)	(-)	(14,651.40)
Unallocated								73.00
								(634.06)
Total Addition								24,384.57
								(15,285.46)

Schedules annexed to and forming part of the consolidated accounts

(RS. IN LACS)								
Speciality	Healthcare Plastic Products	Business Business	Life Investment	Health Insurance	Clinical Insurance	Others Research Services	Total	
f. Depreciation and amortisation expenses	1,308.07 (1,184.75)	2,338.44 (1,992.99)	- (-)	15,911.14 (10,674.88)	427.64 (48.03)	76.28 (61.93)	83.65 (70.76)	20,145.22 (14,033.34)
Unallocated Depreciation & amortization								155.96 (75.12)
Total depreciation and amortization								20,301.18 (14,108.46)
g. Non-cash expenses other than depreciation and amortisation	9.36 (26.21)	257.46 (279.96)	34.41 (-)	4,334.27 (264.57)	72.82 (49.07)	25.26 (29.11)	3.38 (9.99)	4,736.96 (658.91)
Unallocated Non cash expenses								1,425.16 (8.22)
Total								6,162.12 (667.13)

SECONDARY SEGMENT

(RS. IN LACS)							
	India	North America	Europe, Canada, Australia	South America	Asia (other than India)	Total	
a. Revenue from external customers	768,484.55 (759,418.88)	860.63 (521.31)	11,402.32 (1,135.24)	420.99 (322.11)	4,797.54 (4,445.46)	785,966.03 (765,843)	
b. Carrying amount of segment assets by location of assets	1,672,263.00 (1,307,307.99)	942.48 (262.42)	5,312.09 (4,892.04)	428.22 (218.02)	1,912.35 (980.64)	1,680,858.14 (1,313,661.11)	
c. Cost to acquire tangible and intangible fixed assets by location of assets	24,311.39 (14,651.40)	- (-)	0.18 (-)	- (-)	- (-)	24,311.57 (14,651.40)	

Unbold figures relates to previous year

(16) Related Parties (as identified by the management) are classified as:

Key Management Personnel	Mr. Analjit Singh
Relatives of Key Management Personnel	Mrs. Neelu, Singh, Mr. Veer Singh, Mrs. Nira Singh, Ms. Piya Singh, Ms. Tara Singh
Enterprises over which key management personnel have significant influence	Max Bupa Health Insurance Company Limited (upto Dec 2009), New Delhi House Services Limited, Medicare Investments Limited, Maxopp Investments Limited, Medicare Investment Limited, Maxopp Investment Limited, Lakeview Enterprises, Delhi Guest House Pvt Limited, Malsi Estates Limited, Max India Foundation, Bhai Mohan Singh Foundation, Max & Company Ventures Pvt. Limited, Dynavest India Private Limited
Employee benefit funds	Max India Limited Employees' Provident Fund Trust, Max India Limited Superannuation Fund, Max India Limited Employees' Gratuity Fund

Schedules annexed to and forming part of the consolidated accounts

RELATED PARTY DISCLOSURES

(RS. IN LACS)

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Transactions during the year:								
Service Income & Reimbursement of Expenses received								
Analjit Singh	15.95	15.34	-	-	-	-	15.95	15.34
Tara Singh	-	-	0.10	-	-	-	0.10	-
Piya Singh	-	-	0.30	-	-	-	0.30	-
Neelu Singh	-	-	0.13	-	-	-	0.13	-
Veer Singh	-	-	0.17	-	-	-	0.17	-
Nira Singh	-	-	-	1.23	-	-	-	1.23
Malsi Estates Ltd	-	-	-	-	23.08	2.04	23.08	2.04
Bhai Mohan Singh Foundation	-	-	-	-	17.90	19.66	17.90	19.66
Max & Company Ventures Pvt Ltd	-	-	-	-	21.62	-	21.62	-
Max India Foundation	-	-	-	-	16.25	10.83	16.25	10.83
New Delhi House Services Ltd	-	-	-	-	15.14	18.30	15.14	18.30
Max Bupa Health Insurance Co Ltd	-	-	-	-	-	6.69	-	6.69
Others	-	-	-	-	-	203.89	-	203.89
Director's Remuneration								
Analjit Singh	1,001.77	215.16	-	-	-	-	1,001.77	215.16
Services given and reimbursement of other expenses paid								
Tara Singh	-	-	4.29	4.20	-	-	4.29	4.20
Piya Singh	-	-	5.20	5.83	-	-	5.20	5.83
Veer Singh	-	-	9.96	9.08	-	-	9.96	9.08
Delhi Guest Houses Pvt Ltd	-	-	-	-	15.61	11.83	15.61	11.83
Lakeview Enterprises	-	-	-	-	12.36	11.21	12.36	11.21
Max India Foundation	-	-	-	-	296.99	8.69	296.99	8.69
New Delhi House Services Ltd	-	-	-	-	548.61	535.22	548.61	535.22
Interest Received								
Others	-	-	-	-	-	95.34	-	95.34
Interest Paid								
Medicare Investments Ltd	-	-	-	-	12.50	12.50	12.50	12.50
Maxopp Investments Ltd	-	-	-	-	7.42	7.42	7.42	7.42
Fixed Asset Sold								
Max Bupa Health Insurance Co Ltd	-	-	-	-	-	1.40	-	1.40
Fixed Asset Purchased								
Malsi Estates Ltd	-	-	-	-	-	32.78	-	32.78

Schedules annexed to and forming part of the consolidated accounts

RELATED PARTY DISCLOSURES

(RS. IN LACS)

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Relatives of Key Management Personnel (Spouse, son, daughter, brother, sister, father, mother who may influence or be influenced by such personnel in his dealings with the Company)		Enterprises owned or significantly influenced by key management personnel or their relatives		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Others	-	-	-	-	-	3.31	-	3.31
Capital Work in Progress								
Malsi Estates Ltd	-	-	-	-	206.79	-	206.79	-
New Delhi Houses Services Ltd	-	-	-	-	19.17	-	19.17	-
Deposits & Advance Given								
Max & Company Ventures Limited	-	-	-	-	95.65	-	95.65	-
Analjit Singh	-	284.22	-	-	-	-	-	284.22
Others	-	-	-	-	-	9,400.00	-	9,400.00
Deposit & Advance Accepted								
Max & Company Ventures Pvt Ltd	-	-	-	-	85.54	-	85.54	-
Company's Contribution towards Retirements & Superannuation Funds								
Max India Ltd Employee's PF Trust	-	-	-	-	2,236.93	124.68	2,236.93	124.68
Max India Ltd Superannuation Fund	-	-	-	-	50.58	-	50.58	-
Max India Ltd Gratuity Fund	-	-	-	-	60.14	-	60.14	-
Warrants-Partly Paid Up								
Dynavest India Private Limited	-	-	-	-	-	8,670.00	-	8,670.00
Balance Outstanding at the end of year:								
Amount Payable								
New Delhi House Services Ltd	-	-	-	-	(42.67)	(18.81)	(42.67)	(18.81)
Malsi Estates Ltd	-	-	-	-	(24.15)	0.75	(24.15)	0.75
Max India Foundation	-	-	-	-	(8.23)	(3.14)	(8.23)	(3.14)
Amount Receivable								
Max & Company Ventures Limited	-	-	-	-	10.10	-	10.10	-
Bhai Mohan Singh Foundation	-	-	-	-	-	10.58	-	10.58
Others	-	-	-	4.14	-	2.16	-	6.30
Loans & Advances taken								
Medicare Investment Limited	-	-	-	-	100.00	-	100.00	-
Maxopp Investment Limited	-	-	-	-	55.00	-	55.00	-
Loans & Advances given								
Max India Foundation	-	-	-	-	11.18	2.57	11.18	2.57
Max & Company Ventures Limited	-	-	-	-	10.42	-	10.42	-
Warrants-Partly Paid Up								
Dynavest India Private Limited	-	-	-	-	8,670.00	8,670.00	8,670.00	8,670.00

Schedules annexed to and forming part of the consolidated accounts

(17) Leases

Accounting for leases has been done in accordance with Accounting Standard-19, issued by the Institute of Chartered Accountants of India. Following are the details of lease transactions for the year:

(a) Operating Lease

- (i) Lease rentals recognized in the profit and loss account for the year is Rs. 12,842.80 Lacs (Previous year Rs. 11,272.36 Lacs).
- (ii) The Company has entered into operating leases for its office and for employees' residence, vehicles for transportation, furniture that are renewable on a periodic basis. The total of future minimum lease payments under non-cancellable leases are as follows:

(RS. IN LACS)		
Particulars	As at March 31, 2011	As at March 31, 2010
Not later than one year	756.00	2442.84
Later than one year and not later than five year	374.06	12.00
Later than five year	43.18	21.05
Total	1,173.24	2,475.89

(18) Movement in Policyholders' Liability

(RS. IN LACS)		
Particulars	As at March 31, 2011	As at March 31, 2010
Opening Balance	917,108.48	498,538.50
Add: Change in valuation of liability against life policies in force, Net	292,849.72	404,241.36
Add: Policyholder's bonus provided	17,350.43	14,328.62
Closing Balance	1,227,308.63	917,108.48

(19) Max Medical Services Limited

- (a) As at December 10, 2001 the Company had entered into an agreement with a healthcare service provider to construct a hospital building. The phase I of the construction was completed and handed over in financial year 2004-05 for a consideration of Rs. 2,431.00 Lacs. The said consideration is repayable in equal installments over 26.5 years from the handover date. Further, during the year, the Company has completed phase II of the construction and handed over the possession for a consideration of Rs. 3,520.01 Lacs. The said consideration is repayable in equal installments over 20.5 years from the handover date.
Since the receipt of the consideration is spread over 26.5 years and 20.5 years respectively for phase I and phase II, an income amounting to Rs. 433.49 Lacs (Previous year Rs. 317.35 Lacs), has been recognized based on a fixed percentage of the turnover of the healthcare service provider and disclosed under "Other Income" as income from deferred credit.
- (b) The company had entered into a lease with a healthcare service provider on December 10, 2001 for supply of medical, other equipments and fixtures for an initial term of 30 years. Under the terms of the lease, the company is responsible for:
 - (i) Acquisition of equipment including its repair and servicing;
 - (ii) Ensuring adequate insurance coverage for the assets; and
 - (iii) Replacement of any existing equipment with suitable equipment in lieu thereof.

As per terms, lease rentals based on a fixed percentage of the turnover of the healthcare service provider are due to the company on a monthly basis. Accordingly, as at March 31, 2011 an amount of Rs. 959.08 Lacs (Previous year Rs. 626.50 Lacs) has been accrued as lease rentals. The lease rent being contingent on turnover and therefore cannot be quantified for any future periods.

Schedules annexed to and forming part of the consolidated accounts

(20) During the year, Rs. 24.57 Lacs (Previous year Rs. 21.47 Lacs) has been charged to the profit and loss account relating to Research and Development expenditure under the heads Raw Material – Consumed and Power & Fuel.

(21) Clinical Trial Expenses related to Clinical Research Business (Refer Schedule 21) includes:

Particulars	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
1. Salaries, Wages and Bonus	656.05	531.57
2. Contribution to Provident and Other Fund	25.63	21.26
Total	681.68	552.83

(22) As a consequence of the Company's investment of Rs. 11,174.01 Lacs during the previous year, Max Bupa Health Insurance Co. Limited became a 74% subsidiary on December 17, 2009. In addition, the Company has a put option to transfer and Bupa Singapore Pte. Limited (Bupa Singapore) has a call option under which the company would be required to transfer 24% of its shareholding to Bupa Singapore subject to approval under applicable laws and regulations. As a consideration of the call option granted by the Company, Bupa Singapore is obliged to pay an option fee to the Company. Accordingly, the Company has recognised "Option fee" income of Rs. 834.43 Lacs (Previous year Rs. 163.61 Lacs) during the year and disclosed the same under "Income from Investment Activities".

(23) During the financial year 2008-09, a Memorandum of Understanding (MOU) dated November 12, 2008 has been entered into amongst Government of Punjab ("GOP"), Max India Group and Others ("the Founder Supporters"), together with Indian School of Business, Hyderabad ("ISB"). As per the MOU, a second campus of ISB is proposed to be established in the Knowledge city at Mohali, with an equal contribution from each of the Founder Supporters. The Shareholders' of Max India Limited and Max Healthcare Institute Limited has recommended approved contribution for an amount not exceeding Rs. 1,700.00 Lacs from Max India Limited and Rs. 1,667.00 Lacs from Max Healthcare Institute Limited to this initiative, over a period of 3-4 years subject to the shareholders approval.

Of the above, a sum of Rs. 1,139.00 Lacs (Previous year Rs. 578.00 Lacs) has been contributed by the Company during the current year and included under the head Charity and Donation.

(24) MHIL has been issued a Notice of Award dated February 20, 2009 by Punjab Infrastructure Development Board, to set up Greenfield Super Specialty Hospital at Mohali, Punjab on Public Private Partnership (PPP) mode. Thereafter, the Company together with the Government of the state of Punjab and HEPL entered into a tripartite concession agreement for setting up the above mentioned hospital project. The company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein. HEPL has started setting up the above mentioned Project in financial year 2009-10 and an amount of Rs. 2,872.41 Lacs (Previous year Rs 1,079.95 Lacs) has been given an Inter Corporate Deposit, which has been disclosed under Loans and Advances.

(25) MHIL has been issued a Notice of Award dated February 20, 2009 by Punjab Infrastructure Development Board, to set up Greenfield Super Specialty Hospital at Bathinda, Punjab on Public Private Partnership (PPP) mode. Thereafter, the Company together with the Government of the state of Punjab and HBPL entered into a tripartite concession agreement for setting up the above mentioned hospital project. The company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein. HBPL has started setting up the above mentioned Project in financial year 2009-10 and an amount of Rs. 2,641.93 Lacs (Previous year Rs. 948.93 Lacs) has been given an Inter Corporate Deposit, which has been disclosed under Loans and Advances.

(26) The Board of Directors of the Company in its meeting held on March 30, 2010 approved the proposal of MNYL, a 73.70% subsidiary to issue equity shares of approximately 4% of post issue equity base of MNYL to Axis Bank Limited ("Axis Bank") at par. Thereafter, on May 3, 2010, MNYL signed a Corporate Agency agreement with Axis Bank for a period of ten years whereby Axis Bank would be distributing life Insurance products of MNYL across India. Further, on May 10, 2011, MNYL has received the requisite approval from Insurance Regulatory and Development Authority of India to issue 4% stake to Axis Bank.

Schedules annexed to and forming part of the consolidated accounts

(27) The Company's subsidiary MNYL has entered into an agreement called "The Brand License and Technical Services Agreement (Brand Agreement)" with New York Life Insurance Company and New York Life International, LLC for a duration of five years. The agreement states total consideration of Rs. 32,906.83 Lacs for grant of license and provision of technical services to MNYL over the tenure of the agreement. During the current year, MNYL has recognized an expense of Rs. 7,011.08 Lacs (Previous year Rs. 6,178.57 Lacs) in Profit and Loss Account, considering amortization of total consideration on straight line basis over the tenure of the agreement under the head "Branding, Advertisement & Publicity"

(28) Details of Pre-Operative Expenses

	(RS. IN LACS)	
Particulars	March 31, 2011	March 31, 2010
Opening Balances	1,053.11	-
Add:		
Salaries, wages and bonus	616.83	281.07
Travel & Communication	72.23	56.24
Insurance Expenses	11.27	0.71
Interest Expenses	283.50	7.50
Other financial Expenses	458.52	181.19
Legal & Professional	65.00	302.75
Miscellaneous Expenses	182.57	213.65
Raw Material Consumed on trial run	212.76	-
Power and Fuel Expense on trial run	106.70	10.00
Total	3,062.50	1,053.11
Less: Inventory of trial run	181.98	-
Less: Sales realization	19.32	-
Less: Capitalised during the year	914.38	-
Less: Transfer to Capital Work in Progress	126.17	-
Preoperative expenses pending capitalisation	1,820.65	1,053.11

(29) Miscellaneous Expenditure

	(RS. IN LACS)				
	As at April 1, 2010	Additions	Adjustment	Amortised during the year	As at March 31, 2011
Preliminary and Issue Expenses	0.04 (0.07)	- (-)	- (-)	0.04 (0.03)	- (0.04)
Deferred Employee Compensation *	10,169.49 (385.17)	1,135.91 (10,858.88)	(927.34) ((284.02))	1,897.86 (790.54)	8,480.20 (10,169.49)
	10,169.53 (385.24)	1,135.91 (10,858.88)	(927.34) ((284.02))	1,897.90 (790.57)	8,480.20 (10,169.53)

*Amortisation has been charged to Salaries, Wages and Bonus.

Schedules annexed to and forming part of the consolidated accounts

(30) Derivative Instruments and Unhedged Foreign Currency Exposure

Particulars of Derivatives		Purpose
Forward Contracts (Buy) outstanding at Balance Sheet Date (in Lacs)		
March 31, 2011	March 31, 2010	
USD 12.20 (INR 548.02)	USD 3.50 (INR 159.52)	To hedge the liability against outstanding creditors.
EURO 10.35 (INR 660.54)	EURO 93.15 (INR 5922.25)	
GBP 2.09 (INR 152.23)	GBP 22.04 (INR 1554.59)	
Forward Contracts (Sell) outstanding at Balance Sheet date (in Lacs)		
USD 50.35 (INR 2,234.03)	USD 20.52 (INR 947.15)	To hedge the outstanding debtors.
EURO 2.23 (INR 139.11)	NIL	

Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	Foreign Currency in Lacs		Indian Rupees in Lacs	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Import Creditors (EUR)	1.62	2.70	103.82	165.00
Import Creditors (GBP)	0.21	0.28	15.62	1.93
Debtors (USD)	15.74	3.22	698.54	144.72
Debtors (EURO)	1.54	3.47	96.34	207.58
Debtors (GBP)	0.79	0.76	56.45	51.00
Import Creditors (USD)	6.57	3.75	29.51	175.00

Closing rates are as under:-

Currency	March 31, 2011		March 31, 2010	
	TT Buy	TT Sell	TT Buy	TT Sell
USD	44.37	44.92	44.87	45.37
EUR	62.38	63.82	59.82	61.10
GBP	71.01	72.63	67.27	68.72

- (31) During the year MHIL has formed a Joint Venture along with Nova Medical Centers Private Limited based at Bangalore and invested a sum of Rs. 600 Lacs at par by way of share capital, to acquire a 34% stake in the newly formed "Nova Medical Centers NCR Region Private Limited (Joint Venture Company)". The Joint Venture Company shall be in the business of operating multispecialty day care surgical centers in the National Capital Region. In this context MHIL has been allotted 420,000 no. of shares at the face value of Rs. 10/- each and the balance is pending for allotment. The Joint Venture Company has already initiated its operation as per the plans.
- (32) MHIL, a subsidiary company, has completed Phase-I of its plan which included setting up of a network of healthcare facilities in the National Capital Region. Subsequent phases, currently underway, are for expanding these facilities and setting up other healthcare facilities. Healthcare facilities have long gestation periods from the commencement of its operations and accordingly require significant cash outlay. Also, as part of the plan, MHIL had entered into long term service contracts either directly or through its subsidiaries with other Healthcare Service Providers and a down stream subsidiary to provide support/ service to them in their hospital operations. Accordingly, amounts recoverable against these contracts are disclosed under sundry debtors and loans & advances.
- (33) Pursuant to the settlement of a dispute between General Binding Corporation ("GBC") and the Company arising out of the breach of manufacturing and sale agreement by GBC, the Company and GBC have executed a settlement agreement on May 18, 2010. As per the terms of the settlement agreement GBC had paid Rs. 1,794.28 Lacs to the Company as a settlement amount and the same is disclosed under the head "Other Income".

Schedules annexed to and forming part of the consolidated accounts

(34) Detail of company's share in Joint ventures included in the consolidated financials statement are as follows:

Particulars	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1,054.96	-
Loan Funds		
Secured Loans	467.03	-
Deferred Tax Liabilities (Net)	39.25	-
Total	1,561.24	-
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	1,014.02	-
Less: Accumulated Depreciation/amortization	156.12	-
Net block	857.90	-
Capital work-in- progress including capital advances	83.30	-
	941.20	-
Investments	28.57	-
Current Assets, Loans And Advances		
Inventories	3.62	-
Sundry Debtors	53.90	-
Cash and Bank Balances	117.73	-
Other Current Assets	0.54	-
Loans and Advances	396.15	-
Total (A)	571.94	-
Less: Current Liabilities And Provisions		
Current Liabilities	121.89	-
Provisions	3.35	-
Total (B)	125.24	-
Net Current Assets (A-B)	446.70	-
Profit and Loss Account	144.77	-
Total	1,561.24	-
INCOME		
Turnover	6.44	-
Service Income	107.90	-
Income from Investment Activities	0.42	-
Other Income	388.51	-
EXPENDITURE		
Manufacturing, Trading and Direct Expenses	53.55	-
Personnel Expenses	97.58	-
Administration Expenses	386.97	-
Financial Expenses	59.18	-
Depreciation/amortization	62.09	-
Loss before tax	91.77	-
Provision for Tax		
Current tax	13.75	-
Deferred tax charge	39.25	-
Total tax expense	53.00	-
Loss after tax	144.77	-
Capital Commitment	248.76	-

Schedules annexed to and forming part of the consolidated accounts

(35) Previous Year Comparatives

The figures of previous year were audited by a firm of chartered accountants other than S.R. Batliboi & Co.

Previous Year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For S.R. BATLIBOI & Co.

Firm Registration Number: 301003E

Chartered Accountants

per **MANOJ GUPTA**

Partner

Membership Number: 83906

For and on behalf of the Board of Directors of

Max India Limited

ANALJIT SINGH

Chairman & Managing Director

N. C. SINGHAL

Director

ASHWANI WINDLASS

Director

SUJATHA RATNAM

Chief Financial Controller

V. KRISHNAN

Company Secretary

GURGAON

MAY 26, 2011

LONDON

MAY 26, 2011

NEW DELHI

MAY 26, 2011

(RS. IN LACS)

Statement pursuant to exemption received under Section 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2011													
	Indian Subsidiaries							Foreign Subsidiaries					
	Max New York Life Insurance Company Ltd.	Max Bupa Health Insurance Company Ltd.	Max Healthcare Institute Ltd.	Max Medical Services Ltd.	Max Hospital Ltd.	Homestead Estate Pvt. Ltd.	Homestead Pvt. Ltd.	Homestead Bulbtech Pvt. Ltd.	Max Neeman Medical International Ltd.	Pharmax Corporation Ltd.	Max Atree Ltd.	Max Healthstaff International Ltd.	Neeman Medical International B.V.
1 Share Capital	184,100.00	27,100.00	54,053.00	1,414.25	5.00	1.00	1.00	1.00	415.68	2,055.77	3,144.38	394.50	826
2 Reserve and Surplus	(60,903.44)	(15,910.76)	(5,000.00)	(2,556.46)	(2,723.84)	(143.24)	(141.79)	(156.60)	(156.60)	(362.79)	(3,813.94)	(2,241.13)	4,873.27
3 Miscellaneous Expenditure to the extent not written off	7,559.27	-	-	-	-	-	-	-	-	-	-	-	-
4 Total Assets	1,466,478.34	16,872.71	107,149.00	27,261.17	4,875.85	5,964.49	5,349.86	2,267.07	2,267.17	2,976.17	13.15	44.56	4,897.52
5 Total Liabilities	1,350,841.05	5,684.47	53,056.00	28,703.37	7,544.69	5,106.74	5,490.61	2,006.89	2,006.89	1,263.19	682.72	1,891.18	9.99
6 Details of Investments (Other than investment in subsidiaries)	1,283,642.07	12,656.07	2,422.00	-	-	-	-	-	575.81	577.21	-	-	-
7 Turnover and Other Income	715,670.87	1,610.20	45,317.00	5,343.37	4,670.82	0.09	2.25	2,327.21	393.44	-	-	2.54	0.73
8 Profit Before Taxation	19,406.05	(11,624.74)	57.00	(1,315.57)	(702.44)	(14.13)	(10.94)	381.49	296.23	296.23	(3.10)	(68.50)	(10.34)
9 Provision for Taxation	0.00	-	0.00	0.00	-	-	-	-	135.88	71.80	-	-	-
10 Profit After Taxation	19,406.05	(11,624.74)	57.00	(1,315.57)	(702.44)	(14.13)	(10.94)	245.51	164.43	164.43	(3.10)	(68.50)	(10.34)
11 Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-

Note – In respect of foreign subsidiaries:

a) Item No. 1 are translated at historical rates

b) Item Nos. 2 to 6 and 11 are translated at exchange rates as on 31st March, 2011 as follows: Pound Sterling = Rs. 71.9268 and US Dollars = Rs. 44.65

c) Item Nos. 7 to 10 are translated at annual average exchange rates as follows: Pound Sterling = Rs. 70.7589 and US Dollars = Rs. 45.54

The above details have been annexed in terms of letter No.47/352/2010-C.I.II dated June 7, 2010 issued by Government of India, Ministry of Company Affairs under Section 212(8) of the Companies Act, 1956.



Max New York Life Insurance
Company Limited





Directors' Report

Your Directors have the pleasure in presenting the Eleventh Annual Report of your Company with the audited accounts for the Financial Year ended March 31, 2011.

BUSINESS HIGHLIGHTS

Highlights for the Financial Year ended March 31, 2011 are as under:

	(RS. CRORES)	
Particulars	2010 – 11	2009 – 10
Financial Performance		
New Business Premium (First Year Premium and Single Premium)	2,061	1,849
Adjusted First Year Premium*	1,804	1,668
Renewal Premium	3,751	3,011
Commission Expense	540	421
Operating Expense	1,653	1,615
Shareholders Profit / (Loss) After Tax	194	(21)
Key Business Parameters		
Solvency Capital Ratio	365%	321%
Share Capital	1,841	1,839
Assets Under Management	13,836	10,161
No. of Policies In-Force ('000s)	3,368	2,985
Sum Assured In-Force	154,687	123,278
No. of Employees	7,052	10,454
No. of Agents	43,692	72,813
No. of Offices	503	705

*Adjusted First Year Premium = First Year Premium plus 10% of Single Premium

Your Company achieved a net premium income of Rs. 5,736 crores for the Financial Year, an increase of 19% over the previous financial year. Renewal premium income grew by 25% to Rs. 3,751 crores. The new business premium grew by 11% to Rs.2,061 crores. Since September 2010, after the implementation of the new ULIP guidelines, your Company performed significantly better than the industry average, reflecting the inherent strengths of your Company's business model. During the Financial Year 2010-11, the total sum assured increased to Rs. 1,54,687 crores and the assets under management increased to Rs.13,836 crores, recording a growth of 37%. The operating expenses (excluding depreciation) declined to Rs. 1,494 crores, resulting in an operating expense ratio declining to 26% as compared to 31% in the previous Financial Year. Our revenue growth, coupled with lower expense ratio, resulted in your Company recording a profit of Rs. 283 crores (before a transfer of Rs. 89 crores to the fund for future appropriation). The Shareholders profit was Rs 194 crores.

CHALLENGING ECONOMIC AND REGULATORY ENVIRONMENT

Global macro-economic conditions and significant regulatory changes during the Financial Year 2010-11 resulted in a challenging environment for the Indian Life Insurance sector. While the Indian economy recovered quickly from the global financial turmoil and is expected to grow by around 9% in GDP, economic challenges of high inflation and, more specifically, high food inflation subdued customers sentiments. Volatile stock market conditions, especially during the second half of the year, caused consumers to lean towards guaranteed and steady returns in their choice of financial instruments.

During the year, several regulatory changes were implemented or proposed by the IRDA.

ULIPs Regulation, effective 1st September 2010, had the most significant impact on the way life insurance business is provided in India. In order to position ULIPs as a long-term savings and protection product, the Regulations will result in a much greater focus on persistency and cost for these products. Overall, these changes will help to drive a more balanced product mix within the industry.

Your Company has responded well to this challenge and is one of the few private life insurers whose first year premium income has grown for the reporting period. Max New York Life Insurance's adjusted individual first year premium during the 7 month period from September 2010 to March 2011 grew by 10% compared to a decline of 19% and 35% recorded by the overall life insurance sector and private life insurance sector respectively.

The new Regulations also specified a minimum 4.5% guaranteed returns on pension plans. Though well intentioned, the guarantee did not achieve the intended outcome. Life insurers generally concluded that it was an imprudent long term guarantee to offer under a unit linked contract even if investment portfolios were to be predominantly invested in long term bonds. In these circumstances, your Company decided not to develop pension products that complied with the new ULIP arrangements but would reconsider should the IRDA revise its Guidelines.

IRDA withdrew existing Universal Life Product approvals and issued Guidelines for a new product form known as **Variable Insurance Plans (VIP)**. Given the constraints on product design and expenses within these Guidelines, your Company decided not to launch new products of this type for the time being.

IRDA issued **Outsourcing Guidelines** that provide direction on the activities a life insurer is allowed to outsource. The guidelines divide insurance activities into core and non-core and, core activities cannot be outsourced. These guidelines

Directors' Report

will result in improved accountability, transparency, risk assessment and risk management. Your Company had never believed that activities of the type now defined as core should be outsourced and hence is unlikely to have to make any major changes to the way it conducts its business.

New **Referral Guidelines** were issued which prevent banks to be referral partners. These Guidelines had a marginal impact on your Company and we were able to convert most of the important and large relationships into a corporate agent relationship.

A NEW STRATEGY FOR SUSTAINABLE PROFITABLE GROWTH

Success of any organization depends on its ability to respond to environmental changes with speed and precision. Your Company has embarked on a transformation journey. A new three year business strategy has been rolled out throughout the Company and is expected to create a more responsive and productive organization.

The strategy of your Company is built through a deep understanding of interlinkages between four core areas – i) Consumer preferences ii) Market attractiveness iii) Industry and regulatory environment and iv) Internal challenges. Your Company aims to serve the long-term savings and protection needs of mass affluent+ customers, through a high quality agency distribution supplemented by our privileged third party partnerships. The new strategy will result in a sharper focus on customer segments, providing life insurance for its core purpose through advice and need based sales.

Your Company has identified six strategic priorities it will focus on over the next few years to ensure sustainable profitable growth – Build an agency distribution with high standards in productivity and quality of advice, Build a multi-channel distribution architecture, Design products based on customer insights, Improve persistency, Reduce cost and Shape the regulatory agenda.

These priorities will be supported by business intelligence, governance and change management. A transformation office has also been created which would combat dilution through a rigorous review and consequence management process.

Your Company will enable this transformation through sharp execution and a comprehensive change management plan, including enabling mindset shifts, leadership cohesion and enhanced engagement with all stakeholders.

A ROBUST MULTI-CHANNEL DISTRIBUTION

During the Financial Year 2010-11, your Company took another important step towards executing its multi-distribution

strategy with the Axis Bank Corporate Agency starting production from May 2010. This provided us a national bancassurance relationship which can be leveraged to reach out a new set of customers. By March 2011, through its 1,100 branches across 600 locations, this relationship sold more than 1 lakh policies.

Max New York Life Insurance has also refocused its agency distribution strategy with the objective of creating a platinum standard of performance. The focus is to increase productivity through superior training and advice based sales. As part of this strategy, your Company has decided to concentrate its selling efforts on a smaller number of locations. However, your Company will continue to service its existing customers and agents through service offices at all existing locations. As on 31st March 2011, your Company had 251 sales & service offices and 252 service offices across the country. Agency distribution continued to be the largest channel, contributing 47% to new business premium, followed by partnership distribution with 23% and bancassurance (including Axis Bank) with 23%.

A BALANCED PRODUCT MIX

During the Financial Year, your Company enhanced its emphasis on consumer and distribution research as part of its product development process. The research clearly indicated that consumers mainly buy life insurance for long-term savings and protection. It also revealed that the Indian consumer understands and favours traditional money back endowment plans over any other life insurance product category. These findings led your Company to re-train its distribution team and re-position the existing traditional plans and the same were used to develop new products with sharper focus.

The Financial Year 2010-11 was a dynamic year for product development. Although your Company had launched a comprehensive range of revised ULIPs in January 2010, the new ULIP Guidelines implemented from September 2010 required a complete redesign of the entire ULIP portfolio. Your Company launched two new ULIPs (Shiksha Plus II and Shubh Invest) in September 2010 and added Flexi Fortune to the portfolio shortly afterwards. During the year, your Company also launched College Plan, a traditional guaranteed money back plan to help our customers create a corpus for their child's higher education. Overall, for the year, traditional products gained a greater share in the portfolio mix with a share of 58% vs 42% from ULIPs.

BONUS / DIVIDEND PAYMENT

Your Company intends to distribute Rs 174 crores of surplus to participating policyholders during the coming year compared to Rs.143 crores last year. The surplus will be distributed to eligible policyholders during the twelve months commencing 1 July 2011.

Directors' Report

This increased distribution in bonus is consistent with the growing strength of your Company's participating policy fund. In view of the accumulated losses, the Directors do not recommend any dividends to the Shareholders.

STRENGTHENING THE BRAND

Max New York Life has made significant progress in building a strong brand and is today one of the most recognized brand in the industry. The brand awareness score touched an all time high figure of 98% in March 2011 as compared to 89% in March 2010, placing your brand at a rank of 4 amongst all private players. This was a result of creative TV commercials, efficient media planning, public relations initiatives which focused on key industry issues and the launch of an innovative consumer engagement platform - igenius. Your Company launched the igenius scholarship program in February 2010 which received an overwhelming response from 10 lakh students of 3rd to 8th standard across 1,000 cities. Max New York Life also made it to the Guinness Book of World Records by unveiling the largest umbrella in the world.

While continuing to use traditional advertising media such as television and on-ground activation creatively, your Company leveraged growing digital and social media to build a strong community of engaged consumers. Your Company has created a 46,000 strong parenting community on facebook® of which 95% are active users every month.

To strengthen its relationship with existing customers, your Company launched an engagement program named Gold Circle for its High Networth customers. The Gold Circle currently has around 54,000 customers. Your Company also launched a quarterly magazine for these customers which have been very well appreciated.

INVESTMENT PERFORMANCE

Investment management continued to be an area of strength for Max New York Life Insurance and your Company consistently outperformed benchmarks during the Financial Year 2010-11.

The investment team balances the need to maximize returns whilst being prudent in investing its funds. The top five debt investments are AAA rated and the majority of equity investments are in large cap companies operating in industries expected to perform well in long-term. Your Company had Assets Under Management (AUM) of Rs.13,836 crores comprising of 60% in debt and 40% in equities as at 31st March 2011. AUM increased by a healthy 37% during the financial year.

SERVICE EXCELLENCE TO BUILD A CUSTOMER-CENTRIC ORGANISATION

Service Excellence is a key cornerstone in becoming the most

admired life insurance Company. While 2010 was about looking at innovative, effective and, most importantly, more efficient ways of upgrading service offering to the customers and distributors, 2010-11 was about streamlining the service architecture of your Company, with constant efforts to match service standards to customer needs.

As a proactive step towards service excellence, your Company has embarked on the journey of implementing the "Treating Customer Fairly" (TCF) policy. The TCF policy aims to raise standards in the way your Company interacts with customers at every touch point right from the pre-sales engagement to the payment of benefits. This initiative would thus ensure that your Company is able to retain its existing policyholders and provide it with opportunities to further provide solutions for all their life stage needs. This "TCF" initiative is being driven and monitored by the Policyholder Protection Committee, constituted by the Board.

During the year, your Company successfully engaged Genpact to undertake certain Customer Service operations on our behalf. The objective was to improve cost efficiency and this was done without compromising service standards which were reflected in an improvement in the results from the monthly customer satisfaction survey.

Effectiveness of the claims function is a traditional benchmark in the industry and, in 2010-2011, your Company took strong steps to enhance its position of pride.

Given the need to build processing capabilities that meet the increasing scale requirements from new business, your Company invested in a new expert underwriting system called Planet Soft. Customer retention, persistency and conservation is becoming a way of life for your Company, where we focus on selling the right product to the customer combined with excellence in subsequent services, thus creating the essence of Life Insurance - a long term relationship.

Other customer related initiatives include close monitoring of call quality, creating easier payment options, improved communication and reminders through SMS, email, letter, and telephone.

STRENGTHENING HUMAN RESOURCES

The key to successful execution and sustenance of the Company's strategy is the alignment and engagement of all employees. To enable this, an organization wide strategy deployment and communication program was launched during the year, covering employees across all locations in India.

Besides helping employees understand the new strategy, the

Directors' Report

need to remain customer centric, cost efficient and productive was reinforced. Initiatives such as CEO webcasts and functional meetings have also helped in re-aligning employees while staying true to the basics of the life insurance business.

Max New York Life continues to invest in its human capital, as talent will be our true long term differentiator and competitive edge. Flagship leadership development initiatives, deep focus on quality recruitment and employee retention will enable us to maintain this edge as the organization enters a new chapter of growth.

CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that it is important to engage with the society it operates in. Such engagement includes providing the right products for customers' needs, being ethical and honest in business practices.

Your Company has selected children in the age group of 0 - 12 years as the focus area for societal initiatives. Over the past two years, your Company has significantly expanded its immunization programme in which vaccination for 8 major diseases including Hepatitis B and MMR are provided to underprivileged children.

In the second year of the 'Global Month of Service' (an international initiative by New York Life), your Company was again the largest contributor to this initiative with its employees and agents helping the organization of immunization and blood donation camps.

Your Company's CSR efforts resulted in a one band improvement in business excellence score for society results.

CORPORATE GOVERNANCE

A) Board of Directors

Mr. William Beaty from New York Life International, LLC (NYLI) was appointed as a Director of the Company in August 2009 and retired from the services of NYLI effective June 30, 2011. Consequent to Mr. Beaty's retirement, NYLI withdrew his nomination as a Director on the Board of the Company effective May 2011.

On the same day, NYLI nominated Mr. Gary Bennett as an Additional Director on the Board of Directors of the Company in place of Mr. Beaty. Mr. Bennett, Executive Vice President & CEO, Asia Region, NYLI, has an outstanding insurance career with over 30 years of diverse experience in a variety of assignments. Apart from his successful role in Asia and Hong Kong, Mr. Bennett had earlier led the operations in India as its CEO during a critical period of growth and development.

Pursuant to Section 260 of the Companies Act, 1956, Mr. Bennett holds office only up to the date of the ensuing Annual General Meeting.

The Company has received a notice from a member proposing the candidature of Mr. Bennett for appointment as Director.

The Directors place on record their appreciation for the very valuable contribution made by Mr. William Beaty during his association with the Company as a Director.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Leo Puri and Ms. Marielle Theron retire by rotation, and being eligible, have offered themselves for reappointment.

B) Board Committees

Pursuant to the requirements of the Corporate Governance Guidelines prescribed by Insurance Regulatory and Development Authority (IRDA), the following changes to the constitution of the Board Committees are given hereunder:

Consequent to Mr. William Beaty ceasing to be a Director on the Board of Directors of the Company, he also ceases to be the Chairman of Policyholder Protection Committee, a Member of the Audit Committee and the Banking Operations and Share Transfer and Allotment Committee.

Pursuant to the nomination of Mr. Gary Bennett as a Director of the Company, Mr. Bennett has been appointed as the Chairman of Policyholder Protection Committee and a Member of the Audit Committee and the Banking Operations and Share Transfer and Allotment Committee.

Mr. Sunil Kakar, Senior Director and Chief Financial Officer of the Company resigned from the services of the Company effective February 11, 2011. Consequent to his resignation, Mr. Kakar also ceased to be a member of the Investment Committee effective February 11, 2011.

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

C) Internal Audit & Risk Management Framework

Max New York Life has in place systems of internal control which are commensurate with its size and the nature of its operations. These have been designed to provide assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised uses or losses, executing transactions with proper authorisation and ensuring compliance with corporate policies.

Directors' Report

MNYL has a well-defined delegation of authority matrix with defined authority limits for approving new risks taken on as well as expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down.

The Company has an Internal Audit department. To ensure independence, the Internal Audit department has a reporting line to the Chairperson of the Board Audit Committee. There is a well-defined risk based internal audit plan which is reviewed each year in consultation with the statutory auditors and the Audit Committee. Internal audit processes are designed to review the adequacy of internal controls and cover all significant areas of the Company's operations. The Audit Committee reviews all audit reports; follows up on the implementation of recommendations; meets the Company's statutory auditors to ascertain their views on the adequacy of internal controls; and ensures that the Board of Directors is fully informed of significant observations.

Max New York Life also has an independent Agency Standards team that carries out quality checks to ensure that prescribed sales process are followed and customers have taken a decision to buy our products after proper understanding of product features and how these products help them meet their needs.

The Company's Enterprise Risk Management System continues to be developed. The enterprise is scanned across a number of risk categories falling under financial risk, operational risk and business risk. Risks are assessed by considering their likelihood and impact and, outcomes are rated from very high to very low. These ratings determine the intensity of management response. Risk management activities are supervised by a Management Risk Committee chaired by the CEO and the Board Product, Actuarial and Risk Committee whose mandate includes that of the Risk Management Committee as prescribed by the IRDA.

D) Code of Conduct & Whistle Blower Policy

In order to uphold the highest standards of ethical behavior, employees are required to observe the Code of Conduct applicable across the organization. The Company, through the Whistle Blower Policy, has provided employees a channel for communicating any breaches of the Company's Values, Code of Conduct, Anti Money Laundering Policy and other regulatory and statutory requirements. Appropriate action is initiated against any violation of the values, code or policies.

RURAL & SOCIAL SECTOR OBLIGATIONS

Your Company has issued over 2 lakh policies in rural areas during the year, contributing to 28% of the total policy issuances. In addition, your Company has covered over 78 lakh of social lives under the social sector category. Your Company thereby exceeded the statutory requirements in both of these areas.

EMPLOYEE STOCK OPTION PLAN

The disclosures, as required by SEBI Guidelines, form part of the Directors' Report as per Annexure II.

PARTICULARS OF EMPLOYEES

The information required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, forms part of this report as Annexure III. However, as permitted by the Companies Act, 1956, this Annual Report is being sent to all shareholders excluding the said Annexure III. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary at the registered office of the Company.

SHARE CAPITAL

During the Financial Year, the paid up share capital of your Company increased to Rs.1,841 crores and share premium increased to Rs. 135 crores. Your Company continues to be one of the well capitalized private life insurance companies in India.

SOLVENCY

Your Company regularly monitors its solvency margin and ensures that the margin is maintained at least 150% of the statutory required level as prescribed in the IRDA (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000. At the end of Financial Year 2011, the solvency margin was in excess of 350%.

PARTICULARS OF DEPOSITS

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

AUDITORS

Both the joint Auditors M/s. Price Waterhouse & Co., Chennai, Chartered Accountants and M/s S. R. Batliboi and Associates, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and have expressed their willingness to be re-appointed at the forthcoming Annual General Meeting. The Company has received certificate from the joint auditors, that their appointment as auditors, if made, will be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to management discussion describing the Company's objectives and expectations, may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statements depending on the circumstances.

Directors' Report

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms that:

1. In the preparation of the Annual Accounts for the Financial Year ended March 31, 2011, the applicable accounting standards have been followed, along with proper explanation relating to any 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 Profit or 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 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.

The Directors also express gratitude to the Insurance Regulatory and Development Authority of India, the Reserve Bank of India, Central and State Governments and the joint venture partners, Max India Limited and New York Life International, LLC for their continued cooperation, support and assistance.

For and on behalf of the Board of Directors

Sd/-
ANALJIT SINGH
Chairman

ADDITIONAL INFORMATION

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

A. Conservation of energy	NA
B. Technology absorption	NA
C. Foreign Exchange Earnings/Inflow and Outgo	Year ended 31.03.2011 (Rs. crores)
Earnings/Inflow (including equity infusion)	37
Outgo	108
Activities relating to exports, initiatives taken to increase exports, develop new export markets, export plan, etc.	NA

ACKNOWLEDGMENTS

The Directors wish to place on record their deep appreciation for the hard work, dedicated efforts, teamwork and professionalism shown by the employees and the agents advisors, which have enabled your Company to successfully establish itself amongst the leading private life insurance companies in India.

Annexure - 'I'

Annexures to the Directors' Report

Annexure I: Disclosures as per the Corporate Governance Guidelines

Following are the disclosures as mandated by the Corporate Governance Guidelines:

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

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended
Analjit Singh	4	3
Anuroop Singh	4	4
Richard Mucci	4	4
William Beaty	4	4
Marielle Theron	4	4
Omkar Goswami	4	3
Leo Puri	4	3
Rajesh Sud	4	4
Rajit Mehta	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
Marielle Theron	4	4
William Beaty	4	4
Leo Puri	4	1

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
Richard Mucci	4	4
Stan Tai	4	4
Mohit Talwar	4	2
Marielle Theron	4	4
Omkar Goswami	4	1
Rajesh Sud	4	4
John Poole	4	4
Sunil Kakar	4	4
Prashant Sharma	4	4

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

Name of the Member	No. of Meetings held	No. of Meetings attended
William Beaty	4	4
Marielle Theron	4	4
Rajit Mehta	4	4
John Poole	4	4
Rajiv Mathur	4	4
Vineet Sharma	4	4

Annexure - 'I'

e. Constitution of the Product, Actuarial, and Risk Management Committee, number of meetings held and attendance by Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
Richard Mucci	4	4
Craig Merdian	4	4
Marielle Théron	4	4
Rajesh Sud	4	4
John Poole	4	4

The mandate of this Committee includes exercising the responsibilities of the Risk Management and Asset Liability Management Committees as prescribed by the IRDA with effect from December 11, 2009.

f. Details of Directors and their status of Directorship and qualifications.

Name	Status of Directorship	Qualifications
Mr. Analjit Singh	Chairman, Non Executive	MBA from Graduate School of Management, Boston University, Boston, USA.
Mr. Anuroop Singh	Vice Chairman, Non Executive	Fellow member of Institute of Chartered Accountants of India
Mr. Rajesh Sud	Chief Executive Officer and Managing Director	MBA from FMS, Delhi University and completed Advance Management Program from Wharton University, USA
Mr. Rajit Mehta	Executive Director and Chief Operating Officer	Post Graduate in Human Resources and completed Advanced Management Program from INSEAD, France
Mr. Richard Mucci	Non Executive Director	Trained as an actuary and has a Bachelor's and a Master's degree in Mathematics from Boston College, USA
Mr. William Beaty*	Non Executive Director	Graduate in Psychology from Baldwin Wallace College and Master of Business Administration in Taxation from Golden Gate University. Certified Life Underwriter and Chartered Financial Consultant.
Ms. Marielle Théron	Independent, Non Executive Director	Fellow of Society of Actuaries, USA and B.Sc. majored in Actuarial Science, Laval University, Canada
Mr. Leo Puri	Non Executive Director	M.A. in Politics, Philosophy and Economics from Oxford University and obtained an M.A. in Law from Cambridge University
Dr. Omkar Goswami	Independent, Non Executive Director	Masters of Economics from Delhi School of Economics and D. Phil (Ph.D) from Oxford
Mr. Gary Bennett**	Non Executive Director	-

* Nomination withdrawn w.e.f. May 6, 2011

** Appointed w.e.f. May 6, 2011

g. Your Company did not pay any remuneration to the Independent Directors.

Certification from the Compliance Officer in the format prescribed:

I, Rajiv Mathur, 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.

Sd/-

Rajiv Mathur

Director – Legal & Compliance & Company Secretary

Annexure - 'II'

ANNEXURE II : Details of the Employee Stock Options for the FY 2010-11

Following are the details of the scheme as mandated to be disclosed under SEBI Employee Stock Option Scheme (ESOS) Guidelines 1999.

Particulars	Details
(a) options granted;	4,190,000
(b) the pricing formula;	Intrinsic method
(c) options vested;	NIL
(d) options exercised;	NIL
(e) the total number of shares arising as a result of exercise of option;	NIL
(f) options lapsed;	355,000
(g) variation of terms of options;	NIL
(h) money realised by exercise of options;	NIL
(i) total number of options in force;	3,835,000
(j) employee wise details of options granted to:-	
(i) senior managerial personnel;	Wholetime Directors and Senior Management Members : 1,185,000 options
(ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	N.A.
(iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant;	N.A.
(k) diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	1.04
(l) Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Incremental cost using fair value of option and impact on: P&L- Rs. 9.6 lacs Basic EPS- 1.01 Dilutive EPS- 0.99
(m) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
(n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	Black-Scholes Method
(i) risk-free interest rate,	7.79%
(ii) expected life,	5.35
(iii) expected volatility,	15.43%
(iv) expected dividends, and	0%
(v) price of the underlying share in market at the time of option grant as at 1 st September 2010.	Rs 19.66*

*The exercise price for the ESOPs issued is at a discount of 10% on AEV (Actuarial Economic Value) of Rs. 29.20.

Auditors' Report

AUDITORS' REPORT TO THE MEMBERS OF MAX NEW YORK LIFE INSURANCE COMPANY LIMITED

1. We have audited the attached Balance Sheet of Max New York Life Insurance Company Limited ('the Company') as at March 31, 2011, the related Policyholders' Revenue Account, Shareholders' Profit and Loss Account and the Receipts and Payments Account for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Balance Sheet, the Policyholders' Revenue Account, the Shareholders' Profit and Loss Account and the Receipts and Payments Account have been drawn up in accordance with the Insurance Act, 1938 (Act 4 of 1938), Insurance Regulatory and Development Act, 1999, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002 ('the Regulations') read with Section 211 of the Companies Act, 1956.
4. As required by the Regulations, we set out in the Annexure, a statement certifying the matters specified in paragraph 4 of Schedule C to the Regulations.
5. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - (b) In our opinion and to the best of the 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 financial accounting system is centralised at Head Office, no returns for the purposes of our audit are prepared at the branches and other offices of the Company;
 - (d) The Balance Sheet, the Policyholders' Revenue Account, the Shareholders' Profit and Loss Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account;
 - (e) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities as at March 31, 2011 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Institute of Actuaries of India in concurrence with the IRDA. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company;
 - (f) On the basis of written representations received from the Directors of the Company, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, we further report that:
 - (a) The Balance Sheet, the Policyholders' Revenue Account, the Shareholders' 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 there under to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by IRDA in this behalf;
 - (b) The Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and /or orders/directions issued by IRDA in this regard; and
 - (c) The accounting policies selected by the Company are appropriate and are in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and the Rules framed there under and with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulation, 2002, (the 'Regulations') and Orders/ directions issued by IRDA in this behalf.

Auditors' Report

7. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto are prepared in accordance with the requirements of the Regulations, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 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 as applicable to insurance companies:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - in the case of the Policyholders' Revenue Account, of the surplus/deficit for the year ended on that date;
 - in the case of the Shareholders' Profit and Loss Account, of the profit for the year ended on that date; and
 - in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.
8. Further, on the basis of our examination of the books of account and other records of the Company and according to the information and explanations given to us, we certify to the best of our knowledge and belief that:
- We have reviewed the management report attached to the financial statements for the year ended March 31, 2011 and have found no apparent mistake or material inconsistencies with the financial statements; and
 - Based on information and explanations received during the normal course of the audit, management's representation made to us and the compliance certificate submitted to the Board by the officers of the Company charged with compliance and the same being noted by the Board, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration as per sub-section 4 of section 3 of the Insurance Act, 1938.

For Price Waterhouse & Co.
Firm Registration No. 050032S
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 6, 2011

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 6, 2011

Auditors' Certificate

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in the Auditors' Report to the members of Max New York Life Insurance Company Limited on the accounts for the year ended March 31, 2011)

In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by Max New York Life Insurance Company Limited for the year ended March 31, 2011 we certify that:

1. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments as at March 31, 2011, by actual inspection or on the basis of certificates/confirmations received from the custodians and /or depository participant appointed by the Company, as the case may be. As at March 31, 2011, none of the Company's assets involve reversion or life interests;
2. The Company is not the trustee of any trust; and
3. No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and investments of the policyholders' funds.

This certificate is issued to comply with the Schedule C of 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 Price Waterhouse & Co.
Firm Registration No. 050032S
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 6, 2011

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 6, 2011

Balance Sheet as at March 31, 2011

FORM A-BS

(All Amounts in Thousands of Indian Rupees)

	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS:			
Share Capital	5	18,410,000	18,388,176
		18,410,000	18,388,176
EMPLOYEE STOCK OPTION PLAN OUTSTANDING [Refer to Note II (j) on Schedule 16]		799,492	789,952
RESERVES AND SURPLUS	6	1,351,828	1,341,440
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT		54,416	40,355
Sub-Total		20,615,736	20,559,923
BORROWINGS	7	-	-
POLICYHOLDERS' FUNDS:			
CREDIT/ (DEBIT) FAIR VALUE CHANGE ACCOUNT		2,097	682
POLICY LIABILITIES			
[Refer to Note II (r) & (s) on Schedule 16]			
- Participating Individual Life Policies		29,397,010	22,703,230
- Participating Pension Policies		421,873	369,561
- Non-Participating Individual Life Policies		1,631,573	1,226,672
- Non-Participating Health Insurance Policies		11,395	9,936
- Non-Participating Group Policies		474,867	370,689
- Non-Participating Individual Linked Policies		2,090,896	1,212,862
- Non-Participating Linked Pension Policies		7,694	38,498
- Non-Participating Group Linked Policies		-	-
INSURANCE RESERVES		-	-
PROVISION FOR LINKED LIABILITIES			
- Non - Participating Individual Linked Policies			
- Linked Liabilities	73,080,784		52,680,864
- Fair Value Change	8,225,054	81,305,838	8,819,505
- Non - Participating Linked Pension Policies			
- Linked Liabilities	5,961,794		3,208,943
- Fair Value Change	727,321	6,689,115	502,989
- Non - Participating Linked Group Policies			
- Linked Liabilities	683,405		551,512
- Fair Value Change	17,198	700,603	15,588
Sub-Total		122,732,961	91,711,531
FUNDS FOR FUTURE APPROPRIATIONS		1,513,560	622,938
TOTAL		144,862,257	112,894,392
APPLICATION OF FUNDS			
INVESTMENTS			
Shareholders' Investments	8	13,198,865	8,301,315
Policyholders' Investments	8A	36,469,786	27,074,972
Assets Held To Cover Linked Liabilities	8B	88,695,556	65,779,401
LOANS	9	116,222	86,065
FIXED ASSETS	10	1,402,014	2,744,831

Balance Sheet as at March 31, 2011

FORM A-BS

(All Amounts in Thousands of Indian Rupees)

	Schedules	As at March 31, 2011	As at March 31, 2010
CURRENT ASSETS			
Cash and Bank Balances	11	1,924,877	1,840,422
Advances and Other Assets	12	4,840,514	4,453,589
Sub-Total (A)		6,765,391	6,294,011
CURRENT LIABILITIES	13	10,834,995	8,378,047
PROVISIONS	14	2,589	2,839
Sub-Total (B)		10,837,584	8,380,886
NET CURRENT ASSETS (C) = (A) – (B)		(4,072,193)	(2,086,875)
MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)	15	755,927	757,998
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT (SHAREHOLDERS' ACCOUNT)		8,296,080	10,236,685
DEFICIT IN THE REVENUE ACCOUNT (POLICYHOLDERS' ACCOUNT)			
- Participating Individual Life Policies (Technical Account)		-	-
- Participating Individual Life Policies - Annuities (Technical Account)		-	-
- Non-participating Individual Life Policies (Technical Account)		-	-
- Non-participating Health Insurance Policies (Technical Account)		-	-
- Non-participating Group Policies (Technical Account)		-	-
- Non-Participating Individual Linked Policies (Technical Account)		-	-
- Non-Participating Linked Pension Policies (Technical Account)		-	-
- Non-Participating Group Linked Policies (Technical Account)		-	-
Total		144,862,257	112,894,392
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

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

For and on behalf of the Board of Directors

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 050032S
Chartered Accountants

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

ANALJIT SINGH
WILLIAM BEATY
MARIELLE THERON
JOHN POOLE

Chairman
Director
Director
Appointed Actuary

ALPA KEDIA
Partner
Membership No. F100681

AMIT MAJMUDAR
Partner
Membership No. 036656

RAJESH SUD
RAJIT MEHTA
RAJIV MATHUR
PRASHANT TRIPATHY

Managing Director & Chief Executive Officer
Executive Director & Chief Operating Officer
Director-Legal & Compliance & Company Secretary
Chief Financial Officer

Mumbai
May 6, 2011

Mumbai
May 6, 2011

Gurgaon
May 6, 2011

Profit and Loss Account for the year ended March 31, 2011

FORM A-PL

(All Amounts in Thousands of Indian Rupees)

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

Particulars	Schedules	Year Ended March 31, 2011	Year Ended March 31, 2010
TRANSFER FROM THE POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)			
- Participating Individual Life Policies		165,320	137,080
- Participating Pension Policies		1,501	1,452
- Non-participating Individual Life Policies		-	-
- Non-participating Health Insurance Policies		-	-
- Non-participating Group Policies		233,578	-
- Non-participating Individual Linked Policies		2,898,209	883,226
- Non-participating Linked Pension Policies		-	6,759
- Non-participating Linked Group Policies		-	4,943
INCOME FROM INVESTMENTS			
(a) Interest, Dividends & Rent - Gross		745,310	324,119
[Gross of tax deducted at source Rs. Nil (2010: Rs Nil)]			
(b) Profit on sale/redemption of investments		75,162	71,043
(c) (Loss) on sale/ redemption of investments		(247)	(9,884)
(d) Amortisation of discount/(premium)		35,386	12,882
Other income			
- Miscellaneous income		77	299
Total (A)		4,154,296	1,431,919
EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS			
Employees remuneration and welfare benefits			
[Refer to Notes II (i), (j), (p) and (y) on Schedule 16]		232,447	84,023
Filing fees		-	53,673
Donations		25,001	25,000
Others			
- Interest and bank charges		981	28,128
- Advertisement and publicity [Refer to Note II (o) on Schedule 16]		701,108	640,370
- Travel, conveyance and vehicle running expenses		14,730	14,713
- Training expenses		-	29,211
- Consultancy charges		55,198	53,877
- Rent, rates & taxes		130,119	33,490
- Other miscellaneous expenses		2,422	10,779
- Depreciation		933,393	104,799
Bad debts written off		-	-
Contribution to the Policyholders Account (Technical Account)			
[Refer to Note II (q) on Schedule 16]			
- Participating Individual Life Policies		-	-
- Participating Pension Policies		-	-
- Non-participating Individual Life Policies		8,781	296,880
- Non-participating Health insurance Policies		21,878	128,443
- Non-participating Group Policies		-	160,877
- Non-participating Individual Linked Policies		-	-
- Non-participating Linked Pension Policies		73,901	-
- Non-participating Linked Group Policies		13,732	-

Profit and Loss Account for the year ended March 31, 2011

FORM A-PL

(All Amounts in Thousands of Indian Rupees)

SHAREHOLDERS' ACCOUNT (NON-TECHNICAL ACCOUNT)

Schedules	Year Ended March 31, 2011	Year Ended March 31, 2010
PROVISIONS (OTHER THAN TAXATION)		
(a) For diminution in the value of investments (Net) [Refer to Note I (e) on Schedule 16]	-	(47,387)
(b) Provision for doubtful debts	-	24,183
(c) Others	-	-
Total (B)	2,213,691	1,641,059
Profit/(Loss) before tax (C)=(A)-(B)	1,940,605	(209,140)
Provision for Taxation	-	-
Profit/(Loss) after tax	1,940,605	(209,140)
Appropriations		
(a) Balance at the beginning of the year	(10,236,685)	(10,027,545)
(b) Interim dividends paid during the year	-	-
(c) Proposed final dividend	-	-
(d) Dividend distribution on tax	-	-
(e) Transfer to reserves/ other accounts	-	-
Profit/(Loss) carried forward to the Balance Sheet	(8,296,080)	(10,236,685)
Earning per Share- Basic	1.05	(0.12)
Earning per Share- Diluted	1.04	(0.12)
[Refer to Note II (x) on Schedule 16]		

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

16

The Schedules referred to above form an integral part of the Profit and Loss Account. For and on behalf of the Board of Directors

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 050032S
Chartered Accountants

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

AMIT MAJMUDAR
Partner
Membership No. 036656

ANALJIT SINGH
WILLIAM BEATY
MARIELLE THERON
JOHN POOLE

Chairman
Director
Director
Appointed Actuary

RAJESH SUD
RAJIT MEHTA
RAJIV MATHUR
PRASHANT TRIPATHY

Managing Director & Chief Executive Officer
Executive Director & Chief Operating Officer
Director-Legal & Compliance & Company Secretary
Chief Financial Officer

Mumbai
May 6, 2011

Mumbai
May 6, 2011

Gurgaon
May 6, 2011

Revenue Account for the year ended March 31, 2011

FORM A-RA

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedules	YEAR ENDED MARCH 31, 2011								Total
		Participating Policies		Non-Participating			Linked Policies			
		(Non-Linked)		Policies (Non-Linked)						
		Individual Life	Pension	Individual Life	Health Insurance	Group	Linked Individual	Linked Pension	Linked Group	
Premiums earned – net										
Premiums	1	20,303,298	78,792	1,209,642	99,857	1,229,116	31,122,123	3,945,758	137,706	58,126,292
Less : Reinsurance Ceded		132,034	-	42,821	34,000	386,972	168,162	235	-	764,224
Add : Reinsurance Accepted		-	-	-	-	-	-	-	-	-
		20,171,264	78,792	1,166,821	65,857	842,144	30,953,961	3,945,523	137,706	57,362,068
Income from Investments										
(a) Interest, Dividends & Rent - Gross		2,100,305	43,823	136,547	1,730	38,109	1,991,892	156,350	36,375	4,505,131
(b) Profit on sale/redemption of investments		18,608	27	924	-	-	6,903,155	149,998	33,065	7,105,777
(c) (Loss) on sale/redemption of investments		-	-	(5)	-	(8)	(1,312,040)	(34,574)	(11,540)	(1,358,167)
(d) Transfer/Gain on revaluation/change in fair value *		-	-	-	-	-	(594,451)	224,332	1,610	(368,509)
(e) Amortisation of discount/(premium)		(16,714)	(89)	(1,326)	(6)	(316)	(800)	(238)	-	(19,489)
(f) Appropriation/Expropriation Adjustment Account		-	-	-	-	-	38,228	5,137	42	43,407
Other Income										
Contribution from the Shareholders' Account		-	-	8,781	21,878	-	-	73,901	13,732	118,292
Miscellaneous Income		18,248	6	546	483	227	4,050	693	28	24,281
Total (A)		22,291,711	122,559	1,312,288	89,942	880,156	37,983,995	4,521,122	211,018	67,412,791
Commission	2	3,117,284	763	195,959	12,118	15,838	1,916,797	140,156	69	5,398,984
Operating Expenses related to Insurance Business	3	8,246,287	5,306	523,065	64,732	197,475	4,674,876	670,126	22,534	14,404,401
Provision for doubtful debts		18,315	14	1,146	169	539	9,586	1,639	63	31,471
Bad debts written off		460	-	29	4	14	241	41	2	791
Provision for Tax - Fringe Benefit Tax		-	-	-	-	-	-	-	-	-
Provision (other than taxation)		-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments(Net)		-	-	-	-	-	-	-	-	-
(b) Others		-	-	-	-	-	-	-	-	-
Total (B)		11,382,346	6,083	720,199	77,023	213,866	6,601,500	811,962	22,668	19,835,647
Benefits Paid (Net)	4	3,191,886	30,420	187,188	11,460	328,534	7,800,783	762,781	54,847	12,367,899
Interim Bonuses Paid		-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force:										
(a) Gross **		6,707,109	52,312	408,915	(4,363)	91,622	20,683,503	2,946,379	133,503	31,018,980
(b) Amount ceded in Reinsurance		(13,329)	-	(4,014)	5,822	12,556	-	-	-	1,035
(c) Amount accepted in Reinsurance		-	-	-	-	-	-	-	-	-
Total (C)		9,885,666	82,732	592,089	12,919	432,712	28,484,286	3,709,160	188,350	43,387,914
SURPLUS/(DEFICIT) (D)= (A) - (B) - (C)		1,023,699	33,744	-	-	233,578	2,898,209	-	-	4,189,230
Opening balance of Funds available for Future Appropriation		477,123	145,815	-	-	-	-	-	-	622,938
SURPLUS / (DEFICIT) AVAILABLE FOR APPROPRIATION		1,500,822	179,559	-	-	233,578	2,898,209	-	-	4,812,168
APPROPRIATIONS										
Transfer to Shareholders' Account		165,320	1,501	-	-	233,578	2,898,209	-	-	3,298,608
Transfer to Other Reserves		-	-	-	-	-	-	-	-	-
Funds available for Future Appropriations		1,335,502	178,058	-	-	-	-	-	-	1,513,560
Insurance reserve carried to the Balance Sheet		-	-	-	-	-	-	-	-	-
Details of Surplus										
(a) Interim Bonus Paid		-	-	-	-	-	-	-	-	-
(b) Allocation of Bonus to Policyholders [Refer to Note II (r) on Schedule 16]		1,720,150	14,893	-	-	-	-	-	-	1,735,043
(c) Surplus Shown in the Revenue Account		1,500,822	179,559	-	-	233,578	2,898,209	-	-	4,812,168
(d) Total Surplus : [(a)+(b)+(c)]		3,220,972	194,452	-	-	233,578	2,898,209	-	-	6,547,211

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 16

* Represents the deemed realised gain/(loss) as per norms specified by the Authority

** Represents Mathematical Reserve considering allocation of Bonus

As required by Section 40 B(4) of the Insurance Act, 1938 we certify that all expenses of management in respect of life insurance business in India by the Insurer have been fully debited to Policyholder Revenue Accounts as expenses.

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

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 0500325
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 6, 2011

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJUMDAR
Partner
Membership No. 036656

Mumbai
May 6, 2011

For and on behalf of the Board of Directors

ANALJIT SINGH
WILLIAM BEATY
MARIELLE THERON
JOHN POOLE

Chairman
Director
Director
Appointed Actuary

RAJESH SUD
RAJIT MEHTA
RAJIV MATHUR
PRASHANT TRIPATHY

Managing Director & Chief Executive Officer
Executive Director & Chief Operating Officer
Director-Legal & Compliance & Company Secretary
Chief Financial Officer

Gurgaon
May 6, 2011

Revenue Account for the year ended March 31, 2010

FORM A-RA

POLICYHOLDERS' ACCOUNT (TECHNICAL ACCOUNT)

(All Amounts in Thousands of Indian Rupees)

YEAR ENDED MARCH 31, 2010										
Particulars	Schedules	Participating Policies		Non-Participating			Linked Policies			Total
		(Non-Linked)		Policies (Non-Linked)						
		Individual Life	Pension	Individual Life	Health Insurance	Group	Linked Individual	Linked Pension	Linked Group	
Premiums earned – net										
Premiums	1	12,964,409	81,357	828,669	172,563	582,756	31,415,325	2,179,947	380,362	48,605,388
Less : Reinsurance Ceded		109,407	-	37,018	59,498	285,285	105,589	-	-	596,797
Add : Reinsurance Accepted		-	-	-	-	-	-	-	-	-
		12,855,002	81,357	791,651	113,065	297,471	31,309,736	2,179,947	380,362	48,008,591
Income from Investments										
(a) Interest, Dividends & Rent – Gross		1,628,675	38,107	101,168	1,714	29,907	1,338,097	70,823	23,303	3,231,794
(b) Profit on sale/redemption of investments		13,142	-	81	-	-	6,943,309	259,960	6,796	7,223,288
(c) (Loss) on sale/redemption of investments		(22)	-	-	-	(1)	(844,202)	(131,294)	(5,098)	(980,617)
(d) Transfer/ Gain on revaluation/change in fair value *		-	-	-	-	-	9,637,935	633,294	20,096	10,291,325
(e) Amortisation of discount/(premium)		9,202	(328)	775	(10)	(298)	(513)	15	-	8,843
(f) Appropriation/Expropriation Adjustment Account		-	-	-	-	-	108,618	6,689	(77)	115,230
Other Income										
Contribution from the Shareholders' Account		-	-	296,880	128,443	160,877	-	-	-	586,200
Miscellaneous Income		7,679	1	118	1,718	35	1,552	110	4	11,217
Total (A)		14,513,678	119,137	1,190,673	244,930	487,991	48,494,532	3,019,544	425,386	68,495,871
Commission	2	1,314,531	864	131,003	27,610	3,863	2,660,168	73,959	89	4,212,087
Operating Expenses related to Insurance Business	3	5,159,766	8,550	638,476	193,327	142,845	8,405,672	491,112	4,191	15,043,939
Provision for doubtful debts		830	1	54	32	26	1,139	77	1	2,160
Bad debts written off		773	1	50	30	24	1,059	72	1	2,010
Provision for Tax – Fringe Benefit Tax		-	-	-	-	-	-	-	-	-
Provision (other than taxation)		-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments(Net)		-	-	-	-	-	-	-	-	-
(b) Others		-	-	-	-	-	-	-	-	-
Total (B)		6,475,900	9,416	769,583	220,999	146,758	11,068,038	565,220	4,282	19,260,196
Benefits Paid (Net)	4	2,448,932	27,540	111,535	32,124	173,596	2,915,882	137,373	44,759	5,891,741
Interim Bonuses Paid		-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force:										
(a) Gross **		5,038,500	49,105	306,390	(8,243)	267,286	33,627,386	2,310,192	371,402	41,962,018
(b) Amount ceded in Reinsurance		(8,588)	-	3,165	50	(99,649)	-	-	-	(105,022)
(c) Amount accepted in Reinsurance		-	-	-	-	-	-	-	-	-
Total (C)		7,478,844	76,645	421,090	23,931	341,233	36,543,268	2,447,565	416,161	47,748,737
SURPLUS/ (DEFICIT) (D)= (A) – (B) – (C)		558,934	33,076	-	-	-	883,226	6,759	4,943	1,486,938
Opening balance of Funds available for Future Appropriation		55,269	114,191	-	-	-	-	-	-	169,460
SURPLUS / (DEFICIT) AVAILABLE FOR APPROPRIATION		614,203	147,267	-	-	-	883,226	6,759	4,943	1,656,398
APPROPRIATIONS										
Transfer to Shareholders' Account		137,080	1,452	-	-	-	883,226	6,759	4,943	1,033,460
Transfer to Other Reserves		-	-	-	-	-	-	-	-	-
Funds available for Future Appropriations		477,123	145,815	-	-	-	-	-	-	622,938
Insurance reserve carried to the Balance Sheet		-	-	-	-	-	-	-	-	-
Details of Surplus										
(a) Interim Bonus Paid		-	-	-	-	-	-	-	-	-
(b) Allocation of Bonus to Policyholders [Refer to Note II (r) on Schedule16]		1,418,584	14,278	-	-	-	-	-	-	1,432,862
(c) Surplus Shown in the Revenue Account		614,203	147,267	-	-	-	883,226	6,759	4,943	1,656,398
(d) Total Surplus : [(a)+(b)+(c)]		2,032,787	161,545	-	-	-	883,226	6,759	4,943	3,089,260

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 16

* Represents the deemed realised gain/(loss) as per norms specified by the Authority

** Represents Mathematical Reserve considering allocation of Bonus

As required by Section 40 B(4) of the Insurance Act, 1938 we certify that all expenses of management in respect of life insurance business in India by the Insurer have been fully debited to Policyholder Revenue Accounts as expenses.

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

For and on behalf of the Board of Directors

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 0500325
Chartered Accountants

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 6, 2011

Mumbai
May 6, 2011

ANALJIT SINGH
WILLIAM BEATY
MARIELLE THERON
JOHN POOLE

Chairman
Director
Director
Appointed Actuary

RAJESH SUD
RAJIT MEHTA
RAJIV MATHUR
PRASHANT TRIPATHY

Managing Director & Chief Executive Officer
Executive Director & Chief Operating Officer
Director-Legal & Compliance & Company Secretary
Chief Financial Officer

Gurgaon
May 6, 2011

Receipts and Payments Account for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees)

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	58,009,502	48,445,617
Amount received in Advance from customers	1,561,722	200,567
Commission paid to agents	(5,072,115)	(4,354,943)
Claims Paid to policyholders	(11,747,745)	(5,650,322)
Claims Recovered from Reinsurers	473,602	138,965
Loan Against Policies	(30,157)	(37,798)
Reinsurance Premium Paid	(930,610)	(434,993)
Payments/advances to suppliers/employees	(15,000,458)	(12,374,266)
Deposit recovered / given from / to RBI	-	-
Cash generated from operations	27,263,741	25,932,827
Wealth tax paid	(405)	(411)
Fringe Benefit Tax Paid	-	(57)
Gratuity Paid	(28,659)	(72,205)
Net cash generated in operating activities	27,234,677	25,860,154
Cash flows from investing activities		
Purchase of fixed assets	(397,847)	(567,394)
Proceed from sale of fixed assets	65,558	19,012
Purchase of Investments	(465,266,809)	(228,368,427)
Proceeds from sale/maturity of investments	433,558,974	199,352,585
Interest received	4,857,690	3,422,739
Tax deducted at Source	-	-
Net cash from investing activities	(27,182,434)	(26,141,485)
Cash flows from financing activities		
Proceeds from issuance of share capital (Including Share Premium)	32,212	1,905,290
Interest paid	-	-
Net cash generated from financing activities	32,212	1,905,290
Net increase in cash and cash equivalents	84,455	1,623,959
Cash and cash equivalents at beginning of year	1,840,422	216,463
Cash and cash equivalents at end of year	1,924,877	1,840,422

Notes :

- The above Receipts and Payments Account has been prepared under the "Direct Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by The Institute of Chartered Accountants of India , as prescribed by Insurance Regulatory & Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002.
- Figures in parenthesis represent cash outflows.
- Previous year's amounts have been reclassified wherever necessary to conform to current year's classification.
- Cash and cash equivalents at the end of the year consist of cash, cheques in hand, stamps in hand and balance with banks.

	As at March 31, 2011	As at March 31, 2010
Cash in hand	151,930	134,505
Stamps in hand	6,032	3,987
Cheques in hand	-	-
Balance with banks		
- Current Account (including Remittances in Transit)	1,766,915	1,701,930
Total	1,924,877	1,840,422

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 0500325
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 6, 2011

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 6, 2011

For and on behalf of the Board of Directors

ANALJIT SINGH
WILLIAM BEATY
MARIELLE THERON
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RAJIV MATHUR
PRASHANT TRIPATHY

Gurgaon
May 6, 2011

Chairman
Director
Director
Appointed Actuary

Managing Director & Chief Executive Officer
Executive Director & Chief Operating Officer
Director-Legal & Compliance & Company Secretary
Chief Financial Officer

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 1

PREMIUM

[Refer to Note I (a) on Schedule 16]

	YEAR ENDED MARCH 31, 2011								
Particulars	Participating Policies		Non-Participating			Linked Policies			Total
	(Non-Linked)		Policies (Non-Linked)						
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
First year premiums	8,826,594	320	665,160	34,116	590,448	5,762,216	1,736,721	134,351	17,749,926
Renewal premiums	10,149,116	64,808	497,811	65,741	108,104	25,046,150	1,577,320	3,355	37,512,405
Single premiums	1,327,588	13,664	46,671	-	530,564	313,757	631,717	-	2,863,961
Total premium	20,303,298	78,792	1,209,642	99,857	1,229,116	31,122,123	3,945,758	137,706	58,126,292
Business %	34.93%	0.14%	2.08%	0.17%	2.11%	53.54%	6.79%	0.24%	100%
Total premium in India	20,303,298	78,792	1,209,642	99,857	1,229,116	31,122,123	3,945,758	137,706	58,126,292
Total Premium outside India	-	-	-	-	-	-	-	-	

PREMIUM

[Refer to Note I (a) on Schedule 16]

Refer to Note 1(a) on Schedule No.1									
Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies		Non-Participating			Linked Policies			
	(Non-Linked)		Policies (Non-Linked)						
	Individual	Pension	Individual	Health	Group	Linked	Linked	Linked	
	Life		Life			Individual	Pension	Group	
First year premiums	3,257,970	2,375	582,847	105,251	443,160	10,614,441	1,092,556	376,146	16,474,746
Renewal premiums	8,597,604	65,917	243,843	67,312	62,891	20,171,629	901,223	4,216	30,114,635
Single premiums	1,108,835	13,065	1,979	-	76,705	629,255	186,168	-	2,016,007
Total premium	12,964,409	81,357	828,669	172,563	582,756	31,415,325	2,179,947	380,362	48,605,388
Business %	26.67%	0.17%	1.70%	0.36%	1.20%	64.63%	4.48%	0.78%	100%
Total premium in India	12,964,409	81,357	828,669	172,563	582,756	31,415,325	2,179,947	380,362	48,605,388
Total Premium outside India	-	-	-	-	-	-	-	-	-

SCHEDULE 2

COMMISSION

[Refer to Note I (c) on Schedule 16]

Particulars	YEAR ENDED MARCH 31, 2011								Total
	Participating Policies		Non-Participating			Linked Policies			
	(Non-Linked)		Policies (Non-Linked)						
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Commission paid									
Direct first year premiums	2,745,224	11	175,997	8,771	13,669	1,214,529	116,675	57	4,274,933
Direct renewal premiums	371,579	749	19,927	3,347	2,169	699,772	17,076	12	1,114,631
Direct single premiums	481	3	35	-	-	2,496	6,405	-	9,420
Total (A)	3,117,284	763	195,959	12,118	15,838	1,916,797	140,156	69	5,398,984
Add : Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-
Net Commission	3,117,284	763	195,959	12,118	15,838	1,916,797	140,156	69	5,398,984

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 2 (Contd...)

Break-up of commission expenses (gross) incurred to procure business is as per details below:

	YEAR ENDED MARCH 31, 2011								
Particulars	Participating Policies		Non-Participating			Linked Policies			Total
	(Non-Linked)		Policies (Non-Linked)						
	Individual	Pension	Individual	Health	Group	Linked	Linked	Linked	
	Life		Life			Individual	Pension	Group	
Agents	1,321,891	737	89,032	11,764	3,859	744,354	132,797	18	2,304,452
Brokers	136,226	4	917	14	11,979	16,033	559	51	165,783
Corporate Agency	622,017	18	39,333	54	-	1,021,989	740	-	1,684,151
Referral Fees	7,429	-	1,229	8	-	4,040	451	-	13,157
Others									
Bancassurance	1,029,721	4	65,448	278	-	130,381	5,609	-	1,231,441
Direct Selling	-	-	-	-	-	-	-	-	-
Total (B)	3,117,284	763	195,959	12,118	15,838	1,916,797	140,156	69	5,398,984

COMMISSION

[Refer to Note I (c) on Schedule 16]

	YEAR ENDED MARCH 31, 2010								
Particulars	Participating Policies		Non-Participating			Linked Policies			Total
	(Non-Linked)		Policies (Non-Linked)						
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Commission paid									
Direct first year premiums	987,624	51	121,465	23,744	2,752	1,917,477	61,786	49	3,114,948
Direct renewal premiums	326,320	813	9,509	3,866	1,111	736,845	10,947	40	1,089,451
Direct single premiums	587	-	29	-	-	5,846	1,226	-	7,688
Total (A)	1,314,531	864	131,003	27,610	3,863	2,660,168	73,959	89	4,212,087
Add: Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-
Net Commission	1,314,531	864	131,003	27,610	3,863	2,660,168	73,959	89	4,212,087

Break-up of commission expenses (gross) incurred to procure business is as per details below:

Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies		Non-Participating			Linked Policies			
	(Non-Linked)		Policies (Non-Linked)						
	Individual	Pension	Individual	Health	Group	Linked	Linked	Linked	
	Life		Life			Individual	Pension	Group	
Agents	970,104	829	86,969	26,671	3,473	1,276,279	69,947	14	2,434,286
Brokers	11,043	3	1,011	105	390	22,703	1,385	75	36,715
Corporate Agency	258,734	20	30,217	72	-	1,226,952	1,131	-	1,517,126
Referral Fees	7,048	-	1,453	52	-	11,528	342	-	20,423
Others	-	-	-	-	-	-	-	-	-
Bancassurance	67,602	12	11,353	710	-	122,706	1,154	-	203,537
Direct Selling	-	-	-	-	-	-	-	-	-
Total (B)	1,314,531	864	131,003	27,610	3,863	2,660,168	73,959	89	4,212,087

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 3

[Refer to Note I (k) on Schedule 16]

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	YEAR ENDED MARCH 31, 2011									Total
	Participating Policies		Non-Participating			Linked Policies				
	(Non-Linked)		Policies (Non-Linked)							
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group		
Employees remuneration and welfare benefits										
[Refer to Notes II (i), (j), (p) and (y) on Schedule 16]	3,719,443	2,530	233,742	30,599	95,058	1,898,872	304,912	10,591		6,295,747
Travel, conveyance and vehicle running expenses	209,671	169	13,124	1,923	6,178	109,752	18,764	709		360,290
Training expenses (including Agent advisors)	136,892	110	8,569	1,257	4,033	71,658	12,247	464		235,230
Rent, rates & taxes	528,463	428	33,084	4,853	15,569	276,625	47,282	1,789		908,093
Repairs & Maintenance	229,230	187	14,349	2,107	6,752	119,992	20,509	775		393,901
Printing and stationery	129,281	104	8,096	1,188	3,807	67,673	11,567	435		222,151
Communication expenses	241,555	268	14,945	2,182	6,871	151,922	22,476	778		440,997
Legal, professional and consultancy charges										
[Refer to Notes II (p) on Schedule 16]	178,725	136	11,202	1,583	5,030	92,780	15,541	571		305,568
Medical fees	44,043	36	2,757	404	1,298	23,054	3,941	149		75,682
Auditors' fees, expenses etc :										
(a) as auditor	2,095	2	131	19	62	1,097	187	7		3,600
(b) as advisor or in any other capacity, in respect of :										
(i) Taxation matters	73	-	5	-	2	38	7	-		125
(ii) Insurance matters	-	-	-	-	-	-	-	-		-
(iii) Management services; and	-	-	-	-	-	-	-	-		-
(c) in any other capacity										
- Certification	611	-	38	6	18	320	55	2		1,050
- Out of pocket expenses	461	-	29	4	14	241	41	2		792
Advertisement and publicity										
[Refer to Notes II (p) on Schedule 16]	532,770	272	33,642	3,743	11,002	263,335	38,655	1,159		884,578
Interest and bank charges	46,682	86	2,714	376	1,247	26,498	4,153	200		81,956
Others:										
Rates and taxes	73,085	59	4,574	679	2,153	38,261	6,540	247		125,598
Service Tax Expenditure	15,857	-	5,521	68	-	487,355	18,594	813		528,208
Information technology maintenance expenses	230,451	186	14,427	2,116	6,788	120,630	20,619	781		395,998
Recruitment (including Agent advisors)	94,476	25	6,012	486	1,219	44,272	5,448	105		152,043
Electricity ,water and utilities	165,585	133	10,367	1,521	4,878	86,675	14,815	561		284,535
Insurance	35,439	29	2,219	324	1,043	18,551	3,170	120		60,895
Policy issuance and servicing costs	1,229,592	220	78,362	5,512	12,613	564,819	64,653	919		1,956,690
(Profit)/Loss on fluctuation in foreign exchange	(2,065)	(2)	(129)	(19)	(61)	(1,081)	(185)	(7)		(3,549)
Other miscellaneous expenses	21,092	18	1,321	286	622	11,170	1,888	70		36,467
Depreciation	382,780	310	23,964	3,515	11,279	200,367	34,247	1,294		657,756
Total	8,246,287	5,306	523,065	64,732	197,475	4,674,876	670,126	22,534		14,404,401

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 3 (Contd...)

OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

[Refer to Note I (k) on Schedule 16]

Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies		Non-Participating			Linked Policies			
	(Non-Linked)		Policies (Non-Linked)						
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits [Refer to Notes II (i), (j), (p) and (y) on Schedule 16]	2,273,181	3,850	156,291	85,963	65,941	3,215,288	206,297	1,785	6,008,596
Travel, conveyance and vehicle running expenses	142,834	261	9,178	5,565	4,453	195,785	13,297	119	371,492
Training expenses (including Agent advisors)	117,499	214	7,548	4,577	3,664	161,055	10,939	100	305,596
Rent, rates & taxes	443,759	812	28,514	17,289	13,838	608,266	41,311	375	1,154,164
Repairs & Maintenance	153,203	279	9,843	5,968	4,778	209,997	14,264	131	398,463
Printing and stationery	93,396	171	6,001	3,638	2,915	128,023	8,695	80	242,919
Communication expenses	236,878	624	14,053	8,215	6,606	356,496	22,433	188	645,493
Legal, professional and consultancy charges [Refer to Notes II (p) on Schedule 16]	13,696	77	3,115	2,323	1,076	101,539	3,450	37	125,313
Medical fees	20,643	38	1,326	804	644	28,294	1,922	17	53,688
Auditors' fees, expenses etc :									
(a) as auditor	1,000	2	64	39	31	1,370	93	1	2,600
(b) as advisor or in any other capacity, in respect of :									
(i) Taxation matters	39	-	2	1	1	53	4	-	100
(ii) Insurance matters	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-
(c) in any other capacity									
- Certification	-	-	-	-	-	-	-	-	-
- Out of pocket expenses	598	1	38	23	19	820	56	1	1,556
Advertisement and publicity [Refer to Notes II (p) on Schedule 16]	438,036	680	32,174	16,042	11,707	639,609	38,682	315	1,177,245
Interest and bank charges	26,690	49	1,715	1,040	832	36,698	2,485	25	69,534
Others:									
Rates and taxes	-	-	-	-	-	-	-	-	-
Service Tax Expenditure	39,238	-	7,491	3,271	-	1,032,764	31,250	320	1,114,334
Information technology maintenance	136,123	249	148,498	5,303	4,242	186,589	12,673	115	493,792
Recruitment (including Agent advisors)	47,676	21	5,233	1,308	439	86,405	3,312	9	144,403
Electricity ,water and utilities	127,649	234	8,202	4,973	3,981	174,967	11,883	108	331,997
Insurance	12,829	23	825	500	399	17,586	1,194	10	33,366
Policy issuance and servicing costs	456,827	274	174,078	11,758	5,493	705,973	31,685	136	1,386,224
(Profit)/Loss on fluctuation in foreign exchange	(1,384)	(3)	(89)	(54)	(43)	(1,897)	(129)	(1)	(3,600)
Other miscellaneous expenses	9,219	17	592	359	287	12,637	858	7	23,976
Depreciation	370,137	677	23,784	14,422	11,542	507,355	34,458	313	962,688
Total	5,159,766	8,550	638,476	193,327	142,845	8,405,672	491,112	4,191	15,043,939

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 4

BENEFITS PAID [NET] IN INDIA

(Refer to Note I (d) on Schedule 16)

Particulars	YEAR ENDED MARCH 31, 2011								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Insurance Claims *									
(a) By death	668,339	1,765	139,300	33,551	699,434	828,487	19,351	-	2,390,227
(b) By Maturity	4,374	-	80,820	-	2,641	69	-	53,920	141,824
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits									
- Surrenders	622,879	15,147	1,760	-	-	7,102,230	743,423	927	8,486,366
- Health	-	-	-	27,516	-	-	-	-	27,516
- Survival Benefit	482,585	-	63	-	-	-	-	-	482,648
- Bonus to Policyholders									
[Refer to Note II (r) on Schedule 16]	1,487,879	13,508	-	-	-	-	-	-	1,501,387
- Others	3,119	-	2,078	1,100	-	12,769	100	-	19,166
Total paid	3,269,175	30,420	224,021	62,167	702,075	7,943,555	762,874	54,847	13,049,134
(Amount ceded in re-insurance) :									
(a) By death	(77,289)	-	(36,833)	(20,722)	(373,541)	(142,772)	(93)	-	(651,250)
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits - Health	-	-	-	(29,985)	-	-	-	-	(29,985)
Total ceded	(77,289)	-	(36,833)	(50,707)	(373,541)	(142,772)	(93)	-	(681,235)
Amount accepted in re-insurance :									
(a) By death	-	-	-	-	-	-	-	-	-
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total accepted	-	-	-	-	-	-	-	-	-
Net Paid	3,191,886	30,420	187,188	11,460	328,534	7,800,783	762,781	54,847	12,367,899

* Including claim investigation expenses amounting to Rs.26,444

Particulars	YEAR ENDED MARCH 31, 2010								Total
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			
	Individual Life	Pension	Individual Life	Health	Group	Linked Individual	Linked Pension	Linked Group	
Insurance Claims *									
(a) By death	452,839	1,689	123,733	15,460	269,641	639,603	6,773	-	1,509,738
(b) By Maturity	4,484	-	-	-	2,246	-	-	44,606	51,336
(c) Annuities/Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
– Surrenders	496,356	12,786	1,701	-	20	2,312,530	130,600	153	2,954,146
– Health	-	-	-	30,375	-	-	-	-	30,375
– Survival Benefit	270,733	-	655	-	-	-	-	-	271,388
– Bonus to Policyholders	-	-	-	-	-	-	-	-	-
[Refer to Note II (r) on Schedule 16]	1,233,724	13,065	-	-	-	-	-	-	1,246,789
– Others	6,635	-	369	1,700	-	10,471	-	-	19,175
Total paid	2,464,771	27,540	126,458	47,535	271,907	2,962,604	137,373	44,759	6,082,947
(Amount ceded in re-insurance) :									
(a) By death	(15,839)	-	(14,923)	(15,411)	(98,311)	(46,722)	-	-	(191,206)
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total ceded	(15,839)	-	(14,923)	(15,411)	(98,311)	(46,722)	-	-	(191,206)
Amount accepted in re-insurance :									
(a) By death	-	-	-	-	-	-	-	-	-
(b) By Maturity	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total accepted	-	-	-	-	-	-	-	-	-
Net Paid	2,448,932	27,540	111,535	32,124	173,596	2,915,882	137,373	44,759	5,891,741

* Including claim investigation expenses amounting to Rs.9,182

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 5 SHARE CAPITAL

Particulars	As at March 31, 2011	As at March 31, 2010
Authorised Capital		
3,000,000,000 (2010: 3,000,000,000) Equity Shares of Rs 10 each	30,000,000	30,000,000
Issued and Subscribed Capital		
1,840,898,668 (2010: 1,838,817,586) Equity Shares of Rs 10 each	18,408,987	18,388,176
Called up Capital		
1,840,898,668 (2010: 1,838,817,586) Equity Shares of Rs 10 each	18,408,987	18,388,176
Less: Calls unpaid	-	-
Add : Shares forfeited (Amount originally paid up)	-	-
Add : Shares application money pending allotment	1,013	-
Less: Par value of equity shares bought back	-	-
Less: Preliminary Expenses (to the extent not written off or adjusted)	-	-
Total	18,410,000	18,388,176

Of the above 1,356,764,514 (2010:1,354,807,014) equity shares of Rs 10 each fully paid up are held by Max India Limited (the holding company) and its nominees.

SCHEDULE 5A PATTERN OF SHAREHOLDING (as certified by Management)

Particulars	As at March 31, 2011		As at March 31, 2010	
	Shares of Rs 10 each fully paid up	% of Holding	Shares of Rs 10 each fully paid up	% of Holding
Promoters				
· Indian	1,356,764,514	73.70%	1,354,807,014	73.68%
· Foreign	478,633,654	26.00%	478,092,572	26.00%
Others	5,500,500	0.30%	5,918,000	0.32%
Total	1,840,898,668	100%	1,838,817,586	100%

SCHEDULE 6 RESERVE AND SURPLUS

Particulars	As at March 31, 2011	As at March 31, 2010
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	1,351,828	1,341,440
Revaluation Reserve	-	-
General Reserve	-	-
Less: Debit balance in Profit and Loss Account, if any	-	-
Less: Amount utilised for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance of profit/ (loss) in Profit and Loss Account	-	-
Total	1,351,828	1,341,440

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 7 BORROWINGS

Particulars	As at March 31, 2011	As at March 31, 2010
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-

SCHEDULE 8 INVESTMENTS SHAREHOLDERS (IN INDIA) [Refer to Note I (e), II (g) and (h) on Schedule 16]

Particulars	As at March 31, 2011	As at March 31, 2010
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	5,987,783	2,698,302
Other Approved Securities	708,449	683,712
Other Investments		
(a) Shares		
Equity	111,419	102,162
Preference Shares	-	506
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	1,679,909	965,810
(e) Other Securities		
Deposits with Bank	250,000	50,000
(f) Subsidiaries	-	-
Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	3,061,932	1,704,866
Other than Approved Investments		
Equity Shares	12,788	12,096
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	-	249,590
Other Approved Securities	-	-
Other Investments		
(a) Shares		
Equity	-	-
Preference Shares	-	-
(b) Mutual Funds	805,367	370,344
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	-	-
(e) Other Securities		
Certificate of Deposits	433,796	1,174,851
Deposits with Bank	147,422	239,093
(f) Subsidiaries	-	-
Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	-	49,984
Other than Approved Investments	-	-
Total	13,198,865	8,301,315
Aggregate Amount of Investments other than listed equity securities and derivative instruments	13,069,788	8,182,166
Aggregate Market Value of Investments other than listed equity securities and derivative instruments	12,861,492	8,082,332

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 8A

INVESTMENTS POLICYHOLDERS (IN INDIA)

[Refer to Note I (e), II (g) and (h) on Schedule 16]

Particulars	As at March 31, 2011	As at March 31, 2010
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills *	19,798,339	13,894,869
Other Approved Securities	4,550,661	3,990,757
Other Investments		
(a) Shares		
Equity	9,274	3,162
Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	2,730,895	1,920,451
(e) Other Securities		
Deposits with Bank	90,000	-
(f) Subsidiaries	-	-
Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	8,015,062	5,822,421
Other than Approved Investments		
Equity Shares	552	363
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	-	351,235
Other Approved Securities		
Other Investments		
(a) Shares		
Equity	-	-
Preference	-	-
(b) Mutual Funds	653,613	154,101
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	99,946	270,247
(e) Other Securities		
Certificate of Deposits	195,523	-
Deposits with Bank	-	517,503
(f) Subsidiaries	-	-
Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	325,921	149,863
Other than Approved Investments	-	-
Total	36,469,786	27,074,972
Aggregate Amount of Investments other than listed equity securities and derivative instruments	36,458,396	27,070,714
Aggregate Market Value of Investments other than listed equity securities and derivative instruments	35,482,286	26,436,302

* Includes Rs 106,264 (2010 : 106,449) of securities under section 7 of Insurance Act, 1938 [Refer to Note II (g) on Schedule 16]

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 8B

ASSETS HELD TO COVER LINKED LIABILITIES

[Refer to Note I (e), II (g) and (h) on Schedule 16]

Particulars	As at March 31, 2011	As at March 31, 2010
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	2,868,522	1,957,351
Other Approved Securities	174,165	-
Other Investments		
(a) Shares		
Equity	45,684,554	30,136,418
Preference	-	6,642
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	3,048,069	2,178,409
(e) Other Securities		
Deposits with Bank	898,000	230,149
(f) Subsidiaries	-	-
Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	10,894,646	9,430,012
Other than Approved Investments		
Equity Shares	4,403,865	6,579,939
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	201,815	676,833
Other Approved Securities	-	-
Other Investments		
(a) Shares		
Equity	-	-
Preference	-	-
(b) Mutual Funds	1,262,038	2,055,911
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	1,409,555	865,987
(e) Other Securities		
Commercial Paper	246,678	967,096
Certificate of Deposits	13,473,899	7,602,629
Deposits with Bank	410,149	254,700
(f) Subsidiaries	-	-
Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	1,735,220	1,558,098
Other than Approved Investments	-	-
Net Current Assets	1,984,381	1,279,227
Total	88,695,556	65,779,401

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 9

LOANS

[Refer to Note II (o) on Schedule 16]

Particulars	As at March 31, 2011	As at March 31, 2010
SECURITY -WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		
In India	-	-
Outside India	-	-
(b) On Shares, Bonds, Govt. Securities, etc.	-	-
(c) Loans against policies	116,222	86,065
(d) Others	-	-
Unsecured	-	-
Total	116,222	86,065
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Loans against policies	116,222	86,065
(f) Others	-	-
Total	116,222	86,065
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
In India	116,222	86,065
Outside India	-	-
(b) Non-standard loans less provisions		
In India	-	-
Outside India	-	-
Total	116,222	86,065
MATURITY- WISE CLASSIFICATION		
(a) Short Term	-	-
(b) Long Term	116,222	86,065
Total	116,222	86,065

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 10

FIXED ASSETS

[Refer to Note I (f) on Schedule 16]

Particulars	Gross Block			As at March 31, 2011	Depreciation			As at March 31, 2011	Net Block	
	As at April 1, 2010	Additions for the year	Sale/ Disposal for the year		As at April 1, 2010	For the Year	On Sales / Disposal		As at March 31, 2011	As at March 31, 2010
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Software	852,978	251,963	3,403	1,101,538	612,609	129,966	3,403	739,172	362,366	240,369
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold improvements*	1,914,173	10,246	449,528	1,474,891	716,754	677,021	413,102	980,673	494,218	1,197,419
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures *	588,394	12,100	118,616	481,878	188,261	201,128	108,471	280,918	200,960	400,133
Information Technology equipment (Including communication networks and servers)	1,270,023	64,333	134,847	1,199,509	818,286	330,012	123,586	1,024,712	174,797	451,737
Vehicles	53,555	12,512	17,195	48,872	24,247	9,802	11,934	22,115	26,757	29,308
Office equipment	689,860	32,376	133,289	588,947	347,519	243,220	124,692	466,047	122,900	342,341
Others	-	-	-	-	-	-	-	-	-	-
Total	5,368,983	383,530	856,878	4,895,635	2,707,676	1,591,149	785,188	3,513,637	1,381,998	2,661,307
Capital Work in Progress (including Capital advances)									20,016	83,524
Grand Total	5,368,983	383,530	856,878	4,895,635	2,707,676	1,591,149	785,188	3,513,637	1,402,014	2,744,831
Previous year	4,748,098	656,836	35,951	5,368,983	1,659,025	1,067,487	18,836	2,707,676	2,744,831	

* Note : Assets retired from active use and held for disposal during the year Gross Block : Rs 1,070,818 (2010 : Rs 175,259),
Accumulated Depreciation Rs 1,000,401 (2010 : Rs. 69,105)

SCHEDULE 11

CASH AND BANK BALANCES

Particulars	As at March 31, 2011	As at March 31, 2010
Cash [Including Insurance Stamp Rs 6,032 (2010 : Rs 3,987)]	157,962	138,492
Balances with banks in India*		
(a) Deposit Accounts		
Short-term fixed deposit (i.e. maturing in 12 months)	-	-
Others	-	-
(b) Current accounts	1,766,915	1,701,930
[Including Remittances in Transit Rs 370,218 (2010: Rs. 225,905)]		
(c) Others	-	-
Money at Call and Short Notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	1,924,877	1,840,422

*Balances with non-scheduled bank included in (b) above

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 12 ADVANCES AND OTHER ASSETS

Particulars	As at March 31, 2011	As at March 31, 2010
ADVANCES		
Reserve deposit with ceding companies	-	-
Application money for investments	-	-
Prepayments	459,809	1,007,077
Advances to Directors / Officers	-	-
Advance tax paid and taxes deducted at source (Net of provision for taxation)	21,893	19,199
Others		
- Advances to suppliers	367,442	241,826
Less : Provision for doubtful expenses	16,647	6,665
- Advances to employees for imprest, travel, etc.	40,949	42,540
Less : Provision for doubtful expenses	25,983	17,528
Total (A)	847,463	1,286,449
OTHER ASSETS		
Income accrued on investments	1,172,190	763,066
Outstanding Premiums	837,799	690,519
Agents' Balances	83,996	156,877
Less : Provision for doubtful expenses	16,329	3,295
Foreign Agencies Balances	-	-
Due from other entities carrying on insurance business (including reinsurers)	395,150	187,517
Due from subsidiaries / holding company	-	-
Deposits with Reserve Bank of India (Pursuant to Section 7 of Insurance Act, 1938)*	-	-
Others:		
- Service Tax Unutilised Credit	1,067,107	743,495
- Security and other deposits	453,138	628,961
Total (B)	3,993,051	3,167,140
Total (C) = (A) + (B)	4,840,514	4,453,589

*(Refer to Note II (g) on Schedule 16)

SCHEDULE 13 CURRENT LIABILITIES

Particulars	As at March 31, 2011	As at March 31, 2010
Agents' balances	745,137	491,149
Balance due to other insurance companies	333,070	499,456
Deposits held on reinsurance companies	-	-
Premium received in advance	-	-
Unallocated premium	750,208	342,383
Sundry creditors	4,519,789	3,644,314
Due to holding company	3,634	2,827
Claims Outstanding (includes pending investigation) *	528,169	564,662
Annuities Due	-	-
Due to Officers/ Directors	-	-
Unclaimed Amount- Policyholders **	1,163,135	1,191,640
Funds for Discontinued Policies: ***		
- Discontinued on account of non-payment of premium	200	-
(including Rs.200 transferred for current financial year)		
- Others	-	-
Others:		
-Proposal / Policyholder deposits	1,117,243	1,272,497
-Payable to Policyholder	1,337,882	462
-Withholding Tax Deducted at Source	303,890	341,522
-Service Tax Liability	-	5
-Other Statutory liabilities	32,638	27,130
Total	10,834,995	8,378,047

*Includes Claims incurred but not reported Rs. 247,029 (2010 : Rs 205,553)

** (Refer to Note II (ag) on Schedule 16) *** (Refer to Note II (ah) on Schedule 16)

Schedules annexed to and forming part of the financial statements

(All Amounts in Thousands of Indian Rupees)

SCHEDULE 14 PROVISIONS

Particulars	As at March 31, 2011	As at March 31, 2010
For taxation (less payments and taxes deducted at source)	-	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Others :		
- Provision for gratuity	-	-
- Provision for fringe benefit tax	-	-
- Provision for non compensated leaves	2,212	2,439
- Provision for wealth tax	377	400
Total	2,589	2,839

SCHEDULE 15 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted) (Refer to Note II (j) on Schedule 16)

Particulars	As at March 31, 2011	As at March 31, 2010
Discount Allowed on issue of shares/debentures	-	-
Others		
- Deferred Employee Compensation	755,927	757,998
Total	755,927	757,998

ANNEXURE TO REVENUE ACCOUNT-BREAK UP OF UNIT LINKED BUSINESS (UL)

Revenue Account for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees)

Policyholders' Account (Technical Account)

Particulars	Schedule	Linked Life			Linked Pension			Linked Group Total			Unit Linked
		Non-Unit (1)	Unit (2)	Total (3)=(1)+(2)	Non-Unit (4)	Unit (5)	Total (6)=(4)+(5)	Non-Unit (7)	Unit (8)	Total (9)=(7)+(8)	
Premiums earned – net											
(a) Premium		3,945,841	27,176,282	31,122,123	23,921	3,921,837	3,945,758	-	137,706	137,706	35,205,587
(b) Reinsurance ceded		(168,162)	-	(168,162)	(235)	-	(235)	-	-	-	(168,397)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		154,801	1,837,091	1,991,892	12,971	143,379	156,350	8	36,367	36,375	2,184,617
(b) Profit on sale/redemption of investments		5,692	6,897,463	6,903,155	-	149,998	149,998	-	33,065	33,065	7,086,218
(c) Loss on sale/redemption of investments		(15)	(1,312,025)	(1,312,040)	(2)	(34,572)	(34,574)	(2)	(11,538)	(11,540)	(1,358,154)
(d) Unrealised gain/(loss)		15	(594,466)	(594,451)	1	224,331	224,332	1	1,609	1,610	(368,509)
(e) Amortisation of discount/(premium)		(800)	-	(800)	(238)	-	(238)	-	-	-	(1,038)
(f) App / Exp Adj Account		1	38,227	38,228	-	5,137	5,137	-	42	42	43,407
Other income:											
(a) Linked Income	UL1	6,685,245	(6,685,245)	-	653,926	(653,926)	-	8,089	(8,089)	-	-
(b) Contribution from the Shareholders' Account		-	-	-	73,901	-	73,901	13,732	-	13,732	87,633
(c) Others		4,045	5	4,050	692	1	693	27	1	28	4,771
TOTAL (A)		10,626,663	27,357,332	37,983,995	764,937	3,756,185	4,521,122	21,855	189,163	211,018	42,716,135
Commission Paid		1,916,797	-	1,916,797	140,156	-	140,156	69	-	69	2,057,022
Operating Expenses related to Insurance Business		4,336,915	337,961	4,674,876	652,601	17,525	670,126	21,721	813	22,534	5,367,536
Provision for Tax - Fringe Benefit Tax		-	-	-	-	-	-	-	-	-	-
Provision for doubtful debts		9,586	-	9,586	1,639	-	1,639	63	-	63	11,288
Bad debts written off		241	-	241	41	-	41	2	-	2	284
TOTAL (B)		6,263,539	337,961	6,601,500	794,437	17,525	811,962	21,855	813	22,668	7,436,130
Benefits Paid (Net)	UL2	586,881	7,213,902	7,800,783	1,304	761,477	762,781	-	54,847	54,847	8,618,411
Interim Bonus Paid		-	-	-	-	-	-	-	-	-	-
Change in Valuation Liability		878,034	19,805,469	20,683,503	(30,804)	2,977,183	2,946,379	-	133,503	133,503	23,763,385
TOTAL (C)		1,464,915	27,019,371	28,484,286	(29,500)	3,738,660	3,709,160	-	188,350	188,350	32,381,796
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		2,898,209	-	2,898,209	-	-	-	-	-	-	2,898,209
APPROPRIATIONS											
Transfer to Shareholders' Account		-	-	-	-	-	-	-	-	-	-
Funds available for future appropriations		-	-	-	-	-	-	-	-	-	-
Total (D)		-	-	-	-	-	-	-	-	-	-

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Policyholders' Account (Technical Account)

Particulars	Schedule	Linked Life			Linked Pension			Linked Group			Total
		Non-Unit (1)	Unit (2)	Total (3)=(1)+(2)	Non-Unit (4)	Unit (5)	Total (6)=(4)+(5)	Non-Unit (7)	Unit (8)	Total (9)=(7)+(8)	
Premiums earned – net											
(a) Premium		5,780,939	25,634,386	31,415,325	175,129	2,004,818	2,179,947	-	380,362	380,362	33,975,634
(b) Reinsurance ceded		(105,589)	-	(105,589)	-	-	-	-	-	-	(105,589)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		37,817	1,300,280	1,338,097	1,034	69,789	70,823	-	23,303	23,303	1,432,223
(b) Profit on sale/redemption of investments		627	6,942,682	6,943,309	-	259,960	259,960	-	6,796	6,796	7,210,065
(c) Loss on sale/redemption of investments		-	(844,202)	(844,202)	-	(131,294)	(131,294)	-	(5,098)	(5,098)	(980,594)
(d) Unrealised gain/(loss)		-	9,637,935	9,637,935	-	633,294	633,294	-	20,096	20,096	10,291,325
(e) Amortisation of discount/(premium)		(513)	-	(513)	15	-	15	-	-	-	(498)
(f) App / Exp Adj Account		-	108,618	108,618	-	6,689	6,689	-	(77)	(77)	115,230
Other income:											
(a) Linked Income	UL1	7,117,105	(7,117,105)	-	416,175	(416,175)	-	8,904	(8,904)	-	-
(b) Contribution from the Shareholders' Account		-	-	-	-	-	-	-	-	-	-
(c) Others		1,559	(7)	1,552	106	4	110	-	4	4	1,666
TOTAL (A)		12,831,945	35,662,587	48,494,532	592,459	2,427,085	3,019,544	8,904	416,482	425,386	51,939,462
Commission Paid		2,660,168	-	2,660,168	73,959	-	73,959	89	-	89	2,734,216
Operating Expenses related to Insurance Business		7,902,214	503,458	8,405,672	475,897	15,215	491,112	3,871	320	4,191	8,900,975
Provision for Tax - Fringe Benefit Tax		-	-	-	-	-	-	-	-	-	-
Provision for doubtful debts		1,139	-	1,139	77	-	77	1	-	1	1,217
Bad debts written off		1,059	-	1,059	72	-	72	1	-	1	1,132
TOTAL (B)		10,564,580	503,458	11,068,038	550,005	15,215	565,220	3,962	320	4,282	11,637,540
Benefits Paid (Net)	UL2	541,283	2,374,599	2,915,882	124	137,249	137,373	-	44,759	44,759	3,098,014
Interim Bonus Paid		-	-	-	-	-	-	-	-	-	-
Change in Valuation Liability		842,856	32,784,530	33,627,386	35,571	2,274,621	2,310,192	(1)	371,403	371,402	36,308,980
TOTAL (C)		1,384,139	35,159,129	36,543,268	35,695	2,411,870	2,447,565	(1)	416,162	416,161	39,406,994
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		883,226	-	883,226	6,759	-	6,759.00	4,943	-	4,943	894,928
APPROPRIATIONS											
Transfer to Shareholders' Account		-	-	-	-	-	-	-	-	-	-
Funds available for future appropriations		-	-	-	-	-	-	-	-	-	-
Total (D)		-	-	-	-	-	-	-	-	-	-

Schedules Annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

Schedule-UL1

Linked Income (recovered from linked funds)*

Particulars	YEAR ENDED MARCH 31, 2011			
	Life	Linked Unit	Pension Linked Unit	Linked Group Unit
	(1)	(2)	(3)	(4)= (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	880,374	63,877	5,300	949,551
Policy Administration charge	2,395,086	315,229	2,789	2,713,104
Surrender charge	1,579,866	267,546	-	1,847,412
Switching charge	70	2	-	72
Mortality charge	1,829,849	7,272	-	1,837,121
Rider Premium charge	-	-	-	-
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	-	-	-	-
TOTAL (UL-1)	6,685,245	653,926	8,089	7,347,260

* (net of service tax, if any)

Schedule-UL1

Linked Income (recovered from linked funds)*

Particulars	YEAR ENDED MARCH 31, 2010			
	Life	Linked Unit	Pension Linked Unit	Linked Group Unit
	(1)	(2)	(3)	(4)= (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	599,472	31,025	3,104	633,601
Policy Administration charge	2,511,593	176,594	5,800	2,693,987
Surrender charge	2,583,297	208,340	-	2,791,637
Switching charge	113	10	-	123
Mortality charge	1,422,630	206	-	1,422,836
Rider Premium charge	-	-	-	-
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	-	-	-	-
TOTAL (UL-1)	7,117,105	416,175	8,904	7,542,184

* (net of service tax, if any)

Schedules Annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

Schedule-UL2 BENEFITS PAID [NET]

S. No. Particulars	YEAR ENDED MARCH 31, 2011									
	Linked Life			Linked Pension			Linked Group			Total
	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Unit Linked
	(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)=(3)+(6)+(9)
1. Insurance Claims										
(a) Claims by Death	716,815	111,672	828,487	1,397	17,954	19,351	-	-	-	847,838
(b) Claims by Maturity	69	-	69	-	-	-	-	53,920	53,920	53,989
(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits										
- Surrender	-	7,102,230	7,102,230	-	743,423	743,423	-	927	927	7,846,580
- Survival	-	-	-	-	-	-	-	-	-	-
- Others	12,769	-	12,769	-	100	100	-	-	-	12,869
Sub Total (A)	729,653	7,213,902	7,943,555	1,397	761,477	762,874	-	54,847	54,847	8,761,276
2. Amount Ceded in reinsurance										
(a) Claims by Death	142,772	-	142,772	93	-	93	-	-	-	142,865
(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits										
- Surrender	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-
Sub Total (B)	142,772	-	142,772	93	-	93	-	-	-	142,865
TOTAL (A) - (B)	586,881	7,213,902	7,800,783	1,304	761,477	762,781	-	54,847	54,847	8,618,411
Benefits paid to claimants:										
In India	729,653	7,213,902	7,943,555	1,397	761,477	762,874	-	54,847	54,847	8,761,276
Outside India	-	-	-	-	-	-	-	-	-	-
TOTAL (UL2)	729,653	7,213,902	7,943,555	1,397	761,477	762,874	-	54,847	54,847	8,761,276

Schedule-UL2 BENEFITS PAID [NET]

S. No. Particulars	YEAR ENDED MARCH 31, 2010									
	Linked Life			Linked Pension			Linked Group			Total
	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	Unit Linked
	(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)=(3)+(6)+(9)
1. Insurance Claims										
(a) Claims by Death	577,534	62,069	639,603	124	6,649	6,773	-	-	-	646,376
(b) Claims by Maturity	-	-	-	-	-	-	-	44,606	44,606	44,606
(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits										
- Surrender	-	2,312,530	2,312,530	-	130,600	130,600	-	153	153	2,443,283
- Survival	-	-	-	-	-	-	-	-	-	-
- Others	10,471	-	10,471	-	-	-	-	-	-	10,471
Sub Total (A)	588,005	2,374,599	2,962,604	124	137,249	137,373	-	44,759	44,759	3,144,736
2. Amount Ceded in reinsurance										
(a) Claims by Death	46,722	-	46,722	-	-	-	-	-	-	46,722
(b) Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c) Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d) Other benefits										
- Surrender	-	-	-	-	-	-	-	-	-	-
- Survival	-	-	-	-	-	-	-	-	-	-
Sub Total (B)	46,722	-	46,722	-	-	-	-	-	-	46,722
TOTAL (A) - (B)	541,283	2,374,599	2,915,882	124	137,249	137,373	-	44,759	44,759	3,098,014
Benefits paid to claimants:										
In India	588,005	2,374,599	2,962,604	124	137,249	137,373	-	44,759	44,759	3,144,736
Outside India	-	-	-	-	-	-	-	-	-	-
TOTAL (UL2)	588,005	2,374,599	2,962,604	124	137,249	137,373	-	44,759	44,759	3,144,736

Schedules Annexed to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

Form A-BS (UL)

Fund Balance Sheet as at March 31, 2011

Particulars	Schedule	Funds										
		Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus
Sources of Funds												
Policyholders' Funds:												
Policyholder contribution	F-1	3,480,907	329,830	36,401,243	965,958	16,722,528	265,650	2,425,082	25,803	4,611	170,394	85,557
Revenue Account		857,586	107,469	12,948,667	128,882	6,026,251	69,260	271,297	3,511	455	7,374	7,521
Total		4,338,493	437,299	49,349,910	1,094,840	22,748,779	334,910	2,696,379	29,314	5,066	177,768	93,078
Application of Funds												
Investments	F-2	4,201,383	421,077	48,190,097	1,084,525	22,369,809	331,530	2,572,225	28,438	4,909	176,441	92,135
Current Assets	F-3	158,291	19,208	1,281,776	32,872	438,274	5,940	127,832	896	157	1,327	3,133
Less: Current Liabilities and Provisions	F-4	21,181	2,986	121,963	22,557	59,304	2,560	3,678	20	-	-	2,190
Net current assets		137,110	16,222	1,159,813	10,315	378,970	3,380	124,154	876	157	1,327	943
Total		4,338,493	437,299	49,349,910	1,094,840	22,748,779	334,910	2,696,379	29,314	5,066	177,768	93,078
Net Asset Value (NAV) per Unit:		22.28	18.89	30.64	15.58	17.10	12.75	13.78	13.41	12.70	10.64	10.92
(a) Net Asset as per Balance Sheet												
(Total Assets less Current Liabilities and Provisions) (Rs. In '000)												
		4,338,493	437,299	49,349,910	1,094,840	22,748,779	334,910	2,696,379	29,314	5,066	177,768	93,078
(b) Number of Units outstanding		194682711	23149180	1610782953	70262343	1330493539	26265427	195630936	2185359	398925	16707473	8524190
(c) NAV per Unit (a)/(b) (Rs.)		22.28	18.89	30.64	15.58	17.10	12.75	13.78	13.41	12.70	10.64	10.92

Form A-BS (UL)

Fund Balance Sheet as at March 31, 2011

Particulars	Schedule	Funds											Total
		Pension Balanced	Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	
Sources of Funds													
Policyholders' Funds:													
Policyholder contribution	F-1	688,771	65,205	2,549,213	316,348	2,039,591	183,934	277,324	117,898	131	25,985	457	67,142,420
Revenue Account		63,314	8,127	467,694	21,156	469,697	32,757	34,775	25,138	43	2,085	77	21,553,136
Total		752,085	73,332	3,016,907	337,504	2,509,288	216,691	312,099	143,036	174	28,070	534	88,695,556
Application of Funds													
Investments	F-2	720,103	71,781	2,924,415	351,389	2,482,172	215,046	303,956	140,460	172	28,590	528	86,711,181
Current Assets	F-3	31,982	1,551	92,493	12,873	27,116	7,420	38,049	3,303	3	3,503	7	2,288,006
Less: Current Liabilities and Provisions	F-4	-	-	1	26,758	-	5,775	29,906	727	1	4,023	1	303,631
Net current assets		31,982	1,551	92,492	(13,885)	27,116	1,645	8,143	2,576	2	(520)	6	1,984,375
Total		752,085	73,332	3,016,907	337,504	2,509,288	216,691	312,099	143,036	174	28,070	534	88,695,556
Net Asset Value (NAV) per Unit:		15.43	14.68	17.91	13.76	10.37	15.77	14.01	15.05	14.01	11.22	13.27	
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)		752,085	73,332	3,016,907	337,504	2,509,288	216,691	312,099	143,036	174	28,070	534	88,695,556
(b) Number of Units outstanding		48,746,632	4,996,301	168,405,398	24,522,163	241,997,639	13,740,369	22,281,031	9,504,825	12,451	2,501,801	40,219	
(c) NAV per Unit (a)/(b) (Rs.)		15.43	14.68	17.91	13.76	10.37	15.77	14.01	15.05	14.01	11.22	13.27	

Significant accounting policies 16

and notes to the accounts

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

Schedules annexure to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

Form A-BS (UL)

FUND BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	Funds										
		Balanced	Conservative	Growth	Secured	Growth	High	Dynamic	Guaranteed	Guaranteed	Money	Secure
						Super	Growth	Opportunities	Fund	Fund	Market	Plus
								Dynamic	Income			
Sources of Funds												
Policyholders' Funds:												
Policyholder contribution	F-1	2,492,204	228,336	30,752,069	638,829	11,609,595	184,412	855,470	19,574	3,101	93,052	84,150
Revenue Account		586,482	82,859	9,474,994	75,403	4,124,172	40,248	149,826	1,888	256	1,240	2,208
Total		3,078,686	311,195	40,227,063	714,232	15,733,767	224,660	1,005,296	21,462	3,357	94,292	86,358
Application of Funds												
Investments	F-2	2,976,412	294,828	39,427,641	691,070	15,617,689	218,744	959,301	20,302	3,101	93,099	81,312
Current Assets	F-3	168,223	21,287	1,071,614	43,145	170,320	7,801	56,194	1,160	256	1,193	9,044
Less: Current Liabilities and Provisions	F-4	65,949	4,920	272,192	19,983	54,242	1,885	10,199	-	-	-	3,998
Net current assets		102,274	16,367	799,422	23,162	116,078	5,916	45,995	1,160	256	1,193	5,046
Total		3,078,686	311,195	40,227,063	714,232	15,733,767	224,660	1,005,296	21,462	3,357	94,292	86,358
Net Asset Value (NAV) per Unit:		20.65	17.66	28.33	14.70	15.38	11.43	12.71	12.61	12.11	10.20	10.27
(a) Net Asset as per Balance Sheet												
(Total Assets less Current Liabilities												
and Provisions) (Rs. In '000)		3,078,686	311,195	40,227,063	714,232	15,733,767	224,660	1,005,296	21,462	3,357	94,292	86,358
(b) Number of Units outstanding		149,095,752	17,620,684	1,420,104,574	48,581,808	1,022,669,979	19,650,098	79,076,706	1,701,891	277,241	9,244,633	8,405,967
(c) NAV per Unit (a)/(b) (Rs.)		20.65	17.66	28.33	14.70	15.38	11.43	12.71	12.61	12.11	10.20	10.27

Form A-BS (UL)

FUND BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	Funds											Total
		Pension	Pension	Pension	Pension	Pension	Group	Group	Group	Group	Group	Group	
		Balanced	Conservative	Growth	Secured	Growth	Gratuity	Gratuity	Gratuity	Superannuation	Superannuation	Superannuation	
					Super	Balanced	Conservative	Growth	Balanced	Conservative	Growth		
Sources of Funds													
Policyholders' Funds:													
Policyholder contribution	F-1	334,414	29,465	1,364,509	142,032	1,228,745	152,081	246,519	109,555	132	17,011	361	50,585,616
Revenue Account		29,924	5,158	283,541	7,123	287,021	11,713	17,784	11,478	37	389	41	15,193,785
Total		364,338	34,623	1,648,050	149,155	1,515,766	163,794	264,303	121,033	169	17,400	402	65,779,401
Application of Funds													
Investments	F-2	341,469	33,308	1,601,628	143,901	1,489,938	122,024	249,952	119,539	150	14,402	364	64,500,174
Current Assets	F-3	31,187	6,242	66,405	13,305	31,332	47,623	22,402	1,494	19	4,011	38	1,774,295
Less: Current Liabilities and Provisions	F-4	8,318	4,927	19,983	8,051	5,504	5,853	8,051	-	-	1,013	-	495,068
Net current assets		22,869	1,315	46,422	5,254	25,828	41,770	14,351	1,494	19	2,998	38	1,279,227
Total		364,338	34,623	1,648,050	149,155	1,515,766	163,794	264,303	121,033	169	17,400	402	65,779,401
Net Asset Value (NAV) per Unit:		14.41	13.77	16.48	13.01	9.42	14.23	13.19	13.67	13.41	10.44	12.28	
(a) Net Asset as per Balance Sheet		364,338	34,623	1,648,050	149,155	1,515,766	163,794	264,303	121,033	169	17,400	402	65,779,401
(Total Assets less Current Liabilities and Provisions) (Rs. In '000)													
(b) Number of Units outstanding		25,280,879	2,514,161	99,978,794	11,468,846	160,841,701	11,511,358	20,042,311	8,856,623	12,530	1,666,996	32,747	
(c) NAV per Unit (a)/(b) (Rs.)		14.41	13.77	16.48	13.01	9.42	14.23	13.19	13.67	13.41	10.44	12.28	

Significant accounting policies and notes to the accounts

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

Schedules annexure to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

Form A-RA(UL)

FUND REVENUE ACCOUNT YEAR ENDED MARCH 31, 2011

Particulars	Schedule				Funds						
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Income	Guaranteed Fund	Money Market	Secure Plus
Income from investments											
Interest income	150,686	22,398	962,852	62,984	34,611	2,009	38,492	1,318	255	29	5,912
Dividend income	14,715	575	313,465	-	212,706	3,456	10,575	48	5	-	-
Profit on sale of investment	215,274	16,579	4,205,236	10,135	2,331,080	24,566	54,137	845	89	4	1,040
Loss on sale of investment	(57,442)	(5,568)	(786,740)	(14,660)	(391,338)	(3,166)	(11,273)	(468)	(112)	(498)	(1,614)
Profit on inter fund transfer/sale of investment	3	55	36,459	1,396	7	44	-	34	1	-	479
loss on inter fund transfer/ sale of investment	(22)	(934)	(37,456)	(87)	(93)	(14)	-	(130)	(2)	(5)	(404)
Miscellaneous Income	1	1	1	-	1	-	1	-	-	-	-
Unrealised Gain/loss*	(8,263)	(4,784)	(611,671)	2,959	(37,014)	5,911	48,604	455	30	8,519	787
Appropriation / Expropriation	1,045	39	14,600	21	18,103	177	4,237	2	-	2	-
Total (A)	315,997	28,361	4,096,746	62,748	2,168,063	32,983	144,773	2,104	266	8,051	6,200
Fund management expenses	40,035	3,281	561,650	8,103	239,728	3,579	20,995	436	61	1,727	777
Service tax on FMC	4,858	470	61,423	1,166	26,256	392	2,307	45	6	190	110
Fund administration expenses	-	-	-	-	-	-	-	-	-	-	-
Other charges:	-	-	-	-	-	-	-	-	-	-	-
Appropriation / Expropriation	-	-	-	-	-	-	-	-	-	-	-
Total (B)	44,893	3,751	623,073	9,269	265,984	3,971	23,302	481	67	1,917	887
Net Income for the year (A-B)	271,104	24,610	3,473,673	53,479	1,902,079	29,012	121,471	1,623	199	6,134	5,313
Add: Fund revenue account at the beginning of the period	586,482	82,859	9,474,994	75,403	4,124,172	40,248	149,826	1,888	256	1,240	2,208
Fund revenue account at the end of the year Mar 31, 2011	857,586	107,469	12,948,667	128,882	6,026,251	69,260	271,297	3,511	455	7,374	7,521

Form A-RA(UL)

FUND REVENUE ACCOUNT YEAR ENDED MARCH 31, 2011

Particulars	Funds											Total
	Pension	Pension	Pension	Pension	Pension	Group	Group	Group	Group	Group	Group	
	Balanced	Conservative	Growth	Secured	Growth	Gratuity	Gratuity	Gratuity	Superannuation	Superannuation	Superannuation	
					Super	Balanced	Conservative	Growth	Balanced	Conservative	Growth	
Income from investments												
Interest income	23,848	2,805	53,699	16,493	5,575	9,686	19,695	3,733	6	1,539	18	1,418,643
Dividend income	2,315	62	16,167	-	22,415	710	-	976	1	-	3	598,194
Profit on sale of investment	9,382	537	61,557	2,699	75,594	16,730	2,983	11,401	-	327	14	7,040,209
Loss on sale of investment	(7,581)	(842)	(11,386)	(3,991)	(10,176)	(3,372)	(5,079)	(1,513)	(1)	(290)	(5)	(1,317,115)
Profit on inter fund transfer/sale of investment	44	24	-	161	-	15	1,330	151	-	114	-	40,317
loss on inter fund transfer/ sale of investment	(223)	(14)	(79)	(280)	-	(326)	(454)	(329)	-	(169)	-	(41,021)
Miscellaneous Income	1	-	-	-	-	-	-	1	-	-	-	7
Unrealised Gain/loss*	12,168	854	94,717	1,412	115,180	(487)	922	796	1	365	12	(368,527)
Appropriation / Expropriation	317	12	2,187	10	2,611	65	(3)	(30)	-	11	-	43,406
Total (A)	40,271	3,438	216,862	16,504	211,199	23,021	19,394	15,186	7	1,897	42	7,414,113
Fund management expenses	6,130	410	29,475	2,157	25,705	1,719	2,062	1,342	1	172	5	949,550
Service tax on FMC	751	59	3,234	314	2,818	258	341	184	-	29	1	105,212
Fund administration expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other charges:	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation / Expropriation	-	-	-	-	-	-	-	-	-	-	-	-
Total (B)	6,881	469	32,709	2,471	28,523	1,977	2,403	1,526	1	201	6	1,054,762
Net Income for the year (A-B)	33,390	2,969	184,153	14,033	182,676	21,044	16,991	13,660	6	1,696	36	6,359,351
Add: Fund revenue Account at the beginning of the period	29,924	5,158	283,541	7,123	287,021	11,713	17,784	11,478	37	389	41	15,193,785
Fund revenue account at the end of the year Mar 31, 2011	63,314	8,127	467,694	21,156	469,697	32,757	34,775	25,138	43	2,085	77	21,553,136

*Net change in mark to market value of investments

Significant accounting policies and notes to the accounts 16

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

Schedules annexure to revenue account (UL) forming part of financial statements

(All Amounts in Thousands of Indian Rupees)

Form A-RA(UL)

FUND REVENUE ACCOUNT YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Funds										
		Balanced	Conservative	Growth	Secured	Growth	High	Dynamic	Guaranteed	Guaranteed	Money	Secure
						Super	Growth	Opportunities	Fund	Fund	Market	Plus
							Dynamic	Income				
Income from investments												
Interest income		106,725	18,668	713,932	39,813	47,654	1,037	15,992	1,158	160	-	3,483
Dividend income		7,972	346	225,202	-	113,034	1,444	3,629	28	3	-	-
Profit on sale of investment		345,688	38,214	3,948,185	18,417	2,498,308	19,213	63,940	202	48	140	48
Loss on sale of investment		(151,347)	(15,053)	(341,032)	(22,341)	(273,191)	(3,328)	(34,465)	(303)	(30)	-	(945)
Profit on inter fund transfer/sale of investment		779	1,868	5,201	1,141	-	658	438	-	-	-	194
loss on inter fund transfer/sale of investment		(23)	(504)	(1,187)	(325)	(33)	(36)	(9)	-	(1)	-	(50)
Miscellaneous Income		-	2	(10)	-	(2)	1	-	1	1	-	-
Unrealised Gain/loss*		214,328	8,823	6,243,555	2,074	3,001,842	47,495	117,243	722	54	1,853	(55)
Appropriation/Expropriation		2,452	95	62,682	39	40,480	344	2,511	5	1	3	5
Total (A)		526,574	52,459	10,856,528	38,818	5,428,092	66,828	169,279	1,813	236	1,996	2,680
Fund management expenses		26,207	2,608	404,426	5,039	148,736	2,107	8,904	292	37	685	428
Service tax on FMC		2,699	269	41,656	519	15,320	217	917	30	4	71	44
Fund administration expenses		-	-	-	-	-	-	-	-	-	-	-
Other charges:	F5	-	-	-	-	-	-	-	-	-	-	-
Total (B)		28,906	2,877	446,082	5,558	164,056	2,324	9,821	322	41	756	472
Net Income for the year (A-B)		497,668	49,582	10,410,446	33,260	5,264,036	64,504	159,458	1,491	195	1,240	2,208
Add: Fund revenue account												
at the beginning of the period		88,814	33,277	(935,452)	42,143	(1,139,864)	(24,256)	(9,632)	397	61	-	-
Fund revenue account at the		586,482	82,859	9,474,994	75,403	4,124,172	40,248	149,826	1,888	256	1,240	2,208
end of the year Mar 31, 2010												

Form A-RA(UL)

FUND REVENUE ACCOUNT YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Funds										Total	
		Pension	Pension	Pension	Pension	Pension	Group	Group	Group	Group	Group		Group
		Balanced	Conservative	Growth	Secured	Growth	Gratuity	Gratuity	Gratuity	Superannuation	Superannuation		Superannuation
					Super	Balanced	Conservative	Growth	Balanced	Conservative	Growth		
Income from investments													
Interest income		9,169	2,434	27,983	6,595	6,892	3,851	15,109	3,051	11	686	8	1,024,411
Dividend income		492	50	6,836	-	9,338	169	-	417	1	-	2	368,963
Profit on sale of investment		9,516	259	121,425	496	124,762	1,586	1,241	2,385	17	36	7	7,194,133
Loss on sale of investment		(3,657)	(301)	(63,133)	(1,409)	(60,900)	(1,128)	(1,662)	(1,530)	(1)	(109)	(3)	(975,868)
Profit on inter fund transfer/sale of investment		490	835	662	954	560	95	1,005	414	2	10	-	15,306
loss on inter fund transfer/sale of investment		(100)	(104)	(1)	(1,644)	(45)	(40)	(426)	(60)	(4)	(134)	(1)	(4,727)
Miscellaneous Income		1	2	1	-	-	2	-	2	-	-	-	1
Unrealised Gain/loss*		15,452	739	254,590	1,537	360,976	6,842	(970)	14,221	5	(31)	30	10,291,325
Appropriation/Expropriation		283	11	2,526	8	3,861	85	(14)	(160)	-	12	1	115,230
Total (A)		31,646	3,925	350,889	6,537	445,444	11,462	14,283	18,740	31	470	44	18,028,774
Fund management expenses		2,148	331	14,164	868	13,513	620	1,476	932	2	73	3	633,599
Service tax on FMC		221	34	1,459	89	1,392	64	152	96	-	8	-	65,261
Fund administration expenses		-	-	-	-	-	-	-	-	-	-	-	-
Other charges:		-	-	-	-	-	-	-	-	-	-	-	-
Total (B)		2,369	365	15,623	957	14,905	684	1,628	1,028	2	81	3	698,860
Net Income for the year (A-B)		29,277	3,560	335,266	5,580	430,539	10,778	12,655	17,712	29	389	41	17,329,914
Add: Fund revenue account at the beginning of the period		647	1,598	(51,725)	1,543	(143,518)	935	5,129	(6,234)	8	-	-	(2,136,129)
Fund revenue account at the end of the year Mar 31, 2010		29,924	5,158	283,541	7,123	287,021	11,713	17,784	11,478	37	389	41	15,193,785

* Net change in mark to market value of investments

Significant accounting policies and notes to the accounts¹⁶

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

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees)

SCHEDULE: F-1

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2011

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth	High	Dynamic	Guaranteed	Guaranteed	Money	Secure	Pension
					Super	Growth	Opportunities	Fund	Fund	Market	Plus	Balanced
								Dynamic	Income			
Opening balance	2,492,204	228,336	30,752,069	638,829	11,609,595	184,411	855,469	19,573	3,101	93,052	84,149	334,414
Add: Additions during the year*	1,122,379	142,897	7,254,857	453,803	7,214,432	135,905	1,862,228	8,154	1,956	98,394	87,781	465,075
Less: Deductions during the year*	133,676	41,403	1,605,683	126,674	2,101,499	54,666	292,615	1,924	446	21,052	86,373	110,718
Closing balance	3,480,907	329,830	36,401,243	965,958	16,722,528	265,650	2,425,082	25,803	4,611	170,394	85,557	688,771

*Additions represents units creation and deductions represent units cancellation including cancellation for charges.

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2011

Particulars	Funds										
	Pension	Pension	Pension	Pension	Group	Group	Group	Group	Group	Group	Total
	Conservative	Growth	Secured	Growth	Gratuity	Gratuity	Gratuity	Superannuation	Superannuation	Superannuation	
				Super	Balanced	Conservative	Growth	Balanced	Conservative	Growth	
Opening balance	29,465	1,364,509	142,032	1,228,745	152,081	246,519	109,555	132	17,011	361	50,585,613
Add: Additions during the year*	45,959	1,356,943	215,339	1,132,479	41,147	64,923	46,567	3	11,080	129	21,762,430
Less: Deductions during the year*	10,219	172,239	41,023	321,633	9,294	34,118	38,224	4	2,106	33	5,205,622
Closing balance	65,205	2,549,213	316,348	2,039,591	183,934	277,324	117,898	131	25,985	457	67,142,421

*Additions represents units creation and deductions represent units cancellation including cancellation for charges.

SCHEDULE: F-1

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Pension Balanced
Opening balance	1,548,058	230,212	21,377,786	356,540	6,741,318	91,314	301,264	12,085	1,771	-	-	117,777
Add: Additions during the year*	975,562	104,591	9,474,019	367,236	5,432,107	104,554	568,508	8,513	1,750	96,706	85,956	233,496
Less: Deductions during the year*	31,417	106,467	99,736	84,947	563,830	11,457	14,303	1,025	420	3,654	1,807	16,859
Closing balance	2,492,204	228,336	30,752,069	638,829	11,609,595	184,411	855,469	19,573	3,101	93,052	84,149	334,414

* Additions represents units creation and deductions represent units cancellation including cancellation for charges.

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Funds										
	Pension	Pension	Pension	Pension	Group	Group	Group	Group	Group	Group	Total
	Conservative	Growth	Secured	Growth	Gratuity	Gratuity	Gratuity	Superannuation	Superannuation	Superannuation	
				Super	Balanced	Conservative	Growth	Balanced	Conservative	Growth	
Opening balance	28,985	757,822	52,789	671,393	36,209	107,375	47,299	419	4,382	175	
Add: Additions during the year*	22,431	642,709	108,036	630,880	122,304	219,641	84,243	111	12,816	224	19,296,393
Less: Deductions during the year*	21,951	36,022	18,793	73,528	6,432	80,497	21,987	398	187	38	1,195,753
Closing balance	29,465	1,364,509	142,032	1,228,745	152,081	246,519	109,555	132	17,011	361	50,585,613

* Additions represents units creation and deductions represent units cancellation including cancellation for charges.

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees)

Schedule: F-2 INVESTMENTS AS AT MARCH 31, 2011

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Pension Balanced
Approved Investments												
Government Bonds	938,065	220,197	621,176	554,953	-	-	18,431	14,665	2,806	176,441	56,951	166,245
Corporate Bonds	351,957	44,254	3,226,174	216,078	63,997	7,190	152,968	227	794	-	10,872	83,830
Infrastructure Bonds	637,224	64,400	6,050,395	152,963	160,933	11,998	291,553	2,825	-	-	5,170	83,487
Equity	1,154,395	37,932	25,157,177	-	18,831,176	243,572	1,189,247	6,180	477	-	-	170,820
Money Market	822,996	45,849	9,426,899	121,031	1,302,266	36,668	675,262	3,846	760	-	16,142	165,979
Mutual Funds	62,015	-	601,414	-	452,783	-	24,376	-	-	-	-	-
Deposit with Bank	147,900	6,000	920,549	39,500	-	-	70,000	-	-	-	3,000	31,000
Total	4,114,552	418,632	46,003,784	1,084,525	20,811,155	299,428	2,421,837	27,743	4,837	176,441	92,135	701,361
Other Investments												
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Equity	86,831	2,445	2,186,313	-	1,558,654	32,102	150,388	695	72	-	-	18,742
Money Market	-	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-
Total	86,831	2,445	2,186,313	-	1,558,654	32,102	150,388	695	72	-	-	18,742
GRAND TOTAL	4,201,383	421,077	48,190,097	1,084,525	22,369,809	331,530	2,572,225	28,438	4,909	176,441	92,135	720,103
% of Approved Investments to Total	98%	99%	95%	100%	93%	90%	94%	98%	99%	100%	100%	97%
% of Other Investments to Total	2%	1%	5%	0%	7%	10%	6%	2%	1%	0%	0%	3%

INVESTMENTS AS AT MARCH 31, 2011

Particulars	Funds										
	Pension	Pension	Pension	Pension	Group	Group	Group	Group	Group	Group	Total
	Conservative	Growth	Secured	Growth	Gratuity	Gratuity	Gratuity	Superannuation	Superannuation	Superannuation	
				Super	Balanced	Conservative	Growth	Balanced	Conservative	Growth	
Approved Investments											
Government Bonds	39,125	-	172,824	-	61,549	170,303	13,256	79	17,246	190	3,244,502
Corporate Bonds	1,706	138,894	61,519	8,201	26,671	52,497	5,670	36	4,004	86	4,457,625
Infrastructure Bonds	8,782	389,549	38,594	32,369	34,048	33,740	21,586	-	2,976	-	8,022,592
Equity	6,600	1,446,933	-	1,930,068	48,008	-	68,951	53	-	243	50,291,832
Money Market	12,821	672,242	56,452	277,545	28,502	29,416	22,240	-	3,664	-	13,720,580
Mutual Funds	-	85,933	10,000	25,517	-	-	-	-	-	-	1,262,038
Deposit with Bank	2,500	50,000	12,000	-	7,000	18,000	-	-	700	-	1,308,149
Total	71,534	2,783,551	351,389	2,273,700	205,778	303,956	131,703	168	28,590	519	82,307,318
Other Investments											
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-
Equity	247	140,864	-	208,472	9,268	-	8,757	4	-	9	4,403,863
Money Market	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-
Total	247	140,864	-	208,472	9,268	-	8,757	4	-	9	4,403,863
GRAND TOTAL	71,781	2,924,415	351,389	2,482,172	215,046	303,956	140,460	172	28,590	528	86,711,181
% of Approved Investments to Total	100%	95%	100%	92%	96%	100%	94%	98%	100%	98%	95%
% of Other Investments to Total	0%	5%	0%	8%	4%	0%	6%	2%	0%	2%	5%

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees)

Schedule: F-2 INVESTMENTS AS AT MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Pension Balanced
Approved Investments												
Government Bonds	686,173	163,629	870,210	369,638	-	-	9,712	12,027	2,353	93,099	53,754	83,148
Corporate Bonds	346,206	45,435	2,099,799	142,625	31,804	6,578	106,287	1,091	253	-	9,448	40,902
Infrastructure Bonds	541,789	35,204	7,574,611	100,093	1,677,088	27,697	213,209	3,036	206	-	10,938	77,259
Equity	711,743	29,907	16,608,629	-	10,471,866	140,350	386,023	1,783	175	-	-	67,454
Money Market	443,691	6,994	6,638,767	54,914	981,804	8,982	135,674	2,156	100	-	4,172	42,482
Mutual Funds	62,841	-	1,467,302	7,900	360,306	7,500	20,202	-	-	-	-	600
Deposit with Bank	39,800	8,500	314,749	15,900	19,800	-	13,000	-	-	-	3,000	12,200
Total	2,832,243	289,669	35,574,067	691,070	13,542,668	191,107	884,107	20,093	3,087	93,099	81,312	324,045
Other Investments												
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Equity	144,169	5,159	3,853,574	-	2,075,021	27,637	75,194	209	14	-	-	17,424
Money Market	-	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-
Total	144,169	5,159	3,853,574	-	2,075,021	27,637	75,194	209	14	-	-	17,424
GRAND TOTAL	2,976,412	294,828	39,427,641	691,070	15,617,689	218,744	959,301	20,302	3,101	93,099	81,312	341,469
% of Approved Investments to Total	95%	98%	90%	100%	87%	87%	92%	99%	100%	100%	100%	95%
% of Other Investments to Total	5%	2%	10%	0%	13%	13%	8%	1%	0%	0%	0%	5%

INVESTMENTS AS AT MARCH 31, 2010

Particulars	Funds										
	Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
Approved Investments											
Government Bonds	18,902	-	81,843	-	27,958	136,503	15,327	63	9,751	94	2,634,184
Corporate Bonds	5,357	102,874	30,515	8,634	16,900	38,027	11,505	28	83	45	3,044,396
Infrastructure Bonds	3,817	430,473	16,504	157,829	33,118	57,276	24,615	20	3,271	57	10,988,110
Equity	3,129	685,990	-	952,682	28,308	-	48,185	36	-	157	30,136,417
Money Market	-	123,543	8,439	91,977	9,789	9,046	5,899	-	1,297	-	8,569,726
Mutual Funds	-	70,430	600	54,630	-	1,100	2,500	-	-	-	2,055,911
Deposit with Bank	2,000	32,900	6,000	4,000	2,500	8,000	2,500	-	-	-	484,849
Total	33,205	1,446,210	143,901	1,269,752	118,573	249,952	110,531	147	14,402	353	57,913,593
Other Investments											
Corporate Bonds	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-	-
Equity	103	155,418	-	220,186	3,451	-	9,008	3	-	11	6,586,581
Money Market	-	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-
Total	103	155,418	-	220,186	3,451	-	9,008	3	-	11	6,586,581
GRAND TOTAL	33,308	1,601,628	143,901	1,489,938	122,024	249,952	119,539	150	14,402	364	64,500,174
% of Approved Investments to Total	100%	90%	100%	85%	97%	100%	92%	98%	100%	97%	90%
% of Other Investments to Total	0%	10%	0%	15%	3%	0%	8%	2%	0%	3%	10%

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees)

SCHEDULE: F – 3

CURRENT ASSETS AS AT MARCH 31, 2011

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Pension Balanced
Accrued Interest	67,894	10,702	435,025	28,539	5,465	768	20,410	539	89	-	1,811	10,734
Cash & Bank Balance	3,153	950	32,565	155	5,796	95	903	27	10	35	93	261
Dividend Receivable	486	18	10,155	-	8,073	69	201	-	-	-	-	3
Receivable for Sale of Investments	38,644	2,585	398,113	-	203,189	-	5,577	-	-	-	-	5,177
Unit Collection A/c#	44,617	4,819	328,635	4,118	157,165	4,487	93,992	323	57	1,287	1,224	15,207
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation (Expropriation) Asset	3,497	134	77,283	60	58,586	521	6,749	7	1	5	5	600
Total	158,291	19,208	1,281,776	32,872	438,274	5,940	127,832	896	157	1,327	3,133	31,982

CURRENT ASSETS AS AT MARCH 31, 2011

Particulars	Funds											Total
	Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth		
Accrued Interest	1,284	20,438	7,473	1,907	3,869	6,806	1,719	2	639	5		626,118
Cash & Bank Balance	49	619	98	428	74	121	1,093	1	73	1		46,600
Dividend Receivable	-	409	-	927	44	-	11	-	-	-		20,396
Receivable for Sale of Investments	-	39,175	-	3,649	3,284	30,886	671	-	2,768	-		733,718
Unit Collection A/c#	195	27,139	5,284	13,733	-	253	-	-	-	-		702,535
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-		-
Appropriation (Expropriation) Asset	23	4,713	18	6,472	149	(17)	(191)	-	23	1		158,639
Total	1,551	92,493	12,873	27,116	7,420	38,049	3,303	3	3,503	7		2,288,006

SCHEDULE: F – 3

CURRENT ASSETS AS AT MARCH 31, 2010

Particulars	Funds											Total
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	
Accrued Interest	46,610	6,507	318,846	15,758	3,643	687	8,835	362	65	-	1,729	4,492
Cash & Bank Balance	111,107	12,597	681,685	15,865	126,194	6,770	44,848	793	190	1,190	5,222	19,105
Dividend Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Receivable for Sale of Investments	8,054	2,088	8,401	11,483	-	-	-	-	-	-	2,088	7,307
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation (Expropriation) Asset	2,452	95	62,682	39	40,483	344	2,511	5	1	3	5	283
Total	168,223	21,287	1,071,614	43,145	170,320	7,801	56,194	1,160	256	1,193	9,044	31,187

CURRENT ASSETS AS AT MARCH 31, 2010

Particulars	Funds											Total
	Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth		
Accrued Interest	613	14,545	2,744	516	1,565	5,411	1,374	3	334	5		434,644
Cash & Bank Balance	398	49,334	5,333	26,955	43,885	11,785	280	16	3,665	32		1,167,249
Dividend Receivable	-	-	-	-	-	-	-	-	-	-		-
Receivable for Sale of Investments	5,220	-	5,220	-	2,088	5,220	-	-	-	-		57,169
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-		-
Other Current Assets (for Investments)	-	-	-	-	-	-	-	-	-	-		-
Appropriation (Expropriation) Asset	11	2,526	8	3,861	85	(14)	(160)	-	12	1		115,233
Total	6,242	66,405	13,305	31,332	47,623	22,402	1,494	19	4,011	38		1,774,295

Represents inter fund receivables or payables, if any

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees)

SCHEDULE: F – 4

CURRENT LIABILITIES AS AT MARCH 31, 2011

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Pension Balanced
Payable for Purchase of Investments	21,181	2,986	121,963	22,557	59,304	2,560	3,678	20	-	-	2,190	-
Fund Mgmt Charges Payable	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c#	-	-	-	-	-	-	-	-	-	-	-	-
Total	21,181	2,986	121,963	22,557	59,304	2,560	3,678	20	-	-	2,190	-

CURRENT LIABILITIES AS AT MARCH 31, 2011

Particulars	Funds										Total
	Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	
Payable for Purchase of Investments	-	1	26,758	-	5,522	29,906	-	1	4,023	1	302,651
Fund Mgmt Charges Payable	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities (for Investments)	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c#	-	-	-	-	253	-	727	-	-	-	980
Total	-	1	26,758	-	5,775	29,906	727	1	4,023	1	303,631

SCHEDULE: F – 4

CURRENT LIABILITIES AS AT MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Pension Balanced
Payable for Purchase of Investments	65,949	4,920	272,192	19,983	54,242	1,885	10,199	-	-	-	3,998	8,318
Fund Mgmt Charges Payable	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities (for Investments)	-	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c#	-	-	-	-	-	-	-	-	-	-	-	-
Total	65,949	4,920	272,192	19,983	54,242	1,885	10,199	-	-	-	3,998	8,318

Represents inter fund receivables or payables, if any

CURRENT LIABILITIES AS AT MARCH 31, 2010

Particulars	Funds										Total
	Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	
Payable for Purchase of Investments	4,927	19,983	8,051	5,504	5,853	8,051	-	-	1,013	-	495,068
Fund Mgmt Charges Payable	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities (for Investments)	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c#	-	-	-	-	-	-	-	-	-	-	-
Total	4,927	19,983	8,051	5,504	5,853	8,051	-	-	1,013	-	495,068

Represents inter fund receivables or payables, if any

Schedules to fund balance sheet and fund revenue account

(All Amounts in Thousands of Indian Rupees)

SCHEDULE: F- 5

OTHER EXPENSES AS AT MARCH 31, 2011

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Pension Balanced
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

OTHER EXPENSES AS AT MARCH 31, 2011

Particulars	Funds											Total
	Pension	Pension	Pension	Pension	Group	Group	Group	Group	Group	Group		
	Conservative	Growth	Secured	Growth	Gratuity	Gratuity	Gratuity	Superannuation	Superannuation	Superannuation		
				Super	Balanced	Conservative	Growth	Balanced	Conservative	Growth		
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

SCHEDULE: F- 5

OTHER EXPENSES AS AT MARCH 31, 2010

Particulars	Funds											
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Pension Balanced
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

OTHER EXPENSES AS AT MARCH 31, 2010

Particulars	Funds											Total
	Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth		
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	
Switching charge	-	-	-	-	-	-	-	-	-	-	-	
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	-	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Schedule 16

Significant Accounting Policies and Notes to Accounts

BACKGROUND

Max New York Life Insurance Company Limited (Company) was incorporated on July 11, 2000 as a public limited company under the Companies Act, 1956 to undertake and carry on the business of life insurance and annuity. The Company obtained a license from the Insurance Regulatory and Development Authority ('IRDA') for carrying on life insurance business on November 15, 2000. The license has been renewed regularly and is in force as at March 31, 2011. The Company offers a range of participating, non participating and linked products covering life insurance, pension and health benefits including riders for individual and group segments. These products are distributed by individual agents, corporate agents, banks, brokers and other channels.

I Significant Accounting Policies

Basis of preparation

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the IRDA Financial Statements Regulations'), subsequent circulars, if any, the accounting standards notified under Companies (Accounting Standards) Rules 2006, provisions of the Insurance Regulatory and Development Authority Act, 1999, the Insurance Act, 1938 & Companies Act, 1956, to the extent applicable, and in the manner so required and the practices prevailing in the insurance industry in India. The accounting policies have been consistently applied by the Company.

Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

(a) Revenue Recognition

Premium Income

Premium is recognized as income when due from policyholders. For linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. Top-up premiums are recognised as single premium.

Income from linked fund

Fees on linked policies including fund management charges, policy administration charges, surrender charges, mortality charges, etc., are recovered from the linked fund and recognised in accordance with the terms and conditions mentioned in the policies.

Income earned on investments

Income from Investments is recognised on an accrual basis in the manner specified in clause (e) below. Dividend income is recognised, when the right to receive dividend is established.

Realised gains/loss on debt securities for other than linked business is the difference between the sale consideration and the amortised cost, which is computed on weighted average basis, as on the date of sale/redemption. Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any and excludes interest accrued till transaction settlement date.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

In case of listed shares /mutual fund units, the profit/loss on actual sale of investment includes the accumulated changes in the fair value, previously recognised under "Fair Value Change Account". Unrealised gains/losses due to changes in fair value of listed equity shares and mutual fund units are credited / debited to the 'Fair Value Change Account'.

For linked business realised gain/loss on securities is the difference between the sale consideration and the book value, which is computed on weighted average basis, as on the date of sale. Sale consideration for the purpose of realised gain/loss is net of brokerage and taxes, if any and excludes interest accrued till transaction settlement date. Unrealised gains and losses are recognised in the respective fund's revenue account.

Income earned on loans

Interest income on loans is recognised on an accrual basis.

(b) Reinsurance Premium

Reinsurance premium ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurer.

(c) Acquisition Costs

Acquisition costs are expenses incurred to solicit and underwrite insurance contracts such as commission, medical fee etc. and are expensed in the year in which they are incurred.

(d) Benefits Paid

Death and other claims are accounted for, when notified. Surrenders / withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled.

Survival benefit claim and maturity benefits are accounted for when due for payment.

Claims payable include the direct costs of settlement. Reinsurance recoverable thereon, if any, is accounted for in the same period as the related claim. An additional provision is made, on the basis of actuarial estimate, for the benefits which are incurred but not reported. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.

(e) Investments

Investments are made in accordance with the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) Regulations, 2000, and subsequent circulars/notifications issued by the IRDA from time to time. Investments are recorded at cost on date of purchase, which includes brokerage and statutory levies, if any and excludes interest paid, if any, on purchase. Diminution in the value of investment, other than temporary decline, is charged to revenue and profit and loss account as applicable.

Classification

Investments intended to be held for a period less than twelve months or maturing within twelve months from the balance sheet date are classified as short term investments. All other investments are classified as long-term investments.

Valuation – shareholders' investments and non-linked policyholders' investments

Debt securities, which include government securities, are considered as 'held to maturity' and measured at historical cost.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

The premium/discount, if any, on purchase of debt securities including money market instruments is recognised and amortised in the revenue account and profit and loss account, as applicable, over the remaining period to maturity on the basis of their intrinsic yield.

Listed shares, as at balance sheet date, are valued at fair value, being the last quoted closing price on the National Stock Exchange (NSE) and in case the same is not available, then on the Bombay Stock Exchange (BSE). Unlisted shares are valued at historical cost. A provision is made for diminution, if any, in the value of these shares to the extent that such diminution is other than temporary. Investments in Mutual fund units are valued at previous day's net asset value of the respective funds.

Valuation – linked investments

Government securities are valued at the prices obtained from CRISIL (Credit Rating Information Services of India Limited). Debt securities other than Government Securities are valued on the basis of Bond Valuer (CRISIL). Listed shares are valued at fair value, being the last quoted closing price on National Stock Exchange and in case the same is not available, then on the Bombay Stock Exchange. Mutual fund units are taken at the previous day's net asset values.

Money market and debt securities with a residual maturity upto 182 days are valued at amortised cost (from cost/last valuation price till the beginning of the day to the redemption value), spread uniformly over the remaining maturity period of the instrument.

Transfer of Investments

Investments in debt securities are transferred from shareholders to policyholders at net amortised cost. Investments other than debt securities are transferred from shareholders to policyholders at lower of book value or market value. Transfer of investments between unit linked funds are effected at market price as at previous day closing.

(f) Fixed Assets, Intangibles, Depreciation/Amortisation and Impairment

Fixed Assets are stated at cost less accumulated depreciation. Cost includes acquisition, installation and other incidental expenses, including freight and taxes incurred to bring the asset to its present location and working condition for its intended use. Any additions to the original fixed assets are depreciated over the remaining useful life of the original asset. Intangible assets comprising software are stated at cost less amortisation.

Assets individually costing upto rupees five thousand and not as part of composite contract are fully depreciated in the year of acquisition. Fixed assets at third party locations and not under direct physical control of the Company are fully depreciated in the year of purchase.

Depreciation is provided for the full month in the month of acquisition of the related asset. No depreciation is provided in the month of sale/disposal of asset. Depreciation / Amortisation on assets is charged on straight-line method at the following rates over their economic useful lives as estimated by management.

Assets	Estimated Useful life
Software (excluding Policy Administration System and Satellite systems)	4 years
Policy Administration & Satellite systems (Hardware and Software)	6 years
Leasehold Improvements	Renewable period of respective leases subject to a maximum of 10 years
Furniture and Fixtures	10 years
Information Technology equipment, communication networks and servers	4 years
Vehicles	5 years
Office Equipment	5 years

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Impairment of Fixed Assets

The management assesses as at balance sheet date, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss 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. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(g) Liability for Policies

The estimated liability for life policies in force is determined by the Company's appointed actuary, pursuant to his annual investigation of life insurance business, using appropriate methods and assumptions that conform with regulations issued by the IRDA and Guidance notes issued by the Institute of Actuaries of India. The liability is so calculated that together with future premium payments and investment income, the Company meets all future claims (including bonus entitlements to policyholders, if applicable,) and expenses.

Liabilities, if any, as determined by the appointed actuary, in respect of linked policies which have lapsed are maintained by a charge from the Revenue account till the expiry of the revival period.

Liabilities under linked policies comprise of unit liability representing the fund value of policies and non unit liability for meeting future claims and expenses in excess of future charges, which is based on actuarial valuation carried out by the appointed actuary.

(h) Employees' Benefits

All short term employees' benefits are accounted on undiscounted basis during the accounting period in which the related services are rendered. Liability for non-vesting compensating leaves is calculated considering past experience, attrition rate and discount rate as at the balance sheet date. Company's contributions towards Provident Fund, a defined contribution plan, which is administered through a trust, is at the rate as notified and charged to the revenue account and profit and loss account, as applicable.

The Company's liability towards Gratuity and Long Term Incentive Plan, being defined benefit plans, is accounted for on the basis of independent actuarial valuations carried out at the year end and actuarial gains / losses related there to are expensed/recognized. The actuarial method used for measuring the aforesaid liabilities is 'Projected Unit Credit Method'.

(i) Employee Stock Options Plans

The value of options is equal to the aggregate of the intrinsic value of the options granted. Intrinsic value is the option discount represented by excess of market price, which is determined by the independent valuer, over the exercise price. The intrinsic value of the options is amortised on a straight line basis over the vesting period. As and when the options are exercised, the same are accounted for as paid up capital to the extent of the face value. Options that lapse are reversed by a credit to employee compensation expense equal to the amortised portion of the value of the lapsed options and a credit to deferred employee compensation expense equal to the unamortised option.

(j) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at year end closing rates. The resulting exchange gain or loss, if any, is reflected in the profit and loss account / revenue account.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(k) Segmental Reporting

The Company operates in India in the following segments : Individual Life Participating business, Participating Pension business, Individual Life Non-participating business , Group business, Health, Linked Individual, Linked Pension, Linked Group and Shareholders' Funds. Non-participating businesses include policies with committed cash flows, with no rights to the surplus in the business. Participating business include policies other than those of non-participating businesses. Investment of shareholder funds constitute investible funds relating to shareholders. Accordingly, the Company has provided primary segment information for these segments as per the Accounting Standard 17 on ' Segment Reporting', read with the relevant IRDA Regulations.

There are no reportable geographical segments, since all business is written in India.

The following basis has been used for allocation of assets, liabilities, revenues and expenses:

- Assets, liabilities, revenues and expenses directly attributable and identifiable to the respective business segment are allocated on an actual basis.

-Assets, liabilities, revenues and expenses, other than above, are apportioned to the business segment by adopting one or more of the following basis, which is considered as appropriate by the management:

- Total number of policies in-force;
- Annualised first year premium;
- Subsequent year premium;
- Total premium;
- Weighted combination of sum assured, first year premium , renewal premium income and total number of policies in force;
- Sum assured and
- First year commission.

(l) Contribution to Policyholders' Account (Technical Account)

Contribution to Policyholders' Account (Technical Account) is made as decided by the Board of Directors and approved by the Shareholders.

(m) Taxation

Direct Taxes

Income Tax expense comprises of current tax and deferred tax charge or credit, as applicable. The difference that results between the taxable profit and the profit as per financial statements are identified and thereafter deferred tax assets or deferred tax liabilities are recorded as timing differences.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that assets can be realized in future. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Deferred tax assets are revalued and written up / down to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Provision for wealth tax is made at the appropriate rates, as per the applicable provisions of Wealth Tax Act, 1957.

Indirect Taxes

The company claims credit of service tax for input services, which is set off against tax on output services. Unutilised credit is carried forward for future set off in subsequent periods. Relevant provision is created, if required, based on estimated realisation of the unutilized credit.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(n) Operating Lease

Lease of assets under which lessor retains substantially all the risks and benefits of ownership over lease term are classified as operating leases. Operating lease rentals including escalations are recognised in the revenue account and profit and loss account, as applicable, on a straight line basis over the period of the lease.

(o) Loans

Loans are stated at historical cost, subject to provision for impairment, if any.

(p) Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that would probably result in an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. However, contingent assets are not recognized on prudent basis.

(q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(r) Appropriation/Expropriation

In accordance with the Unit Linked guidelines issued by the IRDA effective October 1, 2009, the Company has followed the Appropriation/Expropriation method for calculating the Net Asset Value ('NAV'). This method provides for adjusting the NAV on account of the 'Dealing Costs'. The accounting for dealing costs is disclosed in the Revenue Account as an adjustment with corresponding changes to the Change in Valuation of Policy Liability Account. Corresponding adjustments are also made in the Assets Held to cover Policy Liabilities and the Provisions for Linked Liabilities in the Balance Sheet.

(s) Funds for future appropriations

The balance in the funds for future appropriations account represents funds, the allocation of which, either to participating policyholders or to shareholders, has not been determined at the balance sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholder fund.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

II NOTES TO ACCOUNTS

(a) Contingent Liability

Particulars	As at March 31, 2011	As at March 31, 2010
Partly paid-up investment	-	-
Underwriting commitments outstanding (in respect of shares and securities)	-	-
Claims, other than against policies, not acknowledged as debts by the Company	14,993	15,815
Statutory demands/ liabilities in dispute, not provided for	-	383,198
Reinsurance obligations to the extent not provided for in accounts	-	-
Others *	62,645	31,566
Total	77,638	430,579

*Represents potential liability in respect of repudiated Policyholders claims

(b) Actuarial assumptions

The Company's Appointed Actuary has determined valuation assumptions that conform with regulations issued by the IRDA and guidance notes issued by the Institute of Actuaries of India. Details of assumptions are given below:

Interest:

The assumptions take into account the current and projected yields on the fund and the current and projected yields on Government Securities. A rate of 7.75 % (2010: 7.75%) for participating business, non-participating, health business and riders has been used.

The rate was reduced by margins for adverse deviation of 0.80 % (2010: 0.80%) for participating business and 1.80 % (2010: 1.80%) for non-participating business. A gross unit growth rate of 7.75 % pa (2010: 7.75% pa) has been used which was reduced by a margin of adverse deviation of 1.30 % (2010: 1.30%) per annum. For Unit Linked products where there is a guaranteed premium related benefit payable, the margin for adverse deviation (MAD) for the unit linked fund growth rate was 2.5 % (2010: 1.30%).

Mortality:

The starting point assumption is the Indian Assured Lives Mortality 94-96 as prescribed by the IRDA which is then adjusted to take into account observed experience. For participating Life products, the assumptions in year 1 and beyond are 95% (2010: 90%) and 70% (2010: 70%) of the base table respectively. The mortality assumption for the unit-linked products is 80% (2010: 80%) of the base table in year 1 and 70% (2010: 70%) of the base table thereafter. In general, the assumptions in the initial years have been increased to reflect anti-selection but those in the later years have been retained in line with experience. The assumptions have been increased by a margin for adverse deviation of 10 % (2010: 10%) for participating business and 25 % (2010: 25%) for non-participating, unit linked and health business.

Morbidity:

Given the lack of published experience in India, the Institute of Actuaries has recommended the use of the UK CIBT93 study for morbidity incidence rates. Proportions of 95 % to 300 % (2010: 95% to 300%) of these tables have been used which were further increased by a margin for adverse deviation of 25 % (2010: 25%).

Expenses:

The maintenance expense assumptions are based on the current expense levels of the company. For prudence, future expected savings in expenses are not anticipated. The assumptions were increased by margins for adverse deviation of 10 % (2010: 10%) for participating policies and 10 % (2010: 10%) for non-participating and health policies.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Inflation:

An assumption of 6.5 % pa (2010: 6.25% pa) for expense inflation has been used and the increase compared to 2010 reflects the indications that relatively high levels of inflation appear to be coming entrenched.

Commission :

Commission is allowed for at the rates an agent would be entitled to with no recognition of the fact that in practice commission might not be paid as a result of the termination of an agency. This prudent approach is consistent with the Regulations.

Lapses:

Lapse assumptions are based on assessments of expected structural experience taking into account experience observed. The rates were adjusted by margins for adverse deviation of 20 % (2010 : 20%) for participating policies, 50 % (2010: 50%) for non-participating policies and 20 % (2010: 20%) for health plans.

Future bonuses:

For participating business allowance is made with the reserves for future bonuses based on the levels that would be expected to be paid if future experience was in line with the valuation assumptions and after considering Policyholders' Reasonable Expectations.

Linked Liabilities:

Liabilities under linked policies comprise of a unit liability representing the fund value of policies and non unit liability for meeting future claims and expenses in excess of future charges. In respect of the fund value component the question of assumptions does not arise and in respect of the non unit liability the assumptions used are consistent with the comments above.

(c) Restructured Assets

The total of loan assets, standard assets, sub-standard assets and doubtful assets which are subject to restructuring is Rs NIL (2010:Rs. Nil).

(d) Encumbrances

The assets of the Company are free from all encumbrances.

(e) Commitments

Particulars	As at March 31, 2011	As at March 31, 2010
Estimated amount of contracts remaining to be executed on fixed assets (net of advances)	19,738	24,996
Commitments made and outstanding for investments and loans.	-	-
Total	19,738	24,996

(f) Taxation

The Company carries on the business of Life Insurance, therefore the provisions of section 44 and the first schedule of Income tax Act 1961, are applicable for computation of profit and gains of business. In the opinion of the management, provision for income tax is not required as Company does not have any taxable income during the current financial year.

As per Accounting Standard 22 on "Accounting for taxes on income", virtual certainty supported by conclusive evidence is necessary to create deferred tax asset on unabsorbed losses under the Income Tax laws. The life insurance business has a long gestation period and hence, deferred tax asset on unabsorbed carried forward losses has not been created.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(g) Investments

The investments are effected from the respective funds of the policyholders and shareholders and income thereon has been accounted accordingly.

All the investments are performing in nature. The Company does not have any investment in property.

There are no assets require to be deposited by the Company under any local laws or otherwise encumbered in or outside India other than investments under Section 7 of the Insurance Act 1938 as below:

Statutory Deposit Details	As at March 31, 2011	As at March 31, 2010
10.18% Government of India Security 2026 (Face value Rs. 100,000) in lieu of deposit with Reserve Bank of India*	106,264	106,449
Total	106,264	106,449

* This is in the constituent subsidiary general ledger account maintained with HSBC Bank, Mumbai, India under intimation to IRDA.

(h) Value of unsettled contracts relating to investments

Value of contracts in relation to investments, for:

Particulars	As at March 31, 2011	As at March 31, 2010
(a) Purchases where deliveries are pending	624,923	495,069
(b) Sales where payments are overdue	-	-
Total	624,923	495,069

(i) Managerial Remuneration

Managerial remuneration details are as below:

Particulars	2010-11	2009-10
Salary & Allowances	59,785	68,596
Contribution to Provident Fund	1,565	1,490
Value of Perquisites	7,158	5,984
Total	68,508	76,070

Note :

- The above figures do not include provision for employee benefits, which are actuarially determined for the Company as a whole.
- The remuneration, as approved by IRDA within requirements of Section 34A of the Insurance Act, 1938, amounting to Rs 30,000 (2010: Rs 32,141) has been charged to Policyholders Revenue Account and the balance, in excess, as required is debited to Shareholder Account.
- All perquisites except cost of options exercised during the year in accordance with approved Employee Stock Option Plans have been computed in accordance with Income Tax Act, 1961.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(j) Employee Stock Option Plans (ESOPs)

	ESOP 2004 28-Sep-04	ESOP 2006 9-Mar-07	ESOP 2009 (I) 28-Aug-09	ESOP 2009 (II) 1-Sep-10
Date of Grant				
No. of options granted	5,900	2,500	22,205	4,190
Exercise Price (Rs.)	0.001	10.00	32.04	26.28
Graded Vesting Period				
1st Year	-	-	10%	10%
2nd Year	-	-	20%	20%
3rd Year	-	75%	30%	30%
4th Year	-	25%	40%	40%
5th Year	100%	-	-	-
Mode of Settlement			Equity	

During the year Rs. 25,010 (2010: Rs. 12,026) has been accrued as ESOP cost in the Revenue account /Profit & Loss account as applicable.

A summary of status of Company's Employee Stock Option Plans is as given below:

Particulars	As at March 31, 2011 (No.) in'000	As at March 31, 2010 (No.) in'000
Outstanding at the beginning of the year	24,160	7,050
Add: granted during the year	4,190	22,205
Less: Forfeited/lapsed during the year	2,800	1,110
Exercised during the year	1,540	3,985
Outstanding at the end of the year	24,010	24,160

Had the Company used the fair value of the options to value its Employee Stock Option Plans, the loss in profit and loss account (Shareholders' Account) would have been higher by Rs 90,140 (2010: Rs 73,988) and basic and dilutive loss per share would have been Rs 1.01 (2010: Rs 0.16) and Rs. 0.99 (2010: Rs 0.16) respectively.

The Key assumptions used to estimate fair value of options are:

Risk-free interest rate	5.47% - 7.79%
Expected life	4-8 Years
Expected Volatility	13.87% - 47%
Expected dividend yield	0.00%

(k) Percentage of Business sector-wise

Percentage of policies written business sector - wise is as below:

Particulars	2010-11		
	Policy Nos.	First year Premium Income*	No of Lives covered
Total Business	816,971	20,596,233	8,588,826
Rural Sector	229,302	3,400,087	
As % of Total Business	28.07%	16.51%	
Social Sector		543,486	7,869,012
As % of Total Business		2.64%	91.62%

* excluding premium due & unpaid Rs. 17,654

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	2009-10		
	Policy Nos.	First year Premium Income**	No of Lives covered
Total Business	952,477	18,480,681	9,570,392
Rural Sector	274,486	2,819,519	
As % of Total Business	28.82%	15.26%	
Social Sector		449,823	8,261,071
As % of Total Business		2.43%	86.32%

** excluding premium due & unpaid Rs. 10,072

(l) Percentage of risk-retained and risk-reinsured

The extent of risk retained and reinsured is given below :

Particulars	Premium		Sum Assured	
	2010-11	2009-10	2010-11	2009-10
Individual Business :				
Risk retained	99.39%	99.47%	77.75%	77.64%
Risk reinsured	0.61%	0.53%	22.25%	22.36%
Group Business :				
Risk retained	71.69%	70.38%	70.00%	51.28%
Risk reinsured	28.31%	29.62%	30.00%	48.72%

(m) Operating lease commitments

The Company has leased office premises under various agreements with various expiration dates extending upto 10 years. Lease payments made under operating lease agreements have been fully recognised in the books of account.

The lease rental charged under non cancelable operating leases during the current period and maximum obligation on such leases payable at the balance sheet date are as follows :

Particulars	2011	2010
Lease rentals for non-cancelable leases paid during the year	192,123	241,419
Lease obligations for non-cancelable lease		
Within one year of the balance sheet date	30,063	239,167
Due in a period between one year and five years	12,970	87,829
Due after five years	3,885	2,105

(n) Claims outstanding

Claims, which are settled and unpaid for more than 6 months as on balance sheet date amount to Rs NIL (2010-Rs Nil)

- (o) During the year ended March 31, 2009, the Company had entered into "The Brand License and Technical Services Agreement (Brand Agreement)" with New York Life Insurance Company and New York Life International, LLC for a duration of five years. The agreement states total consideration of Rs. 3,290,683 (USD 72,566) for grant of license and provision of technical services to Company over the tenure of the agreement.

During the current year, the Company has recognised expense of Rs. 701,108 (2010: Rs 617,857) in Profit and Loss Account (Shareholder's Account), considering amortization of the total consideration on straight line basis over the tenure of the agreement.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

- (p) During the year, the Company has received an innovation grant of Rs 2,760 (2010: Rs 4,770) from International Labour Organisation (ILO) for the development of its 'Max Vijay products', which caters to low income class people. The grant amount has been entirely utilised and reduced from the gross expenditures under the following heads in the Revenue Account (Policyholder's Account) and Profit and Loss Account (Shareholder's Account) as applicable :

- Employees remuneration and welfare benefits
- Legal, professional and consultancy charges
- Advertisement and publicity

(q) Contributions from Shareholders' Fund to Non Participating Policyholders' Funds

The Company has transferred amount aggregating to Rs 118,292 (2010: Rs 586,200) from the Shareholder's Account (Profit & Loss Account) to the non participating business segments, in Policyholder Account (revenue Account), to fund the deficits in respective segments.

(r) Policyholders' Bonus

The Bonus to participating policyholders, for current year as recommended by Appointed Actuary has been included in change in valuation against policies in force.

(s) Policy Liabilities

The movement of policy liabilities (forming part of Policyholders funds) for the year ended March 31, 2011 is as follows:

Particulars	Participating Policies		Non-Participating Policies		Group	Linked Policies			Total
	Individual Life	Pension	Individual Life	Health		Individual Linked	Linked Pension	Linked Group	
At start of Year	22,703,230	369,561	1,226,672	9,936	370,689	62,713,231	3,750,430	567,100	91,710,849
Add : Change in valuation of liability against life policies in force, Net	4,973,630	37,419	404,901	1,459	104,178	20,683,503	2,946,379	133,503	29,284,972
Add : Policyholder Bonus provided	1,720,150	14,893	-	-	-	-	-	-	1,735,043
At end of Year	29,397,010	421,873	1,631,573	11,395	474,867	83,396,734	6,696,809	700,603	122,730,864

The movement of policy liabilities (forming part of Policyholders funds) for the year ended March 31, 2010 is as follows :

Particulars	Participating Policies		Non-Participating Policies		Group	Linked Policies			Total
	Individual Life	Pension	Individual Life	Health		Individual Linked	Linked Pension	Linked Group	
At start of Year	17,673,319	320,457	917,116	18,128	203,052	29,085,845	1,440,237	195,697	49,853,851
Add : Change in valuation of liability against life policies in force, Net	3,611,327	34,826	309,556	(8,192)	167,637	33,627,386	2,310,193	371,403	40,424,136
Add : Policyholder Bonus provided	1,418,584	14,278	-	-	-	-	-	-	1,432,862
At end of Year	22,703,230	369,561	1,226,672	9,936	370,689	62,713,231	3,750,430	567,100	91,710,849

(t) (i) Segmental Reporting

1. Business Segments

The Company operates in India in the following segments: Individual Life Participating business, Participating Pension business, Individual Life Non-participating business , Group business, Health, Linked Individual, Linked Pension, Linked Group and Shareholders' Funds. Non-participating businesses include policies with committed cash flows, with no rights to the surplus in the business. Participating business include policies other than those of non-participating businesses. Investment of shareholder funds constitute investible funds relating to shareholders. Accordingly, the Company has provided primary segment information for these segments as per the Accounting Standard 17 on 'Segment Reporting', issued by the ICAI, read with the relevant IRDA Regulations.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

2. Geographical Segments

Since the business operation of the Company is in India only, the same is considered as single geographical segment.

The segmental report for the year ended March 31, 2011 is given below :

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Shareholders' Funds	Total
	Individual	Pension	Individual	Health	Group	Individual	Pension	Group		
	Life		Life			Life				
Segmental Shareholders' / Policyholders' account										
Revenue										
Premium earned - net	20,171,264	78,792	1,166,821	65,857	842,144	30,953,961	3,945,523	137,706	-	57,362,068
Income from Investments	2,102,199	43,761	136,140	1,724	37,785	7,025,984	501,005	59,552	855,611	10,763,761
Other Income	18,248	6	9,327	22,361	227	4,050	74,594	13,760	77	142,650
Unallocated Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue (net)	22,291,711	122,559	1,312,288	89,942	880,156	37,983,995	4,521,122	211,018	855,688	68,268,479
Expenses										
Commission	3,117,284	763	195,959	12,118	15,838	1,916,797	140,156	69	-	5,398,984
Operating Expenses including provision for doubtful debts and bad debts written off	8,265,062	5,320	524,240	64,905	198,028	4,684,703	671,806	22,599	2,095,399	16,532,062
Provision for Tax - Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	-
Benefits Paid (Net)	3,191,886	30,420	187,188	11,460	328,534	7,800,783	762,781	54,847	-	12,367,899
Interim Bonus	-	-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force (Net)	6,693,780	52,312	404,901	1,459	104,178	20,683,503	2,946,379	133,503	-	31,020,015
Net Contribution to policyholders fund	-	-	-	-	-	-	-	-	118,292	118,292
Provisions (other than taxation) for diminution in the value of investments(Net)	-	-	-	-	-	-	-	-	-	-
Total Expenses	21,268,012	88,815	1,312,288	89,942	646,578	35,085,786	4,521,122	211,018	2,213,691	65,437,252
Segment Operating Results	1,023,699	33,744	-	-	233,578	2,898,209	-	-	(1,358,003)	2,831,227
Transfer (to Shareholder) / from Policyholders	(165,320)	(1,501)	-	-	(233,578)	(2,898,209)	-	-	3,298,608	-
Unallocated other income	-	-	-	-	-	-	-	-	-	-
Shareholder expenses	-	-	-	-	-	-	-	-	-	-
Net Operating Profit/(Loss)										2,831,227
SEGMENTAL BALANCE SHEET										
Segment assets										
Investments	30,525,655	594,594	1,950,803	21,939	518,178	83,941,051	6,912,519	700,603	13,198,865	138,364,207
Loan	116,222	-	-	-	-	-	-	-	-	116,222
Net Fixed Assets	815,750	660	51,069	7,490	24,294	427,003	72,986	2,761	-	1,402,014
Advances and Other Assets	1,987,986	7,302	139,706	36,280	284,767	1,978,591	240,427	12,643	115,953	4,803,655
Premium Outstanding	292,640	1,136	17,435	1,439	17,716	448,576	56,872	1,985	-	837,799
Deposits with RBI	-	-	-	-	-	-	-	-	-	-
Interest Income accrued but not due	258,606	5,037	16,527	186	4,390	711,130	58,561	5,935	111,818	1,172,190
Re-insurance Claim	40,925	-	18,362	21,838	221,537	88,243	110	-	4,135	395,150
Service Tax Unutilised Credit	621,002	502	38,877	5,703	18,296	325,065	55,561	2,101	-	1,067,107
Security and other deposits	263,703	213	16,509	2,422	7,769	138,036	23,594	892	-	453,138
Application money for investments										
Advances/prepayments to suppliers	471,730	382	29,532	4,332	13,898	246,928	42,206	1,596	-	810,604
Other loans & advances	39,379	32	2,465	362	1,160	20,613	3,523	133	-	67,667
Total Segment Assets	33,445,613	602,556	2,141,579	65,709	827,239	86,346,645	7,225,932	716,007	13,314,818	144,686,098

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

The segmental report for the year ended March 31, 2011 is given below :

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual Life	Health	Group	Individual Life	Pension	Group		
Debit Balance In Profit And Loss Account (Shareholders' Account)	-	-	-	-	-	-	-	-	8,296,080	8,296,080
Deficit In The Revenue Account (Policyholders' Account)	-	-	-	-	-	-	-	-	-	-
Unallocated Assets										
Cash and Bank Balances	-	-	-	-	-	-	-	-	-	1,924,877
Advances and Other Assets	-	-	-	-	-	-	-	-	-	36,859
Total Assets										154,943,914
Segment Liabilities										
Policy Liabilities	29,397,010	421,873	1,631,573	11,395	474,867	83,396,734	6,696,809	700,603	-	122,730,864
Current Liabilities	5,198,261	8,265	300,124	39,601	185,923	4,185,877	592,179	20,872	-	10,531,105
Proposal deposits, pending underwriting decision	436,583	353	27,332	4,009	12,863	228,530	39,061	1,477	-	750,208
Premium Recd. In Advance	-	-	-	-	-	-	-	-	-	-
Agent Balance	430,253	134	5,840	1,756	2,198	285,305	19,640	10	-	745,137
Claims Outstanding	307,368	249	19,242	2,822	9,056	160,892	27,500	1,040	-	528,169
Policyholder's Bonus	-	-	-	-	-	-	-	-	-	-
Unclaimed Amount- Policyholders	406,279	1,577	24,206	1,998	24,595	622,769	78,956	2,756	-	1,163,135
Funds for Discontinued Policies	70	-	4	-	4	107	14	-	-	200
Policyholder's deposits, to be refunded	390,249	1,514	23,251	1,919	23,625	598,197	75,841	2,647	-	1,117,243
Payable to Policyholder's	467,317	1,814	27,842	2,298	28,290	716,332	90,819	3,170	-	1,337,882
Service Tax Liability	-	-	-	-	-	-	-	-	-	-
Other Statutory liabilities	11,400	44	679	56	690	17,475	2,216	77	-	32,638
Re-insurance Payable	116,340	451	6,931	571	7,045	178,333	22,610	788	-	333,070
Creditors/Due to Holding Co./Other liabilities	2,632,402	2,129	164,797	24,172	77,557	1,377,937	235,522	8,907	-	4,523,423
Fair Value Change Account	-	-	-	-	-	-	-	-	56,513	56,513
Total Segment Liabilities	34,595,271	430,138	1,931,697	50,996	660,790	87,582,611	7,288,988	721,475	56,513	133,318,482
Segment Reserves	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	-	-	-	-	-	1,351,828
Equity Capital	-	-	-	-	-	-	-	-	-	18,410,000
Employee Share Based Payment Plan Outstanding	-	-	-	-	-	-	-	-	-	799,492
Funds For Future Appropriations	1,335,502	178,058	-	-	-	-	-	-	-	1,513,560
Unallocated Liabilities										
Current Liabilities	-	-	-	-	-	-	-	-	-	303,890
Provisions	-	-	-	-	-	-	-	-	-	2,589
Deferred Expenditure	-	-	-	-	-	-	-	-	-	(755,927)
Total Liabilities										154,943,914
Other Information										
Capital Expenditure during the year	186,236	151	11,659	1,710	5,487	97,486	16,663	630	-	320,022
Depreciation for the year	382,780	310	23,964	3,515	11,279	200,367	34,247	1,294	933,393	1,591,149
Non-cash expenditure other than depreciation										
Liabilities to Policyholders	6,693,780	52,312	404,901	1,459	104,178	20,683,503	2,946,379	133,503	-	31,020,015
Unallocated preliminary expenses	-	-	-	-	-	-	-	-	-	-

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

The segmental report for the year ended March 31, 2010 is given below :

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Shareholders' Funds	Total
	Individual	Pension	Individual	Health	Group	Individual	Pension	Group		
	Life		Life			Life				
Segmental Shareholder/ Policy Holder Account										
Revenue										
Premium earned - net	12,855,002	81,357	791,651	113,065	297,471	31,309,736	2,179,947	380,362	-	48,008,591
Income from Investments	1,657,540	37,779	102,069	1,704	29,608	17,183,244	839,487	45,020	398,160	20,294,611
Other Income	1,136	1	296,953	130,161	160,912	1,552	110	4	299	591,128
Unallocated Revenue	-	-	-	-	-	-	-	-	-	-
Total Revenue (net)	14,513,678	119,137	1,190,673	244,930	487,991	48,494,532	3,019,544	425,386	398,459	68,894,330
Expenses										
Commission	1,314,531	864	131,003	27,610	3,863	2,660,168	73,959	89	-	4,212,087
Operating Expenses including provision for doubtful debts and bad debts written off	5,161,369	8,552	638,580	193,389	142,895	8,407,870	491,261	4,193	1,102,246	16,150,355
Provision for Tax - Fringe Benefit Tax	-	-	-	-	-	-	-	-	-	-
Benefits Paid (Net)	2,448,932	27,540	111,535	32,124	173,596	2,915,882	137,373	44,759	-	5,891,741
Interim Bonus	-	-	-	-	-	-	-	-	-	-
Change in valuation of liability against life policies in force (Net)	5,029,912	49,105	309,555	(8,193)	167,637	33,627,386	2,310,192	371,402	-	41,856,996
Net Contribution to policyholders fund	-	-	-	-	-	-	-	-	586,200	586,200
Provisions (other than taxation) for diminution in the value of investments(Net)	-	-	-	-	-	-	-	-	(47,387)	(47,387)
Total Expenses	13,954,744	86,061	1,190,673	244,930	487,991	47,611,306	3,012,785	420,443	1,641,059	68,649,992
Segment Operating Results	558,934	33,076	-	-	-	883,226	6,759	4,943	(1,242,600)	244,338
Transfer (to Shareholder) / from Policyholders (137,080)		(1,452)	-	-	-	(883,226)	(6,759)	(4,943)	1,033,460	-
Unallocated other income	-	-	-	-	-	-	-	-	-	-
Shareholder expenses	-	-	-	-	-	-	-	-	-	-
Net Operating Profit/(Loss)	-	-	-	-	-	-	-	-	-	244,338
SEGMENTAL BALANCE SHEET										
Segment assets										
Investments	23,336,546	509,029	1,524,475	21,087	385,305	62,810,910	3,753,818	567,101	8,301,316	101,209,586
Loan	86,065	-	-	-	-	-	-	-	-	86,065
Net Fixed Assets	1,055,248	1,934	67,806	41,113	33,168	1,446,438	98,234	894	(4)	2,744,831
Advances and Other Assets	1,442,563	6,942	104,581	55,458	143,856	2,420,803	158,355	10,581	66,239	4,409,378
Premium Outstanding	184,181	1,156	11,773	2,452	8,279	446,304	30,970	5,404	-	690,519
Deposits with RBI	-	-	-	-	-	-	-	-	-	-
Interest Income accrued but not due	175,945	3,838	11,494	159	2,905	473,561	28,302	4,276	62,587	763,066
Re-insurance Claim	18,077	-	12,923	11,378	99,482	42,005	-	-	3,652	187,517
Service Tax Unutilised Credit	285,863	523	18,368	11,137	8,914	391,836	26,612	242	-	743,495
Security and other deposits	241,826	442	15,539	9,422	7,541	331,474	22,512	205	-	628,961
Application money for investments	-	-	-	-	-	-	-	-	-	-
Advances/prepayments to suppliers	477,622	874	30,690	18,609	14,894	654,683	44,463	404	-	1,242,238
Other loans & advances	59,050	108	3,794	2,301	1,841	80,941	5,497	50	-	153,582
Total Segment Assets	25,920,422	517,905	1,696,862	117,657	562,329	66,678,151	4,010,407	578,576	8,367,551	108,449,860
Debit Balance In Profit And Loss Account										
(Shareholders' Account)	-	-	-	-	-	-	-	-	10,236,685	10,236,685
Deficit In The Revenue Account										
(Policyholders' Account)	-	-	-	-	-	-	-	-	-	-
Unallocated Assets										
Cash and Bank Balances	-	-	-	-	-	-	-	-	-	518,684
Advances and Other Assets	-	-	-	-	-	-	-	-	-	44,211
Total Assets										119,249,444

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

The segmental report for the year ended March 31, 2010 is given below :

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual Life	Health	Group	Individual Life	Pension	Group		
Segment Liabilities										
Policy Liabilities	22,703,230	369,561	1,226,672	9,936	370,689	62,713,231	3,750,430	567,100	-	91,710,849
Current Liabilities	2,432,344	5,664	150,558	83,909	75,727	3,765,696	243,966	10,821	-	6,768,685
Proposal deposits, pending underwriting decision	131,641	241	8,469	5,129	4,105	180,442	12,255	111	-	342,383
Premium Recd. In Advance	149,823	274	9,627	5,837	4,672	205,365	13,947	127	-	389,673
Agent Balance	156,373	113	4,420	3,233	462	317,846	8,691	11	-	491,149
Claims Outstanding	217,104	387	13,950	8,469	6,770	297,587	20,211	184	-	564,662
Policyholder Bonus	-	-	-	-	-	-	-	-	-	-
Policyholder deposits, to be refunded	171,322	1,075	10,951	2,280	7,701	415,147	28,808	5,026	-	642,310
Service Tax Liability	1	0	0	0	0	3	0	0	-	5
Other Statutory liabilities	7,236	45	463	96	325	17,535	1,217	212	-	27,130
Re-insurance Payable	133,218	836	8,514	1,773	5,988	322,818	22,400	3,908	-	499,455
Creditors/Due to Holding Co./Other liabilities	1,465,625	2,682	94,175	57,102	45,703	2,008,952	136,438	1,241	-	3,811,918
Fair Value Change Account	-	-	-	-	-	-	-	-	41,037	41,037
Total Segment Liabilities	25,135,574	375,225	1,377,230	93,845	446,416	66,478,927	3,994,396	577,921	41,037	98,520,571
Segment Reserves	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	-	-	-	-	-	1,341,440
Equity Capital	-	-	-	-	-	-	-	-	-	18,388,176
Employee Share Based Payment Plan Outstanding	-	-	-	-	-	-	-	-	-	789,952
Funds For Future Appropriations	477,123	145,815	-	-	-	-	-	-	-	622,938
Unallocated Liabilities										
Current Liabilities	-	-	-	-	-	-	-	-	-	341,522
Provisions	-	-	-	-	-	-	-	-	-	2,839
Deferred Expenditure	-	-	-	-	-	-	-	-	-	(757,998)
Total Liabilities										119,249,440
Other Information										
Capital Expenditure during the year	223,270	409	14,346	8,699	6,962	306,040	20,785	189	-	580,700
Depreciation for the year	370,137	677	23,784	14,422	11,542	507,355	34,458	313	104,799	1,067,487
Non-cash expenditure other than depreciation										
Liabilities to Policyholders	5,029,912	49,105	309,555	(8,193)	167,637	33,627,386	2,310,192	371,402	-	41,856,996
Unallocated preliminary expenses	-	-	-	-	-	-	-	-	-	-

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(u) The ratios as prescribed by IRDA are given below :

Ratios	Year Ended MARCH 31, 2011	Year Ended MARCH 31, 2010
(a) New Business Premium Income Growth (segment wise) (Current Year New Business Premium as a % of Previous Year New Business Premium)		
Individual Life - Participating	232.53%	128.63%
Pension - Participating	90.57%	117.41%
Individual Life - Non Participating	121.72%	287.12%
Health Insurance	32.41%	48.36%
Group	215.64%	377.43%
Individual Linked	54.04%	83.64%
Linked Pension	185.22%	150.81%
Linked Group	35.72%	219.39%
(b) Net Retention Ratio (Net premium as a % of gross premium)	98.69%	98.77%
(c) Ratio of Expenses of Management (Expenses of Management as a % of Gross Premium)	34.13%	39.63%
(d) Commission Ratio (Gross Commission as a % of Gross Premium)	9.29%	8.67%
(e) Ratio of Policy holders' liabilities to shareholders' funds (Policyholders' Liability as a % of Shareholders' Fund)	294.33%	271.10%
(f) Growth rate of Shareholders' Fund (Increase/ (Decrease) in Shareholders' Fund over previous year as a % of Shareholders' Funds of Previous year)	20.89%	21.71%
(g) Ratio of Policyholders' Surplus to Policy holders' liability (Policyholders' Surplus as a % of Policyholders' Liability) (Refer to Note II (q) on Schedule 16)	14.14%	6.39%
(h) Change in net worth (over previous year) (Increase/ (Decrease) in Net Worth over previous year as a % of Net Worth of Previous year)	20.89%	21.71%
(i) Profit after tax / Total Income (Refer to Note II (q) on Schedule 16)	47%	(14.61)%
(j) (Total Real Estate+Loans)/ Cash & Invested assets	NA	NA
(k) Total Investments/(Capital + Total Surplus)	379.81%	347.76%
(l) Total Affiliated Investments/(Capital + Total Surplus)	NA	NA

Notes for calculation of above Ratios

- Expenses of Management include operating expenses and commission, other than those directly related to insurance business.
- Shareholders funds = Share Capital (net of Preliminary Expenses to the extent not written off /adjusted) + Reserve and Surplus/Deficit in Profit and Loss Account (Non-Technical).
- Policyholders' surplus is the amount available for Appropriation, in Revenue Account (Technical).
- Total Surplus = Insurance Reserves - Debit balance in Profit and Loss Account (Non-Technical) as appearing in Balance Sheet - Deficit in the Revenue Account (Technical) as appearing in Balance Sheet+Funds for Future Appropriation.
- Net Worth = Shareholders Funds + Insurance Reserves-Deficit in the Revenue Account (Technical) as appearing in Balance Sheet.
- Profit After Tax and total income are as disclosed in the Profit and Loss Account (Non - Technical).

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(v) Related parties Disclosures

During the year ended 31st March 2011, the Company has had transactions with related parties as defined in Accounting Standard 18 on "Related Party Disclosures". Related Parties have been identified by the management on the basis of the information available with the Company. Details of these parties with whom the Company has had transactions, nature of the relationship, transactions with them and balances at year end, are as below :

The details of significant related party transactions as per Accounting Standard 18 are given below :

Summary of Related Parties Transactions for the year ended March 31st 2011

	Holding Company	Fellow Subsidiaries	Shareholders with Significant Influence	Key Management Personnel	Enterprises over which key management personnel have significant influence	Total
	(a)	(b)	(c)	(d)	(e)	
Capital Contribution	-	-	15,800	-	-	15,800
Sale of Investments	-	-	-	-	-	-
Sale of Assets	-	124	-	-	-	124
Receiving of Services *	2,544	3,557	572,128	68,508	3,758	650,495
Reimbursement of Expenses	19	16,235	5,461	-	123	21,838
Rendering of Services	7,941	9,004	-	-	-	16,945
Recovery of Expenses	-	-	18,030	-	-	18,030
Voluntary Contribution **	-	-	-	-	15,000	15,000
Management Contracts Including for deputation of employees	-	-	-	-	-	-
Balance receivable/(payable) as on March 31, 2011	(3,634)	(1,834)	12,178	-	(2,909)	-

* Amount charged to Profit & Loss Account Rs 701,108 {Refer to Note II (o) on Schedule 16}

** Represents payment to Max India Foundation

Description of relationship	Name of Party
(a) Holding Company	Max India Limited
(b) Fellow Subsidiaries	Pharmax Corporation Ltd. Max Healthcare Institute Ltd. Max Medical Services Ltd. Alps Hospital Ltd. Neeman Medical International BV, Netherlands Neeman Medical International NV, Netherlands Max Neeman Medical International Inc, USA Max Neeman Medical International Ltd. Max Ateev Ltd. Max Uk Ltd, UK Max Healthstaff International Ltd. Max Bupa Health Insurance Limited
(c) Shareholder with significant influence	New York Life International LLC New York Life Insurance Company *
(d) Key Management Personnel	Analjit Singh (Chairman), Rajesh Sud (CEO & Managing Director), Rajit Mehta (Executive Director & COO)
(e) Enterprises over which Key Management Personnel have significant Influence	Liquid Investments & Trading Company, New Delhi House Services Ltd., Medicare Investments Ltd., Maxopp Investments Ltd., Cheminvest Ltd., Pivot Finances Ltd., Lakeview Enterprises, Delhi Guest Houses Pvt. Ltd., Trophy Holdings Pvt. Ltd., M.V. Healthcare Services Pvt. Ltd., ND Callus Info Services Pvt. Ltd., Boom Investments Pvt. Ltd., Malsi Holdings Ltd., Dynavest India Pvt. Ltd., Scorpius Beverages Pvt. Ltd., Trophy Resorts & Guest Houses Pvt. Ltd., Trophy Estates Pvt. Ltd., Gaylord Impex Ltd., Pen Investments Ltd., Mohair Investment & Trading Co. Pvt. Ltd., PVT Investments Ltd., Malsi Estates Ltd., TVP Investments Pvt. Ltd., BAS Investments Pvt. Ltd., Vitasta Estate Pvt. Ltd., Terra Planet Estates Pvt. Ltd., Doon Holiday Resorts Pvt. Ltd., Urban Space Consultants Pvt. Ltd., Capricorn Health Services Pvt. Ltd., Leo Retailing and Health Services Pvt. Ltd., Nurture Health Services Pvt. Ltd., Capricorn Retailing and Services Pvt. Ltd., Veer Health Services Pvt. Ltd., Wegmans Business Park Pvt. Ltd., Synergy Infracon Pvt. Ltd., Max Speciality Products Ltd. & Max India Foundation

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Summary of Related Parties Transactions for the year ended March 31st 2010

	Holding Company	Fellow Subsidiaries	Shareholders with Significant Influence	Key Management Personnel	Enterprises over which key management personnel have significant influence	Total
	(a)	(b)	(c)	(d)	(e)	
Capital Contribution	1,343,544	-	521,896	-	-	1,865,440
Sale of Investments *	-	208,098	-	-	-	208,098
Receiving of Services **	-	3,483	574,337	76,070	6,202	660,092
Reimbursement of Expenses	1,764	14,705	6,082	-	194	22,745
Recovery of Expenses	-	-	5,811	-	-	5,811
Voluntary Contribution ***	-	-	-	-	25,000	25,000
Management Contracts Including for deputation of employees	-	-	-	-	-	-
Balance receivable/(payable) as on March 31, 2010	(2,827)	(1,552)	(683)	-	(1,691)	-

* Represents transaction with Max Bupa Health Insurance Limited

** Amount charged to Profit & Loss Account Rs 617,857 {Refer to Note II (o) on Schedule 16}

*** Represents payment to Max India Foundation

Description of relationship	Name of Party
(a) Holding Company	Max India Limited
(b) Fellow Subsidiaries	Pharmax Corporation Ltd. Max Healthcare Institute Ltd. Max Medical Services Ltd. Alps Hospital Pvt. Ltd. Neeman Medical International Bv, Netherlands Neeman Medical International Nv, Netherlands Neeman Medical International Inc, USA Max Neeman Medical International Ltd. Max Ateev Ltd. Max Uk Ltd, Uk Max Healthstaff International Ltd . Max Bupa Health Insurance Limited
(c) Shareholder with significant influence	New York Life International LLC New York Life Insurance Company **
(d) Key Management Personnel	Analjit Singh (Chairman), Rajesh Sud (CEO & Managing Director), Rajit Mehta (Executive Director & COO)
(e) Enterprises over which Key Management Personnel have significant Influence	Liquid Investments & Trading Company, New Delhi House Services Ltd., Medicare Investments Ltd., Maxopp Investments Ltd., Cheminvest Ltd., Pivot Finances Ltd., Lakeview Enterprises, Delhi Guest Houses Pvt. Ltd., Trophy Holdings Pvt. Ltd., M.V. Healthcare Services Pvt. Ltd., ND Callus Info Services Pvt. Ltd., Boom Investments Pvt. Ltd., Malsi Holdings Ltd., Dynavest India Pvt. Ltd., Scorpius Beverages Pvt. Ltd., Trophy Resorts & Guest Houses Pvt. Ltd., Trophy Estates Pvt. Ltd., Gaylord Impex Ltd., Pen Investments Ltd., Mohair Investment & Trading Co. Pvt. Ltd., PVT Investments Ltd., Malsi Estates Ltd., TVP Investments Pvt. Ltd., BAS Investments Pvt. Ltd., Vitasta Estate Pvt. Ltd., Terra Planet Estates Pvt. Ltd., Doon Holiday Resorts Pvt. Ltd., Urban Space Consultants Pvt. Ltd., Capricorn Health Services Pvt. Ltd., Leo Retailing and Health Services Pvt. Ltd., Nurture Health Services Pvt. Ltd., Capricorn Retailing and Services Pvt. Ltd., Veer Health Services Pvt. Ltd., Wegmans Business Park Pvt. Ltd., Synergy Infracon Pvt. Ltd., Max Speciality Products Ltd. & Max India Foundation

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(w) Summary of Financial Statements forming part of Notes to Accounts (Rs in lakhs) is given below:

Particulars	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007
POLICYHOLDERS' A/C					
1 Gross Premium Income	581,263	486,054	385,726	271,460	150,028
2 Net Premium Income (Net of Re-insurance ceded)	573,621	480,086	381,903	269,255	148,542
3 Income from Investments (Net of losses)	99,082	198,965	(21,832)	22,411	9,308
4 Other Income (Miscellaneous Income)	243	46	95	36	99
5 Contribution from the Shareholders' a/c	1,183	5,862	37,158	17,913	7,419
6 Total Income (2+3+4+5)	674,129	684,959	397,324	309,615	165,368
7 Commission	53,990	42,121	39,158	38,446	22,852
8 Brokerage	-	-	-	-	-
9 Operating Expenses related to Insurance Business	144,367	150,481	161,034	86,634	51,429
10 Provision for Tax - Fringe Benefit Tax	-	-	794	469	311
11 Total Expenses (7+8+9+10)	198,357	192,602	200,986	125,549	74,592
12 Payments to Policyholders (includes Bonus to Policyholders)	123,679	58,917	22,082	13,601	8,337
13 Increase in Actuarial Liability	310,200	418,570	175,796	166,034	82,285
14 Surplus/Deficit from Operations	41,893	14,870	(1,540)	4,431	154
SHAREHOLDERS' A/C					
15 Total Income under Shareholders' Account	8,557	3,985	3,385	2,168	1,819
16 Profit/(loss) before Tax	19,406	(2,091)	(39,302)	(15,693)	(6,047)
17 Provision for Tax	-	-	-	-	-
18 Profit/ loss after tax	19,406	(2,091)	(39,302)	(15,693)	(6,047)
19 Profit/ loss carried to Balance Sheet	(82,960)	(102,366)	(100,275)	(60,973)	(45,280)
MISCELLANEOUS					
20 Policyholders' account:					
Total Funds (Including Fund for Future Appropriation)	1,242,465	923,345	500,233	327,077	157,404
Total Investments (Including Linked)	1,251,654	929,083	503,853	330,226	157,396
Yield on Investments (%) (Controlled Funds)	8.16%	8.26%	8.31%	7.92%	7.86%
Yield on Investments (%) (Unit Linked Funds)	10.08%	46.17%	-13.56%	11.27%	9.20%
Shareholders' account:					
Total Funds	115,637	95,652	78,592	43,568	28,611
Total Investments	131,989	83,013	52,291	41,673	27,097
Yield on Investments (%)	8.29%	6.06%	7.47%	6.51%	7.22%
21 Yield on Total Investments	9.41%	29.74%	-3.90%	9.24%	9.03%
22 Paid up Equity capital (including Share Premium)	197,618	197,296	178,243	103,243	73,243
23 Weighted Average Number of Shares	1,839,878	1,784,120	1,423,255	802,924	611,693
24 Net Worth	115,637	95,652	78,592	43,568	28,611
25 Total Assets	1,358,103	1,018,997	578,825	370,646	186,016
26 Earning per share -					
Basic (Face Value : Rs 10 each) in Rs.	1.05	(0.12)	(2.76)	(1.95)	(0.99)
27 Earning per share -					
Diluted (Face Value : Rs 10 each) in Rs.	1.04	(0.12)	(2.76)	(1.95)	(0.99)
28 Book Value per Share: Rs 10 Paid up	6.10	5.20	4.41	4.22	3.97

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(x) Earnings per equity share :

Particulars	Year Ended March 31, 2011	Year Ended March 31, 2010
1 Net Profit/(Loss) as per Profit & Loss Account available for equity shareholders for both basic and diluted earnings per equity share of Rs 10	1,940,605	(209,140)
2 Weighted average number of equity shares for earnings per equity share		
a) For basic earnings per equity share	1,839,878,083	1,784,119,719
b) For diluted earnings per equity share (as per 2a)	1,839,878,083	1,784,119,719
Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	22,402,452	
Weighted average number of equity shares for diluted earnings equity share	1,862,280,535	1,784,119,719
3 Earning per equity share		
a) Basic (in Rs.)	1.05	(0.12)
b) Diluted (in Rs.)	1.04	(0.12)

(y) Employee Benefits – Disclosures as per revised AS 15

(Refer to Note I (h) on Schedule 16)

i Defined Contribution Plans – Provident Fund

During the year the Company has recognised the following amounts in the Revenue account / Profit and Loss account:

Provident Fund	2010–2011	2009–2010
Employers Contribution to Provident Fund*	165,979	182,789

* Included in employees remuneration and welfare benefits in schedule 3 of Revenue account and salaries and allowances in Profit and Loss account

ii Defined Benefit Plans – Gratuity

Particulars	2010–2011	2009–2010
Change in Defined Benefit Obligation		
Opening Present value obligation	115,602	83,582
Interest cost	9,537	6,687
Past Service cost		-
Current service cost	54,982	48,870
Benefits Paid	(17,617)	(6,669)
Actuarial (gain)/ loss on Obligations	(34,436)	(16,868)
Closing Present value obligation	128,068	115,602
Changes in the Fair value of Plan Assets		
Opening Fair value of Plan Assets	139,684	58,206
Expected return on Plan Assets	11,524	4,657
Contributions	28,659	72,204
Benefits Paid	(17,616)	(6,669)
Actuarial gain/ (loss) on Obligations	3,745	11,286
Closing Fair value of Plan Assets	165,996	139,684
Expenses Recognised		
Current service cost	54,982	48,870
Past Service cost		-
Interest cost	9,537	6,687
Expected return on Plan Assets	(11,524)	(4,657)
Net Actuarial (gain)/ loss recognised during the year	(38,181)	(28,155)
Total Expense recognised in Profit & Loss Account	14,814	22,745

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	2010-2011	2009-2010
Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets		
Closing Present value obligation	128,068	115,602
Closing Fair value of Plan Assets	165,996	139,684
Net asset/ (liability) recognised in Balance Sheet	37,928	24,082
Major categories of plan assets:		
Insurer Managed Funds	165,996	139,684
Actuarial Assumptions:		
Discount Rate (per annum)	8.25%	8.25%
Rate of increase in compensation levels *	8.00%	8.00%
Rate of return on plan assets **	8.25%	8.25%

* Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

** Expected rate of return on plan assets is on the basis of average long term rate of return expected on investments of the fund during the estimated term of obligation.

- Non-vesting compensated leaves : Rs. - 227 (2010 - Rs. 1,325)

Para 132 of AS 15 (revised) does not require any specific disclosures except where expense resulting from Compensated Absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18.

In the opinion of management the expense resulting from Compensated Absence is not significant and hence no disclosures are prepared under various paragraphs of AS15 (Revised).

iii Other long term benefits

During the year, Company has recognised the following expense in the Revenue account and Profit and Loss account :

Deferred compensation (Long Term Incentive Plan) : Rs. 558,877 (2010 - Rs. 235,090)

(z) Disclosures For ULIP Business

1 Performance of the Fund (Absolute Growth %)

Fund Name	Year of Inception	2010-2011	2009-2010	2008-2009	Since inception
Balanced	2004-05	7.92%	26.44%	-5.98%	122.85%
Conservative	2004-05	6.96%	18.89%	3.53%	88.90%
Growth	2004-05	8.16%	45.80%	-15.62%	206.37%
Secured	2004-05	5.99%	6.71%	13.66%	55.82%
Pension Balanced	2005-06	7.06%	18.30%	-4.38%	54.28%
Pension Conservative	2005-06	6.58%	11.01%	4.29%	46.77%
Pension Growth	2005-06	8.68%	42.38%	-16.65%	79.15%
Pension Secured	2005-06	5.83%	6.51%	7.65%	37.63%
Group Gratuity Balanced	2006-07	10.84%	18.97%	-1.44%	57.70%
Group Gratuity Conservative	2006-07	6.22%	6.69%	12.20%	40.07%
Group Gratuity Growth	2006-07	10.12%	29.02%	-13.79%	50.49%
Guaranteed Fund - Dynamic	2006-07	6.37%	9.86%	-0.28%	34.14%
Guaranteed Fund - Income	2006-07	4.85%	9.05%	1.29%	27.00%
High Growth	2007-08	11.53%	70.40%	-33.06%	27.51%
Growth Super	2007-08	11.13%	82.08%	-27.79%	70.98%
Pension Growth Super	2007-08	10.03%	70.12%	-30.27%	3.69%
Group Superannuation Balanced	2007-08	4.51%	13.84%	14.60%	40.11%
Group Superannuation Conservative	2007-08	7.48%	4.39%	0.00%	12.20%
Group Superannuation Growth	2007-08	8.07%	22.77%	0.00%	32.68%
Dynamic Opportunities	2008-09	8.42%	42.14%	-10.56%	37.83%
Money Market	2009-10	4.32%	2.00%	-	6.40%
Secure Plus	2009-10	6.29%	2.73%	-	9.19%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

- 2 **Investment Management**
 - o Activities outsourced : None
 - o Fee paid for various activities charged to Policyholders' Account : Nil
 - o Basis of payment of fees : Nil
- 3 **Related party transactions – Fund wise details**
 - o Brokerage, custodial fee or any other payments and receipts made to/ from related parties (as defined in AS 18 issued by ICAI) : Nil
 - o Company-wise details of investments held in the Promoter Group along with its percentage to funds under management. This information is required to be given fund-wise and also for total funds under ULIPs. : Nil
- 4 **Provision for doubtful debts on assets of the respective Fund** : Nil
- 5 **Unclaimed redemptions of units : Rs Nil (2010: Rs Nil)** : Nil
- 6 **Net Asset Value (NAV) : Highest, Lowest and Closing at the end of the March 31, 2011** (RUPEES)

Fund Name	Highest NAV	Lowest NAV	Closing NAV
Balanced	22.416	20.447	22.285
Conservative	18.890	17.685	18.890
Growth	31.981	27.434	30.637
Secured	15.582	14.704	15.582
Growth Super	18.545	14.523	17.098
High Growth	13.929	10.948	12.751
Dynamic Opportunities	14.361	12.355	13.783
Guaranteed Fund - Dynamic	13.501	12.609	13.414
Guaranteed Fund - Income	12.700	12.116	12.700
Money Market	10.640	10.200	10.640
Secure Plus	10.919	10.275	10.919
Pension Balanced	15.749	14.256	15.428
Pension Conservative	14.677	13.768	14.677
Pension Growth	18.768	16.015	17.915
Pension Secured	13.763	13.007	13.763
Pension Growth Super	11.295	8.884	10.369
Group Gratuity Balanced	15.799	14.138	15.770
Group Gratuity Conservative	14.007	13.190	14.007
Group Gratuity Growth	15.431	13.186	15.049
Group Superannuation Balanced	14.343	13.158	14.011
Group Superannuation Conservative	11.220	10.441	11.220
Group Superannuation Growth	13.910	11.975	13.268

Net Asset Value (NAV) : Highest, Lowest and Closing at the end of the March 31, 2010 (RUPEES)

Fund Name	Highest NAV	Lowest NAV	Closing NAV
Balanced	20.675	16.384	20.649
Conservative	17.680	14.889	17.661
Growth	28.411	19.559	28.327
Secured	14.702	13.801	14.702
Growth Super	15.470	8.534	15.385
High Growth	11.445	6.759	11.433
Dynamic Opportunities	12.753	9.015	12.713
Guaranteed Fund - Dynamic	12.623	11.501	12.611

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(RUPEES)

Fund Name	Highest NAV	Lowest NAV	Closing NAV
Guaranteed Fund - Income	12.123	11.121	12.112
Money Market	10.200	10.000	10.200
Secure Plus	10.275	9.831	10.273
Pension Balanced	14.423	12.224	14.412
Pension Conservative	13.797	12.429	13.771
Pension Growth	16.551	11.658	16.484
Pension Secured	13.009	12.225	13.005
Pension Growth Super	9.472	5.599	9.424
Group Gratuity Balanced	14.244	11.998	14.229
Group Gratuity Conservative	13.187	12.377	13.187
Group Gratuity Growth	13.724	10.661	13.666
Group Superannuation Balanced	13.431	11.759	13.406
Group Superannuation Conservative	10.439	9.997	10.439
Group Superannuation Growth	12.384	9.996	12.277

7 Expenses Charged to Fund %

Annualized expense ratio to average daily assets of the Fund

Fund Name	Ratios as at March 31, 2011	Ratios as at March 31, 2010
Balanced	1.23%	1.21%
Conservative	1.03%	0.99%
Secured	1.03%	0.99%
Growth	1.38%	1.38%
Growth Super	1.38%	1.44%
High Growth	1.38%	1.46%
Dynamic Opportunities	1.38%	1.59%
Guaranteed Fund - Dynamic	1.87%	1.88%
Guaranteed Fund - Income	1.65%	1.66%
Money Market	1.39%	1.38%
Secure Plus	1.03%	0.99%
Pension Balanced	1.23%	1.21%
Pension Conservative	1.03%	0.99%
Pension Secured	1.03%	0.99%
Pension Growth	1.39%	1.38%
Pension Growth Super	1.38%	1.45%
Group Gratuity Balanced	0.98%	0.94%
Group Gratuity Conservative	0.87%	0.83%
Group Gratuity Growth	1.08%	1.05%
Group Superannuation Balanced	0.98%	0.90%
Group Superannuation Conservative	0.88%	0.83%
Group Superannuation Growth	1.08%	1.05%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

8 Ratio of gross income (including unrealized gains) to average daily net assets

Fund Name	Ratios as at March 31, 2011	Ratios as at March 31, 2010
Balanced	7.44%	20.90%
Conservative	6.75%	17.12%
Secured	5.94%	5.94%
Growth	7.72%	32.18%
Growth Super	9.89%	46.28%
High Growth	10.12%	40.40%
Dynamic Opportunities	7.21%	25.88%
Guaranteed Fund - Dynamic	6.32%	8.66%
Guaranteed Fund - Income	4.93%	7.81%
Money Market	4.44%	2.27%
Secure Plus	6.15%	4.65%
Pension Balanced	5.99%	14.99%
Pension Conservative	6.52%	9.67%
Pension Secured	5.86%	5.79%
Pension Growth	7.80%	29.58%
Pension Growth Super	8.86%	41.96%
Group Gratuity Balanced	10.40%	14.77%
Group Gratuity Conservative	6.18%	6.43%
Group Gratuity Growth	9.69%	18.13%
Group Superannuation Balanced	4.38%	12.88%
Group Superannuation Conservative	7.41%	3.97%
Group Superannuation Growth	7.39%	14.93%

9 Fund-wise disclosure of appreciation and/or (depreciation) in value of investments segregated class-wise

Fund Name	Bonds	Equity	Government Securities	Money Market	Total
Balanced	(5,377)	136,158	(4,167)	18,310	144,924
Conservative	(1,046)	3,684	(16)	1,147	3,769
Secured	(2,053)	-	1,436	2,540	1,923
Growth	(89,627)	4,412,548	(8,036)	217,735	4,532,620
Growth Super	2,050	2,687,069	-	24,823	2,713,942
High Growth	(446)	41,319	-	550	41,423
Dynamic Opportunities	(4,479)	149,582	(66)	12,332	157,369
Guaranteed Fund Dynamic	34	586	26	152	798
Guaranteed Fund Income	(10)	44	7	12	53
Money Market	-	-	-	1,278	1,278
Secure Plus	(31)	-	146	334	448
Pension Balanced	(1,019)	21,864	289	2,762	23,896
Pension Conservative	(138)	1,716	73	224	1,874
Pension Secured	(289)	-	439	624	774
Pension Growth	(3,351)	277,735	-	14,395	288,779
Pension Growth Super	(848)	381,814	-	7,354	388,320
Group Gratuity Balanced	(1,084)	4,457	86	732	4,191
Group Gratuity Conservative	(474)	-	301	578	405
Group Gratuity Growth	(588)	9,382	0	481	9,276
Group Superannuation Balanced	(1)	10	0	0	9
Group Superannuation Conservative	21	-	110	136	267
Group Superannuation Growth	(1)	42	0	1	42

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

10 Statement of Industry Wise Disclosure of Investments (with exposure of 5% and above)

BALANCED

Industry	Security Name	Amount	Percentage of Fund
BANKING SERVICES	AXIS BANK LTD	21,591	
	CANARA BANK LTD	9,899	
	HOUSING DEVELOPMENT FINANCE CORP BANK	59,381	
	ICICI BANK LTD	78,747	
	KOTAK MAHINDRA BANK LTD	4,822	
	PUNJAB NATIONAL BANK LTD	3,365	
	STATE BANK OF INDIA	48,185	
	AXIS BANK CD 16 JAN 2012	27,872	
	BANK OF INDIA CD 19 DEC 2011	46,860	
	STATE BANK OF PATIALA CD 7 APRIL 2011	26,473	
	UCO BANK CD 24 JUNE 2011	102,719	
	JAMMU & KASHMIR BANK LTD	4,785	
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	19,555	
	7.8% NABARD 16 AUGUST 2013	39,110	
	10.05% CANARA BANK FD 21 FEB 2013	50,000	
	7.00% STATE BANK OF TRAVANCORE FD 11 MAY 2011	9,900	
	STATE BANK OF PATIALA CD 08 SEPTEMBER 2011	28,865	
	UNITED BANK OF INDIA CD 06 JAN 2012	46,628	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	23,000	
	HDFC BANK CD 25 APR 2011	19,920	
	STATE BANK OF HYDERABAD CD 28 APRIL 2011	72,623	
	STATE BANK OF PATIALA CD 24 NOV 2011	1,420	
	STATE BANK OF MYSORE 26 APRIL 2011	49,682	
	10.84% HDFC BANK 23 MAY 2022.	33,365	
	6.95% NHB NCD 24 MAY 2013	19,354	
	ANDHRA BANK CD 26 MARCH 2012	38,209	
	CANARA BANK CD 21 DEC 2011	140,448	
	CANARA BANK CD 27 DEC 2011	46,712	
	STATE BANK OF INDIA CD 01 JUNE 2011	19,715	
	ICICI BANK CD 26 APR 2011	14,938	
	STATE BANK OF BIKANER & JAIPUR CD 08 FEB 2012	110,717	
	STATE BANK OF MYSORE 07 NOV 2011	9,461	
	BANK OF MAHARASHTRA	3,865	
	PUNJAB & SIND BANK	3,007	
	10.40% PNB SR1 31 DECEMBER PERPATUAL BOND	12,690	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	38,939	
	8.96% STATE BANK OF INDIA 12 SEPTEMBER 2021	11,843	
	7.05% YES BANK FD 27 APRIL 2011	15,000	
	10.35% ICICI BANK FD 22 FEBRUARY 2012	10,000	
	9.95% CANARA BANK FD 14 MAR 2013	40,000	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

BANKING SERVICES TOTAL		1,363,665	0.03%
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	482,102	
	7.40% GOI 03 MAY 2012	164,058	
	7.99% GOI 09 JULY 2017	50,093	
	11.83% GOI 12 NOVEMBER 2014	11,135	
	7.02% GOI 17 AUGUST 2016	37,246	
	7.38% GOI 03 SEPTEMBER 2015	31,048	
	9.40% GOI 11 SEPTEMBER 2012	102,422	
GOVERNMENT OF INDIA TOTAL		878,104	0.02%
OTHER FINANCIAL SERVICES	8.00% ICICI HOUSING FINANCE 14 SEP 2011	9,920	
	HOUSING DEVELOPMENT FINANCE CORP LTD	44,737	
	11.15% HDFC 06 AUGUST 2018	11,032	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	26,286	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	64,687	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	29,318	
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	45,341	
	0% HDFC 27 JANUARY 2012	36,248	
	9.9% HDFC LTD 11 MAR 2014	30,402	
	7.5% IDFC LTD 10 JUNE 2013	9,609	
	9.50% HDFC 28 FEBRUARY 2013	4,996	
	INFRASTRUCTURE DEV FIN CO LTD	1,755	
	10% IDFC 22 MAY 2012	10,038	
	6.85% LIC HOUSING FINANCE 28 SEPTEMBER 2011	9,875	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	19,634	
	8.48% IDFC 28 SEPTEMBER 2013	14,699	
	8.95% HDFC 19 OCT 2020	29,574	
	8.9% IDFC 19 NOVEMBER 2025	10,756	
	9.50% HDFC 27 FEBRUARY 2013	9,992	
	0% HDFC NCD 08 FEB 2012	39,332	
	0% HDFC 24 AUGUST 2011	37,694	
OTHER FINANCIAL SERVICES TOTAL		495,925	0.01%
COMPUTER SOFTWARE	7.55% HCL 25 AUG 2011	68,474	
	INFOSYS TECHNOLOGIES LTD	101,054	
	TATA CONSULTANCY SERVICES LTD	44,245	
	WIPRO LTD	25,548	
COMPUTER SOFTWARE TOTAL		239,321	0.01%
OTHERS	8.15% RELIANCE CAPITAL 22 JULY 2011	20,907	
	ASIAN PAINTS (INDIA) LTD	9,247	
	BAJAJ AUTO LTD NEW SHS	7,641	
	BAJAJ HOLDINGS AND INVESTMENT LTD	324	
	BHARAT HEAVY ELECTRICALS LTD	38,914	
	BHARTI AIRTEL LTD	33,425	
	BRITANNIA INDUSTRIES LTD	3,865	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	CADILA HEALTHCARE LIMITED	12,132
	CAIRN INDIA LTD	8,247
	DABUR INDIA LTD	7,233
	EXIDE INDUSTRIES LTD	10,245
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	21,844
	GRASIM LTD	12,285
	GREAT EASTERN SHIPPING CO LTD	587
	GUJARAT STATE PETRONET LTD	1,742
	GVK POWER & INFRASTRUCTURE LIMITED	1,535
	HINDUSTAN ZINC LTD	10,666
	ICICI PRUDENTIAL LIQUID PLAN INSTITUTIONAL PLUS- GROWTH PLAN	62,015
	IPCA LABORATORIES LIMITED	10,158
	ITC LTD	79,159
	IVRCL INFRASTRUCTURES & PROJECTS LTD	810
	JAGRAN PRAKASHAN LTD	7,613
	JINDAL STEEL & POWER LTD	13,235
	JYOTI STRUCTURES LIMITED	418
	LANCO INFRASTRUCTURE LIMITED	396
	LARSEN & TOUBRO LTD	40,931
	LUPIN LIMITED	16,953
	MADHUCON PROJECTS LTD	5,014
	MANGALAM CEMENT LTD	769
	MARICO LTD	5,448
	MARUTI UDYOG LTD	24,608
	NESTLE INDIA LTD	11,592
	NTPC LTD	12,297
	OIL & NATURAL GAS CORP LTD	26,725
	PIDILITE INDUSTRIES LIMITED	15,713
	RURAL ELECTRIFICATION CORPORATION LIMITED	987
	SHREE CEMENT LTD	6,210
	STEEL AUTHORITY OF INDIA LTD	1,774
	STERLITE INDUSTRIES (INDIA) LTD	16,781
	SUN PHARMACEUTICAL INDUSTRIES LTD	11,461
	TATA CHEMICALS LTD	1,823
	TATA POWER LIMITED	12,158
	TATA STEEL LTD	32,940
	RELIANCE CAPITAL CP 23 MAY 11	19,734
	COAL INDIA LTD	10,144
	DR REDDYS LABORATORIES LIMITED	3,770
	GREAVES COTTON LTD	144
	HINDALCO INDUSTRIES LTD	11,817
	HINDUSTAN PETROLEUM CORPORATION LIMITED	7,591

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	IDEA CELLULAR LTD	6,835	
	MAHINDRA & MAHINDRA LTD	31,894	
	POWER GRID CORPORATION OF INDIA LTD	9,331	
	RELIANCE INDUSTRIES LTD	121,719	
	VOLTAS LTD	5,023	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	10,463	
	8.25% RELIANCE CAPITAL 03 MAY 2013	19,528	
	8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	9,750	
	8.7% PFC 14 MAY 2015	53,915	
	9.25% RELIANCE CAPITAL 30 MAY 2011	14,009	
	8.37% ANDHRA SDL 16 MAR 2021	21,531	
	0% SUNDARAM FINANCE 26 APRIL 2013	33,039	
	6.00% INDIAN HOTELS 13 MAY 2011	4,971	
	11.50% ADITYA BIRLA NUVO 19 DECEMBER 2011	20,213	
	11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	10,525	
	ALSTOM PROJECT INDIA LIMITED	4,242	
	ASHOKA BUILDCON LTD	2,000	
	CARBORUNDUM UNIVERSAL LIMITED	806	
	COROMANDEL INTERNATIONAL LTD	3,007	
	GAIL (INDIA) LIMITED	4,942	
	GILLETTE INDIA LTD	928	
	PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	21,661	
	RADICO KHAITAN LTD	1,303	
	SHREE RENUKA SUGARS LIMITED	974	
	USHA MARTIN LIMITED	11	
	VARDHMAN TEXTILES LTD	2,029	
	VARDHMAN SPECIAL STEELS LTD	168	
	10.75% RIL 08 DECEMBER 2018	23,856	
	10% TATA CHEMICALS 2 JULY 2019	9,345	
	2% TATA MOTORS 31 MARCH 2013	5,500	
	7.40% TATA CHEMICAL 23 NOVEMBER 2011	9,867	
	8.65% LARSEN & TOUBRO 26 MAY 2020	1,938	
	8.85% TATA SONS 30 OCTOBER 2016	7,910	
	9.15% LARSEN AND TOUBRO 5 JANUARY 2019	14,981	
	9.25% DR REDDYS LAB 24 MAR 2014	12	
	9.5% INDIAN HOTELS 28 FEBRUARY 2012	4,988	
	9.80% GE SHIPPING 3 JULY 2019	20,703	
	8.53% TAMIL NADU SDL 27 OCT 2020	38,431	
	NET CURRENT ASSETS	137,109	
OTHERS TOTAL		1,361,484	0.03%
GRAND TOTAL		4,338,493	0.10%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

CONSERVATIVE			
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	94,961	
	7.40% GOI 03 MAY 2012	102,093	
	7.99% GOI 09 JULY 2017	18,133	
GOVERNMENT OF INDIA TOTAL		215,187	0.05%
BANKING SERVICES	AXIS BANK LTD	835	
	CANARA BANK LTD	125	
	HOUSING DEVELOPMENT FINANCE CORP BANK	1,731	
	ICICI BANK LTD	1,887	
	KOTAK MAHINDRA BANK LTD	92	
	PUNJAB NATIONAL BANK LTD	146	
	STATE BANK OF INDIA	1,632	
	AXIS BANK CD 16 JAN 2012	4,645	
	STATE BANK OF BIKANER & JAIPUR 15 JULY 2011	2,920	
	JAMMU & KASHMIR BANK LTD	114	
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	1,956	
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA		
	28 SEPTEMBER 2013	9,873	
	7.00% STATE BANK OF TRAVANCORE FD 11 MAY 2011	3,000	
	STATE BANK OF PATIALA 13 MAY 2011	4,946	
	UNITED BANK OF INDIA CD 06 JAN 2012	4,663	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	9,447	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	3,000	
	HDFC BANK CD 25 APR 2011	2,988	
	STATE BANK OF PATIALA CD 24 NOV 2011	17,506	
	STATE BANK OF HYDERABAD CD 27 DEC 2011	4,198	
	10.84% HDFC BANK 23 MAY 2022.	9,687	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	4,867	
	8.96% STATE BANK OF INDIA 12 SEPTEMBER 2021	987	
	PUNJAB & SIND BANK CD 07 APRIL 2011	2,995	
BANKING SERVICES TOTAL		94,240	0.02%
OTHER FINANCIAL SERVICES	HOUSING DEVELOPMENT FINANCE CORP LTD	1,627	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	15,448	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	2,932	
	7.65% IDFC 26 FEBRUARY 2012	1,967	
	7.5% IDFC LTD 10 JUNE 2013	3,844	
	9.50% HDFC 28 FEBRUARY 2013	999	
	INFRASTRUCTURE DEV FIN CO LTD	224	
	10% IDFC 22 MAY 2012	1,004	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	4,909	
	0% HDFC NCD 08 FEB 2012	5,315	
	8.98% HDFC 26 NOV 2020	2,962	
OTHER FINANCIAL SERVICES TOTAL		41,231	0.01%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	7.55% HCL 25 AUG 2011	2,977
	8.80% SUNDARAM FINANCE LTD 23 DEC 2011	3,975
	ASIAN PAINTS (INDIA) LTD	417
	BAJAJ AUTO LTD NEW SHS	329
	BHARAT HEAVY ELECTRICALS LTD	1,526
	BHARTI AIRTEL LTD	1,238
	BRITANNIA INDUSTRIES LTD	268
	CADILA HEALTHCARE LIMITED	553
	CAIRN INDIA LTD	135
	DABUR INDIA LTD	19
	EXIDE INDUSTRIES LTD	362
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	824
	GRASIM LTD	541
	GVK POWER & INFRASTRUCTURE LIMITED	13
	HINDUSTAN ZINC LTD	539
	INFOSYS TECHNOLOGIES LTD	3,176
	IPCA LABORATORIES LIMITED	253
	ITC LTD	2,863
	JAGRAN PRAKASHAN LTD	382
	JINDAL STEEL & POWER LTD	349
	LARSEN & TOUBRO LTD	1,318
	LUPIN LIMITED	42
	MADHUCON PROJECTS LTD	54
	MARICO LTD	110
	MARUTI UDYOG LTD	911
	NAGARJUNA CONS CO LTD	25
	NESTLE INDIA LTD	370
	NTPC LTD	403
	OIL & NATURAL GAS CORP LTD	1,060
	PIDILITE INDUSTRIES LIMITED	609
	STEEL AUTHORITY OF INDIA LTD	68
	STERLITE INDUSTRIES (INDIA) LTD	676
	SUN PHARMACEUTICAL INDUSTRIES LTD	586
	TATA CHEMICALS LTD	494
	TATA CONSULTANCY SERVICES LTD	1,357
	TATA STEEL LTD	1,182
	WIPRO LTD	619
	RELIANCE CAPITAL CP 23 MAY 11	987
	COAL INDIA LTD	173
	DR REDDYS LABORATORIES LIMITED	410
	HINDALCO INDUSTRIES LTD	481
	HINDUSTAN PETROLEUM CORPORATION LIMITED	232
	IDEA CELLULAR LTD	101
	MAHINDRA & MAHINDRA LTD	1,103
	POWER GRID CORPORATION OF INDIA LTD	306
	RELIANCE INDUSTRIES LTD	4,779
	VOLTAS LTD	91
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	2,093
	8.25% RELIANCE CAPITAL 03 MAY 2013	4,882
	8.37% ANDHRA SDL 16 MAR 2021	5,010
	0% SUNDARAM FINANCE 26 APRIL 2013	4,130

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	6.00% INDIAN HOTELS 13 MAY 2011	3,988	
	8.75% LARSEN & TOUBRO 11 MAY 2020	975	
	ASHOKA BUILDCON LTD	5	
	GAIL (INDIA) LIMITED	251	
	PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	361	
	2% TATA MOTORS 31 MARCH 2013	1,100	
	8.65% LARSEN & TOUBRO 26 MAY 2020	581	
	8.85% TATA SONS 30 OCTOBER 2016	989	
	6.10% NPC 15 MARCH 2014	1,839	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	4,931	
	NET CURRENT ASSETS	16,223	
OTHERS TOTAL		86,644	0.02%
GRAND TOTAL		437,299	0.10%
GROWTH			
BANKING SERVICES	AXIS BANK LTD	399,703	
	BANK OF BARODA LTD	922	
	CANARA BANK LTD	93,159	
	FEDERAL BANK LIMITED	92,655	
	HOUSING DEVELOPMENT FINANCE CORP BANK	1,403,975	
	ICICI BANK LTD	1,567,223	
	KOTAK MAHINDRA BANK LTD	118,436	
	PUNJAB NATIONAL BANK LTD	46,136	
	STATE BANK OF INDIA	1,183,822	
	AXIS BANK CD 16 JAN 2012	146,793	
	BANK OF INDIA CD 19 DEC 2011	202,995	
	PUNJAB NATIONAL BANK CD 28 NOV 2011	205,452	
	SYNDICATE BANK CD 28 SEPTEMBER 2011	105,957	
	HDFC BANK CD 16 JAN 2012	366,955	
	STATE BANK OF BIKANER & JAIPUR 15 JULY 2011	212,988	
	STATE BANK OF PATIALA CD 7 APRIL 2011	40,959	
	UCO BANK CD 24 JUNE 2011	91,078	
	JAMMU & KASHMIR BANK LTD	213,814	
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	48,888	
	7.8% NABARD 16 AUGUST 2013	48,888	
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA		
	28 SEPTEMBER 2013	204,364	
	9.95% AXIS BANK 28 MARCH 2019	38,606	
	10.05% CANARA BANK FD 21 FEB 2013	104,000	
	7.00% STATE BANK OF TRAVANCORE FD 11 MAY 2011	9,900	
	STATE BANK OF PATIALA CD 08 SEPTEMBER 2011	141,438	
	STATE BANK OF PATIALA 13 MAY 2011	262,941	
	SYNDICATE BANK CD 13 MAR 2012	101,371	
	UNITED BANK OF INDIA CD 06 JAN 2012	153,869	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	43,204	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	226,500	
	HDFC BANK CD 25 APR 2011	174,996	
	STATE BANK OF HYDERABAD CD 28 APRIL 2011	144,250	
	STATE BANK OF PATIALA CD 24 NOV 2011	174,658	
	CORPORATION BANK CD 20 FEB 2012	60,257	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

STATE BANK OF BIKANER & JAIPUR 17 JAN 2012	86,996	
STATE BANK OF HYDERABAD CD 27 DEC 2011	545,952	
STATE BANK OF MYSORE 26 APRIL 2011	351,437	
10.84% HDFC BANK 23 MAY 2022.	165,747	
6.95% NHB NCD 24 MAY 2013	75,483	
ANDHRA BANK CD 26 MARCH 2012	45,486	
CANARA BANK CD 21 DEC 2011	627,752	
CANARA BANK CD 27 DEC 2011	140,136	
STATE BANK OF INDIA CD 01 JUNE 2011	216,866	
BANK OF MAHARASHTRA	176,000	
PUNJAB & SIND BANK	88,647	
10.40% PNB SR1 31 DECEMBER PERPATUAL BOND	71,907	
8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	140,179	
8.96% STATE BANK OF INDIA 12 SEPTEMBER 2021	5,922	
7.05% YES BANK FD 27 APRIL 2011	110,000	
10.35% ICICI BANK FD 22 FEBRUARY 2012	40,000	
9.95% CANARA BANK FD 14 MAR 2013	100,000	
PUNJAB & SIND BANK CD 07 APRIL 2011	221,955	
CANARA BANK CD 26 APRIL 2011	144,433	
8.50% EXIM 12 SEPTEMBER 2011	5,964	
IDBI CD 26 DEC 2011	271,447	
STATE BANK OF MYSORE CD 02 JUNE 2011	226,394	
STATE BANK OF MYSORE CD 14 DEC 2011	216,070	
INDIAN BANK LTD	40,869	
INDIAN OVERSEAS BANK	50,488	
CORPORATION BANK CD 06 MAR 2012	91,425	
AXIS BANK CD 21 APR 2011	199,360	
BANK OF INDIA 09 JAN 2012	232,704	
BANK OF INDIA CD 15 MARCH 2012	228,802	
CANARA BANK CD 15 DEC 2011	234,671	
CORPORATION BANK CD 04 JULY 2011	97,528	
FEDERAL BANK CD 22 APRIL 2011	49,828	
ICICI BANK CD 13 JAN 2012	139,451	
INDIAN BANK CD 12 JAN 2012	232,778	
ORIENTAL BANK OF COMMERCE CD 12 AUGUST 2011	153,915	
PUNJAB NATIONAL BANK CD 07 MAR 2012	228,504	
STATE BANK OF BIKANER & JAIPUR CD 12 JAN 2012	232,790	
STATE BANK OF HYDERABAD CD 11 JULY 2011	243,697	
STATE BANK OF PATIALA CD 10 JUNE 2011	245,594	
STATE BANK OF PATIALA 23 DEC 2011	233,961	
STATE BANK OF TRAVANCORE CD 04 JAN 2012	233,496	
SYNDICATE BANK CD 20 DEC 2011	234,380	
UNION BANK OF INDIA CD 07 APRIL 2011	249,590	
8.75% HDFC BANK 25 MAY 2014	5,906	
8.85% STATE BANK OF INDIA 04 OCT 2021	247,826	
9.50% EXIM BANK 12 DECEMBER 2013	50,128	
10.35% YES BANK SFD 14 MAY 2012	150,000	
7.25% ICICI BANK FD 19 OCTOMBER2011	60,050	
7.25% ICICI BANK FD 20 OCTOMBER 2011	120,099	
BANKING SERVICES TOTAL	16,793,765	34.03%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHER FINANCIAL SERVICES	8.00% ICICI HOUSING FINANCE 14 SEP 2011	71,423	
	9.5% HDFC 10 DEC 2017	50,829	
	HOUSING DEVELOPMENT FINANCE CORP LTD	879,730	
	11.15% HDFC 06 AUGUST 2018	20,960	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	234,629	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	66,618	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	200,338	
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	19,579	
	0% HDFC 27 JANUARY 2012	142,920	
	7.65% IDFC 26 FEBRUARY 2012	58,024	
	9.75% HDFC LTD 08 MAR 2016	24,425	
	9.70% LIC HOUSING FINANCE 07 APRIL 2013	48,140	
	9.9% HDFC LTD 11 MAR 2014	208,758	
	7.5% IDFC LTD 10 JUNE 2013	22,101	
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	132,620	
	9.50% HDFC 28 FEBRUARY 2013	85,928	
	INFRASTRUCTURE DEV FIN CO LTD	87,011	
	10% IDFC 22 MAY 2012	30,114	
	6.85% LIC HOUSING FINANCE 28 SEPTEMBER 2011	110,601	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	160,999	
	8.48% IDFC 28 SEPTEMBER 2013	203,823	
	9.50% HDFC 27 FEBRUARY 2013	34,970	
	0% HDFC NCD 08 FEB 2012	114,808	
	0% HDFC 24 AUGUST 2011	37,694	
	8.98% HDFC 26 NOV 2020	106,639	
	9.75% ICICI HOUSING FINANCE (TIER II) 24 APRIL 2019	114,645	
	8.2% LIC HOUSING FINANCE LTD 31 AUG 2012	50,091	
	8.35% HDFC NCD 19 JULY 2015	174,135	
	0% LIC HOUSING FINANCE 08 AUGUST 2011	164,508	
	10.10% HDFC 13 SEPTEMBER 2017	88,758	
	10.25% HDFC 29 MAY 2012	50,324	
	11.25% HDFC 4 SEPTEMBER 2018	110,911	
	6.84% HDFC 22 APRIL 2011	49,953	
	7.4% IDFC 22 APRIL 2012	48,930	
	7.76 LIC HOUSING FINANCE 06 NOV 2012	48,697	
	8.60% IDFC 24 NOVEMBER 2011	28,799	
	8.95% LIC HOUSING FINANCE 15 SEPTEMBER 2020	53,250	
	8.9% HDFC 18 AUGUST 2020	83,569	
	9.05% IDFC 27 DEC 2020	30,744	
	9.32% HDFC 17 DECEMBER 2012	99,596	
	9.35% LIC HOUSING FINANCE 23 NOVEMBER 2014	49,820	
	9.45% HDFC 11JAN 2013	199,604	
	9.70% HDFC 19 JULY 2017	45,103	
	9.9% HDFC 19 DECEMBER 2013	101,181	
OTHER FINANCIAL SERVICES TOTAL		4,746,299	9.62%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

COMPUTER SOFTWARE	7.55% HCL 25 AUG 2011	60,535	
	INFOSYS TECHNOLOGIES LTD	2,333,483	
	TATA CONSULTANCY SERVICES LTD	919,742	
	WIPRO LTD	446,540	
COMPUTER SOFTWARE TOTAL		3,760,300	7.62%
REFINERY	HINDUSTAN PETROLEUM CORPORATION LIMITED	153,818	
	RELIANCE INDUSTRIES LTD	2,522,281	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	75,333	
	8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	300,314	
	10.75% RIL 08 DECEMBER 2018	4,337	
	11.45% RIL 25 NOVEMBER 2013	104,629	
REFINERY TOTAL		3,160,712	6.40%
OTHERS	6.35% GOI 2 JAN 2020	4,462	
	8.15% RELIANCE CAPITAL 22 JULY 2011	16,925	
	8.80% SUNDARAM FINANCE LTD 23 DEC 2011	90,443	
	ASIAN PAINTS (INDIA) LTD	272,286	
	BAJAJ AUTO LTD NEW SHS	153,992	
	BAJAJ HOLDINGS AND INVESTMENT LTD	114,588	
	BHARAT EARTH MOVERS LTD	18,934	
	BHARAT HEAVY ELECTRICALS LTD	824,584	
	BHARTI AIRTEL LTD	700,118	
	BIRLA SUN LIFE CASH PLUS - INSTL. PREM. - GROWTH	550,026	
	BRITANNIA INDUSTRIES LTD	107,206	
	CADILA HEALTHCARE LIMITED	70,860	
	CAIRN INDIA LTD	278,224	
	CROMPTON GREAVES LTD	10,640	
	DABUR INDIA LTD	163,862	
	EXIDE INDUSTRIES LTD	321,856	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	464,562	
	GRASIM LTD	302,471	
	GREAT EASTERN SHIPPING CO LTD	23,707	
	GUJARAT STATE PETRONET LTD	11,982	
	GVK POWER & INFRASTRUCTURE LIMITED	62,445	
	HDFC LIQUID PREMIUM FUND GROWTH PLAN	51,388	
	HINDUSTAN UNILEVER LTD	465	
	HINDUSTAN ZINC LTD	279,254	
	IPCA LABORATORIES LIMITED	307,158	
	ITC LTD	1,513,571	
	IVRCL INFRASTRUCTURES & PROJECTS LTD	5,707	
	JAGRAN PRAKASHAN LTD	231,723	
	JAIPRAKASH ASSOCIATES LTD	10,213	
	JINDAL STEEL & POWER LTD	375,738	
	JYOTI STRUCTURES LIMITED	18,026	
	LANCO INFRATECH LIMITED	45,860	
	LARSEN & TOUBRO LTD	1,079,778	
	LUPIN LIMITED	152,829	
	MADHUCON PROJECTS LTD	70,814	
	MANGALAM CEMENT LTD	64,558	
	MARICO LTD	122,759	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

MARUTI UDYOG LTD	434,655
NAGARJUNA CONS CO LTD	15,423
NESTLE INDIA LTD	255,993
NTPC LTD	180,778
OIL & NATURAL GAS CORP LTD	665,910
PATEL ENGINEERING LTD	35,087
PHILLIPS CARBON BLACK LTD	48,111
PIDILITE INDUSTRIES LIMITED	150,015
RELIANCE ENERGY LTD	110,845
RURAL ELECTRIFICATION CORPORATION LIMITED	17,534
SHREE CEMENT LTD	92,508
STEEL AUTHORITY OF INDIA LTD	50,066
STERLITE INDUSTRIES (INDIA) LTD	467,206
SUN PHARMACEUTICAL INDUSTRIES LTD	278,486
TATA CHEMICALS LTD	101,996
TATA POWER LIMITED	140,690
TATA STEEL LTD	769,000
THERMAX LTD	2,351
TRF LTD	2,207
RELIANCE CAPITAL CP 23 MAY 11	182,542
COAL INDIA LTD	142,322
DR REDDYS LABORATORIES LIMITED	64,929
GREAVES COTTON LTD	13,320
HINDALCO INDUSTRIES LTD	439,578
IDEA CELLULAR LTD	100,080
MAHINDRA & MAHINDRA LTD	727,449
POWER GRID CORPORATION OF INDIA LTD	237,360
VOLTAS LTD	48,671
7.40% GOI 03 MAY 2012	76,136
7.99% GOI 09 JULY 2017	109,966
7.70% SAIL 11 MAY 2019	55,494
8.25% RELIANCE CAPITAL 03 MAY 2013	24,410
8.45% PFC 17 SEPTEMBER 2014	35,043
8.7% PFC 14 MAY 2015	238,207
9.25% RELIANCE CAPITAL 30 MAY 2011	57,035
9.45% REC 04 APRIL 2013	238,630
0% SUNDARAM FINANCE 26 APRIL 2013	253,575
6.00% INDIAN HOTELS 13 MAY 2011	86,579
8.25% BRITANNIA 22 MARCH 2013	6,537
91 DAYS TBILL 06 MAY 2011	21,688
10.5% RELIANCE CAPITAL NCD 20 MAR 2012	231,310
11.50% ADITYA BIRLA NUVO 19 DECEMBER 2011	75,798
11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	47,361
ALSTOM PROJECT INDIA LIMITED	11,024
ASHOKA BUILDCON LTD	68,676
CARBORUNDUM UNIVERSAL LIMITED	9,532
COROMANDEL INTERNATIONAL LTD	17,043
GAIL (INDIA) LIMITED	74,067
GILLETTE INDIA LTD	83,253
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	110,066
RADICO KHAITAN LTD	139,480

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SHREE RENUKA SUGARS LIMITED	24,904	
USHA MARTIN LIMITED	42,643	
VARDHMAN TEXTILES LTD	30,884	
VARDHMAN SPECIAL STEELS LTD	2,558	
7.02% GOI 17 AUGUST 2016	182,808	
9.40% GOI 11 SEPTEMBER 2012	51,211	
10% TATA CHEMICALS 2 JULY 2019	99,676	
2% TATA MOTORS 31 MARCH 2013	102,304	
7.40% TATA CHEMICAL 23 NOVEMBER 2011	113,466	
8.65% LARSEN & TOUBRO 26 MAY 2020	18,213	
8.85% TATA SONS 30 OCTOBER 2016	19,776	
9.15% LARSEN AND TOUBRO 5 JANUARY 2019	149,813	
9.25% DR REDDYS LAB 24 MAR 2014	361	
9.5% INDIAN HOTELS 28 FEBRUARY 2012	44,894	
9.80% GE SHIPPING 3 JULY 2019	107,657	
8.53% TAMIL NADU SDL 27 OCT 2020	13,966	
8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	208,068	
HINDUSTAN DORR OLIVER LTD	7,197	
HINDUSTAN CONSTRUCTION CO LTD	182	
JAYPEE INFRATECH LIMITED	75,482	
JSW ENERGY LIMITED	12,461	
10.48% GRASIM 16 DECEMBER 2013	70,729	
ANSAL PROPERTIES & INFRASTRUCTURE LIMITED	41,667	
GUJRAT NRE COKE LTD DIFFERENTIAL VOTING RIGHTS	574	
7.27% GOI 03 SEPTEMBER 2013	3,974	
7.32% GOI 20 OCTOBER 2014	98,410	
7.37% GOI 16 APRIL 2014	19,720	
7.59% GOI 12 APRIL 2016	598	
8.07% GOI 15 JANUARY 2017	15,053	
9.39% GOI 2 JULY 2011	3,617	
10.05% MARICO NCD 30 SEPTEMBER 2013	50,590	
10.75% PFC 15 JULY 2011	2,006	
10.75% REC 24 JULY 2013	51,163	
11.5% REC 26 NOVEMBER 2013	261,867	
6.7% RELINFRA 19 AUGUST 2018	4,323	
7.9% ADITYA BIRLA NUVO 10 MAY 2013	96,725	
8.20% IRFC 27 APRIL 2011	150,002	
8.35% CAIRN INDIA 12 JULY 2012	295,815	
8.64% PGC 08 JULY 2019	48,499	
8.79% IRFC 04 MAY 2030	99,363	
8.90% PGC 25 FEBRUARY 2017	49,454	
8.94% PFC 15 JANUARY 2013	49,501	
8.95% PFC 30 MARCH 2015	98,937	
9.05% BIRLA CORPORATION LTD 13 OCTOMBER 2020	98,355	
9.47% PGC 31 MARCH 2013	49,948	
8.16% TAMILNADU SDL 07 JULY 2020	10,748	
8.37% PUNJAB SDL 22 DEC 2020	8,616	
8.51% GUJARAT SDL 27 OCT 2020	204	
NET CURRENT ASSETS	1,159,816	
OTHERS TOTAL	20,888,834	42.33%
GRAND TOTAL	49,349,910	100.00%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

SECURED		
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	216,736
	7.40% GOI 03 MAY 2012	181,653
	7.99% GOI 09 JULY 2017	101,092
	8.26% GOI 02 AUGUST 2027	3,775
	7.38% GOI 03 SEPTEMBER 2015	17,630
GOVERNMENT OF INDIA TOTAL		520,886 47.58%
BANKING SERVICES	AXIS BANK CD 16 JAN 2012	8,362
	PUNJAB NATIONAL BANK CD 28 NOV 2011	14,182
	STATE BANK OF BIKANER & JAIPUR 15 JULY 2011	9,734
	UCO BANK CD 24 JUNE 2011	18,098
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	3,911
	7.8% NABARD 16 AUGUST 2013	6,844
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA 28 SEPTEMBER 2013	1,975
	9.95% AXIS BANK 28 MARCH 2019	7,304
	7.00% STATE BANK OF TRAVANCORE FD 11 MAY 2011	4,500
	STATE BANK OF PATIALA CD 08 SEPTEMBER 2011	28,865
	STATE BANK OF PATIALA 13 MAY 2011	9,892
	UNITED BANK OF INDIA CD 06 JAN 2012	9,326
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	37,788
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	15,000
	HDFC BANK CD 25 APR 2011	2,590
	STATE BANK OF HYDERABAD CD 27 DEC 2011	3,731
	10.84% HDFC BANK 23 MAY 2022.	45,204
	STATE BANK OF BIKANER & JAIPUR CD 08 FEB 2012	6,459
	STATE BANK OF MYSORE 07 NOV 2011	2,838
	CANARA BANK CD 26 APRIL 2011	4,980
	8.50% EXIM 12 SEPTEMBER 2011	994
	10.05% CANARA BANK FD 22 FEB 2013	20,000
BANKING SERVICES TOTAL		262,577 23.98%
OTHER FINANCIAL SERVICES	8.00% ICICI HOUSING FINANCE 14 SEP 2011	4,960
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	1,947
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	9,655
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	17,518
	9.75% HDFC LTD 08 MAR 2016	13,230
	9.9% HDFC LTD 11 MAR 2014	8,107
	7.5% IDFC LTD 10 JUNE 2013	9,609
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	9,971
	10% IDFC 22 MAY 2012	5,019
	6.85% LIC HOUSING FINANCE 28 SEPTEMBER 2011	3,950
	9.50% HDFC 27 FEBRUARY 2013	4,996
	8.98% HDFC 26 NOV 2020	10,861
	9.75% ICICI HOUSING FINANCE (TIER II) 24 APRIL 2019	2,066
OTHER FINANCIAL SERVICES TOTAL		101,889 9.31%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

FINANCIAL LEASING	8.15% RELIANCE CAPITAL 22 JULY 2011	9,956	
	8.80% SUNDARAM FINANCE LTD 23 DEC 2011	2,982	
	RELIANCE CAPITAL CP 23 MAY 11	1,973	
	8.25% RELIANCE CAPITAL 03 MAY 2013	19,528	
	9.25% RELIANCE CAPITAL 30 MAY 2011	20,012	
	0% SUNDARAM FINANCE 26 APRIL 2013	23,127	
FINANCIAL LEASING TOTAL		77,578	7.09%
OTHERS	7.55% HCL 25 AUG 2011	27,786	
	8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	975	
	8.7% PFC 14 MAY 2015	9,803	
	8.37% ANDHRA SDL 16 MAR 2021	34,067	
	11.50% ADITYA BIRLA NUVO 19 DECEMBER 2011	3,032	
	11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	2,105	
	8.75% LARSEN & TOUBRO 11 MAY 2020	1,950	
	7.40% TATA CHEMICAL 23 NOVEMBER 2011	4,933	
	8.65% LARSEN & TOUBRO 26 MAY 2020	1,938	
	9.80% GE SHIPPING 3 JULY 2019	10,352	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	24,653	
	NET CURRENT ASSETS	10,315	
OTHERS TOTAL		131,908	12.05%
GRAND TOTAL		1,094,840	100.00%
GROWTH SUPER			
BANKING SERVICES	AXIS BANK LTD	300,573	
	CANARA BANK LTD	72,332	
	FEDERAL BANK LIMITED	84,357	
	HOUSING DEVELOPMENT FINANCE CORP BANK	1,088,883	
	ICICI BANK LTD	1,227,568	
	KOTAK MAHINDRA BANK LTD	113,409	
	PUNJAB NATIONAL BANK LTD	43,534	
	STATE BANK OF INDIA	855,089	
	SYNDICATE BANK CD 28 SEPTEMBER 2011	10,596	
	JAMMU & KASHMIR BANK LTD	168,466	
	9.5% STATE BANK OF INDIA 04 NOVEMBER 2025	133	
	STATE BANK OF PATIALA 13 MAY 2011	148,386	
	SYNDICATE BANK CD 13 MAR 2012	91,325	
	CORPORATION BANK CD 20 FEB 2012	91,858	
	STATE BANK OF BIKANER & JAIPUR 17 JAN 2012	46,472	
	STATE BANK OF MYSORE 26 APRIL 2011	49,806	
	ANDHRA BANK CD 26 MARCH 2012	45,486	
	CANARA BANK CD 21 DEC 2011	93,582	
	CANARA BANK CD 27 DEC 2011	46,712	
	STATE BANK OF MYSORE 07 NOV 2011	192,051	
	BANK OF MAHARASHTRA	125,674	
	PUNJAB & SIND BANK	64,037	
	CANARA BANK CD 26 APRIL 2011	99,609	
	IDBI CD 26 DEC 2011	93,602	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	INDIAN BANK LTD	15,655	
	INDIAN OVERSEAS BANK	13,787	
	ALLAHABAD BANK CD 22 JUNE 2011	14,278	
	CORPORATION BANK CD 06 MAR 2012	136,771	
	CORPORATION BANK CD 04 JULY 2011	48,764	
	ICICI BANK CD 13 JAN 2012	92,967	
BANKING SERVICES TOTAL		5,475,762	24.07%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	1,760,023	
	TATA CONSULTANCY SERVICES LTD	729,220	
	WIPRO LTD	362,552	
COMPUTER SOFTWARE TOTAL		2,851,795	12.54%
REFINERY	HINDUSTAN PETROLEUM CORPORATION LIMITED	112,796	
	RELIANCE INDUSTRIES LTD	1,877,315	
	10.75% RIL 08 DECEMBER 2018	15,181	
REFINERY TOTAL		2,005,292	8.81%
OTHERS	ASIAN PAINTS (INDIA) LTD	203,064	
	BAJAJ AUTO LTD NEW SHS	119,887	
	BAJAJ HOLDINGS AND INVESTMENT LTD	36,124	
	BHARAT EARTH MOVERS LTD	28,825	
	BHARAT HEAVY ELECTRICALS LTD	574,741	
	BHARTI AIRTEL LTD	523,002	
	BRITANNIA INDUSTRIES LTD	70,974	
	CADILA HEALTHCARE LIMITED	72,560	
	CAIRN INDIA LTD	193,893	
	CROMPTON GREAVES LTD	5,455	
	DABUR INDIA LTD	132,728	
	EXIDE INDUSTRIES LTD	214,767	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	368,362	
	GODAWARI POWER ISPAT LTD	1,660	
	GRASIM LTD	183,575	
	GREAT EASTERN SHIPPING CO LTD	32,860	
	GUJARAT STATE PETRONET LTD	7,044	
	GVK POWER & INFRASTRUCTURE LIMITED	61,029	
	HINDUSTAN ZINC LTD	232,248	
	HOUSING DEVELOPMENT FINANCE CORP LTD	620,482	
	ICICI PRUDENTIAL LIQUID PLAN SUPER INSTITUTIONAL -GROWTH PLAN	282,103	
	IPCA LABORATORIES LIMITED	190,372	
	ITC LTD	1,096,184	
	IVRCL INFRASTRUCTURES & PROJECTS LTD	9,095	
	JAGRAN PRAKASHAN LTD	135,217	
	JAIPRAKASH ASSOCIATES LTD	19,677	
	JINDAL STEEL & POWER LTD	261,133	
	JYOTI STRUCTURES LIMITED	10,131	
	LANCO INFRATECH LIMITED	16,606	
	LARSEN & TOUBRO LTD	728,637	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

LUPIN LIMITED	130,630
MADHUCON PROJECTS LTD	37,930
MANGALAM CEMENT LTD	27,139
MARICO LTD	58,607
MARUTI UDYOG LTD	364,499
NAGARJUNA CONS CO LTD	13,819
NESTLE INDIA LTD	196,379
NTPC LTD	136,078
OIL & NATURAL GAS CORP LTD	484,265
PATEL ENGINEERING LTD	19,562
PHILLIPS CARBON BLACK LTD	37,733
PIDILITE INDUSTRIES LIMITED	124,993
RELIANCE ENERGY LTD	53,167
RURAL ELECTRIFICATION CORPORATION LIMITED	24,559
SADBHAV ENGINEERING LIMITED	15,714
SHREE CEMENT LTD	77,248
STEEL AUTHORITY OF INDIA LTD	57,475
STERLITE INDUSTRIES (INDIA) LTD	350,271
SUN PHARMACEUTICAL INDUSTRIES LTD	183,780
TATA CHEMICALS LTD	66,822
TATA POWER LIMITED	166,406
TATA STEEL LTD	592,264
THERMAX LTD	6,639
TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	3,338
COAL INDIA LTD	110,178
DR REDDYS LABORATORIES LIMITED	54,089
GREAVES COTTON LTD	7,898
HINDALCO INDUSTRIES LTD	359,642
IDEA CELLULAR LTD	88,175
MAHINDRA & MAHINDRA LTD	529,879
POWER GRID CORPORATION OF INDIA LTD	164,261
VOLTAS LTD	41,304
0% SUNDARAM FINANCE 26 APRIL 2013	33,039
ALSTOM PROJECT INDIA LIMITED	21,232
ASHOKA BUILDCON LTD	41,890
CARBORUNDUM UNIVERSAL LIMITED	17,100
COROMANDEL INTERNATIONAL LTD	30,421
GAIL (INDIA) LIMITED	58,232
GILLETTE INDIA LTD	33,424
INFRASTRUCTURE DEV FIN CO LTD	100,920
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	93,141
RADICO KHAITAN LTD	99,408
SHREE RENUKA SUGARS LIMITED	18,096
USHA MARTIN LIMITED	18,891
VARDHMAN TEXTILES LTD	22,822
VARDHMAN SPECIAL STEELS LTD	1,893
9.15% LARSEN AND TOUBRO 5 JANUARY 2019	34,956
9.25% DR REDDYS LAB 24 MAR 2014	268

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	HINDUSTAN DORR OLIVERLTD	7,936	
	JAYPEE INFRATECH LIMITED	28,388	
	JSW ENERGY LIMITED	26,024	
	10.48% GRASIM 16 DECEMBER 2013	15,376	
	8.2% LIC HOUSING FINANCE LTD 31 AUG 2012	77,592	
	0% LIC HOUSING FINANCE 08 AUGUST 2011	48,385	
	ANSAL PROPERTIES & INFRASTRUCTURE LIMITED	18,898	
	GUJRAT NRE COKE LTD DIFFERENTIAL VOTING RIGHTS	769	
	TATA LIQUID SUPER HIGH INVESTMENT PLAN - APPRECIATION	170,680	
	NET CURRENT ASSETS	378,971	
OTHERS TOTAL		12,415,930	54.58%
GRAND TOTAL		22,748,779	100.00%
HIGH GROWTH			
BANKING SERVICES	AXIS BANK LTD	5,350	
	BANK OF BARODA LTD	1,640	
	FEDERAL BANK LIMITED	628	
	HOUSING DEVELOPMENT FINANCE CORP BANK	13,864	
	ICICI BANK LTD	16,414	
	KOTAK MAHINDRA BANK LTD	870	
	PUNJAB NATIONAL BANK LTD	546	
	STATE BANK OF INDIA	4,538	
	UNION BANK OF INDIA	590	
	PUNJAB NATIONAL BANK CD 28 NOV 2011	1,418	
	STATE BANK OF BIKANER & JAIPUR 15 JULY 2011	3,894	
	UCO BANK CD 24 JUNE 2011	12,131	
	JAMMU & KASHMIR BANK LTD	3,933	
	HDFC BANK CD 25 APR 2011	398	
	STATE BANK OF PATIALA CD 24 NOV 2011	11,360	
	CORPORATION BANK CD 20 FEB 2012	1,745	
	STATE BANK OF BIKANER & JAIPUR CD 08 FEB 2012	2,762	
	BANK OF MAHARASHTRA	687	
	PUNJAB & SIND BANK	1,094	
	INDIAN OVERSEAS BANK	503	
	8.75% HDFC BANK 25 MAY 2014	984	
BANKING SERVICES TOTAL		85,349	25.48%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	20,323	
	TATA CONSULTANCY SERVICES LTD	5,690	
	WIPRO LTD	5,178	
COMPUTER SOFTWARE TOTAL		31,191	9.31%
REFINERY	HINDUSTAN PETROLEUM CORPORATION LIMITED	1,105	
	RELIANCE INDUSTRIES LTD	19,828	
REFINERY TOTAL		20,933	6.25%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	ASIAN PAINTS (INDIA) LTD	505
	BAJAJ AUTO LTD NEW SHS	3,468
	BHARAT EARTH MOVERS LTD	1,273
	BHARAT HEAVY ELECTRICALS LTD	7,116
	BHARTI AIRTEL LTD	8,104
	BRITANNIA INDUSTRIES LTD	1,812
	CADILA HEALTHCARE LIMITED	1,264
	CAIRN INDIA LTD	790
	DABUR INDIA LTD	513
	EVEREST INDUSTRIES LIMITED	1,929
	EXIDE INDUSTRIES LTD	1,849
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	3,077
	GREAT EASTERN SHIPPING CO LTD	1,842
	GUJARAT STATE PETRONET LTD	653
	GVK POWER & INFRASTRUCTURE LIMITED	1,243
	HINDUSTAN UNILEVER LTD	2,182
	HINDUSTAN ZINC LTD	3,431
	HOUSING DEVELOPMENT FINANCE CORP LTD	526
	IPCA LABORATORIES LIMITED	3,254
	ITC LTD	11,636
	IVRCL INFRASTRUCTURES & PROJECTS LTD	1,273
	JAGRAN PRAKASHAN LTD	2,058
	JAIPRAKASH ASSOCIATES LTD	1,531
	JYOTI STRUCTURES LIMITED	1,361
	LARSEN & TOUBRO LTD	7,508
	LUPIN LIMITED	5,521
	MADHUCON PROJECTS LTD	444
	MARICO LTD	558
	MARUTI UDYOG LTD	3,177
	NESTLE INDIA LTD	2,588
	NTPC LTD	1,583
	OIL & NATURAL GAS CORP LTD	9,124
	PIDILITE INDUSTRIES LIMITED	6,430
	RELIANCE ENERGY LTD	452
	RURAL ELECTRIFICATION CORPORATION LIMITED	1,254
	SHREE CEMENT LTD	2,898
	STEEL AUTHORITY OF INDIA LTD	424
	STERLITE INDUSTRIES (INDIA) LTD	3,741
	SUN PHARMACEUTICAL INDUSTRIES LTD	3,133
	SUNDARAM FINANCE LIMITED	6,322
	TATA CHEMICALS LTD	3,103
	TATA STEEL LTD	9,477
	THERMAX LTD	556
	TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	1,279
	WABCO TVS	2,042
	ZODIAC CLOTHING COMPANY LIMITED	3,378
	RELIANCE CAPITAL CP 23 MAY 11	2,960
	COAL INDIA LTD	1,474

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

DR REDDYS LABORATORIES LIMITED	2,295	
GREAVES COTTON LTD	1,856	
HINDALCO INDUSTRIES LTD	3,556	
IDEA CELLULAR LTD	5,356	
MAHINDRA & MAHINDRA LTD	6,338	
POWER GRID CORPORATION OF INDIA LTD	2,603	
VOLTAS LTD	785	
8.45% PFC 17 SEPTEMBER 2014	973	
9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	2,061	
11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	2,105	
9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	2,991	
ALSTOM PROJECT INDIA LIMITED	3,767	
ASHOKA BUILDCON LTD	483	
CARBORUNDUM UNIVERSAL LIMITED	1,083	
COROMANDEL INTERNATIONAL LTD	1,271	
INFRASTRUCTURE DEV FIN CO LTD	2,242	
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	397	
RADICO KHAITAN LTD	1,289	
SHREE RENUKA SUGARS LIMITED	418	
10.48% GRASIM 16 DECEMBER 2013	4,100	
7.24% LIC HOUSING FINANCE 23 JUNE 2011	5,972	
NET CURRENT ASSETS	3,381	
OTHERS TOTAL	197,438	58.95%
GRAND TOTAL	334,910	100.00%

DYNAMIC OPPORTUNITIES

BANKING SERVICES	AXIS BANK LTD	38,852
	BANK OF BARODA LTD	2,509
	CANARA BANK LTD	7,828
	FEDERAL BANK LIMITED	4,186
	HOUSING DEVELOPMENT FINANCE CORP BANK	57,837
	ICICI BANK LTD	83,509
	KOTAK MAHINDRA BANK LTD	3,754
	ORIENTAL BANK OF COMMERCE	1,617
	STATE BANK OF INDIA	43,623
	UNION BANK OF INDIA	1,146
	AXIS BANK CD 16 JAN 2012	27,872
	BANK OF INDIA CD 19 DEC 2011	28,115
	PUNJAB NATIONAL BANK CD 28 NOV 2011	9,455
	SYNDICATE BANK CD 28 SEPTEMBER 2011	9,632
	STATE BANK OF BIKANER & JAIPUR 15 JULY 2011	9,734
	UCO BANK CD 24 JUNE 2011	72,393
	JAMMU & KASHMIR BANK LTD	4,938
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	29,333
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA 28 SEPTEMBER 2013	9,873
	10.05% CANARA BANK FD 21 FEB 2013	30,000
	10.15% CANARA BANK FD 21 MARCH 2013	10,000

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	STATE BANK OF PATIALA 13 MAY 2011	39,570	
	SYNDICATE BANK CD 13 MAR 2012	27,397	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	20,000	
	HDFC BANK CD 25 APR 2011	19,920	
	STATE BANK OF HYDERABAD CD 28 APRIL 2011	19,897	
	STATE BANK OF PATIALA CD 24 NOV 2011	18,933	
	CORPORATION BANK CD 20 FEB 2012	27,557	
	STATE BANK OF BIKANER & JAIPUR 17 JAN 2012	53,815	
	10.84% HDFC BANK 23 MAY 2022.	16,144	
	6.95% NHB NCD 24 MAY 2013	19,354	
	ANDHRA BANK CD 26 MARCH 2012	18,195	
	CANARA BANK CD 21 DEC 2011	46,791	
	STATE BANK OF INDIA CD 01 JUNE 2011	9,858	
	ICICI BANK CD 26 APR 2011	9,959	
	STATE BANK OF BIKANER & JAIPUR CD 08 FEB 2012	64,585	
	BANK OF MAHARASHTRA	8,060	
	PUNJAB & SIND BANK	15,590	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	38,939	
	9.95% CANARA BANK FD 14 MAR 2013	10,000	
	IDBI CD 26 DEC 2011	46,801	
	PUNJAB NATIONAL BANK CD 24 JUNE 2011	18,569	
	STATE BANK OF MYSORE CD 02 JUNE 2011	19,686	
	STATE BANK OF MYSORE CD 14 DEC 2011	46,926	
	INDIAN BANK LTD	931	
	INDIAN OVERSEAS BANK	2,588	
	BANKING SERVICES TOTAL	1,106,271	0.04%
	OTHER FINANCIAL SERVICES		
	HOUSING DEVELOPMENT FINANCE CORP LTD	50,486	
	11.15% HDFC 06 AUGUST 2018	4,413	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	7,789	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	29,318	
	0% HDFC 27 JANUARY 2012	20,713	
	7.65% IDFC 26 FEBRUARY 2012	9,835	
	INFRASTRUCTURE DEV FIN CO LTD	8,039	
	8.48% IDFC 28 SEPTEMBER 2013	18,618	
	8.98% HDFC 26 NOV 2020	4,937	
	8.2% LIC HOUSING FINANCE LTD 31 AUG 2012	19,644	
	8.35% HDFC NCD 19 JULY 2015	19,348	
	0% LIC HOUSING FINANCE 08 AUGUST 2011	19,354	
	OTHER FINANCIAL SERVICES TOTAL	212,494	0.01%
	COMPUTER SOFTWARE		
	7.55% HCL 25 AUG 2011	9,924	
	INFOSYS TECHNOLOGIES LTD	111,420	
	TATA CONSULTANCY SERVICES LTD	46,942	
	WIPRO LTD	17,635	
	COMPUTER SOFTWARE TOTAL	185,921	0.01%
	REFINERY		
	HINDUSTAN PETROLEUM CORPORATION LIMITED	4,941	
	RELIANCE INDUSTRIES LTD	116,685	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	5,231	
	8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	11,701	
	REFINERY TOTAL	138,558	0.01%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	APOLLO TYRES LTD	946
	ASIAN PAINTS (INDIA) LTD	2,400
	BAJAJ AUTO LTD NEW SHS	23,412
	BAJAJ HOLDINGS AND INVESTMENT LTD	1,194
	BHARAT EARTH MOVERS LTD	580
	BHARAT HEAVY ELECTRICALS LTD	42,563
	BHARTI AIRTEL LTD	43,299
	BRITANNIA INDUSTRIES LTD	3,757
	CADILA HEALTHCARE LIMITED	10,580
	CAIRN INDIA LTD	9,651
	CROMPTON GREAVES LTD	546
	DABUR INDIA LTD	4,517
	EXIDE INDUSTRIES LTD	4,304
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	8,985
	GRASIM LTD	3,194
	GREAT EASTERN SHIPPING CO LTD	4,552
	GUJARAT STATE PETRONET LTD	1,549
	GVK POWER & INFRASTRUCTURE LIMITED	816
	HINDUSTAN UNILEVER LTD	13,766
	HINDUSTAN ZINC LTD	5,030
	ICICI PRUDENTIAL LIQUID PLAN INSTITUTIONAL PLUS - GROWTH PLAN	24,376
	IPCA LABORATORIES LIMITED	6,075
	ITC LTD	64,008
	IVRCL INFRASTRUCTURES & PROJECTS LTD	3,768
	JAGRAN PRAKASHAN LTD	7,234
	JAIPRAKASH ASSOCIATES LTD	12,066
	JINDAL STEEL & POWER LTD	11,715
	JYOTI STRUCTURES LIMITED	702
	LANCO INFRATECH LIMITED	1,649
	LARSEN & TOUBRO LTD	54,537
	LUPIN LIMITED	11,354
	MADHUCON PROJECTS LTD	74
	MANGALAM CEMENT LTD	859
	MARICO LTD	1,213
	MARUTI UDYOG LTD	21,646
	NAGARJUNA CONS CO LTD	1,162
	NATIONAL HYDROELECTRIC POWER CORPORATION LTD	1,016
	NESTLE INDIA LTD	12,938
	NTPC LTD	20,502
	OIL & NATURAL GAS CORP LTD	31,455
	PATEL ENGINEERING LTD	1,792
	PHILLIPS CARBON BLACK LTD	73
	PIDILITE INDUSTRIES LIMITED	10,447
	RELIANCE ENERGY LTD	8,190
	SHREE CEMENT LTD	2,070
	SINTEX INDUSTRIES LTD	1,063
	STEEL AUTHORITY OF INDIA LTD	7,971

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

STERLITE INDUSTRIES (INDIA) LTD	27,288	
SUN PHARMACEUTICAL INDUSTRIES LTD	10,399	
TATA POWER LIMITED	11,482	
TATA STEEL LTD	21,965	
THERMAX LTD	1,507	
ZODIAC CLOTHING COMPANY LIMITED	305	
RELIANCE CAPITAL CP 23 MAY 11	29,601	
COAL INDIA LTD	19,363	
DR REDDYS LABORATORIES LIMITED	4,098	
GREAVES COTTON LTD	2,877	
HINDALCO INDUSTRIES LTD	16,115	
IDEA CELLULAR LTD	10,387	
MAHINDRA & MAHINDRA LTD	28,644	
POWER GRID CORPORATION OF INDIA LTD	19,225	
VOLTAS LTD	4,566	
7.40% GOI 03 MAY 2012	18,431	
7.70% SAIL 11 MAY 2019	38,272	
8.25% RELIANCE CAPITAL 03 MAY 2013	3,906	
8.45% PFC 17 SEPTEMBER 2014	4,867	
8.7% PFC 14 MAY 2015	24,507	
6.00% INDIAN HOTELS 13 MAY 2011	997	
ALSTOM PROJECT INDIA LIMITED	4,069	
CARBORUNDUM UNIVERSAL LIMITED	461	
COROMANDEL INTERNATIONAL LTD	5,767	
GAIL (INDIA) LIMITED	19,024	
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	3,971	
RADICO KHAITAN LTD	3,973	
SHREE RENUKA SUGARS LIMITED	2,088	
USHA MARTIN LIMITED	999	
VARDHMAN TEXTILES LTD	2,029	
VARDHMAN SPECIAL STEELS LTD	168	
10% TATA CHEMICALS 2 JULY 2019	10,383	
2% TATA MOTORS 31 MARCH 2013	11,000	
7.40% TATA CHEMICAL 23 NOVEMBER 2011	19,733	
8.65% LARSEN & TOUBRO 26 MAY 2020	969	
9.80% GE SHIPPING 3 JULY 2019	5,176	
HINDUSTAN DORR OLIVER LTD	1,712	
HINDUSTAN CONSTRUCTION CO LTD	1,638	
JAYPEE INFRATECH LIMITED	610	
JSW ENERGY LIMITED	215	
UNICHEM LABORATORIES LTD	358	
10.48% GRASIM 16 DECEMBER 2013	20,501	
8.5% PFC 15 DECEMBER 2014	9,744	
NET CURRENT ASSETS	124,155	
OTHERS TOTAL	1,053,141	0.04%
GRAND TOTAL	2,696,379	0.10%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

GUARANTEED FUND – DYNAMIC			
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	7,731	
	7.40% GOI 03 MAY 2012	6,291	
	7.38% GOI 03 SEPTEMBER 2015	294	
	8.15% GOI FCI 16 OCT 2022	99	
GOVERNMENT OF INDIA TOTAL		14,415	49.17%
BANKING SERVICES	AXIS BANK LTD	362	
	BANK OF BARODA LTD	164	
	HOUSING DEVELOPMENT FINANCE CORP BANK	129	
	ICICI BANK LTD	166	
	PUNJAB NATIONAL BANK LTD	200	
	STATE BANK OF INDIA	290	
	UNION BANK OF INDIA	238	
	BANK OF INDIA CD 19 DEC 2011	281	
	STATE BANK OF BIKANER & JAIPUR 15 JULY 2011	195	
	STATE BANK OF PATIALA CD 7 APRIL 2011	1,399	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	210	
	ICICI BANK CD 26 APR 2011	996	
	PUNJAB & SIND BANK CD 07 APRIL 2011	499	
	ALLAHABAD BANK CD 22 JUNE 2011	293	
	CORPORATION BANK CD 06 MAR 2012	183	
BANKING SERVICES TOTAL		5,605	19.12%
Electric Power Generation and Transmission by Nuclear Power		1,839	
Electric Power Generation and Transmission by Nuclear Power			
TOTAL		1,839	6.27%
OTHERS	BAJAJ AUTO LTD NEW SHS	138	
	BHARAT HEAVY ELECTRICALS LTD	202	
	BHARTI AIRTEL LTD	102	
	EXIDE INDUSTRIES LTD	51	
	GRASIM LTD	74	
	HINDUSTAN UNILEVER LTD	289	
	HOUSING DEVELOPMENT FINANCE CORP LTD	196	
	INFOSYS TECHNOLOGIES LTD	337	
	IPCA LABORATORIES LIMITED	165	
	ITC LTD	219	
	JINDAL STEEL & POWER LTD	35	
	LARSEN & TOUBRO LTD	458	
	LUPIN LIMITED	104	
	MARUTI UDYOG LTD	34	
	NTPC LTD	97	
	OIL & NATURAL GAS CORP LTD	253	
	STEEL AUTHORITY OF INDIA LTD	256	
	STERLITE INDUSTRIES (INDIA) LTD	233	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	SUN PHARMACEUTICAL INDUSTRIES LTD	55	
	TATA CONSULTANCY SERVICES LTD	166	
	WIPRO LTD	40	
	COAL INDIA LTD	79	
	HINDALCO INDUSTRIES LTD	130	
	IDEA CELLULAR LTD	121	
	MAHINDRA & MAHINDRA LTD	247	
	POWER GRID CORPORATION OF INDIA LTD	204	
	RELIANCE INDUSTRIES LTD	850	
	8.37% ANDHRA SDL 16 MAR 2021	250	
	6.00% INDIAN HOTELS 13 MAY 2011	17	
	INFRASTRUCTURE DEV FIN CO LTD	193	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	986	
	NET CURRENT ASSETS	876	
OTHERS TOTAL		7,457	25.43%
GRAND TOTAL		29,314	100.00%
GUARANTEED FUND – INCOME			
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	1,424	
	7.40% GOI 03 MAY 2012	1,267	
	10% GOI 30 MAY 2014	70	
GOVERNMENT OF INDIA TOTAL		2,761	54.49%
BANKING SERVICES	AXIS BANK LTD	35	
	HOUSING DEVELOPMENT FINANCE CORP BANK	16	
	ICICI BANK LTD	10	
	PUNJAB NATIONAL BANK LTD	12	
	UNION BANK OF INDIA	20	
	BANK OF INDIA CD 19 DEC 2011	94	
	HDFC BANK CD 16 JAN 2012	186	
	9.5% STATE BANK OF INDIA 04 NOVEMBER 2025	378	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	42	
	PUNJAB & SIND BANK CD 07 APRIL 2011	200	
	ALLAHABAD BANK CD 22 JUNE 2011	98	
	CORPORATION BANK CD 06 MAR 2012	183	
BANKING SERVICES TOTAL		1,274	25.13%
BISCUITS	8.25% BRITANNIA 22 MARCH 2013	324	
BISCUITS TOTAL		324	6.40%
OTHERS	ASIAN PAINTS (INDIA) LTD	5	
	BAJAJ AUTO LTD NEW SHS	3	
	BHARAT HEAVY ELECTRICALS LTD	45	
	BHARTI AIRTEL LTD	4	
	CAIRN INDIA LTD	4	
	GRASIM LTD	5	
	HINDUSTAN UNILEVER LTD	9	
	INFOSYS TECHNOLOGIES LTD	58	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	IPCA LABORATORIES LIMITED	15	
	ITC LTD	20	
	LARSEN & TOUBRO LTD	28	
	MARUTI UDYOG LTD	13	
	NTPC LTD	16	
	OIL & NATURAL GAS CORP LTD	45	
	STEEL AUTHORITY OF INDIA LTD	33	
	STERLITE INDUSTRIES (INDIA) LTD	18	
	SUN PHARMACEUTICAL INDUSTRIES LTD	4	
	WIPRO LTD	16	
	COAL INDIA LTD	12	
	IDEA CELLULAR LTD	17	
	MAHINDRA & MAHINDRA LTD	13	
	RELIANCE INDUSTRIES LTD	57	
	8.37% ANDHRA SDL 16 MAR 2021	45	
	6.00% INDIAN HOTELS 13 MAY 2011	50	
	INFRASTRUCTURE DEV FIN CO LTD	15	
	NET CURRENT ASSETS	157	
OTHERS TOTAL		707	13.97%
GRAND TOTAL		5,066	100.00%
MONEY MARKET			
GOVERNMENT OF INDIA	91 DAYS TBILL 06 MAY 2011	127,244	
	91 DAYS TBILL 24 JUNE 2011	49,197	
GOVERNMENT OF INDIA TOTAL		176,441	99.25%
OTHERS	NET CURRENT ASSETS	1,327	
OTHERS TOTAL		1,327	0.75%
GRAND TOTAL		177,768	100.00%
SECURE PLUS			
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	17,455	
	7.40% GOI 03 MAY 2012	21,617	
	7.99% GOI 09 JULY 2017	3,106	
	12.60% GOI 23 NOVEMBER 2018	8,755	
	8.26% GOI 02 AUGUST 2027	994	
GOVERNMENT OF INDIA TOTAL		51,927	55.79%
BANKING SERVICES	AXIS BANK CD 16 JAN 2012	3,716	
	PUNJAB NATIONAL BANK CD 28 NOV 2011	851	
	HDFC BANK CD 16 JAN 2012	558	
	UCO BANK CD 24 JUNE 2011	2,152	
	STATE BANK OF PATIALA CD 08 SEPTEMBER 2011	3,849	
	STATE BANK OF PATIALA 13 MAY 2011	1,978	
	UNITED BANK OF INDIA CD 06 JAN 2012	933	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	7,348	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	3,000	
	HDFC BANK CD 25 APR 2011	1,195	
	ANDHRA BANK CD 26 MARCH 2012	910	
BANKING SERVICES TOTAL		26,490	28.46%
STATE GOVERNMENT	8.37% ANDHRA SDL 16 MAR 2021	5,025	
STATE GOVERNMENT TOTAL		5,025	5.40%
OTHER FINANCIAL SERVICES	8.28% LIC HOUSING FINANCE 29 JUNE 2015	3,862	
	9.75% HDFC LTD 08 MAR 2016	1,018	
OTHER FINANCIAL SERVICES TOTAL		4,880	5.24%
OTHERS	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	1,046	
	0% SUNDARAM FINANCE 26 APRIL 2013	2,478	
	8.65% LARSEN & TOUBRO 26 MAY 2020	291	
	NET CURRENT ASSETS	943	
OTHERS TOTAL		4,757	5.11%
GRAND TOTAL		93,078	100.00%

PENSION BALANCED

BANKING SERVICES	AXIS BANK LTD	2,269	
	BANK OF BARODA LTD	1,878	
	HOUSING DEVELOPMENT FINANCE CORP BANK	4,481	
	ICICI BANK LTD	16,735	
	KOTAK MAHINDRA BANK LTD	2,087	
	ORIENTAL BANK OF COMMERCE	525	
	STATE BANK OF INDIA	3,692	
	UNION BANK OF INDIA	7,248	
	BANK OF INDIA CD 19 DEC 2011	18,743	
	STATE BANK OF BIKANER & JAIPUR 15 JULY 2011	1,947	
	STATE BANK OF PATIALA CD 7 APRIL 2011	7,992	
	UCO BANK CD 24 JUNE 2011	46,566	
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	11,733	
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA		
	28 SEPTEMBER 2013	1,975	
	10.05% CANARA BANK FD 21 FEB 2013	20,000	
	10.15% CANARA BANK FD 21 MARCH 2013	6,000	
	STATE BANK OF PATIALA CD 08 SEPTEMBER 2011	5,773	
	UNITED BANK OF INDIA CD 06 JAN 2012	9,326	
	HDFC BANK CD 25 APR 2011	2,988	
	STATE BANK OF PATIALA CD 24 NOV 2011	9,467	
	STATE BANK OF BIKANER & JAIPUR 17 JAN 2012	4,647	
	STATE BANK OF MYSORE 26 APRIL 2011	9,936	
	10.84% HDFC BANK 23 MAY 2022.	21,526	
	6.95% NHB NCD 24 MAY 2013	9,677	
	ANDHRA BANK CD 26 MARCH 2012	4,549	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	STATE BANK OF BIKANER & JAIPUR CD 08 FEB 2012	4,613	
	STATE BANK OF MYSORE 07 NOV 2011	9,461	
	BANK OF MAHARASHTRA	1,493	
	7.05% YES BANK FD 27 APRIL 2011	5,000	
	PUNJAB & SIND BANK CD 07 APRIL 2011	3,994	
	IDBI CD 26 DEC 2011	9,360	
	PUNJAB NATIONAL BANK CD 24 JUNE 2011	11,728	
	INDIAN BANK LTD	3,614	
	INDIAN OVERSEAS BANK	719	
	ALLAHABAD BANK CD 22 JUNE 2011	4,890	
BANKING SERVICES TOTAL		286,632	38.11%
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	107,886	
	7.40% GOI 03 MAY 2012	48,040	
	7.99% GOI 09 JULY 2017	5,310	
GOVERNMENT OF INDIA TOTAL		161,236	21.44%
OTHER FINANCIAL SERVICES	HOUSING DEVELOPMENT FINANCE CORP LTD	1,402	
	11.15% HDFC 06 AUGUST 2018	3,310	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	6,815	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	17,379	
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	12,366	
	0% HDFC 27 JANUARY 2012	5,178	
	7.65% IDFC 26 FEBRUARY 2012	3,934	
	INFRASTRUCTURE DEV FIN CO LTD	3,710	
	8.98% HDFC 26 NOV 2020	4,937	
	9.70% HDFC 19 JULY 2017	1,025	
OTHER FINANCIAL SERVICES TOTAL		60,056	7.99%
OTHERS	8.80% SUNDARAM FINANCE LTD 23 DEC 2011	994	
	APOLLO TYRES LTD	631	
	BAJAJ AUTO LTD NEW SHS	322	
	BHARAT EARTH MOVERS LTD	614	
	BHARAT HEAVY ELECTRICALS LTD	5,014	
	BHARTI AIRTEL LTD	2,252	
	BRITANNIA INDUSTRIES LTD	596	
	CADILA HEALTHCARE LIMITED	1,071	
	CAIRN INDIA LTD	2,615	
	CROMPTON GREAVES LTD	1,490	
	EVEREST INDUSTRIES LIMITED	81	
	EXIDE INDUSTRIES LTD	362	
	GODAWARI POWER ISPAT LTD	879	
	GRASIM LTD	430	
	GREAT EASTERN SHIPPING CO LTD	363	
	GUJARAT STATE PETRONET LTD	1,386	
	GVK POWER & INFRASTRUCTURE LIMITED	1,429	
	HINDUSTAN UNILEVER LTD	474	
	INFOSYS TECHNOLOGIES LTD	13,711	
	IPCA LABORATORIES LIMITED	1,503	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

ITC LTD	25,639
IVRCL INFRASTRUCTURES & PROJECTS LTD	41
JAGRAN PRAKASHAN LTD	386
JAIPRAKASH ASSOCIATES LTD	1,503
JINDAL STEEL & POWER LTD	1,503
LANCO INFRASTRUCTURE LIMITED	276
LARSEN & TOUBRO LTD	2,336
LUPIN LIMITED	279
MADHUCON PROJECTS LTD	19
MANGALAM CEMENT LTD	1,420
MARICO LTD	302
NAGARJUNA CONS CO LTD	323
NATIONAL HYDROELECTRIC POWER CORPORATION LTD	9
NESTLE INDIA LTD	1,290
NTPC LTD	1,672
OIL & NATURAL GAS CORP LTD	4,477
OIL INDIA LIMITED	1,436
PHILLIPS CARBON BLACK LTD	303
PIDILITE INDUSTRIES LIMITED	5,387
POLARIS SOFTWARE LABS LIMITED	75
RURAL ELECTRIFICATION CORPORATION LIMITED	254
SINTEX INDUSTRIES LTD	1,519
STEEL AUTHORITY OF INDIA LTD	1,349
STERLITE INDUSTRIES (INDIA) LTD	521
SUN PHARMACEUTICAL INDUSTRIES LTD	3,870
SUNDARAM FINANCE LIMITED	2,296
TATA CHEMICALS LTD	1,447
TATA CONSULTANCY SERVICES LTD	5,785
TATA POWER LIMITED	1,187
TATA STEEL LTD	1,245
TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	40
WABCO TVS	640
WIPRO LTD	1,060
ZODIAC CLOTHING COMPANY LIMITED	2,750
COAL INDIA LTD	1,881
HINDALCO INDUSTRIES LTD	1,150
HINDUSTAN PETROLEUM CORPORATION LIMITED	4,457
IDEA CELLULAR LTD	247
MAHINDRA & MAHINDRA LTD	2,997
RELIANCE INDUSTRIES LTD	11,450
VOLTAS LTD	548
11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	5,231
8.25% RELIANCE CAPITAL 03 MAY 2013	2,929
8.45% PFC 17 SEPTEMBER 2014	3,894
9.25% RELIANCE CAPITAL 30 MAY 2011	3,002
8.37% ANDHRA SDL 16 MAR 2021	5,010
0% SUNDARAM FINANCE 26 APRIL 2013	15,694
6.00% INDIAN HOTELS 13 MAY 2011	997

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	10.5% RELIANCE CAPITAL NCD 20 MAR 2012	5,050	
	8.75% LARSEN & TOUBRO 11 MAY 2020	975	
	ALSTOM PROJECT INDIA LIMITED	347	
	COROMANDEL INTERNATIONAL LTD	1,153	
	RADICO KHAITAN LTD	2,433	
	2% TATA MOTORS 31 MARCH 2013	25,301	
	8.65% LARSEN & TOUBRO 26 MAY 2020	291	
	9.80% GE SHIPPING 3 JULY 2019	3,105	
	HINDUSTAN DORR OLIVER LTD	685	
	UNICHEM LABORATORIES LTD	3,337	
	UNITED PHOSPHORUS LIMITED	1,166	
	NET CURRENT ASSETS	31,982	
OTHERS TOTAL		244,168	32.47%
GRAND TOTAL		752,085	100.00%
PENSION CONSERVATIVE			
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	19,286	
	7.40% GOI 03 MAY 2012	6,263	
	7.99% GOI 09 JULY 2017	9,568	
GOVERNMENT OF INDIA TOTAL		35,117	47.89%
BANKING SERVICES	AXIS BANK LTD	244	
	CANARA BANK LTD	626	
	ICICI BANK LTD	285	
	STATE BANK OF INDIA	586	
	STATE BANK OF PATIALA CD 7 APRIL 2011	400	
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	978	
	10.15% CANARA BANK FD 21 MARCH 2013	1,000	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	630	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	1,500	
	HDFC BANK CD 25 APR 2011	498	
	STATE BANK OF BIKANER & JAIPUR 17 JAN 2012	1,394	
	STATE BANK OF HYDERABAD CD 27 DEC 2011	1,866	
	10.84% HDFC BANK 23 MAY 2022.	1,076	
	ANDHRA BANK CD 26 MARCH 2012	1,819	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	973	
	PUNJAB NATIONAL BANK CD 24 JUNE 2011	3,909	
	ORIENTAL BANK OF COMMERCE CD 12 AUGUST 2011	1,948	
BANKING SERVICES TOTAL		19,732	26.91%
OTHER FINANCIAL SERVICES	HOUSING DEVELOPMENT FINANCE CORP LTD	123	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	1,931	
	9.9% HDFC LTD 11 MAR 2014	1,013	
	9.50% HDFC 28 FEBRUARY 2013	999	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	982	
OTHER FINANCIAL SERVICES TOTAL		5,048	6.88%
STATE GOVERNMENT	8.37% ANDHRA SDL 16 MAR 2021	4,008	
STATE GOVERNMENT TOTAL		4,008	5.47%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	ASIAN PAINTS (INDIA) LTD	33	
	BHARAT HEAVY ELECTRICALS LTD	111	
	BHARTI AIRTEL LTD	103	
	BRITANNIA INDUSTRIES LTD	6	
	HINDUSTAN UNILEVER LTD	153	
	INFOSYS TECHNOLOGIES LTD	506	
	ITC LTD	886	
	LARSEN & TOUBRO LTD	372	
	MARICO LTD	3	
	NTPC LTD	183	
	OIL & NATURAL GAS CORP LTD	664	
	RELIANCE ENERGY LTD	8	
	STERLITE INDUSTRIES (INDIA) LTD	10	
	SUN PHARMACEUTICAL INDUSTRIES LTD	142	
	TATA CHEMICALS LTD	8	
	TATA CONSULTANCY SERVICES LTD	19	
	TATA POWER LIMITED	67	
	RELIANCE CAPITAL CP 23 MAY 11	987	
	COAL INDIA LTD	144	
	RELIANCE INDUSTRIES LTD	1,507	
	ALSTOM PROJECT INDIA LIMITED	59	
	6.10% NPC 15 MARCH 2014	919	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	986	
	NET CURRENT ASSETS	1,550	
OTHERS TOTAL		9,426	12.85%
GRAND TOTAL		73,332	100.00%

PENSION GROWTH

BANKING SERVICES	AXIS BANK LTD	44,642	
	BANK OF BARODA LTD	18,524	
	CANARA BANK LTD	11,677	
	FEDERAL BANK LIMITED	2,529	
	HOUSING DEVELOPMENT FINANCE CORP BANK	53,169	
	ICICI BANK LTD	93,307	
	KOTAK MAHINDRA BANK LTD	30,345	
	ORIENTAL BANK OF COMMERCE	11,334	
	PUNJAB NATIONAL BANK LTD	7,276	
	STATE BANK OF INDIA	62,869	
	BANK OF INDIA CD 19 DEC 2011	18,743	
	STATE BANK OF PATIALA CD 7 APRIL 2011	9,990	
	UCO BANK CD 24 JUNE 2011	80,219	
	JAMMU & KASHMIR BANK LTD	7,356	
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	29,333	
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA 28 SEPTEMBER 2013	9,873	
	10.05% CANARA BANK FD 21 FEB 2013	20,000	
	STATE BANK OF PATIALA CD 08 SEPTEMBER 2011	19,243	
	STATE BANK OF PATIALA 13 MAY 2011	24,731	
	HDFC BANK CD 25 APR 2011	12,948	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	CORPORATION BANK CD 20 FEB 2012	18,372	
	STATE BANK OF BIKANER & JAIPUR 17 JAN 2012	18,589	
	STATE BANK OF MYSORE 26 APRIL 2011	34,790	
	6.95% NHB NCD 24 MAY 2013	19,354	
	ANDHRA BANK CD 26 MARCH 2012	36,389	
	CANARA BANK CD 21 DEC 2011	28,074	
	ICICI BANK CD 26 APR 2011	9,959	
	STATE BANK OF BIKANER & JAIPUR CD 08 FEB 2012	23,066	
	STATE BANK OF MYSORE 07 NOV 2011	18,921	
	PUNJAB & SIND BANK	4,170	
	8.20% NATIONAL HOUSING BANK 30 AUGUST 2013	19,469	
	8.96% STATE BANK OF INDIA 12 SEPTEMBER 2021	987	
	7.05% YES BANK FD 27 APRIL 2011	20,000	
	9.95% CANARA BANK FD 14 MAR 2013	10,000	
	PUNJAB & SIND BANK CD 07 APRIL 2011	19,969	
	IDBI CD 26 DEC 2011	46,801	
	PUNJAB NATIONAL BANK CD 24 JUNE 2011	48,866	
	STATE BANK OF MYSORE CD 14 DEC 2011	65,715	
	INDIAN BANK LTD	4,655	
	INDIAN OVERSEAS BANK	3,883	
	ALLAHABAD BANK CD 22 JUNE 2011	29,339	
	ORIENTAL BANK OF COMMERCE CD 12 AUGUST 2011	58,449	
	STATE BANK OF PATIALA CD 14 JULY 2011	49,069	
BANKING SERVICES TOTAL		1,156,994	38.35%
OTHER FINANCIAL SERVICES	8.00% ICICI HOUSING FINANCE 14 SEP 2011	9,920	
	HOUSING DEVELOPMENT FINANCE CORP LTD	31,554	
	11.15% HDFC 06 AUGUST 2018	11,032	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	9,736	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	48,274	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	53,749	
	7.65% IDFC 26 FEBRUARY 2012	19,669	
	9.50% HDFC 28 FEBRUARY 2013	4,996	
	INFRASTRUCTURE DEV FIN CO LTD	7,266	
	10% IDFC 22 MAY 2012	2,008	
	6.85% LIC HOUSING FINANCE 28 SEPTEMBER 2011	14,813	
	8.48% IDFC 28 SEPTEMBER 2013	24,498	
	0% HDFC 24 AUGUST 2011	32,309	
	0% LIC HOUSING FINANCE 08 AUGUST 2011	9,677	
	9.70% HDFC 19 JULY 2017	5,125	
	7.24% LIC HOUSING FINANCE 23 JUNE 2011	18,913	
OTHER FINANCIAL SERVICES TOTAL		303,539	10.06%
COMPUTER SOFTWARE	7.55% HCL 25 AUG 2011	19,847	
	INFOSYS TECHNOLOGIES LTD	128,255	
	POLARIS SOWTWARE LABS LIMITED	3,116	
	TATA CONSULTANCY SERVICES LTD	59,297	
	WIPRO LTD	16,255	
COMPUTER SOFTWARE TOTAL		226,770	7.52%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	APOLLO TYRES LTD	869
	ASIAN PAINTS (INDIA) LTD	18,858
	BAJAJ AUTO LTD NEW SHS	20,764
	BAJAJ HOLDINGS AND INVESTMENT LTD	3,183
	BHARAT EARTH MOVERS LTD	5,076
	BHARAT HEAVY ELECTRICALS LTD	41,445
	BHARTI AIRTEL LTD	32,019
	BRITANNIA INDUSTRIES LTD	7,620
	CADILA HEALTHCARE LIMITED	6,596
	CAIRN INDIA LTD	10,206
	DABUR INDIA LTD	1,017
	EXIDE INDUSTRIES LTD	10,659
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	18,353
	GRASIM LTD	2,457
	GREAT EASTERN SHIPPING CO LTD	4,342
	GUJARAT STATE PETRONET LTD	6,838
	GVK POWER & INFRASTRUCTURE LIMITED	4,101
	HINDUSTAN UNILEVER LTD	14,658
	HINDUSTAN ZINC LTD	17,129
	ICICI PRUDENTIAL LIQUID PLAN INSTITUTIONAL PLUS- GROWTH PLAN	40,618
	IPCA LABORATORIES LIMITED	16,303
	ITC LTD	80,663
	IVRCL INFRASTRUCTURES & PROJECTS LTD	895
	JAGRAN PRAKASHAN LTD	4,913
	JAIPRAKASH ASSOCIATES LTD	6,974
	JINDAL STEEL & POWER LTD	17,328
	JYOTI STRUCTURES LIMITED	2,033
	LANCO INFRATECH LIMITED	5,144
	LARSEN & TOUBRO LTD	75,044
	LUPIN LIMITED	18,437
	MADHUCON PROJECTS LTD	1,538
	MANGALAM CEMENT LTD	7,826
	MARICO LTD	9,692
	MARUTI UDYOG LTD	13,253
	NAGARJUNA CONS CO LTD	4,087
	NATIONAL HYDROELECTRIC POWER CORPORATION LTD	6,328
	NESTLE INDIA LTD	28,530
	NTPC LTD	18,339
	OIL & NATURAL GAS CORP LTD	28,052
	PATEL ENGINEERING LTD	1,197
	PHILLIPS CARBON BLACK LTD	2,436
	PIDILITE INDUSTRIES LIMITED	11,662
	RELIANCE ENERGY LTD	9,566
	SHREE CEMENT LTD	5,175
	STERLITE INDUSTRIES (INDIA) LTD	21,851
	SUN PHARMACEUTICAL INDUSTRIES LTD	21,355
	SUNDARAM FINANCE LIMITED	382
	TATA CHEMICALS LTD	4,190

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

TATA POWER LIMITED	18,042	
TATA STEEL LTD	25,598	
THERMAX LTD	10,626	
TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	420	
UNITED SPIRITS LTD	4,868	
ZODIAC CLOTHING COMPANY LIMITED	1,294	
COAL INDIA LTD	18,942	
GREAVES COTTON LTD	1,199	
HINDALCO INDUSTRIES LTD	26,206	
HINDUSTAN PETROLEUM CORPORATION LIMITED	8,557	
MAHINDRA & MAHINDRA LTD	27,312	
POWER GRID CORPORATION OF INDIA LTD	11,215	
RELIANCE INDUSTRIES LTD	115,485	
VOLTAS LTD	8,545	
8.25% RELIANCE CAPITAL 03 MAY 2013	9,764	
8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	9,750	
8.7% PFC 14 MAY 2015	4,901	
0% SUNDARAM FINANCE 26 APRIL 2013	24,779	
6.00% INDIAN HOTELS 13 MAY 2011	1,994	
10.5% RELIANCE CAPITAL NCD 20 MAR 2012	10,101	
11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	6,315	
8.75% LARSEN & TOUBRO 11 MAY 2020	2,925	
ALSTOM PROJECT INDIA LIMITED	8,347	
ASHOKA BUILDCON LTD	4,017	
CARBORUNDUM UNIVERSAL LIMITED	11,926	
COROMANDEL INTERNATIONAL LTD	7,854	
GAIL (INDIA) LIMITED	7,192	
PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	1,850	
RADICO KHAITAN LTD	1,954	
USHA MARTIN LIMITED	371	
VARDHMAN TEXTILES LTD	3,550	
VARDHMAN SPECIAL STEELS LTD	294	
10.75% RIL 08 DECEMBER 2018	10,843	
10% TATA CHEMICALS 2 JULY 2019	5,191	
2% TATA MOTORS 31 MARCH 2013	19,801	
8.85% TATA SONS 30 OCTOBER 2016	989	
9.80% GE SHIPPING 3 JULY 2019	8,281	
HINDUSTAN DORR OLIVER LTD	2,334	
JAYPEE INFRA TECH LIMITED	4,398	
UNICHEM LABORATORIES LTD	1,192	
10.48% GRASIM 16 DECEMBER 2013	10,251	
8.5% PFC 15 DECEMBER 2014	38,976	
UNITED PHOSPHORUS LIMITED	747	
CESC LTD	2,597	
UTI LIQUID FUND CASH PLAN INST GROWTH	45,315	
NET CURRENT ASSETS	92,492	
OTHERS TOTAL	1,329,601	44.07%
GRAND TOTAL	3,016,907	100.00%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

PENSION SECURED			
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	66,114	
	7.40% GOI 03 MAY 2012	79,456	
	7.99% GOI 09 JULY 2017	17,234	
GOVERNMENT OF INDIA TOTAL		162,804	48.24%
BANKING SERVICES	AXIS BANK CD 16 JAN 2012	2,787	
	BANK OF INDIA CD 19 DEC 2011	1,406	
	PUNJAB NATIONAL BANK CD 28 NOV 2011	1,891	
	HDFC BANK CD 16 JAN 2012	372	
	UCO BANK CD 24 JUNE 2011	27,685	
	10.05% CANARA BANK FD 21 FEB 2013	7,000	
	STATE BANK OF PATIALA CD 08 SEPTEMBER 2011	2,886	
	STATE BANK OF PATIALA 13 MAY 2011	198	
	SYNDICATE BANK CD 13 MAR 2012	4,566	
	UNITED BANK OF INDIA CD 06 JAN 2012	5,129	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	24,142	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	5,000	
	STATE BANK OF HYDERABAD CD 28 APRIL 2011	995	
	STATE BANK OF PATIALA CD 24 NOV 2011	2,367	
	STATE BANK OF HYDERABAD CD 27 DEC 2011	1,399	
	10.84% HDFC BANK 23 MAY 2022.	8,610	
	STATE BANK OF MYSORE 07 NOV 2011	3,784	
	8.50% EXIM 12 SEPTEMBER 2011	2,982	
BANKING SERVICES TOTAL		103,199	30.58%
OTHER FINANCIAL SERVICES	7.65% IDFC 26 FEBRUARY 2012	1,967	
	9.75% HDFC LTD 08 MAR 2016	5,089	
	7.5% IDFC LTD 10 JUNE 2013	1,922	
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	2,991	
	6.85% LIC HOUSING FINANCE 28 SEPTEMBER 2011	8,888	
	8.98% HDFC 26 NOV 2020	7,899	
OTHER FINANCIAL SERVICES TOTAL		28,756	8.52%
FINANCIAL LEASING	8.80% SUNDARAM FINANCE LTD 23 DEC 2011	994	
	RELIANCE CAPITAL CP 23 MAY 11	987	
	8.25% RELIANCE CAPITAL 03 MAY 2013	3,906	
	9.25% RELIANCE CAPITAL 30 MAY 2011	5,003	
	0% SUNDARAM FINANCE 26 APRIL 2013	5,782	
	9.25% RELIANCE CAPITAL 02 NOVEMBER 2012	2,985	
FINANCIAL LEASING TOTAL		19,657	5.82%
OTHERS	7.55% HCL 25 AUG 2011	3,969	
	TATA LIQUID HIGH INVESTMENT PLAN - GROWTH	10,000	
	11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	2,093	
	8.7% PFC 14 MAY 2015	1,961	
	8.37% ANDHRA SDL 16 MAR 2021	10,020	
	11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	1,052	
	8.75% LARSEN & TOUBRO 11 MAY 2020	975	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	6,903	
	NET CURRENT ASSETS	(13,885)	
OTHERS TOTAL		23,088	6.84%
GRAND TOTAL		337,504	100.00%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

PENSION GROWTH SUPER			
BANKING SERVICES	AXIS BANK LTD	53,942	
	BANK OF BARODA LTD	27,457	
	CANARA BANK LTD	16,283	
	FEDERAL BANK LIMITED	11,932	
	HOUSING DEVELOPMENT FINANCE CORP BANK	122,306	
	ICICI BANK LTD	122,677	
	KOTAK MAHINDRA BANK LTD	20,008	
	ORIENTAL BANK OF COMMERCE	15,370	
	PUNJAB NATIONAL BANK LTD	8,186	
	STATE BANK OF INDIA	78,830	
	UNION BANK OF INDIA	6,463	
	SYNDICATE BANK CD 28 SEPTEMBER 2011	9,632	
	STATE BANK OF PATIALA CD 7 APRIL 2011	9,990	
	UCO BANK CD 24 JUNE 2011	30,131	
	JAMMU & KASHMIR BANK LTD	7,292	
	HDFC BANK CD 25 APR 2011	9,960	
	STATE BANK OF HYDERABAD CD 28 APRIL 2011	9,948	
	CORPORATION BANK CD 20 FEB 2012	27,557	
	STATE BANK OF BIKANER & JAIPUR 17 JAN 2012	18,589	
	ANDHRA BANK CD 26 MARCH 2012	36,389	
	ICICI BANK CD 26 APR 2011	13,942	
	STATE BANK OF BIKANER & JAIPUR CD 08 FEB 2012	18,453	
	PUNJAB & SIND BANK	3,282	
	PUNJAB NATIONAL BANK CD 24 JUNE 2011	14,660	
	INDIAN BANK LTD	8,845	
	INDIAN OVERSEAS BANK	8,269	
	ORIENTAL BANK OF COMMERCE CD 12 AUGUST 2011	29,224	
	STATE BANK OF PATIALA CD 14 JULY 2011	49,069	
BANKING SERVICES TOTAL		788,686	31.43%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	167,397	
	POLARIS SOWTWARE LABS LIMITED	2,337	
	TATA CONSULTANCY SERVICES LTD	69,422	
	WIPRO LTD	38,714	
COMPUTER SOFTWARE TOTAL		277,870	11.07%
CONSTRUCTION OF UTILITY PROJECTS	IVRCL INFRASTRUCTURES & PROJECTS LTD	6,337	
	JAIPRAKASH ASSOCIATES LTD	19,030	
	JYOTI STRUCTURES LIMITED	3,255	
	KEC INTERNATIONAL LIMITED	336	
	LARSEN & TOUBRO LTD	87,273	
	MADHUCON PROJECTS LTD	3,789	
	NAGARJUNA CONS CO LTD	3,985	
	PATEL ENGINEERING LTD	1,197	
	SADBHAV ENGINEERING LIMITED	3,094	
	ASHOKA BUILDCON LTD	12,088	
	HINDUSTAN CONSTRUCTION CO LTD	2,366	
CONSTRUCTION OF UTILITY PROJECTS TOTAL		142,750	5.69%
REFINERY	HINDUSTAN PETROLEUM CORPORATION LIMITED	3,744	
	RELIANCE INDUSTRIES LTD	138,677	
REFINERY TOTAL		142,421	5.68%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

TOBACCO PRODUCTS	ITC LTD	133,346	
TOBACCO PRODUCTS TOTAL		133,346	5.31%
OTHERS	AMARA RAJA BATTRIES LIMITED	5,159	
	ASIAN PAINTS (INDIA) LTD	5,047	
	BAJAJ AUTO LTD NEW SHS	29,940	
	BAJAJ HOLDINGS AND INVESTMENT LTD	3,183	
	BHARAT EARTH MOVERS LTD	5,274	
	BHARAT HEAVY ELECTRICALS LTD	51,657	
	BHARTI AIRTEL LTD	44,175	
	BLUE STAR LTD	2,752	
	BRITANNIA INDUSTRIES LTD	4,959	
	CADILA HEALTHCARE LIMITED	13,867	
	CAIRN INDIA LTD	18,980	
	DABUR INDIA LTD	1,922	
	EVEREST INDUSTRIES LIMITED	91	
	EXIDE INDUSTRIES LTD	14,388	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	41,628	
	GODAWARI POWER ISPAT LTD	3,052	
	GRASIM LTD	8,118	
	GREAT EASTERN SHIPPING CO LTD	8,376	
	GUJARAT STATE PETRONET LTD	10,563	
	GVK POWER & INFRASTRUCTURE LIMITED	7,414	
	HINDUSTAN UNILEVER LTD	25,399	
	HINDUSTAN ZINC LTD	22,922	
	HOUSING DEVELOPMENT FINANCE CORP LTD	40,109	
	ICICI PRUDENTIAL LIQUID PLAN INSTITUTIONAL PLUS - GROWTH PLAN	25,517	
	IPCA LABORATORIES LIMITED	12,010	
	JAGRAN PRAKASHAN LTD	6,876	
	JINDAL STEEL & POWER LTD	29,190	
	LANCO INFRA TECH LIMITED	5,614	
	LUPIN LIMITED	14,583	
	MANGALAM CEMENT LTD	7,826	
	MARICO LTD	8,618	
	MARUTI UDYOG LTD	14,920	
	NATIONAL HYDROELECTRIC POWER CORPORATION LTD	5,537	
	NESTLE INDIA LTD	20,246	
	NTPC LTD	23,539	
	OIL & NATURAL GAS CORP LTD	42,438	
	PHILLIPS CARBON BLACK LTD	2,814	
	PIDILITE INDUSTRIES LIMITED	22,545	
	RELIANCE ENERGY LTD	10,816	
	SHREE CEMENT LTD	9,199	
	SINTEX INDUSTRIES LTD	2,584	
	STEEL AUTHORITY OF INDIA LTD	4,135	
	STERLITE INDUSTRIES (INDIA) LTD	34,787	
	SUN PHARMACEUTICAL INDUSTRIES LTD	25,696	
	SUNDARAM FINANCE LIMITED	5,613	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	TATA CHEMICALS LTD	7,028	
	TATA POWER LIMITED	24,304	
	TATA STEEL LTD	19,663	
	THERMAX LTD	8,239	
	TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED	1,628	
	TRF LTD	4,967	
	UNITED SPIRITS LTD	1,827	
	ZODIAC CLOTHING COMPANY LIMITED	268	
	COAL INDIA LTD	16,176	
	GREAVES COTTON LTD	10,439	
	HINDALCO INDUSTRIES LTD	19,814	
	MAHINDRA & MAHINDRA LTD	41,130	
	POWER GRID CORPORATION OF INDIA LTD	13,982	
	VOLTAS LTD	9,141	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	19,545	
	9.50% HDFC 28 FEBRUARY 2013	999	
	ALSTOM PROJECT INDIA LIMITED	11,431	
	CARBORUNDUM UNIVERSAL LIMITED	4,553	
	COROMANDEL INTERNATIONAL LTD	13,564	
	GAIL (INDIA) LIMITED	5,800	
	GILLETTE INDIA LTD	2,049	
	INFRASTRUCTURE DEV FIN CO LTD	3,401	
	PROCTER & GAMBLE HYGIENE & HEALTHCARE LTD	2,762	
	RADICO KHAITAN LTD	10,077	
	USHA MARTIN LIMITED	3,426	
	10% IDFC 22 MAY 2012	2,008	
	8.2% LIC HOUSING FINANCE LTD 15 SEPTEMBER 2012	9,817	
	HINDUSTAN DORR OLIVER LTD	912	
	JAYPEE INFRATECH LIMITED	6,162	
	JSW ENERGY LIMITED	2,150	
	10.48% GRASIM 16 DECEMBER 2013	8,201	
	UNITED PHOSPHORUS LIMITED	7,559	
	NET CURRENT ASSETS	27,117	
OTHERS TOTAL		1,024,217	40.82%
GRAND TOTAL		2,509,288	100.00%
GROUP GRATUITY BALANCED			
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	57,323	
	7.40% GOI 03 MAY 2012	619	
	7.99% GOI 09 JULY 2017	1,603	
GOVERNMENT OF INDIA TOTAL		59,545	0.03%
BANKING SERVICES	AXIS BANK LTD	274	
	BANK OF BARODA LTD	531	
	HOUSING DEVELOPMENT FINANCE CORP BANK	1,365	
	ICICI BANK LTD	1,813	
	ORIENTAL BANK OF COMMERCE	279	
	STATE BANK OF INDIA	553	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	AXIS BANK CD 16 JAN 2012	2,787	
	BANK OF INDIA CD 19 DEC 2011	5,623	
	PUNJAB NATIONAL BANK CD 28 NOV 2011	2,836	
	SYNDICATE BANK CD 28 SEPTEMBER 2011	4,816	
	HDFC BANK CD 16 JAN 2012	2,788	
	STATE BANK OF BIKANER & JAIPUR 15 JULY 2011	1,947	
	STATE BANK OF PATIALA CD 7 APRIL 2011	2,697	
	UCO BANK CD 24 JUNE 2011	3,033	
	JAMMU & KASHMIR BANK LTD	612	
	6.42% NATIONAL HOUSING BANK 27 NOVEMBER 2012	978	
	7.8% NABARD 16 AUGUST 2013	1,956	
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA 28 SEPTEMBER 2013	1,975	
	9.95% AXIS BANK 28 MARCH 2019	6,260	
	10.05% CANARA BANK FD 21 FEB 2013	4,000	
	10.15% CANARA BANK FD 21 MARCH 2013	1,000	
	7.00% STATE BANK OF TRAVANCORE FD 11 MAY 2011	2,000	
BANKING SERVICES TOTAL		50,123	0.02%
OTHER FINANCIAL SERVICES	HOUSING DEVELOPMENT FINANCE CORP LTD	421	
	11.15% HDFC 06 AUGUST 2018	3,310	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	974	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	2,896	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	4,886	
	9.80% LIC HOUSING FINANCE 22 OCTOBER 2017	6,183	
	0% HDFC 27 JANUARY 2012	2,071	
OTHER FINANCIAL SERVICES TOTAL		20,741	0.01%
FINANCIAL LEASING	8.15% RELIANCE CAPITAL 22 JULY 2011	1,991	
	RELIANCE CAPITAL CP 23 MAY 11	1,973	
	8.25% RELIANCE CAPITAL 03 MAY 2013	2,929	
	9.25% RELIANCE CAPITAL 30 MAY 2011	1,001	
	0% SUNDARAM FINANCE 26 APRIL 2013	7,434	
FINANCIAL LEASING TOTAL		15,328	0.01%
OTHERS	7.55% HCL 25 AUG 2011	1,985	
	ASIAN PAINTS (INDIA) LTD	480	
	BAJAJ AUTO LTD NEW SHS	1,299	
	BHARAT HEAVY ELECTRICALS LTD	2,063	
	BHARTI AIRTEL LTD	1,516	
	BRITANNIA INDUSTRIES LTD	562	
	CADILA HEALTHCARE LIMITED	474	
	CAIRN INDIA LTD	702	
	DABUR INDIA LTD	273	
	EXIDE INDUSTRIES LTD	373	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	1,974	
	GRASIM LTD	779	
	HINDUSTAN UNILEVER LTD	198	
	HINDUSTAN ZINC LTD	1,034	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INFOSYS TECHNOLOGIES LTD	671	
IPCA LABORATORIES LIMITED	1,353	
ITC LTD	1,409	
JAGRAN PRAKASHAN LTD	1,890	
JAIPRAKASH ASSOCIATES LTD	723	
JINDAL STEEL & POWER LTD	488	
LARSEN & TOUBRO LTD	1,032	
LUPIN LIMITED	1,615	
MARICO LTD	301	
MARUTI UDYOG LTD	1,016	
NESTLE INDIA LTD	484	
NTPC LTD	1,297	
OIL & NATURAL GAS CORP LTD	845	
STERLITE INDUSTRIES (INDIA) LTD	3,789	
SUN PHARMACEUTICAL INDUSTRIES LTD	1,913	
TATA CONSULTANCY SERVICES LTD	1,283	
TATA STEEL LTD	2,240	
WIPRO LTD	3,218	
COAL INDIA LTD	295	
DR REDDYS LABORATORIES LIMITED	574	
GREAVES COTTON LTD	240	
HINDALCO INDUSTRIES LTD	356	
HINDUSTAN PETROLEUM CORPORATION LIMITED	535	
IDEA CELLULAR LTD	3,325	
MAHINDRA & MAHINDRA LTD	3,402	
POWER GRID CORPORATION OF INDIA LTD	408	
RELIANCE INDUSTRIES LTD	4,551	
VOLTAS LTD	448	
11.45% RELIANCE INDUSTRIES 25 NOVEMBER 2013	3,139	
7.70% SAIL 11 MAY 2019	957	
8.45% PFC 17 SEPTEMBER 2014	2,920	
8.75% RELIANCE INDUSTRIES LTD 07 MAY 2020	975	
8.7% PFC 14 MAY 2015	4,901	
9.45% REC 04 APRIL 2013	998	
8.37% ANDHRA SDL 16 MAR 2021	2,004	
NET CURRENT ASSETS	1,647	
OTHERS TOTAL	70,954	0.03%
GRAND TOTAL	216,691	0.10%

GROUP GRATUITY CONSERVATIVE

GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	39,088	
	7.40% GOI 03 MAY 2012	41,077	
	7.99% GOI 09 JULY 2017	14,507	
	11.83% GOI 12 NOVEMBER 2014	1,206	
	12.60% GOI 23 NOVEMBER 2018	53,779	
	7.49% GOI 16 APRIL 2017	7,621	
GOVERNMENT OF INDIA TOTAL		157,278	0.05%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

BANKING SERVICES	AXIS BANK CD 16 JAN 2012	5,574	
	SYNDICATE BANK CD 28 SEPTEMBER 2011	1,926	
	HDFC BANK CD 16 JAN 2012	929	
	UCO BANK CD 24 JUNE 2011	2,935	
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA 28 SEPTEMBER 2013	4,936	
	10.05% CANARA BANK FD 21 FEB 2013	15,000	
	STATE BANK OF PATIALA CD 08 SEPTEMBER 2011	9,622	
	STATE BANK OF PATIALA 13 MAY 2011	1,978	
	SYNDICATE BANK CD 13 MAR 2012	3,653	
	UNITED BANK OF INDIA CD 06 JAN 2012	2,798	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	22,043	
	9.9% STATE BANK OF TRAVANCORE 31 JAN 2013	3,000	
BANKING SERVICES TOTAL		74,395	0.02%
OTHER FINANCIAL SERVICES	8.00% ICICI HOUSING FINANCE 14 SEP 2011	2,976	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	2,921	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	4,827	
	7.65% IDFC 26 FEBRUARY 2012	2,950	
	9.75% HDFC LTD 08 MAR 2016	6,106	
	9.70% LIC HOUSING FINANCE 07 APRIL 2013	2,006	
	9.9% HDFC LTD 11 MAR 2014	5,067	
OTHER FINANCIAL SERVICES TOTAL		26,853	0.01%
FINANCIAL LEASING	8.25% RELIANCE CAPITAL 03 MAY 2013	5,858	
	0% SUNDARAM FINANCE 26 APRIL 2013	7,434	
	10.5% RELIANCE CAPITAL NCD 20 MAR 2012	6,061	
FINANCIAL LEASING TOTAL		19,353	0.01%
OTHERS	7.55% HCL 25 AUG 2011	992	
	8.37% ANDHRA SDL 16 MAR 2021	13,025	
	11.50% ADITYA BIRLA NUVO 19 DECEMBER 2011	2,021	
	11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	3,157	
	6.10% GAIL 22 AUGUST 2011	4,930	
	8.75% LARSEN & TOUBRO 11 MAY 2020	1,950	
	NET CURRENT ASSETS	8,141	
OTHERS TOTAL		34,218	0.01%
GRAND TOTAL		312,099	0.10%

GROUP GRATUITY GROWTH

BANKING SERVICES	AXIS BANK LTD	532
	BANK OF BARODA LTD	1,906
	HOUSING DEVELOPMENT FINANCE CORP BANK	4,255
	ICICI BANK LTD	4,128
	ORIENTAL BANK OF COMMERCE	515
	STATE BANK OF INDIA	1,369
	UNION BANK OF INDIA	208
	AXIS BANK CD 16 JAN 2012	1,858

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	BANK OF INDIA CD 19 DEC 2011	4,780	
	SYNDICATE BANK CD 28 SEPTEMBER 2011	1,926	
	7.8% NABARD 16 AUGUST 2013	978	
	8.19% SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA 28 SEPTEMBER 2013	1,975	
	CORPORATION BANK CD 20 FEB 2012	2,296	
	STATE BANK OF BIKANER & JAIPUR 17 JAN 2012	1,859	
	STATE BANK OF HYDERABAD CD 27 DEC 2011	2,799	
	STATE BANK OF MYSORE 26 APRIL 2011	1,789	
	10.84% HDFC BANK 23 MAY 2022.	1,076	
	6.95% NHB NCD 24 MAY 2013	1,935	
BANKING SERVICES TOTAL		36,184	25.30%
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	9,881	
	7.40% GOI 03 MAY 2012	2,183	
	8.26% GOI 02 AUGUST 2027	1,192	
GOVERNMENT OF INDIA TOTAL		13,256	9.27%
REFINERY	HINDUSTAN PETROLEUM CORPORATION LIMITED	535	
	RELIANCE INDUSTRIES LTD	10,709	
REFINERY TOTAL		11,244	7.86%
OTHER FINANCIAL SERVICES	11.15% HDFC 06 AUGUST 2018	1,103	
	7.99% LIC HOUSING FINANCE 12 MARCH 2013	974	
	8.28% LIC HOUSING FINANCE 29 JUNE 2015	5,793	
	8.4% LIC HOUSING FINANCE LTD 18 AUG 2013	1,955	
	9.50% HDFC 28 FEBRUARY 2013	999	
OTHER FINANCIAL SERVICES TOTAL		10,824	7.57%
COMPUTER SOFTWARE	7.55% HCL 25 AUG 2011	1,985	
	INFOSYS TECHNOLOGIES LTD	2,596	
	TATA CONSULTANCY SERVICES LTD	1,744	
	WIPRO LTD	3,161	
COMPUTER SOFTWARE TOTAL		9,486	6.63%
OTHERS	ASIAN PAINTS (INDIA) LTD	485	
	BAJAJ AUTO LTD NEW SHS	1,317	
	BHARAT HEAVY ELECTRICALS LTD	2,034	
	BHARTI AIRTEL LTD	4,392	
	BRITANNIA INDUSTRIES LTD	689	
	CADILA HEALTHCARE LIMITED	325	
	DABUR INDIA LTD	273	
	EXIDE INDUSTRIES LTD	858	
	GLAXOSMITHKLINE CONSUMER HEALTHCARE LTD	494	
	GRASIM LTD	970	
	HINDUSTAN UNILEVER LTD	1,445	
	HINDUSTAN ZINC LTD	551	
	IPCA LABORATORIES LIMITED	451	
	ITC LTD	4,787	
	JAGRAN PRAKASHAN LTD	910	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

JAIPRAKASH ASSOCIATES LTD	979	
LARSEN & TOUBRO LTD	2,065	
LUPIN LIMITED	625	
MARICO LTD	384	
MARUTI UDYOG LTD	1,513	
NESTLE INDIA LTD	2,166	
NTPC LTD	618	
OIL & NATURAL GAS CORP LTD	3,463	
RURAL ELECTRIFICATION CORPORATION LIMITED	507	
STERLITE INDUSTRIES (INDIA) LTD	3,424	
SUN PHARMACEUTICAL INDUSTRIES LTD	1,155	
TATA CHEMICALS LTD	3	
TATA POWER LIMITED	567	
TATA STEEL LTD	1,742	
RELIANCE CAPITAL CP 23 MAY 11	4,934	
COAL INDIA LTD	492	
IDEA CELLULAR LTD	1,646	
MAHINDRA & MAHINDRA LTD	4,174	
POWER GRID CORPORATION OF INDIA LTD	542	
7.70% SAIL 11 MAY 2019	957	
8.45% PFC 17 SEPTEMBER 2014	973	
8.7% PFC 14 MAY 2015	4,901	
0% SUNDARAM FINANCE 26 APRIL 2013	1,652	
NET CURRENT ASSETS	2,576	
OTHERS TOTAL	62,039	43.38%
GRAND TOTAL	143,036	100.00%

GROUP SUPERANNUATION BALANCED

GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	49	
	7.40% GOI 03 MAY 2012	28	
	91 DAYS TBILL 06 MAY 2011	1	
GOVERNMENT OF INDIA TOTAL		79	45.03%
BANKING SERVICES	HOUSING DEVELOPMENT FINANCE CORP BANK	9	
	STATE BANK OF INDIA	3	
	9.5% STATE BANK OF INDIA 04 NOVEMBER 2025	10	
BANKING SERVICES TOTAL		22	12.82%
BISCUITS	8.25% BRITANNIA 22 MARCH 2013	17	
BISCUITS TOTAL		17	9.53%
CONSTRUCTION OF UTILITY PROJECTS LARSEN & TOUBRO LTD		10	
CONSTRUCTION OF UTILITY PROJECTS TOTAL		10	5.68%
HOTELS & RESTAURANTS	6.00% INDIAN HOTELS 13 MAY 2011	9	
HOTELS & RESTAURANTS TOTAL		9	5.03%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

OTHERS	BHARAT HEAVY ELECTRICALS LTD	4	
	BHARTI AIRTEL LTD	4	
	HINDUSTAN UNILEVER LTD	4	
	ITC LTD	4	
	MARUTI UDYOG LTD	4	
	NTPC LTD	3	
	OIL & NATURAL GAS CORP LTD	5	
	STERLITE INDUSTRIES (INDIA) LTD	3	
	RELIANCE INDUSTRIES LTD	4	
	NET CURRENT ASSETS	3	
OTHERS TOTAL		38	21.91%
GRAND TOTAL		174	100.00%
GROUP SUPERANNUATION CONSERVATIVE			
GOVERNMENT OF INDIA	7.49% GOI 16 APRIL 2017	12,214	
	7.46% GOI 28 AUGUST 2017	2,827	
GOVERNMENT OF INDIA TOTAL		15,041	53.58%
BANKING SERVICES	BANK OF INDIA CD 19 DEC 2011	375	
	PUNJAB NATIONAL BANK CD 28 NOV 2011	284	
	7.00% STATE BANK OF TRAVANCORE FD 11 MAY 2011	700	
	UNITED BANK OF INDIA CD 06 JAN 2012	466	
	9.95% STATE BANK OF INDIA NCD 16 MARCH 2026	2,099	
	HDFC BANK CD 25 APR 2011	598	
	STATE BANK OF HYDERABAD CD 28 APRIL 2011	995	
	STATE BANK OF PATIALA CD 24 NOV 2011	947	
BANKING SERVICES TOTAL		6,464	23.02%
OTHER FINANCIAL SERVICES	9.75% HDFC LTD 08 MAR 2016	1,018	
	7.5% IDFC LTD 10 JUNE 2013	961	
	9.4% LIC HOUSING FINANCE 08 DECEMBER 2012	997	
OTHER FINANCIAL SERVICES TOTAL		2,976	10.60%
STATE GOVERNMENT	8.37% ANDHRA SDL 16 MAR 2021	2,206	
STATE GOVERNMENT TOTAL		2,206	7.86%
FINANCIAL LEASING	0% SUNDARAM FINANCE 26 APRIL 2013	826	
	9.25% RELIANCE CAPITAL 02 NOVEMBER 2012	995	
FINANCIAL LEASING TOTAL		1,821	6.49%
OTHERS	6.00% INDIAN HOTELS 13 MAY 2011	84	
	NET CURRENT ASSETS	(519)	
OTHERS TOTAL		(435)	-1.55%
GRAND TOTAL		28,070	100.00%

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

GROUP SUPERANNUATION GROWTH			
GOVERNMENT OF INDIA	7.17% GOI 14 JUNE 2015	122	
	91 DAYS TBILL 06 MAY 2011	69	
GOVERNMENT OF INDIA TOTAL		191	35.66%
BANKING SERVICES	AXIS BANK LTD	3	
	BANK OF BARODA LTD	14	
	HOUSING DEVELOPMENT FINANCE CORP BANK	19	
	ICICI BANK LTD	13	
	PUNJAB NATIONAL BANK LTD	12	
	9.5% STATE BANK OF INDIA 04 NOVEMBER 2025	31	
BANKING SERVICES TOTAL		92	17.28%
BISCUITS	8.25% BRITANNIA 22 MARCH 2013	42	
BISCUITS TOTAL		42	7.79%
CONSTRUCTION OF UTILITY PROJECTS	JAIPRAKASH ASSOCIATES LTD	1	
	LARSEN & TOUBRO LTD	36	
CONSTRUCTION OF UTILITY PROJECTS TOTAL		37	7.09%
COMPUTER SOFTWARE	INFOSYS TECHNOLOGIES LTD	26	
	TATA CONSULTANCY SERVICES LTD	4	
COMPUTER SOFTWARE TOTAL		30	5.52%
TOBACCO PRODUCTS	ITC LTD	28	
TOBACCO PRODUCTS TOTAL		28	5.26%
OTHERS	BHARAT HEAVY ELECTRICALS LTD	17	
	BHARTI AIRTEL LTD	8	
	HINDUSTAN UNILEVER LTD	8	
	HOUSING DEVELOPMENT FINANCE CORP LTD	4	
	MARUTI UDYOG LTD	9	
	NTPC LTD	8	
	OIL & NATURAL GAS CORP LTD	17	
	STERLITE INDUSTRIES (INDIA) LTD	3	
	COAL INDIA LTD	1	
	RELIANCE INDUSTRIES LTD	21	
	6.00% INDIAN HOTELS 13 MAY 2011	13	
	NET CURRENT ASSETS	6	
OTHERS TOTAL		115	21.40%
GRAND TOTAL		534	100.00%
	11.50% ADITYA BIRLA NUVO 19 DECEMBER 2011	3,032	
	11.90% PIDILITE INDUSTRIES 5 DECEMBER 2013	2,105	
	8.75% LARSEN & TOUBRO 11 MAY 2020	1,950	
	7.40% TATA CHEMICAL 23 NOVEMBER 2011	4,933	
	8.65% LARSEN & TOUBRO 26 MAY 2020	1,938	
	9.80% GE SHIPPING 3 JULY 2019	10,352	
	8.95% INFOTEL BROADBAND SERVICES LTD 15 SEP 2020	24,653	
OTHERS TOTAL		131,908	12.05%
GRAND TOTAL		1,094,840	100.00%
GRAND TOTAL		88,695,556	

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(aa) Statement showing Controlled Fund

(RS. IN CRORES)

1 Computation of Controlled fund as per the Balance Sheet

	2010-11	2009-10
Policyholders' Fund (Life Fund)		
Participating		
Individual Assurance	2,940	2,270
Individual Pension	42	37
Any other (Pl. Specify)		
Non-participating		
Individual Assurance	163	123
Group Assurance	47	37
Individual Annuity	-	-
Health Assurance	1	1
Linked		
Individual Assurance	8,340	6,271
Group Assurance	70	57
Individual Pension	670	375
Group Superannuation	-	-
Group Gratuity	-	-
Any other (Pl. Specify)	-	-
Funds for Future Appropriations	151	62
Total (A)	12,424	9,233
Shareholders' Fund		
Paid up Capital	1,841	1,839
Reserves & Surpluses	135	134
Fair Value Change	6	4
Employee Stock Option Plan Outstanding	80	79
Total (B)	2,062	2,056
Misc. expenses not written off	(76)	(76)
Credit / (Debit) from P&L A/c.	(829)	(1,023)
Total (C)	(905)	(1,099)
Total shareholders' funds (B+C)	1,157	957
Controlled Fund (Total (A+B-C))	13,581	10,190

2 Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account

Opening Balance of Controlled Fund	10,190	5,788
Add: Inflow		
Income		
Premium Income	5,813	4,861
Less: Reinsurance ceded	77	60
Net Premium	5,736	4,801
Investment Income	991	1,990
Other Income	2	-
Funds transferred from Shareholders' Accounts	12	59
Total Income	6,741	6,850

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

	2010-11	2009-10
Less: Outgo		
(i) Benefits paid (Net)	1,237	589
(ii) Interim Bonus Paid	-	-
(iii) Change in Valuation of Liability	3,102	4,186
(iv) Commission	540	421
(v) Operating Expenses	1,443	1,505
(vi) Provision for Taxation		
(a) FBT	-	-
(b) I.T.	-	-
Total Outgo	6,322	6,701
Surplus of the Policyholders' Fund	419	148
Less: transferred to Shareholders' Account	330	103
Net Flow in Policyholders' account	89	45
Add: Net income in Shareholders' Fund	194	(21)
Net In Flow / Outflow	283	24
Add: change in valuation Liabilities	3,102	4,186
Add: Increase in Paid up Capital	2	56
Closing Balance of Controlled Fund	13,577	10,055
As Per Balance Sheet	13,581	10,190
Difference, if any	4	135
- ESOP	1	71
-FV Change	2	3
- Reserves Et Surplus	1	134
-Misc Expenditure	0	(73)
3 Reconciliation with Shareholders' and Policyholders' Fund		
Policyholders' Funds		
3.1 Policyholders' Funds - Traditional-PAR and NON-PAR	2010-11	2009-10
Opening Balance of the Policyholders' Fund	2,530	1,930
Add: Surplus of the Revenue Account	89	45
Add: change in valuation Liabilities	726	555
Total	3,345	2,530
As per Balance Sheet	3,345	2,530
Difference, if any	-	-
3.2 Policyholders' Funds - Linked		
Opening Balance of the Policyholders' Fund	6,703	3,072
Add: Surplus of the Revenue Account *	-	-
Add: change in valuation Liabilities	2,376	3,631
Total	9,079	6,703
As per Balance Sheet	9,079	6,703
Difference, if any *	-	0
Shareholders' Funds		
Opening Balance of Shareholders' Fund	956	786
Add: net income of Shareholders' account (P&L)	194	(21)
Add: Infusion of Capital	2	56
Closing Balance of the Shareholders' fund	1,152	821
As per Balance Sheet	1,156	956
Difference, if any **	4	135

*Surplus in Linked Fund transferred to Shareholders

**Represents change in Fair value Change, Reserves Et Surplus, Employee Stock Option Et Miscellaneous Expenditure

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(ab) Additional information related to expenses incurred under following activities included under respective heads in Schedule-3:

Heads	Year Ended March 31, 2011	Year Ended March 31, 2010
Outsourcing Expenses	685,504	605,047
Business Development	173	753
Marketing Support	613	660

(ac) Additional information on Remuneration:

Information under section 217(2A) of the Companies Act, 1956 read with Companies (employees) rules, 1975, as amended are annexed in the Director's Report.

(ad) The Micro, Small and Medium Enterprises Development Act, 2006:

Under the Micro Small and Medium Enterprises Development Act 2006 certain disclosures are required to be made relating to Micro Small and Medium Enterprises. Based on the confirmation received from the suppliers there are no dues payable to vendors covered by the Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2011.

(ae) Comparatives

Previous year figures, under following heads, have been re-classified wherever necessary and significant, to conform to current year's presentation.

Previous year Schedule number/ Line Item	Amount Reclassed	Current year Schedule number/ Line Item
Schedule 11- Cash & Bank Account	53,897	Schedule 8A- Investment Policyholders (In India)
Schedule 11- Cash & Bank Account	1,267,841	Schedule 13- Current Liabilities
Profit and Loss Account-Other miscellaneous expenses	33,490	Profit and Loss Account- Rent, rates & taxes

Impact of Change in Accounting Policies :

Change in valuation of Preference Shares in Controlled fund:

Effective this year, Investments in Preference Shares are valued at last quoted closing price on the National Stock Exchange (NSE) and in case the same is not available, then on Bombay Stock Exchange (BSE) as against the policy of valuing at Historic cost. Consequent to the change, value of investments would not be impacted as company does not hold any preference shares as at March 31, 2011.

Change in valuation of Money Market investments in Controlled fund

Effective this year, amortisation of the money market instruments is being done on an yield to maturity basis as against amortising it on a straight line basis.

Consequent to the change the amortisation of discount in the revenue / profit and loss account for the year is lower by Rs 110.

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(af) Disclosures on penalties forming part of Financial Statements under circular No.005/IRDA/F&A/CIR/MAY-09 2010-11

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
Service Tax Authorities	-	-	-	-
Income Tax Authorities	-	-	-	-
Any other Tax Authorities	-	-	-	-
Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	-	-	-	-
Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	-	-	-	-
Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
Securities and Exchange Board of India	-	-	-	-
Competition Commission of India	-	-	-	-
Any other Central/State/Local Government / Statutory Authority	-	-	-	-

2009-10

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	Nil	Nil	Nil	Nil
Income Tax Authorities	-	-	-	-
Any other Tax Authorities	-	-	-	-
Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	-	-	-	-
Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	-	-	-	-
Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	-	-	-	-
Securities and Exchange Board of India	-	-	-	-
Competition Commission of India	-	-	-	-
Service Tax Authorities	-	-	-	-
Delay in Submission of Service Tax Return	-	4	4	Nil
Any other Central/State/Local Government/ Statutory Authority	-	-	-	-
Electricity Deptt. Penalty	-	160	160	Nil

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(ag) Disclosures on unclaimed amounts; forming part of Financial Statements under circular No. IRDA/F&A/CIR/CMP/174/11/2010

2010-11

Particulars	Total Amount*	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	14,828	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise.	334,923	165	-	-	-	-	-	-
Any excess collection of the premium / tax or any other charges which is refundable to the policyholder 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.	484,895	176,232	4,244	626	6	-	-	10
Cheques issued but not encashed by the policyholder / insured.	328,489	146,978	70,005	31,820	17,839	13,036	8,041	21,828
Total	1,163,135	323,375	74,249	32,446	17,845	13,036	8,041	21,838

*Out of the total amount Rs.672,305 pertains to amount lying for the period upto 1 months

2009-10

Particulars	Total Amount*	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	28,806	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise.	221,682	-	-	-	-	-	-	-
Any excess collection of the premium / tax or any other charges which is refundable to the policyholder 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.	389,673	58,275	935	6	0	-	-	10
Cheques issued but not encashed by the policyholder / insured.	551,479	211,063	27,591	15,958	9,823	6,214	6,495	11,366
Total	1,191,640	269,338	28,526	15,964	9,823	6,214	6,495	11,376

* Out of the total amount Rs.843,905 pertains to amount lying for the period upto 1 months

Schedules annexed to and forming part of financial statements for the year ended March 31, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

(ah) Disclosures forming part of Financial Statements as required under IRDA (Treatment of Discontinued Linked Insurance Policies) regulations, 2010

Particulars	Year Ended March 31, 2011		Year Ended March 31, 2010	
	Count	%	Count	%
Policies discontinued during the year	-	-	-	-
Max New York Life - Shiksha Plus II	62	0.45%	-	-
Max New York Life Flexi Fortune (5 Pay)	-	-	-	-
Max New York Life Flexi Fortune (15 Pay)	-	-	-	-
Max New York Life - Shiksha Plus II (5 Pay)	-	-	-	-
Max New York Life Flexi Fortune (10 Pay)	-	-	-	-
Max New York Life Shubh Invest	-	-	-	-
Policies revived during the year	-	-	-	-
	Rs.		Rs.	
Amount Charged on account on discontinued policies	13	-	-	-

Signatures to Schedules 1 to 16

For and on behalf of the Board of Directors

As per our report of even date attached

For Price Waterhouse & Co.
Firm Registration No. 0500325
Chartered Accountants

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

ANALJIT SINGH Chairman
WILLIAM BEATY Director
MARIELLE THERON Director
JOHN POOLE Appointed Actuary

ALPA KEDIA
Partner
Membership No. F100681

AMIT MAJMUDAR
Partner
Membership No. 036656

RAJESH SUD Managing Director & Chief Executive Officer
RAJIT MEHTA Executive Director & Chief Operating Officer
RAJIV MATHUR Director-Legal & Compliance & Company Secretary
PRASHANT TRIPATHY Chief Financial Officer

Mumbai
May 6, 2011

Mumbai
May 6, 2011

Gurgaon
May 6, 2011

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Management Report

With respect to the operations of the Max New York Life Insurance Company Limited. (Company) for the financial year April 1, 2010 to March 31, 2011 and results thereof, the Management of the company confirms, certifies and declares:

1. The certificate of Registration granted by the Insurance Regulatory and Development Authority (IRDA) to enable the Company to transact life insurance business was valid as on March 31, 2011 and is in force as on date of this report. IRDA has renewed Company's certificate of Registration to sell Life Insurance products in India for the financial year 2011-12.
2. We certify that the Company has duly paid all material dues payable to the statutory authorities, other than those which are being contested with the statutory authorities.
3. There has been no change in the Indian and Foreign shareholding pattern of the Company and the same are in conformity with the statutory or regulator requirements for the same.
4. The Company has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
5. The Company has maintained adequate assets to cover both its liabilities and required solvency margins as stipulated by IRDA.
6. We certify that all assets of the Company have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief, the assets set forth in the Balance Sheet as at March 31, 2011 have been shown in the aggregate at amounts not exceeding their realisable or market value except in case of fixed income investments made in the controlled funds (shareholder's funds and policyholder's non linked funds), which have been valued and shown at amortised cost as per IRDA regulations. The carrying amount is higher than their market value by Rs 11,844 lakhs in aggregate as at March 31, 2011.
7. We certify that the life insurance funds has been invested in line with the provisions of the Insurance Act, 1938 and various other circulars / notifications relating to the application and investment of the life insurance funds.
8. The Company recognises the risks associated with the life insurance business and manages it by adopting prudent policies commensurate with the needs of the life insurance business. The mitigation strategy in respect of various risks is as under:

Underwriting Risk

The underwriting risk is mitigated by the robust underwriting function. The objective of the underwriting team is to minimize the risks of abnormal mortality and morbidity by acquiring adequate information, on which to determine, whether to accept individual lives, and if so, the extra premium, to compensate for any additional risk. The possible financial effect of adverse mortality and morbidity experience is mitigated by entering into reinsurance treaties with various reinsurance companies. All risks, which are above the pre-determined retention limits are automatically reinsured.

Investment Risk

The investment risk is mitigated by creating a portfolio of different asset classes, of varied maturities, across a wide category of investee companies ensuring diversification across market segments, tenor and issuers. 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's business plans. The Company's funds, in case of the non linked business have been mainly invested in debt securities issued and guaranteed by Government of India. In case of investments in equity shares, the portfolio is well diversified across all industrial sectors and across companies within specific sector.

Management Report

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Operational Risk

The operational risk is mitigated by regular review and updation of operating and reporting processes. The Internal Audit Department carries out audits according to risk based audit plan and reports the findings to the Audit Committee. It also holds regular meetings with the Management Committee to highlight the key findings and seek faster and total mitigation of these risks. Further the Company has a constituted Product, Actuarial and Risk Committee for reviewing risk management elements as required by the Corporate Governance guidelines issued by the IRDA.

Expense Risk

The Company is also subject to the expense risk, since until new business volumes grow significantly, the actual expenses of the Company will exceed the expenses loaded into the product pricing. To mitigate the same, the Company continuously monitors the parameters like premium persistency, policy lapsation, operating expenses and investment returns. The experience is fed back into new product pricing and management reporting.

Business Interruption Risk

The Company has a robust Business Continuity Plan in place to manage any business interruption risk.

9. The Company has not sold any policies outside India during the year.
10. Average claim settlement time for last five years along with ageing of outstanding claims as at balance sheet date is disclosed below.

	2010-11	2009-10	2008-09	2007-08	2006-07
Average Claim Settlement time (in days)	8	8	5	9	14

Details regarding Claims registered and not settled

Period	Linked Business		Traditional Business		Total	
	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount
Upto 30 Days	203	59,762	328	77,023	531	136,785
30 Days to 6 months	87	22,908	138	40,474	225	63,382
6 months to 1 year	-	-	1	15	1	15
1 year – 5 years	2	546	4	1,693	6	2,239
5 years & above	-	-	-	-	-	-
Grand Total	292	83,216	471	119,205	763	202,421

11. We certify that the value of investments as shown in Balance Sheet have been arrived as follows :
 - a. Valuation - shareholders' investments and non-linked policyholders' investments have been valued on the basis of the amortised value of these assets, listed equity investments are valued at their fair value (being the last quoted closing price on National Stock Exchange and in case the same is not available, then on the Bombay Stock Exchange) as on balance sheet date and mutual fund investments have been valued at previous day's net asset value.
 - b. Valuation of linked policyholder investments – Government securities are valued at the rate obtained from (CRISIL) Credit Rating Information Services of India Ltd. Debt securities other than Government Securities are valued on the basis of Bond Valuer (CRISIL). Listed equity shares are valued at fair value, being the last quoted closing price on National Stock Exchange and in case the same is not available, then on the Bombay Stock Exchange. Mutual fund units are taken at the previous day's net asset values.
12. The Company has invested the controlled fund in accordance with the IRDA guidelines. Investments in corporate papers are made selectively in only highly rated papers with thorough research on the issuer. All investments in Controlled fund (with the exception of equities and mutual fund units) are made with clear intention of holding them till maturity and accordingly, the management is confident of the quality of investments.

Management Report

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

13. Schedule of payments, which have been made to the individuals, firms, companies and organizations in which Directors are interested.

Name of the Director	Entity in which Director is interested	Interested as	Amount of Payment During the Year 2010-11	Amount of Payment During Year 2009-10
Analjit Singh	Pharmax Corporation Limited	Relative of interested Party	18,594	-
	Max India Foundation	Relative of interested Party	15,000	25,000
	New Delhi House Services Ltd	Relative of interested Party	3,881	6,397
	Max India Limited	Executive Chairman	2,563	1,764
	Max Healthcare Institute Ltd	Chairman & Managing Director	511	8
Anuroop Singh		Vice Chairman		
Leo Puri		Director		
William Beaty	New York Life International, LLC	Director	19,800	271
John Harrison*	New York Life International, LLC	Director		
Richard L. Mucci	New York Life International, LLC	Director		

* resigned w.e.f. August 28, 2009

14. The financial statements of the Company and all information in this annual report are the responsibility of the management and have been reviewed by the Audit Committee and approved by the Board of Directors.
- The financial statements have been prepared in accordance with applicable accounting standards, regulations stipulated by the IRDA and the provisions of Insurance Act, 1938 and the Companies Act, 1956 and disclosures have been made, wherever the same is required. There is no material departure from the said standards, principles and policies.
 - The financial statements have been prepared in accordance with the accounting policies adopted by the management and stated therein and the same have been followed consistently. These financial statements contain some items which reflect the best estimates and judgment of the management. When alternative accounting methods exist, the management has chosen those it deems most appropriate in the circumstances to ensure the financial statements are presented fairly, in all material respects. The choice of estimates and judgment have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and the operating profit or loss of the Company for the year.
 - The Management of the Company 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.
 - The financial statements have been prepared on a going concern basis.
 - The Company has set up an internal audit system commensurate with the size and nature of the business and the same is operating effectively.

As per our report of even date attached

For and on behalf of the Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 050032S
Chartered Accountants

ALPA KEDIA
Partner
Membership No. F100681

Mumbai
May 6, 2011

For S.R. Batliboi & Associates
Firm Registration No. 101049W
Chartered Accountants

AMIT MAJMUDAR
Partner
Membership No. 036656

Mumbai
May 6, 2011

ANALJIT SINGH
WILLIAM BEATY
MARIELLE THERON
JOHN POOLE

RAJESH SUD
RAJIT MEHTA
RAJIV MATHUR
PRASHANT TRIPATHY

Gurgaon
May 6, 2011

Chairman
Director
Director
Appointed Actuary

Managing Director & Chief Executive Officer
Executive Director & Chief Operating Officer
Director-Legal & Compliance & Company Secretary
Chief Financial Officer

Balance Sheet Abstract and company's general business profile

I. Registration details :

Registration No. :

		1	0	6	7	2	3

State Code :

5	5

Balance Sheet Date :

3	1

0	3

2	0	1	1

II. Capital raised during the year : (Amount in Rs. Thousands)

Public Issue

						N	I	L

Rights Issue

						N	I	L

Bonus Issue

						N	I	L

Private Placement

					2	1	8	2	4

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

Total Liabilities

1	4	4	8	6	2	2	5	7

Total Assets

1	4	4	8	6	2	2	5	7

Sources of Funds :

Paid-up Capital

	1	8	4	1	0	0	0	0

Reserves Et Surplus

		1	3	5	1	8	2	8

Secured Loans

						N	I	L

Unsecured Loans

						N	I	L

Policyholder Funds

1	2	2	7	3	2	9	6	1

Others

		2	3	6	7	4	6	8

Application of Funds :

Net Fixed Assets

		1	4	0	2	0	1	4

Investments

1	3	8	3	6	4	2	0	7

Net Current Assets

-			3	9	5	5	9	7	1

Miscellaneous Expenditure

			7	5	5	9	2	7

Accumulated Losses

		8	2	9	6	0	8	0

IV. Performance of Company : (Amount in Rs. Thousands)

Total Income

	6	8	1	5	0	1	8	7

Total Expenditure

	6	5	3	1	8	9	6	0

Profit/(Loss) before Tax

		2	8	3	1	2	2	7

Profit/(Loss) after Tax

		2	8	3	1	2	2	7

V. Generic name of the principal product of the Company :

Product Description :

L	I	F	E		I	N	S	U	R	A	N	C	E		P	R	O	D	U	C	T	S

Life Insurance Products

Notes

Since Schedule VI of the Companies Act, 1956 does not apply to a Life Insurance company and in view of the requirement under Insurance Act, 1938 to split the accounts between policyholders and shareholders funds, it is not possible to give the information required in Part 3 and 4 of the schedule



A Max India Joint Venture



Max Bupa Health Insurance
Company Limited





Directors' Report

Your Directors have pleasure in presenting the Third Annual Report of the Company together with the audited accounts for the Financial Year ended March 31, 2011

BUSINESS HIGHLIGHTS

The highlights for the Financial Year ended March 31, 2011 are as under:

	(RS. '000)	
Particulars	2010-11	2009-10
Gross Written Premium	254603	1274
Less Reinsurance Premium	25460	127
Net Premium	229143	1147
Unexpired Risk Reserve	148426	1135
Earned Premium	80717	12
Total Underwriting Revenue	80717	12
Net Incurred Claims	40607	7
Commission paid (net)	13896	25
Expenses of Management	1266041	385531
Total Underwriting expenses	1320544	385563
Underwriting Profit/(Loss)	(1239827)	(385551)
Investment Income:		
Allocated to Revenue Account	11424	6
Allocated to P&L Account	67987	18242
Other Income	892	1298
Other Expenses	2950	-
Profit/(Loss) before Tax	(1162474)	(366005)
Key Business Parameters		
Solvency Ratio	2.03 : 1	2.07 : 1
Share Capital (Rs. crores)	271	151
Foreign Direct Investment (Rs. crores)	70.46	39.26
No. of Employees	682	376
No. of offices	12	5
No. of Agents	4339	271
No. of Policies	28789	253

INDUSTRY OVERVIEW

The Health Insurance sector has been the fastest growing segment in the non-life insurance business with a 39% Compounded Annual Growth Rate (CAGR) over the last 5 years. The total Health Insurance premium in FY 2010-11 reached Rs. 11,137 Cr up from Rs. 8305 Cr in FY 2009-10, registering 34% growth. The share of Health Insurance in overall General Insurance in FY 2010-11 has increased to 26% from 22% in FY 2009-10.

During the year, a number of new regulations and guidelines from the perspective of the protection of policyholders' interest were issued by the regulator. These regulations & guidelines may have some impact on the business activities of the company. Some of the key guidelines & regulations released were:

- Outsourcing of activities by Insurance Companies.
- Portability of Health Insurance Policies
- Distance Marketing of Insurance Products
- IRDA (Sharing of Database for Distribution of Insurance Products) Regulations, 2010
- Insurance Schemes sponsored by government

PHILOSOPHY

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

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

OPERATIONS

Max Bupa brings together Bupa's global health insurance and customer service expertise with Max India's understanding and experience of the Indian health and insurance sectors. The Company offers quality health insurance services through a dedicated team of over 650 people and network of offices across cities, namely - Delhi, Mumbai, Hyderabad, Chennai, Bangalore, Surat, Ludhiana, Jaipur, Kochi, Kolkata and Pune.

The Company has developed a strong network of over 750 quality hospitals and healthcare providers and intends to increase this to over 1000 hospitals by 2011-12. 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 PRODUCTS

Max Bupa started its business operations in March 2010 with its flagship product Heartbeat for the retail customers, offering comprehensive health insurance ranging from Rs 2 Lacs to Rs 50 Lacs for both individuals and families. Heartbeat gradually created a niche for itself through its focus on health care and unique

Directors' Report

service offering.

During the course of the year, a new dimension was added to the Heartbeat in the form of another variant called Family First. Family first is the first of its kind in the market to cater to the Indian joint family, by offering cover to the extended families (upto 13 relationships) in one policy.

In addition, three more products were approved and launched during the year:

1. Employee first: To cater to the group including SME segment
2. Swasthya Pratham: A product for Rural and Social sector
3. International Medical Emergency Policy (IMEP): To provide overseas medical emergency cover for frequent travellers

Based on market experience and the research study conducted during the year, the company has developed a pipeline of products to be created over the next two years. The Company has already filed three products for approval from IRDA. These products are:

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

Internal Capability was augmented during the year to develop functional competencies in line with the planned product pipeline. A Market Research study has also been initiated to validate segmentation assumptions and strengthen product insights to evolve the product development organization to an Innovations development function.

DIRECTORS

The Company's Board of directors consists of eight members. The Board of directors is responsible for the overall corporate strategy and other Board related matters.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Analjit Singh, Mr. Dean Allan Holden and Mr. Benjamin David Jemphrey Kent retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

Pursuant to Section 255 read with Section 257 of the Companies Act, 1956, the Company has received notice from one of the members proposing the name of Dr. Damien Vincent Marmion, CEO of the Company for appointment as director of the Company at the ensuing Annual General Meeting. Further, it is proposed to appoint Dr. Damien Vincent Marmion, CEO Chief Executive Officer of the Company as the 'Whole time Director' defined under the Companies Act, 1956.

CORPORATE GOVERNANCE

The Company understands that highest standards of Corporate Governance have become a competitive advantage in today's business environment.

Well governed organizations have an advantage while competing for critical resources such as Capital, Talent etc.

The Directors have embraced this belief and taken specific steps to raise the bar of Corporate Governance.

Besides having a independent minded Board constituted of domain experts from diverse functional areas, some key recent developments towards having a benchmarkable Governance practices include:

1. Establishing Board sub-committees with well defined Charters, on the basis of critical business needs, over and above the statutory committees.
2. Absolute clarity on measures of success by establishing a comprehensive dashboard which includes not only financial measure, but criteria geared towards long term success.
3. Creation of independent and robust inspection mechanism for monitoring progress on the key result areas for the Company
4. Decisions based on facts not opinions through a process of cross industry bench marking, taking opinions of external experts etc.

The Board of Directors of the Company presently comprises of six non-executive directors and two independent directors.

As per Corporate Governance guidelines issued by IRDA, the Chief Executive Officer of the company is proposed to be appointed as Director in the ensuing Annual General Meeting. Further, CEO will also be designated as 'Whole time Director' under the Companies Act.

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

Further, the Board has constituted the following Committees and the constitution, roles & responsibilities of these Committees of the Board are in line with the Corporate Governance guidelines:

1. Audit Committee (constituted on April 27, 2010)
2. Investment Committee (constituted on May 12, 2010)
3. Risk Committee (constituted on May 12, 2010)
4. Policyholders' Protection Committee (constituted on May 12, 2010)

Directors' Report

The Board also constituted two additional Committees as below:

1. Product and Actuarial Committee (constituted on May 12, 2010)
2. HR Compensation and Organization Committee (constituted on May 12, 2010)

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

DIVIDEND

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

CAPITAL

During the year, the paid up equity share capital of the Company was increased from Rs. 151 Crores to Rs. 271 Crores. Further, the Company has received share application money amounting to Rs. 20 Crores in April, 2011 from Max India Limited and Bupa Singapore Holdings Pte. Ltd in the ratio of 74:26.

SOLVENCY

The Company has been continually monitoring its solvency margins to ensure that the solvency margin is maintained in line with the requirements of IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000. As on March 31, 2011, the solvency ratio of the Company was at 2.03:1.

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 Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations 2002 is as under:

Business Sector	Year ended 31.03.2011			Year ended 31.03.2010		
	GWP Rs. '000s	No. of Lives	% of GWP	GWP Rs. '000s	No. of Lives	% of GWP
Rural	6721	1512	2.64	-	-	0
Social	820	5600	0.32	-	-	0
Urban	247062	44661	97.04	1274	305	100

The Company has complied with the Rural and Social obligations prescribed by IRDA. During the year 2009-10, the Company conducted its business for a period of less than six months and hence obligation in respect of Rural or Social sector as required under the aforesaid regulations/notification was not applicable.

AUDITORS

The Joint Statutory Auditors, M/s V Sahai Tripathi & Company, Chartered Accountants and M/s Thakur Vaidyanath Aiyar & Company, Chartered Accountants, will retire at the ensuing Annual General Meeting. As recommended by the Audit Committee, the Board has proposed the re-appointment of M/s V Sahai Tripathi & Company, Chartered Accountants and M/s Thakur Vaidyanath Aiyar & Company, Chartered Accountants as Joint Statutory Auditors for the financial year 2011- 2012.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that:

1. In the preparation of annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the loss of the Company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

ADDITIONAL INFORMATION

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

The information in accordance with the provision of section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 for the year ended March 31, 2011 is provided hereunder:

a. CONSERVATION OF ENERGY:

The Company has taken measures to reduce the energy

Directors' Report

consumption, by using energy efficient equipment, incorporating latest technology and regular maintenance.

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

c. **TECHNOLOGY ABSORPTION: Nil**

- 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, 2011	For the year ended March 31, 2010
i) Foreign Exchange Earnings	Nil	Nil
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	21801	8812
- Trading Goods	Nil	Nil
Others	8659	7364

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

New Delhi
May 19, 2011

**BENJAMIN DAVID
JEMPHREY KENT**
Director
DIN: 02895798

**ANTHONY MAXWELL
COLEMAN**
Director
DIN: 03149224

K. NARASIMHA MURTHY
Director
DIN: 00023046

Directors' Report

ANNEXURES TO DIRECTORS' REPORT

Disclosures for the FY 2010-11 as per IRDA Corporate Governance Guidelines

Following are the disclosures as mandated by the Corporate Governance Guidelines:

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

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended
Analjit Singh - Chairman	4	3
Anuroop Singh	4	4
Leo Puri	4	2
Dean Allan Holden	4	4
Benjamin David Jemphrey Kent	4	4
William Stephen Ward	4	3
Kummamuri Murthy Narasimha*	4	3
Sunil Kakar**	4	2
Anthony Maxwell Coleman***	4	2

* appointed w.e.f. April 27, 2010

** ceased to be a director w.e.f. July 20, 2010

*** appointed w.e.f. July 20, 2010

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

Name of the Member	No. of Meetings held	No. of Meetings attended
Kummamuri Murthy Narasimha-Chairman	4	4
Benjamin David Jemphrey Kent	4	4
Sunil Kakar*	4	2
Anthony Maxwell Coleman**	4	2

* ceased to be member w.e.f. July 20, 2010

** appointed as member w.e.f. July 20, 2010

Directors' Report

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
Benjamin David Jemphrey Kent-Chairman	3	3
Sunil Kakar*	3	1
Anthony Maxwell Coleman**	3	2
Damien Vincent Marmion	3	2
Neeraj Basur	3	3
Vishal Garg	3	3
K. Sriram	3	2

* ceased to be member w.e.f. July 20, 2010

** appointed as member w.e.f. July 20, 2010

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
Benjamin David Jemphrey Kent-Chairman	2	2
Leo Puri	2	1
Anthony Maxwell Coleman*	2	2
Kummamuri Murthy Narasimha**	2	0

* appointed as member w.e.f. July 20, 2010

**appointed as member w.e.f. October 14, 2010

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

Name of the Member	No. of Meetings held	No. of Meetings attended
William Stephen Ward-Chairman	1	1
Kummamuri Murthy Narasimha	1	0
Anthony Maxwell Coleman*	1	1

* appointed as member w.e.f. July 20, 2010

Information of additional Committees constituted by the Board

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

Name of the Member	No. of Meetings held	No. of Meetings attended
Dean Allan Holden-Chairman	2	2
Leo Puri	2	0
William Stephen Ward	2	2
Anthony Maxwell Coleman*	2	1

*appointed as member w.e.f. October 14, 2010

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
Anuroop Singh*-Chairman	3	3
Dean Allan Holden	3	3
Anthony Maxwell Coleman	3	2

*ceased to be member w.e.f. January 25, 2011

Mr. Leo Puri was appointed as member and Chairman w.e.f. January 25, 2011

Directors' Report

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

Name	Status of Directorship	Qualifications
Mr. Analjit Singh Nominee-Max India	Chairman, Non Executive	MBA, Boston, USA
Mr. Anuroop Singh Nominee-Max India	Non Executive	Chartered Accountant
Mr. Leo Puri Nominee-Max India	Non Executive	M.A. (Politics, Philosophy and Economics) from Oxford University and M.A (Law) from Cambridge University
Mr. Dean Allan Holden Nominee-Bupa Singapore	Non Executive	Chartered Accountant
Mr. William Stephen Ward Nominee-Bupa Singapore	Non Executive	Chartered Secretary
Mr. Benjamin David Jemphrey Kent Nominee-Bupa Singapore	Non Executive	Chartered Accountant, M.A. (Mathematics) from Oxford University.
Mr. K. Narasimha Murthy	Independent	FCA, FICWA
Mr. Anthony Maxwell Coleman	Independent	MBA (Macquarie University), Fellow of Institute of Actuaries (Australia), Fellow of Institute of Actuaries (UK)

For and on behalf of the Board of Directors

New Delhi
May 19, 2011

**BENJAMIN DAVID
JEMPHREY KENT**
Director
DIN: 02895798

**ANTHONY MAXWELL
COLEMAN**
Director
DIN: 03149224

K. NARASIMHA MURTHY
Director
DIN: 00023046

Auditors' Report

TO THE MEMBERS MAX BUPA HEALTH INSURANCE COMPANY LIMITED NEW DELHI

We have audited the attached Balance Sheet of **Max Bupa Health Insurance Company Limited** (the Company') as at March 31, 2011, the Miscellaneous Insurance Revenue Account, the Profit and Loss account and the Receipts and Payments account, for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

Further to our comments in the Annexure referred to above, we report that:-

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
- b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
- c) As the Company's accounting system is centralized; no returns for the purposes of our audit are prepared at the branches and other offices;

- d) The Balance Sheet, the Revenue accounts, Profit and Loss account and the Receipts and Payments account referred to in this report are in agreement with the books of account;
- e) The actuarial valuation of liabilities in respect of claims Incurred but Not Reported ('IBNR') and those Incurred but Not Enough Reported ('IBNER') at March 31, 2011 has been duly certified by the appointed actuary. The appointed actuary has also certified that the assumptions considered by him for such valuation are in accordance with the guidelines and norms issued by the IRDA and the Actuarial Society of India in concurrence with the IRDA. We have relied upon the appointed actuary's certificate in this regard; and
- f) On the basis of the written representations received from the directors, as at March 31, 2011 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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

- a) Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Regulations and orders / directions issued by IRDA in this behalf;
- b) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub section 3C of Section 211 of the Act and with the accounting principles prescribed by the Regulations and orders / directions issued by IRDA in this behalf;
- c) The Balance Sheet, the Revenue accounts, the Profit and Loss account and the Receipts and Payment account referred to in this report are in compliance with the accounting standards referred to under sub section 3C of section 211 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by IRDA;
- d) The Balance Sheet, Revenue accounts, Profit and Loss account and Receipts and Payments account read together with the notes thereon are prepared in accordance with the requirements of the Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Act to the extent applicable, and in a manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India as, applicable to insurance companies :-
 - i. In the case of the Balance Sheet, of the state of affairs

Auditors' Report

of the Company as at March 31, 2011;

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

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

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

For and on behalf of
V SAHAI TRIPATHI & CO
Chartered Accountants

(MAHESH SAHAI)
Partner
M.N.-006730
FRN: 000262N

New Delhi
May 19, 2011

For and on behalf of
THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

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

Auditors' 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, 2011)

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

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

This certificate has been issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ('The Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For and on behalf of
V SAHAI TRIPATHI & CO
Chartered Accountants

(MAHESH SAHAI)
Partner
M.N.-006730
FRN: 000262N

New Delhi
May 19, 2011

For and on behalf of
THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

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

Revenue Account for the year ended March 31, 2011

FORM B-RA

(RS. '000)

S. No.	Particulars	Schedule	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
1	Premiums earned (Net)	1	80717	12
2	Profit/ Loss on sale/redemption of Investments		-	-
3	Others		-	-
4	Interest, Dividend & Rent - Gross		11424	6
	Total (A)		92141	18
1	Claims Incurred (Net)	2	40607	7
2	Commission	3	13896	25
3	Operating Expenses related to Insurance Business	4	1266041	385531
	Total (B)		1320544	385563
	Operating Profit/(Loss) from Miscellaneous Business [C= (A - B)]		(1228403)	(385545)
	Appropriations			
	Transfer to Shareholders' Account		(1228403)	(385545)
	Transfer to Catastrophe Reserve		-	-
	Transfer to Other Reserves		-	-
	Total (C)		(1228403)	(385545)
	SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	16		

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

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

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

For V. SAHAI TRIPATHI & CO.

Chartered Accountants

MAHESH SAHAI

Partner

Membership No. F 06730

FR No. 000262N

For and on behalf of the Board of Directors

BENJAMIN DAVID

JEMPHREY KENT

Director

ANTHONY MAXWELL

COLEMAN

Director

K. NARASIMHA MURTHY

Director

FOR THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

K.N.GUPTA

Partner

Membership No. F 09169

FR No. 000038N

DAMIEN MARMION

Chief Executive Officer

NEERAJ BASUR

Chief Financial Officer

SANDEEP SETH

Company Secretary

New Delhi

May 19, 2011

Profit and Loss Account for the year ended March 31, 2011

FORM B-PL

(RS. '000)

S. No.	Particulars	Schedule	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
1	Operating Profit/(Loss)			
	(a) Miscellaneous Insurance		(1228403)	(385545)
2	Income From Investments			
	(a) Interest, Dividend and Rent – Gross		59589	5740
	(b) Profit on sale of investments		8398	12502
	Less: Loss on sale of investments		-	-
3	Other Income			
	(a) Gain/(Loss) on Foreign Exchange Fluctuation		(1165)	948
	(b) Liabilities no longer required written back		2057	350
	Total (A)		(1159524)	(366005)
4	Provisions (Other than Taxation)			
	(a) For diminution in the value of investments		-	-
	(b) For doubtful debts		-	-
	(c) Others		-	-
5	Other Expenses			
	(a) Expenses other than those related to Insurance Business		-	-
	(b) Bad debts written off		-	-
	(c) Others		2950	-
	Total (B)		2950	-
	Profit/(Loss) Before Tax		(1162474)	(366005)
	Provision for Taxation			
	(a) Fringe Benefit Tax		-	-
	Profit/(Loss) After Tax		(1162474)	(366005)
	Appropriations			
	(a) Interim dividends paid during the period		-	-
	(b) Proposed final dividend		-	-
	(c) Dividend distribution tax		-	-
	(d) Transfer to any Reserves or Other Accounts		-	-
			-	-
	Balance of Profit/(Loss) brought forward from last year		(429579)	(63574)
	Balance carried forward to Balance Sheet		(1592053)	(429579)
	Basic and Diluted Earning per Share of Rs. 10/- each		(5.62)	(8.42)

The Schedules referred to above form an integral part of the Profit & Loss Account

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

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

For V. SAHAI TRIPATHI & CO.

Chartered Accountants

MAHESH SAHAI

Partner

Membership No. F 06730

FR No. 000262N

FOR THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

K.N.GUPTA

Partner

Membership No. F 09169

FR No. 000038N

New Delhi

May 19, 2011

For and on behalf of the Board of Directors

BENJAMIN DAVID

JEMPHREY KENT

Director

ANTHONY MAXWELL

COLEMAN

Director

K. NARASIMHA MURTHY

Director

DAMIEN MARMION

Chief Executive Officer

NEERAJ BASUR

Chief Financial Officer

SANDEEP SETH

Company Secretary

Balance Sheet as at March 31, 2011

FORM B-BS

(RS. '000)

Particulars	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Share Capital	5	2710000	1510000
Share Application Money		-	-
Reserves and Surplus	6	-	-
Fair Value Change Account		977	728
Borrowings	7	-	-
Total		2710977	1510728
Application of Funds			
Investments	8	1262607	926015
Loans	9	-	-
Fixed Assets	10	213245	126066
Current Assets:			
Cash and Bank Balances	11	66786	115046
Advances and Other Assets	12	144733	113717
Sub-total (A)		211519	228763
Current Liabilities	13	408788	193423
Provisions	14	159659	6272
Sub-total (B)		568447	199695
Net Current Assets (C) = (A - B)		(356928)	29068
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account		1592053	429579
Total		2710977	1510728
CONTINGENT LIABILITIES			
1 Partly paid up investments		-	-
2 Claims, other than against policies, not acknowledged as debts by the Company		-	-
3 Underwriting commitments outstanding (in respect of shares and securities)		-	-
4 Guarantees given by or on behalf of the Company		-	-
5 Statutory demands/liabilities in dispute, not provided for		-	-
6 Reinsurance obligations to the extent not provided for in the accounts		-	-
7 Others		-	-
Total		-	-

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

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

For V. SAHAI TRIPATHI & CO.

Chartered Accountants

MAHESH SAHAI

Partner

Membership No. F 06730

FR No. 000262N

FOR THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

K.N.GUPTA

Partner

Membership No. F 09169

FR No. 000038N

New Delhi

May 19, 2011

For and on behalf of the Board of Directors

BENJAMIN DAVID

JEMPHREY KENT

Director

ANTHONY MAXWELL

COLEMAN

Director

K. NARASIMHA MURTHY

Director

DAMIEN MARMION

Chief Executive Officer

NEERAJ BASUR

Chief Financial Officer

SANDEEP SETH

Company Secretary

Receipts and Payment Account for the year ended March 31, 2011

(RS. 000)		
Particulars	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Cash Flows from the Operating Activities:		
Premium received from Policyholders, including Advance Receipts	293726	1405
Other Receipts	91720	12501
Payments to the re-insurers, net of commissions and claims	(12961)	-
Payments of claims	(17324)	-
Payments of commission and brokerage	(27995)	-
Payments of Other Operating Expenses	(944775)	(276623)
Deposits, Advances and Staff Loans	(10507)	(99479)
Income Taxes Paid (Net)	-	(767)
Service tax paid	(4117)	-
Other Payments	(133143)	57597
Cash Flows before Extraordinary Items	(765376)	(305366)
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities	(765376)	(305366)
Cash flows from investing activities:		
Purchase of fixed assets (including capital advances)	(128897)	(128815)
Proceeds from sale of fixed assets	990	990
Purchases of investments(Net)	(271383)	(763114)
Investments in money market instruments and in liquid mutual funds (Net)	(83592)	(118343)
Net cash flow from investing activities	(482883)	(1009282)
Cash flows from financing activities:		
Proceeds from Share Capital	1200000	1429500
Net cash flow from financing activities	1200000	1429500
Effect of foreign exchange rates on cash and cash equivalents, net	-	-
Net increase/(decrease) in cash and cash equivalents:	(48260)	114852
Cash and cash equivalents at the beginning of the period	115046	194
Cash and cash equivalents at the end of the period	66786	115046
Net increase/(decrease) in cash and cash equivalents:	(48260)	114852

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

For V. SAHAI TRIPATHI & CO.

Chartered Accountants

MAHESH SAHAI

Partner

Membership No. F 06730

FR No. 000262N

For and on behalf of the Board of Directors

BENJAMIN DAVID

JEMPHREY KENT

Director

ANTHONY MAXWELL

COLEMAN

Director

K. NARASIMHA MURTHY

Director

FOR THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

K.N.GUPTA

Partner

Membership No. F 09169

FR No. 000038N

DAMIEN MARMION

Chief Executive Officer

NEERAJ BASUR

Chief Financial Officer

SANDEEP SETH

Company Secretary

New Delhi

May 19, 2011

Schedules forming part of financial statements

Particulars	(RS. '000)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE – 1		
PREMIUM EARNED [NET]		
Premium from direct business written*	254603	1,274
Add: Premium on reinsurance accepted	-	-
Less : Premium on reinsurance ceded	25460	127
Net Premium	229143	1,147
Less: Adjustment for change in reserve for unexpired risks	148426	1,135
Total Premium Earned (Net)	80717	12
* Net of Service Tax		
SCHEDULE – 2		
CLAIMS INCURRED [NET]		
Claims paid		
Direct	16042	-
Add: Re-insurance accepted	-	-
Less: Re-insurance Ceded	1604	-
Net Claims paid	14438	-
Add: Claims Outstanding at the end of the period	26176	7
Less: Claims Outstanding at the beginning	7	-
Total Claims Incurred	40607	7
SCHEDULE – 3		
COMMISSION		
Commission paid		
Direct	18988	51
Add: Re-insurance accepted	-	-
Less: Commission on Re-insurance Ceded	5092	26
Net Commission	13896	25
Break Up of expenses incurred to procure business:		
Agents	16920	51
Brokers	2068	-
Corporate Agency	-	-
Referral	-	-
	18988	51

Schedules forming part of financial statements

(RS. 000)

Particulars	For the Year Ended March 31, 2011			For the Year Ended March 31, 2010		
	Health	Others	Total	Health	Others	Total
SCHEDULE – 1A						
PREMIUM EARNED [NET]						
Premium from direct business written*	254603	-	254603	1,274	-	1,274
Add: Premium on reinsurance accepted	-	-	-	-	-	-
Less : Premium on reinsurance ceded	25460	-	25460	127	-	127
Net Premium	229143	-	229143	1,147	-	1,147
Less: Adjustment for change in reserve for unexpired risks	148426	-	148426	1,135	-	1,135
Total Premium Earned (Net)	80717	-	80717	12	-	12
* Net of Service Tax						
SCHEDULE – 2A						
CLAIMS INCURRED [NET]						
Claims paid						
Direct	16042	-	16042	-	-	-
Add: Re-insurance accepted	-	-	-	-	-	-
Less: Re-insurance Ceded	1604	-	1604	-	-	-
Net Claims paid	14438	-	14438	-	-	-
Add: Claims Outstanding at the end of the period	26176	-	26176	7	-	7
Less: Claims Outstanding at the beginning	7	-	7	-	-	-
Total Claims Incurred	40607	-	40607	7	-	7
SCHEDULE – 3A						
COMMISSION						
Commission paid						
Direct	18988	-	18988	51	-	51
Add: Re-insurance accepted	-	-	-	-	-	-
Less: Commission on Re-insurance Ceded	5092	-	5092	26	-	26
Net Commission	13896	-	13896	25	-	25
Break Up of expenses incurred to procure business:						
Agents	16920	-	16920	51	-	51
Brokers	2068	-	2,068	-	-	-
Corporate Agency	-	-	-	-	-	-
Referral	-	-	-	-	-	-
	18988	-	18988	51	-	51

Schedules forming part of financial statements

Particulars	(RS. '000)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE – 4		
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS		
1 Employees' remuneration and welfare benefits	447647	228879
2 Travel, conveyance and vehicle running expenses	39564	21328
3 Training expenses	16581	2908
4 Rents, rates and taxes	145507	41817
5 Repairs	30390	9409
6 Printing and stationery	7186	2257
7 Communication	27426	3959
8 Legal and professional charges	129099	47076
9 Auditors' fees, expenses etc		
(a) as auditor	800	404
(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	50	50
10 Advertisement and publicity	371448	13750
11 Interest and bank charges (net of cancellation charges)	1212	56
12 Others		
(a) Business and Sales Promotion	194	111
(b) Membership and Subscription	1271	94
(b) Loss on Disposal of Fixed Assets	4332	4908
(c) Miscellaneous Expenses*	570	435
13 Depreciation	42764	8090
Total	1266041	385531

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

Schedules forming part of financial statements

Particulars	(RS. 000)					
	For the Year Ended March 31, 2011			For the Year Ended March 31, 2010		
	Health	Others	Total	Health	Others	Total
SCHEDULE – 4A						
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS						
1 Employees' remuneration and welfare benefits	447647	-	447647	228879	-	228879
2 Travel, conveyance and vehicle running expenses	39564	-	39564	21328	-	21328
3 Training expenses	16581	-	16581	2908	-	2908
4 Rents, rates and taxes	145507	-	145507	41817	-	41817
5 Repairs	30390	-	30390	9409	-	9409
6 Printing and stationery	7186	-	7186	2257	-	2257
7 Communication	27426	-	27426	3959	-	3959
8 Legal and professional charges	129099	-	129099	47076	-	47076
9 Auditors' fees, expenses etc						
(a) as auditor	800	-	800	404	-	404
(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	50	-	50	50	-	50
10 Advertisement and publicity	371448	-	371448	13750	-	13750
11 Interest and bank charges (net of cancellation charges)	1212	-	1212	56	-	56
12 Others						
(a) Business and Sales Promotion	194	-	194	111	-	111
(b) Membership and Subscription	1271	-	1271	94	-	94
(c) Loss on Disposal of Fixed Assets	4332	-	4332	4908	-	4908
(d) Miscellaneous Expenses*	570	-	570	435	-	435
13 Depreciation	42764	-	42764	8090	-	8090
Total	1266041	-	1266041	385531	-	385531

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

Schedules forming part of financial statements

(RS. 000)

S. No.	Particulars	Schedule	As at March 31, 2011	As at March 31, 2010
SCHEDULE -5				
SHARE CAPITAL				
1	Authorised Capital 700000000 Equity Shares of Rs 10 each (Previous year 200000000 Equity Shares of Rs.10 each)		7000000	2000000
2	Issued Capital 271000000 Equity Shares of Rs 10 each (Previous year 151000000 Equity Shares of Rs.10 each)		2710000	1510000
3	Subscribed Capital 271000000 Equity Shares of Rs 10 each (Previous year 151000000 Equity Shares of Rs.10 each)		2710000	1510000
4	Called-up Capital 271000000 Equity Shares of Rs 10 each (Previous year 151000000 Equity Shares of Rs.10 each) 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		2710000 - - - -	1510000 - - - -
	Total		2710000	1510000
Out of the above, 200540000 (Previous year 111740000) 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]

Share Holder	As at March 31, 2011		As at March 31, 2010	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
- Indian	200540000	74.00%	111740000	74.00%
- Foreign	70460000	26.00%	39260000	26.00%
Others	-	-	-	-
Total	271000000	100.00%	151000000	100.00%

Schedules forming part of financial statements

		(RS. 000)	
S. No.	Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE – 6			
RESERVES AND SURPLUS			
1	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	-	-
4	General Reserves	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy-back	-	-
5	Catastrophe Reserve	-	-
6	Other Reserves	-	-
7	Balance of Profit in Profit & Loss Account	-	-
	Total	-	-
SCHEDULE – 7			
BORROWINGS			
1	Debentures/ Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	Total	-	-

Schedules forming part of financial statements

		(RS. '000)	
S. No.	Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE-8			
INVESTMENTS			
LONG TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills	195664	315027
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds		
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	-	75285
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	-	125212
5	Other than Approved Investments	-	-
SHORT TERM INVESTMENTS			
1	Government securities and Government guaranteed bonds including Treasury Bills (Refer Note (a.) below)	403419	100975
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	62653	61926
	(c) Derivative Instruments	-	-
	(d) Debentures/ Bonds	317236	247590
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties-Real Estate	-	-
4	Investments in Infrastructure and Social Sector	200770	-
5	Other than Approved Investments*	82865	-
	Total	1262607	926015

* in mutual funds

Notes:

- Short Term Government securities include Deposits held under section 7 of Insurance Act 1938, having book value of Rs.101021 thousand (Previous year Rs.106103 thousand). Market value of such investments is Rs. 100460 thousands (Previous year Rs. 106133 thousand)
- Aggregate amount of Company's investments other than listed equity securities and derivative instruments is Rs.1262607 thousands (Previous year Rs. 926015 thousand). Market value of such investments as at March 31, 2011 is Rs. 1258576 thousands (Previous year Rs. 926746 thousands)

Schedules forming part of financial statements

		(RS. 000)	
S. No.	Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE-9			
LOANS			
1	Security-Wise Classification		
	Secured		
	(a) On mortgage of property	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On Shares, Bonds, Govt. Securities	-	-
	(c) Others	-	-
	Unsecured	-	-
	Total	-	-
2	Borrower-Wise Classification		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Industrial Undertakings	-	-
	(e) Others	-	-
	Total	-	-
3	Performance-Wise Classification		
	(a) Loans classified as standard	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non-performing loans less provisions	-	-
	(aa) In India	-	-
	(bb) Outside India	-	-
	Total	-	-
4	Maturity-Wise Classification		
	(a) Short Term	-	-
	(b) Long Term	-	-
	Total	-	-

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

**SCHEDULE-10
FIXED ASSETS**

(RS. '000)

SN	Particulars	Cost/ Gross Block			Depreciation				Net Block		
		As at April 01, 2010	Additions	Deductions	As at March 31, 2011	Upto March 31, 2010	For The Year	On Sales/ Adjustments	To date March 31, 2011	As at March 31, 2011	As at March 31, 2010
1	Goodwill	-	-	-	-	-	-	-	-	-	-
2	Intangibles										
	a) Softwares	35059	56192	-	91251	2469	16066	-	18535	72716	32590
	b) Website	1843	690	-	2533	19	513	-	532	2001	1824
3	Land-Freehold	-	-	-	-	-	-	-	-	-	-
4	Leasehold Property	23565	56042	6403	73204	774	8728	1106	8396	64808	22791
5	Buildings	-	-	-	-	-	-	-	-	-	-
6	Furniture & Fittings	13155	4866	-	18021	339	6210	-	6549	11472	12816
7	Information Technology Equipment	17846	15929	73	33702	1295	6293	20	7568	26134	16551
8	Vehicles	-	-	-	-	-	-	-	-	-	-
9	Office Equipment	11476	9575	41	21010	638	4954	13	5579	15431	10838
10	Others	-	-	-	-	-	-	0	-	-	-
	Total	102944	143294	6517	239721	5534	42764	1139	47159	192562	97410
11	Work in progress	28656	20683	28656	20683					20683	28656
	Grand total	131600	163977	35,173	260404	5534	42764	1139	47159	213245	126066
	Previous year	11357	128815	8572	131600	119	8090	2675	5534	126066	11238

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 Rs. 7623 thousands (Previous year Rs. 24271 thousands) and capital expenditure pending capitalisation Rs. 53 thousands (Previous year Rs. 4385 thousands)

MAX BUPA HEALTH INSURANCE COMPANY LIMITED

(FORMERLY MAX BUPA HEALTH INSURANCE LIMITED)

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

Schedules forming part of financial statements

		(RS. 000)	
S. No.	Particulars	As at March 31, 2011	As at March 31, 2010
SCHEDULE-11			
CASH AND BANK BALANCES			
1	Cash (including cheques, drafts and stamps)	312	407
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months)	55108	100000
	(bb) Others	2784	-
	(b) Current Accounts	8582	14639
	(c) Others		
3	Money at Call and Short Notice		
	(a) With Banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	66786	115046
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	5929	691
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	711	702
6	Others (to be specified)		
	(a) Advance to Suppliers	398	18201
	(b) Other advances	643	6000
	Total (A)	7681	25594
OTHER ASSETS			
1	Income accrued on investments*	32409	18625
2	Outstanding Premiums	-	-
3	Agents' Balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from other entities carrying on insurance business	3135	25
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**	62292	55250
	(b) Service tax on input services (net)	39187	13084
	(c) Cenvat credit on capital goods	29	1139
	Total (B)	137052	88123
	Total (A+B)	144733	113717

* Income Accrued on Investments includes interest on deposits also.

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

Schedules forming part of financial statements

		(RS. '000)	
S. No.	Particulars	As at	As at
		March 31, 2011	March 31, 2010
SCHEDULE-13			
CURRENT LIABILITIES			
1	Agents' balances	3001	46
2	Balances due to other insurance companies	10573	127
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	-	-
5	Unallocated premium	12467	1399
6	Sundry creditors*	335327	160388
7	Due to subsidiaries/ holding company	1952	22407
8	Claims Outstanding	26176	7
9	Unclaimed amount of policyholders/insured**	131	-
10	Due to Officers/ Directors	-	-
11	Others		
	(a) Tax deducted payable	19029	8910
	(b) Other statutory dues	132	139
	Total	408788	193423

* Includes creditors for capital expenditure of Rs. 28992 thousands (Previous year Rs. 27305 thousands)

** Pursuant to the requirement of IRDA circular no.IRDA/F&I/CIR/CMP/174/11/2010 dated November 4, 2010, unclaimed amount to policyholders/Insured has been disclosed in Note no.2 of Schedule 16.

SCHEDULE-14			
PROVISIONS			
1	Reserve for Unexpired Risk	149561	1135
2	For taxation (less advance tax paid and taxes deducted at source)	-	-
3	For proposed dividends	-	-
4	For dividend distribution tax	-	-
5	Others		
	For employee benefits		
	(a) Gratuity*	843	-
	(b) Leave Encashment	9255	4936
	(c) Superannuation	-	201
	Total	159659	6272

* The value of plan assets was greater than provision during the previous year, hence shown under advances.

SCHEDULE-15			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
1	Discount Allowed in issue of shares/ debentures	-	-
2	Others	-	-
	Total	-	-

Schedules forming part of financial statements

SCHEDULE-16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

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 December 23, 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 February 15, 2010 from Insurance Regulatory and Development Authority (IRDA) under section 3(2A) of the Insurance Act, 1938. The Company commenced commercial operations in March 2010.

The Company is in the business of Health Insurance with a flagship product 'Heartbeat'. During the year, Company has launched Health Insurance products 'International Medical Emergency Plans', 'Employee First' and 'Swasthya Pratham'.

B. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting in accordance with the generally accepted accounting principles and confirm 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 and comply with the notified Accounting Standards issued under Companies Accounting Standard Rules, 2006 (to the extent applicable) 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.

(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.

Schedules forming part of financial statements

(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

(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 revalued on availability of further information.

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

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

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

(j) Reinsurance ceded

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

(k) Allocation of Investment Income

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

(l) Investments

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

Investments are recorded at cost including acquisition charges (such as brokerage, transfer charges, stamps etc) if any and exclude interest accrued upto the date of purchase.

Debt securities, including Government securities are considered as held to maturity and are accordingly stated at historical

Schedules forming part of financial statements

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 gain or loss 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 upto the date of commissioning/ready to use of the assets.

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

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

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

All assets including intangibles individually costing upto rupees five thousand are fully depreciated in the year of purchase. The Company provides pro-rata depreciation from/to the date the asset is acquired or put to use/disposed off as appropriate.

(p) Impairment of Assets

Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from

Schedules forming part of financial statements

the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value, as determined above.

(q) Taxation

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance sheet date. Deferred tax assets are recognized only to an extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the company re-assesses unrecognized deferred tax assets. it recognizes unrecognized deferred assets to the extent that it is 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 are 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 year end using the Projected Unit Credit Method. Actuarial gain and loss are recognized in full in the Profit and Loss Account for the year in which they occur. The Company has a recognized Trust for Gratuity benefits, "Max Bupa Health Insurance Ltd Employees' Group Gratuity Fund" to administer the Gratuity funds. The Trust has taken master policy with the Max New York Life Insurance Company Limited" to cover its liabilities towards employees' Gratuity. The Gratuity obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of the gratuity fund.
- b. The liability in respect of long term accumulating leave encashment is provided for on the basis of actuarial valuation carried out at the year end 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-accumulating compensated absences are accounted for as and when availed/ encashed.
- c. Deferred compensation, which is a long term employee benefit is provided for based on the independent actuarial valuation carried out as at the Balance Sheet date and charged to Revenue Account or/and Profit and Loss Account, as applicable based on services rendered by employees.

(s) Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events 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.

Schedules forming part of financial statements

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. 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.

(v) Foreign Currency Transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currency as at the Balance Sheet date are translated at rates prevailing at the year end. Net gains or losses on account of exchange differences either on settlement or on translation of transactions, are recognized in the Revenue account or/and Profit and Loss Account, as applicable.

(w) Allocation of Operating Expenses

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

(x) Service Tax

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

C. NOTES FORMING PART OF ACCOUNTS

1. Contingent Liabilities

Particulars	(RS. '000)	
	As at 31.03.2011	As at 31.03.2010
Partly Paid up Investments	-	-
Underwriting Commitments Outstanding	-	-
Claims, other than against Policies, not acknowledged as Debts by the Insurer	-	-
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	-	-

Schedules forming part of financial statements

2. Actuarial Assumptions

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

3. Encumbrances

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

4. Estimated Amount of Commitments made and Outstanding for:

(RS. 000)

Particulars	As at 31.03.2011	As at 31.03.2010
Loans	-	-
Investments	-	-
Fixed Assets (Net of advances)	2842	41628

5. Claims, less Reinsurance paid to Claimants:

(RS. 000)

Class of Business	In India		Outside India	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Health	14438	-	-	-

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 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
Health	2	-	6911	-

*Excluding IBNR provisions and amounts payable to service providers

7. Claims Settled and Remaining Unpaid for a period of more than six months:

(RS. 000)

Class of Business	As at 31.03.2011	As at 31.03.2010
Health	-	-

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

(RS. 000)

Health Business	As at 31.03.2011	As at 31.03.2010
Claimed intimated	675	-
Claims paid	442	-
Claims rejected	93	-
Claims Pending	140	-

Schedules forming part of financial statements

Ageing of Pending Claims

	(RS. 000)	
Health Business	As at 31.03.2011	As at 31.03.2010
1 month	99	-
1-3 months	34	-
3-6 months	6	-
6 months - 1 year	1	-
>1 year	-	-
Total	140	-

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

	(RS. 000)			
Class of Business	In India		Outside India	
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
Health	229143	1147	-	-

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

10. Extent of Risk Retained and Reinsured:

	(RS. 000)			
Class of Business	Risk Retained		Risk Reinsured	
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
Health	90%	90%	10%	10%

11. Value of contracts in relation of investments

	(RS. 000)	
Particulars	As at 31.03.2011	As at 31.03.2010
Purchase where deliveries are pending	-	-
Sales where payments are overdue	-	-

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 / insureds due to any reasons except under litigation from the insured / policyholders	287	287	-	-	-	-	-	-
Sum due to the insured/policyholders on maturity or otherwise	-	-	-	-	-	-	-	-
Excess collection of the premium /tax or any other charges which is refundable to the policyholders either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far	4	4	-	-	-	-	-	-

Schedules forming part of financial statements

(RS. 000)

Particulars	Total Amount	Age-wise Analysis (in months)						
		1-6	7-12	13-18	19-24	25-30	31-36	>36
Cheques issued but not encashed by the policyholder/ insured	6539	6468	71	-	-	-	-	-

13. Reserve for Unexpired Risk (URR)

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

14. All the investments are made in accordance with Insurance Act, 1938 and IRDA (Investment) Regulations, 2000 and are performing assets.
15. The Company does not have any investment in Real Estate as at March 31, 2011 or March 31, 2010.
16. The historical cost of investments in mutual funds which have been valued on fair value basis is Rs. 144541 thousand (Previous year Rs. 61198 thousand)
17. Investments made pursuant to Section 7 of Insurance Act 1938, are as follows:

(RS. 000)

Particulars	As at 31.03.2011	As at 31.03.2010
182 Days Treasury Bills – 28 th May, 2010	-	1092
9.39% GOI CG 02-07-2011*	101021	105011

*Face value of Rs. 100000 thousands

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

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

(RS. 000)

Particulars	As at 31.03.2011	As at 31.03.2010
Salaries & Allowances	-	-
Contribution to Provident and other funds	-	-
Perquisites	-	-
Total	-	-

19. Chief Executive Officer's Remuneration

During the year, the Company got approval from IRDA for the appointment of Dr. Damien Marmion as the Chief Executive Officer of the Company with effect from February 15, 2010 in terms of section 34A of the Insurance Act, 1938. His total cost to the Company for the financial year 2010-11 in the form of salary, allowances, perquisites, bonus and contribution to provident and other funds amounts to Rs. 15000 thousand.

20. Expenditure in Foreign Currency (On accrual basis)

(RS. 000)

Particulars	As at 31.03.2011	As at 31.03.2010
Travelling	676	1983
Outsource Expenses	-	1917
Remuneration	6119	2501
Purchase of Fixed Assets	21801	8812
Legal and Professional	1864	-
Others	-	963
Total	30460	16176

Schedules forming part of financial statements

21. Operating Lease Commitments

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

(RS. 000)		
Particulars	As at 31.03.2011	As at 31.03.2010
Payable not later than one year	118718	119538
Payable later than one year but not later than five years	492396	267619
Payable later than five years	432832	576458
Total	1043946	387157

Aggregate lease rentals charged to revenue account 113120 thousand (previous year Rs. 30883 thousand) and there are no sub lease

22. Foreign Currency Exposures

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

(RS. 000)		
Particulars	As at 31.03.2011	As at 31.03.2010
Payable in Indian Rupee	6669	15137
Payable in GBP	93	223

23. Related Parties & Transactions:

SN	Description of Relationship	Name of Party
(a)	Holding Company	Max India Limited
(b)	Fellow Subsidiaries	Max New York Life Insurance Company Limited Max Healthcare Institute Limited Max Medical Services Limited Alps Hospital Limited Neeman Medical International BV, Netherlands Neeman Medical International NV, Netherlands Max Neeman Medical International, Inc, USA Max Neeman Medical International Limited Pharmax Corporation Limited Max Ateev Limited Max UK Ltd, UK Max Healthstaff International Limited Hometrail Estate Private Limited (Effective April 02, 2009) Hometrail Buildtech Private Limited (Effective April 02, 2009)
(c)	Shareholders with significant influence	Bupa Singapore Holdings Pte Ltd, Bupa Finance Plc., UK
(d)	Key Management Personnel	Dr. Damien Marmion (Chief Executive Officer)

Schedules forming part of financial statements

Summary of significant related party transactions (As per AS-18 issued by ICAI)

(RS. 000)					
SN	Particulars	Holding Company	Shareholders With Significant Influence	Fellow Subsidiaries	Key Management Personnel
1	Fixed assets transferred/sold	-	-	990	-
		(-)	(-)	(990)	(-)
2	Fixed Assets Purchased		-	124	-
		(280)	(-)	(222)	(-)
3	Investments Purchased	-	-	-	-
		(-)	(-)	(208098)	(-)
4	Income and Reimbursements				
-	Reimbursement of Expenses	190	340	-	-
		(-)	(-)	(41)	(-)
5	Expenses				
-	Service received	-	-	78	-
		(-)	(-)	(10691)	(-)
-	Other Expenses	1871	7671	-	-
		(3456)	(6937)	(-)	(-)
-	Remuneration	-	-	-	15000
		(-)	(-)	(-)	(28068)
-	Claims	-	-	1431	-
		(-)	(-)	(-)	(-)
6	Equity Contribution	888000	312000	-	-
		(1117400)	(392600)	(-)	(-)
7	Amount Outstanding				
	Other Receivable	-	-	-	-
		(-)	(-)	(811)	(3932)
	Other Payable	1677	8085	178	-
		(22407)	(15137)	(962)	(-)

Figures in brackets are for previous year

Schedules forming part of financial statements

24. Segment Information

a) Business Segments

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

Particulars	(RS. 000)	
	As at 31.03.2011	As at 31.03.2010
Segmental Revenue	254603	1274
Segmental Result	(1228408)	(385545)
Segmental Liabilities	568447	1142
Segment Assets	706335	1052081

b) Geographical Segment

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

25. Employee Benefits

A. Defined Contribution Plans – Provident Fund

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

Provident Fund	(RS. 000)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Employers Contribution to Provident Fund*	10300	4586

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

B. Defined Benefit Plans – Gratuity

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

i Assumptions Used:

Particulars	As at 31.03.2011	As at 31.03.2010
Mortality	LIC 94-96 Ultimate	LIC (1994-96) Ultimate
Interest/Discount Rate (Per Annum)	8.25% p.a.	8.00% p.a.
Rate of increase in compensation	9.00% p.a.	8.00% p.a.
Withdrawal rate:	60% p.a.	20% p.a.

Schedules forming part of financial statements

ii. Changes in benefit obligations:

	(RS. 000)	
Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Present value of obligations at the beginning of the year	2333	1323
Interest cost	192	73
Current Service Cost	2521	983
Liability transfer in/(out)	-	(344)
Benefits Paid	(346)	-
Actuarial (gain)/loss on obligation	798	298
Present value of obligations at end of year	5497	2333

iii. Fair Value of Plan Assets:

	(RS. 000)	
Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Fair Value of Plan Assets at beginning of year	3221	-
Contributions	1567	3132
Actual Return on Plan Assets	213	89
Benefits Paid	(346)	-
Fair Value of Plan Assets at end of year	4655	3221

iv. Amounts recognized in Profit & Loss Account:

	(RS. 000)	
Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Current Service Cost	2521	983
Interest Cost	192	73
Actual Return on Plan Assets	(213)	(125)
Actuarial (Gain)/loss on obligation	798	334
Amount recognized in Profit & Loss Account	3298	1265

v. Amounts recognized in Balance Sheet:

	(RS. 000)	
Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Present value of obligations at end of Year	5497	2333
Fair Value of Plan Assets at end of Year	4655	3221
Funded Status	(843)	888
Net Asset/(Liability) recognized in the balance sheet	(843)	888

Schedules forming part of financial statements

vi. Balance Sheet Reconciliation:

Particulars	(RS. '000)	
	Year Ended 31.03.2011	Year Ended 31.03.2010
Opening Net Liability/(Asset)	(888)	1323
Expenses recognized in Profit & Loss Account	3298	1265
Liability transfer in/(out)	-	(344)
Contribution Paid	1567	3132
Closing Net Liability/(Asset)	843	(888)

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

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

C. Other Long Term Benefits:

The Company has recognized liability towards cost of accumulating compensated absences of Rs. 9255 thousand (Previous year Rs. 4937 thousand) and long term incentives of Rs. 38287 thousand (Previous year Rs. 18709 thousand) on an accrual basis based on the actuarial valuation done by an independent consulting actuary.

26. Deferred Tax

The Company has carried out its tax computation in accordance with the mandatory Accounting Standard, AS-22 on 'Taxes on Income' issued by the Institute of Chartered Accountants of India. There has been a net deferred tax asset amounting to Rs. 484416 thousand (Previous year Rs. 5573 thousand) on account of accumulated losses. However as a principle of prudence, and as there is no virtual certainty supported by convincing evidence on the date of the Balance Sheet, that there will be sufficient taxable income available to realize such assets in near future, the Company has not provided for deferred tax assets for the year ended 31st March 2011.

27. Earnings Per Share

Basic earnings per equity share have been computed by dividing net profit (loss) after tax by the weighted average number of equity shares outstanding for the year.

Particulars	Units	Year Ended 31.03.2011	Year Ended 31.03.2010
a. Net profit/(loss) after tax	Rs in '000s	(1162474)	(366005)
b. Weighted average of number of equity shares used in computing basic earnings per share	No. of shares in '000s	206970	43474
c. Basic/Diluted earnings per share (a/b)	Rs.	(5.62)	(8.42)

Schedules forming part of financial statements

28. In pursuant to circular 067 dated 28th March, 2008 issued by IRDA, following operating expenses are separately disclosed: (RS. 000)

Operating expenses	Year Ended 31.03.2011	Year Ended 31.03.2010
Outsourcing Expenses	4225	173
Marketing Support	383719	18086
Business Promotion	194	111

29. **Expenses of Management**

As per the IRDA's Order No.: IRDA/F&A/ORD/EMT/203/12/2010 dated 08-Mar-2010, the Company has been exempted for necessary compliances required u/s 40C(1) of the Insurance Act, 1938 read with Rule 17E of the Insurance Rules, 1939 for the first five years of its operations (i.e. for the full financial year from 2010-11 to 2014-15)

30. **Sector Wise Business**

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

Business Sector	Year ended 31.03.2011			Year ended 31.03.2010		
	GWP Rs. '000s	No. of Lives	% of GWP	GWP Rs. '000s	No. of Lives	% of GWP
Rural	6721	1512	2.64%	-	-	0%
Social	820	5600	0.32%	-	-	0%
Urban	247062	44661	97.04%	1274	305	100%

The Company has complied with the Rural and Social obligations required under IRDA Notification No IRDA/IREG/2/43/2008. During the previous year the Company conducted its business for a period of less than six months hence necessary obligation of Rural or Social sector as required under the aforesaid regulations/notification was not applicable.

31. **Disclosure of Fire and Marine Revenue accounts:**

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

32. **Micro Small and Medium Enterprises**

There is no Micro, Small and Medium Enterprise to which the Company owes dues, which are outstanding for more than 45 days during the year ended March 31, 2011 and March 31, 2010. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

33. **Penal Actions Details by Various Government Authorities**

IRDA circular no 005/IRDA/F&A/CIR/MAY-09 requires disclosure as per given format in respect of penal actions taken by various Government Authorities.

		(RS. '000)			
SN	Authority	Non-Compliance/ Violation	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	-	-	-	-

Schedules forming part of financial statements

					(RS. '000)
SN	Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
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	-	-	-	-

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

(RS. '000)			
SN	Particulars	2010-2011	2009-2010
1	Gross Premium Written	254603	1274
2	Net Earned Premium Income	80717	12
3	Income from Investments (net)	11419	6
4	Other Income	-	-
5	Total Income	92136	18
6	Commission (Net of Reinsurance)	13896	25
7	Brokerage	-	-
8	Operating Expenses	1266041	385531
9	Claims, increase in Unexpired Risk Reserve & Other Outgoes	40607	7
10	Operating Profit/Loss	(1228408)	(385545)
11	Total Income under Shareholders Account	65934	19540
12	Profit /(loss) before tax	(1162474)	(366005)
13	Provision for Tax	-	-
14	Profit/(Loss) after tax	(1162474)	(366005)
15	Miscellaneous	-	-
16	Policyholder's Account:		
a)	Total funds	Not Applicable being General Insurance Company	
b)	Total Investments		
c)	Yield on Investments		

Schedules forming part of financial statements

		(RS. '000)	
SN	Particulars	2010-2011	2009-2010
17	Shareholder's Account:		
a)	Total funds	Not Applicable being General Insurance Company	
b)	Total Investments		
c)	Yield on Investments		
18	Paid Up Equity Capital	2710000	1510000
19	Net Worth*	1118924	1081149
20	Total Assets	1687371	1280844
21	Yield on total investments	6.35%	4.72%
22	Earning Per Share** (Rs.)	(5.62)	(8.42)
23	Book value per Share (Rs.)	4.13	7.16
24	Total Dividend	-	-
25	Dividend Per share	-	-

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

* Including Fair Value Change Account

** Weighted average of number of equity shares i.e. Rs. 206970 thousand (Previous year Rs. 43474 thousand) is used in computing Earnings per share

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

Performance Ratios	2010-2011 (in times)	2009-2010 (in times)
Gross Premium Growth Rate	198.80	NA
Gross Premium to Shareholders Funds Ratio	0.2275	0.0012
Growth Rate of Shareholders Funds	0.03	62.88
Net Retention Ratio	0.90	0.90
Net Commission Ratio	0.06	0.02
Expenses of Management to Gross Direct Premium	4.97	302.61
Combined Ratio	5.03	302.61
Technical Reserves to Net Premium Ratio	0.7669	0.9956
Underwriting Balance Ratios	(5.36)	(336.13)
Operating Profit Ratio	(5.07)	(319.10)
Liquid Assets to Liability Ratio	7.56	460.19
Net Earning Ratio	(5.07)	(319.10)
Return on Net Worth	(1.04)	(0.34)
Reinsurance Ratio	0.10	0.10
Claims incurred	0.50	0.58

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

Schedules forming part of financial statements

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

S.No.	State	Location	Status
1	Delhi	Saket-NOC	Registered
2	Karnataka	Bangalore	Registered
3	Maharashtra	Mumbai	Registered
4	Tamilnadu	Chennai	Registered
5	Andhra Pradesh	Hyderabad	Registered
6	Gujarat	Surat	Registered
7	Maharashtra	Pune	Registered
8	Punjab	Ludhiana	Registered
9	Rajasthan	Jaipur	Registered
10	Delhi	Pusa Road	Applied For

36. Risk Management Architecture

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

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

- Enterprise risk management policy – To ensure that the Company adopts a robust, consistent and proportionate approach towards the identification, analysis and control of the key risks that could threaten the assets, solvency, earning capacity, business objectives or reputation of our organisation.
- Organization structure for risk reporting and disclosure – primarily through Risk Committee and Audit Committee
- Continuous Internal Audit – monitoring of process internal controls by management for system effectiveness and review of risk management procedures.

37. The financial statements accurately and fairly represent the financial condition of the Company and the insurer is running its business soundly and will be liable over the long term.

38. Comparative Figures

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

Previous year Schedule number/Line Item	Amount (RS. '000)	Current year Schedule number/Line Item	Amount (RS. '000)
Schedule 4 Line 12(c)	529	Schedule 4 Line 12(b)	94
		Schedule 4 Line 12(d)	435

As per our report of even date

For V. SAHAI TRIPATHI & CO.

Chartered Accountants

MAHESH SAHAI

Partner

Membership No. F 06730

FR No. 000262N

FOR THAKUR, VAIDYANATH AIYAR & CO.

Chartered Accountants

K.N.GUPTA

Partner

Membership No. F 09169

FR No. 000038N

New Delhi

May 19, 2011

For and on behalf of the Board of Directors

BENJAMIN DAVID

JEMPHREY KENT

Director

ANTHONY MAXWELL

COLEMAN

Director

K. NARASIMHA MURTHY

Director

DAMIEN MARMION

Chief Executive Officer

NEERAJ BASUR

Chief Financial Officer

SANDEEP SETH

Company Secretary

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 2011:

1. It is confirmed that the registration certificate granted by the Insurance Regulatory and Development Authority has been renewed and valid up to March 31, 2012.
2. It is certified that all the dues payable to the statutory authorities up to March 31, 2011 have been duly paid.
3. It is confirmed that the Indian and Foreign shareholding pattern during the year ended March 31, 2011 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, 2011.
9. Ageing of claims outstanding and trends in settlement of claims are given below:-

	FY 2010-11		FY 2009-10	
	No. of claims	Amount Involved (RS. '000)	No. of claims	Amount Involved (RS. '000)
1 month	99	3899	-	-
1-3 months	34	2630	-	-
3-6 Months	6	382	-	-
6 Months – 1 Year	1	2	-	-
1 Year – 5 Years	-	-	-	-
5 Years & above	-	-	-	-

10. As at March 31, 2011, 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, 2011 has been calculated as per guidelines issued by Fixed Income Money Market & Derivatives Association (FIMMDA).

Acquisition cost of Debt Securities is Rs. 1131279 thousand (Previous year 863826 thousand), amortized value is Rs. 1117089 thousand (Previous year Rs. 864090 thousand) and market value at Rs. 1113058 thousand (Previous year Rs. 864820 thousand).

11. Investments are in accordance with the Insurance Act, 1938 and Insurance Regulatory & Development Authority (Investment) Regulations, 2000. Investment Portfolio consists of Government Securities & State Government Securities (Sovereign Guarantee),

Management Report

State Govt. Guaranteed Loan (A+) with Irrevocable Guarantee by Andhra Pradesh State Govt., Infrastructure Bonds (AAA), Housing Sector Bonds (AAA/AA+), Certificate of Deposit/Commercial Papers with A1+/P1+/PR1+ ratings, Debt Mutual Funds and Deposits with various Scheduled Banks. There is no Non Performing Asset as at March 31, 2011.

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

					(RS. '000)
SN	Name of the Director	Entity in which Director is interested	Interested as	Nature of Payment	Amount of Payment during the Financial Year
1	Analjit Singh, Anuroop Singh, Leo Puri & K. Narasimha Murthy	Max India Limited	Director	Reimbursement of expenses	22312
2	Analjit Singh, Anuroop Singh, Leo Puri & K. Narasimha Murthy	Max Healthcare Institute Limited	Director	Pre-employment medical checkups	58
			Director	Insurance claims paid	793
3	Analjit Singh, Anuroop Singh & Leo Puri	Max New York Life Insurance Company Limited	Director	Purchase of fixed assets	124
4	Benjamin David Jemphrey Kent & William Stephen Ward	Bupa (Asia) Limited	Director	Payment of Software License Fee	7277

13. It is hereby confirmed:

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

Management Report

As per our report of even date

For V. SAHAI TRIPATHI & CO.
Chartered Accountants

MAHESH SAHAI
Partner
Membership No. F 06730
FR No. 000262N

FOR THAKUR, VAIDYANATH AIYAR & CO.
Chartered Accountants

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

New Delhi
May 19, 2011

For and on behalf of the Board of Directors

**BENJAMIN DAVID
JEMPHREY KENT**
Director

**ANTHONY MAXWELL
COLEMAN**
Director

K. NARASIMHA MURTHY
Director

DAMIEN MARMION
Chief Executive Officer

NEERAJ BASUR
Chief Financial Officer

SANDEEP SETH
Company Secretary

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

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

State Code

5 5

Balance Sheet Date

3 1

Date

0 3

Month

2 0 1 1

Year

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

Public Issue

Nil

Bonus Issue

Nil

Rights Issue

Nil

Others

1200000

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

Total Liabilities

2710977

Sources of Fund

Paid-up Capital

2710000

Secured Loans

-

Unsecured Loans

-

Application of Funds

Net Fixed Assets

213245

Net Current assets

(356928)

Accumulated Losses

1592053

Total Assets

2710977

Reserve and Surplus

-

Fair Value Change Account

977

Deferred Tax Liability

-

Investments

1262607

Misc. Expenditure

-

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)

161020

+ -

✓

Profit/Loss before tax

1162474

Earning per share in Rs.

+ -

✓

Basic and Diluted

5.62

Total Expenditure

1323494

Profit/Loss after tax

1162474

Dividend Rate (%)

NIL

V Name of three Principal Products/Service of Company

Item Code No.

N I L

Product Description

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



Max Healthcare
Institute Limited





Directors' Report

Your Directors are pleased to present the Tenth Annual Report, along with Audited Accounts for the year ended March 31, 2011.

Your Company continued on its growth trajectory, gaining traction both in terms of scale of operations, as well as market presence and reputation. During the year, the Company registered revenues from healthcare services amounting to Rs. 404 crore, representing a growth of 20% over the previous year, driven by higher patient flow and improvement in realizations. During the year under review the Company, by virtue of its increased level of operations coupled with certain cost efficiency measures has been able to turn around and achieve a Profit before Tax of Rs. 0.57 crore against a Loss of Rs. 3.32 Cr in the previous year. This is despite the increase in operational cost and pressure on compensation structure of employees to bring it in line with the recommendations of VIth Pay Commission of the Government of India. The financial expenses were also higher due to increased borrowing and upward movement in interest rates. Income from other hospitals in the network has been booked to the extent of service fee earned.

The highlights of Max Healthcare (MHC) operations, along with its network of managed hospitals, in 2010-11 are given below:

- Revenue across the network of hospitals increased by 29% to Rs. 685 crore in 2010-11
- The average number of operational beds increased to 926 in 2010-11 from 751 in 2009-10. But as the incremental capacity has not been fully utilized, average occupancy rate reduced from 73% in 2009-10 to 68% in 2010-11.
- MHC has performed over 585 open heart surgeries, 1,510 angioplasties and 3,378 angiographies. In addition, the Company and its network of hospitals performed over 3,085 ortho-surgeries, 1,378 Neuro-surgeries & procedures, 2,446 MAS Surgeries, 1,040 Oncology Surgery 16,067 other surgeries and procedures. In addition to this, MHC has done 34,846 medical admissions.
- Number of patient episodes (measured by number of invoices issued to a patient during any period) increased to over 2.9 million in 2010-11 from 2.3 million in 2009-10.

With the first phase of roll-out already completed, MHC is implementing its second phase of expansion. This involves widening the operations beyond the Delhi & NCR to other parts of northern India in addition to expanding the existing network in the Delhi & NCR region. MHC intends to increase its capacity from around 1100 beds today across a network of six hospitals and two specialty medical centers to 1,900 beds during FY 2012.

Some facts about the expansion plans:

- Max Super Specialty Hospital, Dehradun: The 180 bed Max Super Specialty Hospital at Dehradun will become operational in Q3 of FY 2011-12.
- Max Super Specialty Hospital, Shalimar Bagh: Will be a 300 bed Tertiary Care facility and is likely to be commissioned in Q3 of FY 2011-12.
- Two Super Specialities hospital under Public Private Partnership (PPP) with the Government of Punjab (GoP) of 200 beds each, slated to be launched in Q2 of FY 2011-12. These 200 bed each multi-super specialty hospitals shall have Cancer & Cardiac sciences tower specializations at Bathinda. Mohali will additionally have Trauma as a focus speciality.

EXCELLENCE IN PATIENT CARE

Quality and Safety are key differentiators of MHC, with the highest levels of trust and satisfaction among patients and their families, professionals and stakeholders. It has, over the years, evolved comprehensive systems and processes that define the "best in class" standards of care in the country, comparable to international standards.

As part of the Medical and Service Excellence programs, a Patient and Family Centered Value Model has been adopted and is being disseminated throughout the organization, to reinforce an all-pervasive patient centric culture. Ten Patient Safety Goals with action plans are in place. Surveillance of performance with respect to structure, process and outcome of quality is ongoing. Clinical Safety and Patient Satisfaction outcomes are amongst the best.

EXCELLENCE IN TRAINING, EDUCATION AND RESEARCH

MHC has achieved distinction in training, education and clinical research.

In education, Max Healthcare has established several Post Graduate/Under Graduate education programmes. Some of these are:

- Post Graduate Programs (Diplomate National Board) in Cardiology, Cardiac Surgery, Cardiac Anesthesia, Interventional Cardiology, Neurology, Minimal Access Surgery (MAS), Internal Medicine, Radiology and Pathology & Anesthesia
- Post Graduate Diploma in Clinical Cardiology (IGNOU)

Directors' Report

- Masters in Emergency Medicine in Collaboration with George Washington University, USA
- Post Graduate Diploma in Critical Care Medicine under aegis of Indian Society of Critical Care Medicine, Fellowship in Critical Care
- Max Healthcare is an American Heart Association (AHA) recognized centre for Advanced Cardiac Life Support Training, Basic Cardiac Life Support Training, Paediatric Life Support, First aid and Airway Management.
- B.Sc. in Emergency Trauma Care and Technology under an MOU with Hamdard University, New Delhi.
- Residency Exchange Program with Baylor College of Medicine, USA
- Several short courses/Fellowships to expose physicians in periphery to super-speciality areas like neuroradiology, spine surgery, cardiology, neonatology and laparoscopic surgery
- Visiting fellowships in Sonomammography, Interventional Radiology, MRI, Neuroimaging, Musculoskeletal imaging, USG & Colour Doppler
- Egaz Muniz Fellowship in Neuro intervention & Stroke
- Certificate Course in Pediatric Critical Care Medicine
- Fellowship in Non Invasive Cardiology
- Fellowship in Spine Surgery
- Simulation Based Trainings have been introduced this year
- Post Graduate Diploma in Neuro Nursing.
- Under training, there were around 100 doctors/paramedics/nurses undergoing formal education programs in 2010-11.

MHC has recently entered into an MOU with Baylor College of Medicine, Houston, USA for advancement and international collaboration in patient care, education and research.

In research, several clinical trials are underway. The organization has recently established a Stem Cell Research Committee, and is exploring this new exciting area of research.

DIVIDEND

In view of the Company's carried forward and current losses, your Directors are unable to recommend any dividend for the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956

('the Act') and the Company's Articles of Association, Dr. Ajit Singh, Dr. Pervez Ahmed, Mr. K.K. Mathur and Mr. Leo Puri are due to retire by rotation and are eligible for re-appointment.

BOARD COMMITTEES

AUDIT COMMITTEE

The Committee comprises Mr. K. Narasimha Murthy (Chairman) Mr. K.K. Mathur, Mr. Leo Puri and Dr. Pervez Ahmed. The role and terms of reference of the Audit Committee cover the areas mentioned under Section 292A of the Act besides other terms, as may be referred to it by the Board of Directors of the Company, from time to time.

REMUNERATION COMMITTEE

The Committee comprises of Dr. Ajit Singh (Chairman) Mr. K.K. Mathur, Mr. Leo Puri and Dr. R.P. Soonawala. This Committee has the mandate for finalizing the terms of compensation for the Executive Directors and Senior Executives of the Company and to administer the Employee Stock Plan-2006 of the Company.

SCIENTIFIC PROJECTS & TECHNOLOGY COMMITTEE

This Committee comprises of Dr. Ajit Singh (Chairman), Mr. Leo Puri, Dr. K.M. Fock, Dr. Pervez Ahmed and Dr. Pradeep K. Chowbey. This Committee has the mandate for reviewing and assessing the investments in emerging technologies and information systems, besides establishing a governance framework for evaluation of new medical programs as proposed by management.

MEDICAL EXCELLENCE AND COMPLIANCE COMMITTEE

This Committee comprises of Dr. K.M. Fock (Chairman), Dr. Ajit Singh, Dr. Pervez Ahmed, Dr. R.P. Soonawala and Dr. Pradeep K. Chowbey. This Committee reviews and assesses the Medical Quality standards and metrics and establishes a medico legal governance framework for the Company.

SERVICE EXCELLENCE COMMITTEE

This Committee comprises of Mr. S.S.H. Rehman (Chairman), Mr. Analjit Singh, Mr. K.K. Mathur, Dr. Pervez Ahmed and Dr. Pradeep K. Chowbey. This Committee guides the management team on service quality and efficiency metrics including reviewing and assessing the operating process and efficiency.

EMPLOYEE STOCK PLAN – 2006

In order to attract and retain key employees and to encourage them to increase their efforts towards making the Company's business more successful, your Company implemented Employee stock option plan in 2006. As of March 31, 2011, 30,44,500 stock options are outstanding under the Employees

Directors' Report

Stock Plan. Of the said options, 2,59,500 Stock Options granted earlier have since elapsed as of the date of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Act, your Directors confirm that:

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- (ii) The Directors 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 profit or loss of the Company for that period.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Directors have prepared the annual accounts on a going concern basis.

ADDITIONAL INFORMATION

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

	(Rs. Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
i) Foreign Exchange Earnings	0.38	0.52
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	2.00	0.02
- Trading Goods	0.89	0.60
Others	1.58	2.08

HUMAN CAPITAL

The Company continues to attract eminent physicians from the NCR of Delhi and its surrounding areas as well as from abroad. As on 31 March 2011, MHC in its network of hospitals had a base of around 1,300 physicians, including several doctors of international repute, 1,900 nurses, 1700 paramedic staff. The particulars of employees as required under Section 217 (2A) of the Act, are given in a separate annexure to this Report.

SUBSIDIARY COMPANIES

Statement pursuant to Section 212 of the Act, relating to subsidiaries of the Company as of March 31, 2011 is annexed to this Report.

PARTICULARS OF DEPOSITS

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

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retires and offers themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Act, to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for all the employees of the Company, valued customers, bankers, financial institutions and shareholders for their support and confidence in the Company.

For and on Behalf of the Board of Directors

New Delhi
August 12, 2011

ANALJIT SINGH
Chairman

Annexure - 'A'

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(3) AND 212(5) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Financial Year to which Accounts relate	Holding Company's interest at the close of Financial year of Subsidiary Company	(i) Shareholding	(ii) Extent of Holding	Net Aggregate amount of Subsidiary Company's profits after deducting, its losses or vice-versa, so far as it concerns Members of Holding Company which are not dealt within the Company's Account		Net Aggregate amount of Subsidiary Company's profits after deducting, its losses or vice-versa, so far as it concerns Members of Holding Company which are dealt within the Company's Account		Holding Company's Interest as at 31.03.2011 incorporating changes since close of financial year/period of Subsidiary Company
					For the Current Financial Year (Rs. Lacs)	For the Previous Financial Year (Rs. Lacs)	For the Current Financial Year (Rs. Lacs)	For the Previous Financial Year (Rs. Lacs)	
Max Medical Services Limited	31.03.2011		141,42,535 Equity Shares of Rs. 10 each	100%	(1,315.57)	(820.21)	NIL	NIL	100%
Alps Hospital Limited #	31.03.2011		50,000 Equity Shares of Rs. 10 each	100%	(702.44)	(810.05)	NIL	NIL	100%
Hometrail Bulditech Private Limited	31.03.2011		10,000 Equity Shares of Rs. 10 each	100%	(10.84)	(130.92)	NIL	NIL	100%
Hometrail Estate Private Limited	31.03.2011		10,000 Equity Shares of Rs. 10 each	100%	(14.13)	(129.11)	NIL	NIL	100%

Holding through subsidiary Max Medical Services Limited
Figures in brackets indicate loss.

For and on Behalf of the Board of Directors

New Delhi
August 12, 2011

ANALJIT SINGH
Chairman

Auditors' Report

To The Members of Max Healthcare Institute Limited

1. We have audited the attached Balance Sheet of Max Healthcare Institute Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.

Firm registration number: 301003E
Chartered Accountants

per MANOJ GUPTA

Partner
Membership No.: 83906

Gurgaon
May 12, 2011

Auditors' Report

Annexure referred to in paragraph 3 of our report of even date Max Healthcare Institute Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) There was no disposal of a substantial part of fixed assets during the year.
 - (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
 - (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
 - (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
 - (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
 - (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - (vi) The Company has not accepted any deposits from the public.
 - (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
 - (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues. The provisions relating to employees' state insurance are not applicable to the Company.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given

Auditors' Report

to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO.

Firm registration number: 301003E
Chartered Accountants

per MANOJ GUPTA

Partner
Membership No.: 83906

Gurgaon
May 12, 2011

Balance Sheet as at March 31, 2011

		(RS. IN LACS)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	54,083	48,714
Share application money pending allotment		2,500	-
Reserves and Surplus	2	3,516	13,636
		60,099	62,350
Loan Funds			
Secured Loans	3	29,394	29,957
Unsecured Loans	4	5,000	5,000
		34,394	34,957
Total		94,493	97,307
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	31,486	30,348
Less: Accumulated Depreciation/amortisation		8,888	7,524
Net Block		22,598	22,824
Capital work-in-progress including capital advances		9,318	2,755
		31,916	25,579
Investments	6	4,518	9,394
Current Assets, Loans and Advances			
Inventories	7	1,304	1,378
Sundry Debtors	8	11,427	13,111
Cash and Bank Balances	9	2,726	3,569
Other Current Assets	10	349	225
Loans and Advances	11	49,909	41,540
(A)		65,715	59,823
Less: Current Liabilities And Provisions			
Current Liabilities	12	7,655	7,984
Provisions	13	11,017	723
(B)		18,672	8,707
Net Current Assets (A-B)		47,043	51,116
Miscellaneous Expenditure	14	-	145
(To the extent not written off or adjusted)			
Profit and Loss Account		11,016	11,073
Total		94,493	97,307
Notes to accounts	21		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

For S.R. BATLIBOI & Co.

Firm Registration Number: 301003E

Chartered Accountants

per **MANOJ GUPTA**

Partner

Membership Number 83906

Gurgaon

May 12, 2011

DR. PERVEZ AHMED

CEO & Managing Director

S.L. NARAYANAN

CFO & Director-Strategic IT

New Delhi

May 12, 2011

K. NARASIMHA MURTHY

Director

ARVIND KAKAR

Deputy CFO

LALJI KUMAR

Company Secretary

Profit and Loss Account for the year ended March 31, 2011

			(RS. IN LACS)
	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Income from Healthcare Services	15	40,368	33,577
Other Income	16	4,949	4,600
		45,317	38,177
EXPENDITURE			
Medical supplies consumed/traded	17	15,621	12,422
Personnel Expenses	18	8,984	8,363
Operating and Administrative expenses	19	15,669	13,208
Financial Expenses	20	3,552	3,156
Depreciation/Amortisation	5	1,434	1,360
		45,260	38,509
Profit/(loss) before tax		57	(332)
Tax Expense		-	-
Profit/(loss) after tax		57	(332)
Loss brought forward from previous year		11,073	10,741
Loss carried forward to the balance sheet		11,016	11,073
Earnings Per Share			
(Refer Note C13 on Schedule 21)			
Basic [Nominal value of shares Rs.10 (Previous year Rs.10)] Rs		0.02	(0.14)
Diluted [Nominal value of shares Rs.10 (Previous year Rs.10)] Rs		0.02	(0.35)
Notes to Accounts	21		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

For S.R. BATLIBOI & Co.
Firm Registration Number: 301003E
Chartered Accountants

DR. PERVEZ AHMED
CEO & Managing Director

K. NARASIMHA MURTHY
Director

per MANOJ GUPTA
Partner
Membership Number 83906

S.L. NARAYANAN
CFO & Director-Strategic IT

ARVIND KAKAR
Deputy CFO

LALJI KUMAR
Company

Secretary

Gurgaon
May 12, 2011

New Delhi
May 12, 2011

Cash Flow Statement For The Year Ended March 31, 2011

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ Loss before tax	57	(332)
Adjustments for:		
Depreciation	1,434	1,360
Interest Expense	3,392	3,006
Interest Income	(4,378)	(3,602)
Net (Profit)/Loss on Sale of Fixed Assets	41	47
Net (Profit)/Loss on Sale of Investments	(118)	(408)
Provision for Bad and Doubtful Debts	159	149
Liabilities No Longer Required Written Back	(134)	(111)
Provision for Gratuity and Leave Encashment	135	338
Provision for Doubtful Advances	1	29
Adjustments for:		
(Increase)/ Decrease in Trade Receivables	1,525	(2,280)
(Increase) / Decrease in Loans and advances & other receivables	(134)	1,324
(Increase)/ Decrease in Inventories	74	(322)
Increase/ (Decrease) in Trade Payables	(6)	1,964
Cash Generated From Operations	2,048	1,162
Direct Taxes (Paid)/Refunded (Net)	(573)	(475)
Cash From/(Used in) Operating Activities	1,475	687
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(7,820)	(3,099)
Proceeds from Sale of Fixed Assets	8	27
Proceeds from Sale of Investments	10,815	34,069
Purchase of Investments (Others)	(5,822)	(32,604)
Advances to Group Companies	(4,966)	(7,737)
Loan given to other Healthcare Service providers	(1,512)	(2,162)
Interest Received (Revenue)	3,072	2,889
Cash From/(Used In) Investing Activities	(6,225)	(8,617)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	2,500	-
Proceeds from issuance of Share Capital	5,369	-
Share Issue Expenses	(5)	-
Proceeds from Long Term Borrowings	-	7,500
Repayment of Long Term Loans	(2,370)	(1,688)
Working Capital Funding (net)	1,834	499
Proceeds from Short Term Loans	27	5,103

Cash Flow Statement for the year ended March 31, 2011

	(RS. IN LACS)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Repayment of Short Term Loans	(54)	(56)
Interest Paid	(3,394)	(3,062)
Cash From/(Used In) Financing Activities	3,907	8,296
Net Increase/(Decrease) in Cash and Cash Equivalents	(843)	366
Cash and Cash Equivalents – Opening Balance	3,569	3,203
Cash and Cash Equivalents – Closing Balance	2,726	3,569
Net Increase/(Decrease) in Cash and Cash Equivalents	(843)	366

Notes:

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

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
Cash in Hand	53	38
Cheques in Hand	415	102
Balance with Scheduled Bank		
- In Current Accounts	511	419
- In Deposit Accounts	1,237	2,500
- In Margin Accounts*	510	510
Total	2,726	3,569

* Not available for use by the Company since under lien.

Notes to Accounts

21

The schedules referred to above forms an integral part of the Cash Flow Statement

As per our report of even date

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

For S.R. BATLIBOI & Co.

Firm Registration Number: 301003E

Chartered Accountants

per **MANOJ GUPTA**

Partner

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Gurgaon

May 12, 2011

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New Delhi

May 12, 2011

K. NARASIMHA MURTHY

Director

ARVIND KAKAR

Deputy CFO

LALJI KUMAR

Company Secretary

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-1		
SHARE CAPITAL		
AUTHORISED		
350,000,000 (Previous year: 350,000,000) equity shares of Rs.10/- each	35,000	35,000
250,000,000 (Previous year: 250,000,000) cumulative preference shares of Rs.10/- each	25,000	25,000
15,000,000 (Previous year: Nil) compulsorily convertible preference shares of Rs.100/- each	15,000	-
	75,000	60,000
ISSUED, SUSCRIBED & PAID UP		
(Refer Notes C2, B15 & C18 on Schedule 21)		
290,833,675 (Previous year 237,144,548) equity shares of Rs.10/- each	29,083	23,714
Of the above:		
(i) 219,489,127 (Previous year 166,100,000) equity shares are held by Max India Limited, the Holding Company along with its nominees. Of the above 103,779,127 (Previous year: 103,779,127) equity shares are allotted as fully paid up for consideration other than cash.		
(ii) 350,000 (Previous year: 50,000) equity shares of Rs. 10/- each are allotted as fully paid up under employee stock option scheme.		
250,000,000 (Previous year: 250,000,000) 2% cumulative convertible preference shares of Rs.10/- each	25,000	25,000
	54,083	48,714
SCHEDULE-2		
RESERVES AND SURPLUS		
(REFER NOTES B15 ON SCHEDULE 21)		
Capital Reserve	1	1
Securities Premium Account		
Opening Balance	13,635	13,635
Add: Premium on issue of employee stock options	43	-
Less: Provision for guaranteed internal rate of return on cumulative convertible preference shares	(10,158)	-
Less: Share issue expenses	(5)	-
	3,515	13,635
	3,516	13,636
SCHEDULE-3		
SECURED LOANS		
(Refer Note C4 on Schedule 21)		
Loans and advances from banks:		
Cash Credit facilities	3,346	1,512
Term loans from banks		
Vehicle Loans	109	137
Due within one year Rs.40 lacs (Previous year: Rs.52 lacs)		
Other loans and advances:		
Term Loans from Financial Institutions	25,939	28,308
Due within one year Rs.2,977 lacs (Previous year: Rs.2,369 lacs)	29,394	29,957
SCHEDULE-4		
UNSECURED LOANS		
Other loans and advances		
From banks	5,000	5,000
Due within one year Rs.5,000 lacs (Previous year: Rs.5,000 lacs)	5,000	5,000

Schedules annexed to and forming part of the accounts

SCHEDULE-5

FIXED ASSETS

(Refer Notes C3, C12(B) & C21 on Schedule 21)

(RS. IN LACS)

Particulars	Gross Block			Depreciation/ Amortisation				Net Block	
	As at April 01, 2010	Additions	Deletions/ Adjustments	As at March 31, 2011	As at April 01, 2010	Additions	Deletions/ Adjustments	As at March 31, 2011	As at March 31, 2010
Tangible Assets									
Leasehold Land	6,256	-	-	6,256	-	-	-	-	6,256
Building	6,462	130	-	6,592	405	106	-	511	6,057
Building (Leasehold Improvement)	2,491	-	-	2,491	1,736	191	-	1,927	755
Plant and Machinery	2,482	128	38	2,572	611	119	12	718	1,871
Furniture and Fixture	907	26	5	928	394	61	4	451	513
Office Equipment and Computers	1,817	298	29	2,086	961	147	26	1,082	856
Medical Equipment	8,921	563	24	9,460	2,952	653	13	3,592	5,969
Motor Vehicles	339	48	23	364	77	33	15	95	262
Intangible Assets									
Computer Software	673	64	-	737	388	124	-	512	285
TOTAL	30,348	1,257	119	31,486	7,524	1,434	70	8,888	22,824
Previous Year	29,614	857	123	30,348	6,213	1,360	49	7,524	
Capital work-in-progress including capital advances of Rs. 2,228 lacs (Previous year Rs. 872 lacs)									
						</			

Notes:

- Land is under perpetual lease
- Motor vehicles includes motor vehicles hypothecated amounting to Rs. 223 lacs (Previous year Rs. 204 lacs)
- Leasehold improvements consists of civil and other improvements at premises taken on long term lease by the Company
- Capital work-in-Progress includes:
 - Preoperative expenses pending allocation and capitalization Rs.1,224 lacs (Previous year Rs. 436 lacs).
 - Preoperative expenses pending allocation and capitalization includes borrowing cost amounting to Rs.416 lacs (Previous year Rs. 97 lacs)
 - Capital advances includes an amount of Rs. 840 lacs (Previous year Rs. 597 lacs) paid to Greater Noida Development Authority as part payment for a hospital plot in Greater Noida (UP)

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-6		
INVESTMENTS		
(Refer Notes C7 & C19 on Schedule 21)		
Long Term Investments (At cost)		
A. Trade (Unquoted)		
I. In Subsidiary Companies		
Max Medical Services Limited	2,094	2,094
14,142,535 (Previous year: 14,142,535) equity shares of Rs.10/- each fully paid-up		
Hometrail Estate Private Limited	1	1
10,000 (Previous year: 10,000) equity shares of Rs.10/- each fully paid-up		
Hometrail Buildtech Private Limited	1	1
10,000 (Previous year: 10,000) equity shares of Rs.10/- each fully paid-up		
II In Joint Venture Company		
Nova Medical Centers NCR Region Private Limited	422	-
4,220,000 (Previous year: Nil) equity shares of Rs.10/- each fully paid-up		
B. Other than trade (Unquoted)		
Current Investments (At lower of cost and market value)		
Nil (Previous year: 15,273,365) units of Rs.10/- each in Tata Floater Fund-Growth	-	2,083
Nil (Previous year: 25,926,667) units of Rs.10/- each in HDFC Floater Advantage Plan Fund-Growth	-	5,215
142,557 (Previous year: Nil) units of Rs.1,000/- each in DSP Black Rock Strategic Bond Fund - Institutional Plan Growth	2,000	-
Aggregate value of unquoted investments	4,518	9,394
SCHEDULE-7		
INVENTORIES (At Lower of Cost and Net Realisable Value)		
Stock of Medicines and Consumables	641	782
Medical and Surgical Instruments	663	596
	1,304	1,378
SCHEDULE-8		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	7,114	9,623
Unsecured, considered doubtful	787	654
Other debts		
Unsecured, considered good	4,313	3,488
Unsecured, considered doubtful	27	1
	12,241	13,766
Less: Provision for doubtful debts	(814)	(655)
	11,427	13,111

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
Included in Sundry Debtors are:		
i. Due from companies under the same management:		
Max New York Life Insurance Company Ltd.	4	4
Maximum amount outstanding Rs. 4 lacs (Previous year Rs. 4 lacs)		
Max Neeman Medical International Ltd.	40	2
Maximum amount outstanding Rs. 40 lacs (Previous year Rs. 2 lacs)		
Alps Hospital Ltd.	1,942	1,374
Maximum amount outstanding Rs. 2,037 lacs (Previous year Rs.1,501 lacs)		
Max HealthStaff International Ltd.	4	4
Maximum amount outstanding Rs. 4 lacs (Previous year Rs. 4 lacs)		
Max Bupa Health Insurance Company Ltd	1	-
Maximum amount outstanding Rs 4. lacs (Previous year Rs. 4 lacs)		
ii. Due from directors of the Company	-	-
Maximum amount outstanding Re. 1 lac (Previous year Re. 1 lac)		
SCHEDULE-9		
CASH AND BANK BALANCES		
Cash in hand	53	38
Cheques in hand	415	102
Balances with scheduled banks		
In current accounts	511	419
In deposit accounts	1,237	2,500
In margin accounts	510	510
	2,726	3,569
SCHEDULE-10		
OTHER CURRENT ASSETS		
Unbilled revenue	295	205
Interest accrued on deposit and margin accounts	54	20
	349	225

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-11		
LOANS AND ADVANCES		
(Refer Note C12A on Schedule 21)		
Unsecured, considered good		
Advances and loans to subsidiaries	33,418	26,413
Lease rent receivable from subsidiary	2,201	2,527
Less: Unearned Income from subsidiary	(1478)	(1634)
Inter corporate deposits	12,226	11,297
Share application money given	178	-
Advances recoverable in cash or kind or Value to be received	966	1,367
Security deposits	897	642
Advance income tax	1,501	928
Unsecured, considered doubtful		
Advances recoverable in cash or kind or value to be received	2	29
Less: Provision for doubtful advances	(2)	(29)
	49,909	41,540
Included in Loans and Advances are:		
Due from companies under the same management:		
Max Medical Services Ltd.	27,155	23,560
Maximum amount outstanding Rs. 27,436 lacs (Previous year Rs. 24,196 lacs)		
Hometrail Estates Private Ltd	2,873	1,123
Maximum amount outstanding Rs. 2,872 lacs (Previous year Rs. 1,122 lacs)		
Hometrail Buildtech Private Ltd	2,642	979
Maximum amount outstanding Rs. 2,642 lacs (Previous year Rs. 980 lacs)		
Alps Hospital Ltd.	1,471	1,644
Maximum amount outstanding Rs. 1,644 lacs (Previous year Rs. 1,806 lacs)		
Nova Medical Centers NCR Region Private Ltd	178	-
Maximum amount outstanding Rs. 178 lacs (Previous year Rs. Nil)		

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-12		
CURRENT LIABILITIES		
(Refer Note C5 on Schedule 21)		
Sundry Creditors:		
(a) total outstanding dues of Micro, Medium and Small Enterprises	-	-
(b) total outstanding dues of other than Micro, Medium and Small Enterprises	6,597	6,905
Sundry deposits	42	11
Advance from customers	101	88
Advance income received	21	24
Provision for employee stock options	335	264
Other liabilities	535	666
Interest accrued but not due on loans	24	26
	7,655	7,984
SCHEDULE-13		
PROVISIONS		
(Refer Note C8 on Schedule 21)		
Provision for leave encashment	525	532
Provision for gratuity	332	189
Provision for guaranteed internal rate of return on cumulative convertible preference shares	10,158	-
Provision for Wealth Tax	1	1
Provision for Fringe Benefit Tax	1	1
	11,017	723
SCHEDULE-14		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Deferred employee compensation	-	145
	-	145
		(RS. IN LACS)
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE-15		
INCOME FROM HEALTHCARE SERVICES		
Revenue from Healthcare Facilities	29,394	25,283
Includes tax deducted at source Rs. 720 lacs (Previous year Rs. 398 lacs)		
Sale of drugs, pharmaceuticals and medical supplies	9,372	6,889
Income earned from other healthcare service providers	1,428	1,278
Includes tax deducted at source Rs. 14 lacs (Previous year Rs. 13 lacs)		
Sponsorships and educational income	174	127
Includes tax deducted at source Rs. 3 lacs (Previous year Rs. 2 lacs)		
	40,368	33,577

Schedules annexed to and forming part of the accounts

(RS. IN LACS)

	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE-16		
OTHER INCOME		
(Refer Note C12 on Schedule 21)		
Interest on:		
Bank deposits	160	81
Includes tax deducted at source Rs. 16 lacs (Previous Year Rs. 2 lacs)		
Loans given to subsidiaries	2,717	2,212
Includes tax deducted at source Rs. 27 lacs (Previous Year Rs. 21 lacs)		
Assets given on finance lease to subsidiary	156	112
Includes tax deducted at source Rs. 7 lacs (Previous Year Rs. 1 lacs)		
Loans given to other healthcare service providers	1,314	1,112
Includes tax deducted at source Rs. 13 lacs (Previous Year Rs. 5 lacs)		
Income tax refund	31	84
Lease rentals	48	48
Profit on sale of investments	118	408
Liabilities/provisions no longer required written back	134	111
Income from laundry services	118	99
Includes tax deducted at source Rs. 2 lacs (Previous Year Rs.4 lacs)		
Gain on foreign exchange fluctuation	4	-
Miscellaneous income	149	333
Includes tax deducted at source Rs. 7 lacs (Previous Year Rs. 27 lacs)		
	4,949	4,600
SCHEDULE-17		
MATERIAL, SUPPLIES CONSUMED AND TRADED		
Consumption of medical consumables	6,559	5,775
Cost of traded goods sold		
- Drugs, Pharmaceuticals and Medical Supplies:	9,062	6,647
	15,621	12,422
SCHEDULE-18		
PERSONNEL EXPENSES		
(Refer Notes C6 & C8 on Schedule 21)		
Salaries, wages and bonus	8,097	7,465
Contribution to provident and other funds	316	294
Gratuity expense	158	135
Recruitment expenses	64	163
Staff welfare	349	306
	8,984	8,363

Schedules annexed to and forming part of the accounts

	(RS. IN LACS)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE-19		
OPERATING AND ADMINISTRATIVE EXPENSES		
(Refer Notes C12, C15 & C17 on Schedule 21)		
Professional and consultation fees	7,109	5,721
Outside lab investigations	199	230
Patient catering expenses	417	367
Rent	1,061	930
Insurance	151	143
Rates and taxes	55	72
Facility maintenance expenses	1,453	1,185
Power and fuel	801	758
Repairs and maintenance:		
- Building	218	227
- Plant and machinery	384	362
- Others	362	306
Printing and stationery	262	236
Travelling and conveyance	401	349
Communication	168	129
Legal and professional	785	572
IT support expense	306	314
Directors' fee	12	4
Watch and ward	159	144
Advertisement and publicity	325	320
Software expenses	5	14
Charity and donation	632	441
Equipment hiring charges	19	12
Provision for doubtful debts	159	149
Provision for doubtful advances	1	29
Loss on sale/disposal of fixed assets	41	47
Loss on foreign exchange fluctuation	-	3
Miscellaneous expenses	184	144
	15,669	13,208
SCHEDULE-20		
FINANCIAL EXPENSE		
Interest		
on term loans	3,289	2,929
to banks	103	76
Bank Charges	160	151
	3,552	3,156

Schedules annexed to and forming part of the accounts

SCHEDULE-21: NOTES TO THE ACCOUNTS

A. Nature of Operations

The Company has completed Phase-I of its plans which included setting up of a network of healthcare facilities in the National Capital Region, comprising of primary care clinics, secondary care hospitals/med centres and tertiary care facilities. Subsequent phases, currently underway, are for expanding these facilities and setting up other healthcare facilities.

The financials of the Company include the performance of hospitals and centres, which are operational and the central support team, which is meant to support the current operations and ongoing expansion. Healthcare facilities have long gestation periods from the commencement of its operations and accordingly require significant cash outlay.

Also, as part of the plan, the Company had entered into long term service contracts with other Healthcare Service Providers and a downstream subsidiary to provide support/services to them in their hospital operations.

B. Statement of Significant Accounting Policies

1) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Assets acquired under the business transfer agreement are stated at amounts based on a valuation report. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4) Depreciation

- (i) Depreciation is provided using Straight Line Method as per the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the lease term.
- (iii) Assets costing Rs.5,000 or below are depreciated at the rate of 100%.

5) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Schedules annexed to and forming part of the accounts

6) Intangible Assets

Research costs are expensed as incurred. Development expenditure incurred on software implementation is recognized as an intangible asset when its future recoverability can reasonably be regarded as assured and are separately identifiable. Any expenditure so capitalised is amortized over their estimated useful lives of two to six years on straight line basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

7) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risk and benefits incidental to the ownership of the leased term, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight line basis over the lease term.

Where the Company is the lessor

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on straight line basis over the lease term. Cost including depreciation is recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs are recognized immediately in the profit and loss account.

8) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments.

9) Inventories

Inventories are valued as lower of cost and net realizable value. Cost comprises of purchase price including duties, taxes and other incidental cost necessary to bring the inventory to its saleable condition. Cost is determined on first in first out basis.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

10) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

Schedules annexed to and forming part of the accounts

11) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Sale of Goods

Revenue in respect of sale of drugs, pharmaceuticals and medical supplies is recognised when the significant risks and rewards of ownership of the goods is passed to the buyer. Sale is net of trade discounts and value added tax.

(ii) Revenue from healthcare facilities

Revenue from healthcare facilities is recognized on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as unbilled under other current assets.

(iii) Interest

Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(iv) Service income

Revenues from other healthcare service providers and sponsorship and educational income are recognized on the performance of related services as per the terms of contracts.

12) Foreign Currency Translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward exchange contracts not intended for trading or speculation purposes

The premium or discounts arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expenses for the year.

13) Retirement and other employee benefits

(i) Provident fund

Retirement benefit in the form of Provident Fund is a defined benefit obligation as the Company and its employees are contributing to a provident fund trust "Max India Limited Employees Provident Fund Trust" managed by the Company's parent company and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. Shortfall in the fund, if any, is adequately provided for by the Company.

(ii) Superannuation fund

Superannuation Fund is a defined contribution scheme. Liability in respect of Superannuation Fund to the employees is accounted for as per the Company's Scheme and contributed to "Max Healthcare Institute Limited Superannuation Fund" every year. The contributions to the funds are charged to the Profit and Loss Account of the year. The Company does not have any other obligation to the fund other than the contribution payable.

(iii) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit

Schedules annexed to and forming part of the accounts

credit method made at the end of each financial year. The Company has taken a policy with LIC to cover the gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

(iv) Compensated absences

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

(v) Actuarial gains/ losses are immediately taken to Profit and Loss Account and are not deferred.

14) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

15) Employee Stock Compensation Cost

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

16) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

17) Provisions

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 its present value and are determined based on best management 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.

Schedules annexed to and forming part of the accounts

18) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

C. NOTES TO THE ACCOUNTS

1. Contingent Liabilities not provided for

(RS. IN LACS)

SI No.	Particulars	As at March 31, 2011	As at March 31, 2010
i.	Corporate guarantee given to financial institutions/ banks in respect financial assistance availed by subsidiaries of the Company and other healthcare service provider. (Refer note (a))		
	- L&T Infrastructure Finance Company Limited	5,100	-
	- Export-Import Bank of India	2,920	3000
	- Housing Development Finance Corporation Limited	4,800	2,990
ii.	Claims against the Company not acknowledged as debts (Refer note (b))	991	728
iii.	Letters of credit opened by various banks in favour of domestic and foreign suppliers for consumables, medicines and medical equipment	527	117
iv.	Liability of assumed IRR on Compulsory convertible preference shares pending allotment (Refer note (c))	51	-
v.	a) Arrears of dividend on 2% Cumulative convertible preference shares (Refer note 2)	1,840	1,340
	b) Corporate Dividend tax thereon	306	228
	c) Liability on assumed IRR on Cumulative convertible preference shares (Refer note 2)	-	6,916
vi.	Income Tax cases (Refer note (d))	4,069	3,828

Note:

- Guarantees given by the Company on behalf of wholly owned subsidiaries and other healthcare services provider is not considered as prejudicial to the interest of the Company as it provides opportunities for growth and increase in operations.
- Claims against the Company not acknowledged as debts represent the cases that are pending with various Consumer Disputes Redressal Commissions / Courts. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.
- During the year the company has received share application money amounting to Rs. 2,500 lacs in lieu of 15,000,000 Compulsorily Convertible Preference shares of face value of Rs.100/- each pending allotment to Max India Ltd (the Holding Company) vide ordinary resolution of the members of the company dated Feb 21, 2011. The compulsory convertible Preference Shares carry a Guaranteed Internal Rate of Return (GIRR) of 12% from the date of investment till date to conversion.

Schedules annexed to and forming part of the accounts

d. Income Tax Cases

Certain income-tax proceedings are pending against the Company as detailed below:-

(RS. IN LACS)			
Assessment Year	Disallowance made by the Assessing Officer Rs. in Lacs	Appeal against the disallowance pending Before	Demand (if any)
2003-04	1,158	CIT(Appeals)	Nil
2004-05	641	CIT(Appeals)	Nil
2005-06	649	CIT(Appeals)	Nil
2006-07	462	CIT(Appeals)	Nil
2007-08	917	CIT(Appeals)	Nil
2008-09	242	CIT(Appeals)	Nil
	4,069		

Note:- Based on the management assessment of cases, it believes that the above appeals would be disposed off in its favour.

2. During the financial year 2007-08, the Company together with Max India Limited (the Holding Company) had entered into a tripartite subscription agreement dated June 29, 2007, for issue of equity and preference share capital, with International Finance Corporation, USA (IFC).

As per the agreement, IFC had subscribed to the share capital of the Company amounting to Rs. 30,000 Lacs on July 28, 2007, as detailed below:

- i. 9,090,909 Equity Shares of face value of Rs. 10/- each at a premium of Rs. 45/- each aggregating to Rs. 5,000 lacs.
- ii. 250,000,000, 8 years 2% Cumulative Partially Convertible Preference Shares of Rs. 10/- each aggregating to Rs. 25,000 lacs.

The Preference Shares carry a dividend rate of 2% which is cumulative in nature, payable until date of redemption or date of purchase or conversion into equity shares, whichever is earlier. The earliest date of redemption or conversion or purchase is 3 years from the date of issue of the said shares.

Also, the Preference Shares have been issued with a guaranteed internal rate of return (GIRR) of 11.25%. The said GIRR is inclusive of 2% dividend rate, premium on redemption and discount to any initial public offering (IPO) price. The Preference Shareholders also have an option to convert a portion of Preference Shares into Equity Shares at a discount to a future IPO price of the Company, subject to a maximum of 7.5% equity stake in the Company upon such conversion.

The Preference Shares which have not been converted into equity shares shall be redeemable at the expiry of eight years from the date of issue. The said redemption of Preference Shares will be at a GIRR of 11.25% p.a. inclusive of payment of 2% annual dividend and premium on redemption of Preference Shares.

The Company also has a right to redemption of the aforesaid preference shares at any time provided IFC is paid the redemption amount at the GIRR.

Subsequent to the above mentioned agreement, the Company had entered into another tripartite "put option" agreement together with Max India Limited (the Holding Company) and International Finance Corporation, USA. As per the said agreement IFC has a right to exercise the put option in respect of the said preference shares on Max India Limited as under:-

- i. At any time after 3 years from date of subscription; or
- ii. At any time after giving due notice, in the event of non-performance of certain obligation by the Company and/or Max India Limited.

Also, the price to be determined as per the 'put option' would be equivalent to the amount paid to redeem the Preference Shares so as to generate GIRR of 11.25% as adjusted with the following:-

- i. Payment of 2% preference dividend;
- ii. Discount on IPO Price on such portion of Preference Shares which have been converted to Equity Shares; and

Schedules annexed to and forming part of the accounts

iii. Premium paid on Preference Shares already redeemed or to be redeemed.

During the year, the Company has provided for the aforesaid liability of Rs.10,158 lacs and adjusted against securities premium account.

3. Capital Commitments

	For the year ended March 31, 2011 (Rs. in Lacs)	For the year ended March 31, 2010 (Rs. in Lacs)
Estimated amount of contracts remaining to be executed on capital account and not provided for	14,015	8,477
Less: Capital Advances	2,228	872
Balance Value of Contracts	11,787	7,605

4. Secured Loans

a) Other Loans and advances

For the Phase I expansion the Company has availed term loans from financial institutions to finance its hospital projects. The details of loans outstanding till date are as follows:

Rs. 12,064 lacs (Previous year Rs. 13,871 lacs) from Housing Developing Finance Corporation Limited and Rs 6,375 lacs (Previous year Rs. 6,937 lacs) Export Import Bank of India secured by way of charge (s) created/ to be created as below:

- Equitable mortgage of the immovable properties of the Company and a Society
- First charge on the whole of movable fixed assets including medical equipments, movable plant and machinery, spares etc (excluding vehicles) of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited
- First charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited, present and future (subject to a prior charge in favour of working capital bankers restricted to working capital limits of Rs. 5,000 lacs in aggregate).
- Corporate guarantees by the holding company.

For the Phase II expansion the company has availed the term loan from financial institution as follows:

Rs. 7,500 Lacs (Previous year Rs. 7,500 lacs) from Housing Developing Finance Corporation Limited secured by way of:

- Equitable mortgage of the immovable properties of the Company
- First charge on the whole of movable fixed assets including medical equipments, movable plant and machinery, spares etc (excluding vehicles) of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited
- First charge on all book debts, operating cash flows, receivables, revenue of what-so-ever nature and wherever arising of the Company and its subsidiaries namely Max Medical Services Limited and Alps Hospital Limited, present and future (subject to a prior charge in favour of working capital bankers restricted to working capital limits of Rs. 5,000 lacs in aggregate).

b) Loans and Advances from Banks

Fund based working capital facility from:

- Yes Bank Ltd. for Rs. 1,349 lacs (Previous year Rs.545 lacs)
- IndusInd Bank Ltd. for Rs. 1,997 lacs (Previous year Rs. 967 lacs) is secured by way of first pari – passu charge on stock, book debts and other current assets, present and future.

5. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the

Schedules annexed to and forming part of the accounts

suppliers. In order to comply with provisions of the Act, the company has floated letters seeking applicability of the Act to the creditors. As per the information received, none of the creditors are covered under this Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

6. Directors' Remuneration

Particulars	For the year ended March 31, 2011 (Rs. in Lacs)	For the year ended March 31, 2010 (Rs. in Lacs)
(i) Salary and Allowances	269	288
(ii) Perquisites	128	121
(iii) Contribution to Provident Fund and Superannuation Fund	12	12
Total	409	421
Professional Fees paid to Directors	32	15
Total	441	436

Note:-

- As the liabilities for Gratuity and Leave Encashment are provided on an actuarial for the company as whole, the amounts pertaining to the Directors are not included above.
- During the year, the Company has paid remuneration to Managing Director and Joint - Managing Director in accordance with the resolution passed by Board of Directors and Shareholders but the same was in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956. The Company is in the process of obtaining the necessary approval from the Central Government. If the same is not approved by the Central Government, the excess amount paid of Rs. 301 lacs (Previous year Rs. 344 lacs) will be refunded by the directors to the Company.
- In view of aforesaid, the excess amount of Rs. 817 lacs (Previous year Rs. 516 lacs) received by the concerned Directors till March 31, 2011 is held in trust for the Company.

7. The following current investments have been purchased and sold during the year:

Mutual Fund Scheme	Face value per unit (Rupees)	Purchases		Sales	
		Units (Numbers)	Value (Rs. in Lacs)	Units (Numbers)	Value (Rs. in Lacs)
a) HDFC Floater Advantage Plan Fund-Growth	10	-	-	25,926,667	5,284
b) DSP Black Rock Strategic Bond Fund - Institutional Plan Growth	1,000	387,259	5,400	244,703	3,425
c) Tata Floater Fund-Growth	10	-	-	15,273,365	2,107

Schedules annexed to and forming part of the accounts

8. Employees Benefit

Gratuity Expense

The following tables sets out disclosure in respect of define benefit plans.

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

	Gratuity	
	March 31, 2011 (Rs. in Lacs)	March 31, 2010 (Rs. in Lacs)
Current service cost	83	57
Interest cost on benefit obligation	18	10
Expected return on plan assets	(5)	(6)
Net actuarial (gain) / loss recognized in the year	62	74
Past service cost	-	-
Net benefit expense	158	135
Actual return on plan assets	(4)	(5)

Balance sheet

Details of Provision for gratuity

	Gratuity	
	March 31, 2011 (Rs. in Lacs)	March 31, 2010 (Rs. in Lacs)
Defined benefit obligation	378	242
Fair value of plan assets	46	53
Funded Status	(332)	(189)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(332)	(189)

Changes in the present value of the defined benefit obligation are as follows

	Gratuity	
	March 31, 2011 (Rs. in Lacs)	March 31, 2010 (Rs. in Lacs)
Opening defined benefit obligation	242	124
Interest cost	18	10
Current service cost	83	57
Benefits paid	(26)	(22)
Actuarial (gains) / losses on obligation	61	73
Closing defined benefit obligation	378	242

Schedules annexed to and forming part of the accounts

Changes in the fair value of plan assets are as follows:

	Gratuity	
	March 31, 2011 (Rs. in Lacs)	March 31, 2010 (Rs. in Lacs)
Opening fair value of plan assets	53	63
Expected return	5	6
Contributions by employer	-	-
Benefits paid	(11)	(16)
Actuarial gains / (losses)	(1)	-
Closing fair value of plan assets	46	53

The Company expects to contribute Rs.NIL to gratuity in 2011-12.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	March 31, 2011 %	March 31, 2010 %
Life Insurance Corporation of India	100	100

The principal assumptions used in determining benefit obligations for the Company's plans are shown below:

	Gratuity	
	March 31, 2011 %	March 31, 2010 %
Discount rate	7.90	7.50
Expected rate of return on assets	8.15	9.15
Employee turnover	30	40

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous year are as follows:

	Gratuity		
	March 31, 2011 (Rs. in Lacs)	March 31, 2010 (Rs. in Lacs)	March 31, 2009 (Rs. in Lacs)
Defined benefit obligation	378	242	124
Plan assets	46	53	63
Surplus / (deficit)	(332)	(189)	(61)
Experience adjustments on plan liabilities	(18)	(11)	102
Experience adjustments on plan assets	(1)	-	-

9. Employees Stock Option Plan

Employee Stock Option Plan – 2006 ("the 2006 Plan")

The Company has instituted the 2006 Plan, which was approved by the Board of Directors on July 31, 2006 and subsequently by the shareholders on August 10, 2006. The 2006 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2006 Plan is administered by the Remuneration Committee appointed by the Board of Directors. Vesting period ranges from one to four years and options can be exercised after one year from vesting date.

Schedules annexed to and forming part of the accounts

The 2006 Plan gives an option to the employee to purchase the share at a price determine by remuneration committee subject to minimum par value of shares (Rs. 10/-). However employees have a right to choose to settle in cash at a value calculated as a difference between Fair Market value of Shares and Exercise Price of Share. The Company have valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favour of Cash Settlement.

Particular	March 31, 2011		March 31, 2010	
	Number of Options	Weighted average exercise price (Amt in Rs.)	Number of Options	Weighted average exercise price (Amt in Rs.)
Outstanding at the start of the year	3,405,000	10.00	905,000	10.00
Option Grant During the Year	259,500	10.00	2,500,000	10.00
Forfeited during the year	-	10.00	-	10.00
Exercised during the year	620,000	10.00	-	10.00
Outstanding at the end of the year	3,044,500	10.00	3,405,000	10.00
Exercisable at the end of the year	1,535,000	10.00	695,000	10.00

From the last year exercisable option exercise period has been enhanced to 27th Feb 2012 for 535,000 shares. The weighted average share price for the period over which stock options were exercised was Rs. 14.34. Weighted average fair value of options granted on the date of grant is Rs. 15.78 (Previous Year Rs. 17.45).

Grant Date	For the year ended March 31, 2011		For the year ended March 31, 2010	
	Number of Options remaining life in years	Weighted average remaining life in years	Number of Options	Weighted average remaining life in years
22-Aug-06	200,000	-	200,000	1.39 Years
28-Dec-06	120,000	-	120,000	1.74 Years
12-Dec-07	50,000	-	50,000	1.70 Years
27-Feb-09	535,000	0.91 Years	535,000	0.91 Years
7-Dec-09	2,250,000	1.46 Years	2,500,000	2.39 Years
1-Sep-10	259,500	2.42 Years	-	-

The following table illustrates the effect on net income and earnings per share if the company had applied the fair value method to Stock Based employee compensation:

Schedules annexed to and forming part of the accounts

Particulars	For the year ended March 31, 2011 (Rs. in Lacs)	For the year ended March 31, 2010 (Rs. in Lacs)
(Net Profit as reported (After Tax Exp.)	57	(332)
Add: Employee stock compensation under intrinsic value method	116	113
Less: Employee stock compensation under fair value method	(222)	(191)
Proforma profit	(49)	(410)
Earnings Per Share		
Basic (Rs.)		
- As reported	0.02	(0.14)
- Proforma	(0.02)	(0.17)
Diluted (Rs.)		
- As reported	0.02	(0.35)
- Proforma	(0.31)	(0.17)

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the Following assumptions.

Black Scholes Option Pricing model for Grant date for 01/09/2010

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
A. Stock Price Now (in Rupees)	23.56	25.80
B. Exercise Price (X) (in Rupees)	10	10
C. Expected Volatility (Standard Dev - Annual) (#)	38.02%	18.93%
D. Historical Volatility	38.02%	18.93%
E. Life of the options granted (Vesting and exercise period) in years	3 Years	2.74 Years
F. Expected Dividend	Nil	Nil
G. Average Risk- Free Interest Rate	7.63%	6.58%
H. Expected Dividend Rate	Nil	Nil

10. Segment Reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

Schedules annexed to and forming part of the accounts

11. Related Parties

a. Names of related parties

Name of related parties where control exist irrespective of whether transactions have occurred or not	
Holding Company	Max India Limited
Subsidiary Companies	Max Medical Services Limited Alps Hospital Limited Hometrail Estate Private Limited Hometrail Buildtech Private Limited
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Max New York Life Insurance Company Limited Max Neeman Medical International Inc., USA Pharmax Corporation Limited Max Neeman Medical International Limited, Max Bupa Health Insurance Company Limited
Joint Ventures	Nova Medical Centers NCR Region Private Limited
Key Management Personnel	Mr. Analjit Singh Dr. Pervez Ahmed Dr. Pradeep Kumar Chowbey.
Relatives of key management personnel	Mrs. Neelu Analjit Singh (Wife of Mr. Analjit Singh) Ms. Piya Singh (Daughter of Mr. Analjit Singh) Ms. Tara Singh (Daughter of Mr. Analjit Singh) Mr. Veer Singh (Son of Mr. Analjit Singh) Mrs. Nira Singh (Wife of Mr. Veer Singh). Mr. B D Ahmed (Brother of Pervez Ahmed) Mrs. Anjum Ahmed (Wife of Pervez Ahmed)
Enterprises owned or significantly influenced by key management personnel or their relatives	New Delhi House Services Limited Malsi Estates Limited Max India Foundation
Employee benefit funds	Max India Ltd. Employees Provident Fund Trust, Max Healthcare Institute Ltd. Superannuation Fund.

Schedules annexed to and forming part of the accounts

(RS. IN LACS)

b. Transaction with related parties during the year

Particulars	Holding Company		Subsidiaries		Joint Venture		Fellow Subsidiaries		Key Management Personnel		Relatives Of Key Management Personnel		Enterprise over which key management personnel have significant influence		Employee Benefit Funds	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Fixed Assets Purchased																
Max Medical Services Ltd	-	-	-	109	-	-	-	-	-	-	-	-	-	-	-	-
Max Bupa Health Insurance Company Ltd.	-	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-
Capital Work in Progress																
Max Medical Services Ltd	-	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-
Malsi Estates Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Delhi House Services Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmax Corporation Ltd.	-	-	-	-	-	-	21	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and Advances Given																
Max Medical Services Ltd	-	-	1,728	5,708	-	-	-	-	-	-	-	-	-	-	-	-
Homeirail Estate Private Ltd.	-	-	1,750	1,080	-	-	-	-	-	-	-	-	-	-	-	-
Homeirail Buildtech Private Ltd.	-	-	1,662	949	-	-	-	-	-	-	-	-	-	-	-	-
Pharmax Corporation Ltd	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-
Loans and Advances Received Back																
Pharmax Corporation Ltd	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-
Interest income																
Max Medical Services Ltd	-	-	2,636	2,049	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	238	275	-	-	-	-	-	-	-	-	-	-	-	-
Sale of drugs, pharmaceuticals & medical supplies																
Alps Hospital Ltd	-	-	810	666	-	-	-	-	-	-	-	-	-	-	-	-
Max Medical Services Ltd	-	-	-	120	-	-	-	-	-	-	-	-	-	-	-	-
Max Neeman Medical International Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Max India Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services rendered																
Max India Ltd	8	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alps Hospital Ltd	-	-	687	513	-	-	-	-	-	-	-	-	-	-	-	-
Max Bupa Health Insurance Company Ltd.	-	-	-	-	-	-	6	4	-	-	-	-	-	-	-	-
Max Neeman Medical International Ltd.	-	-	-	-	-	-	42	5	-	-	-	-	-	-	-	-
Nova Medical Centers NCR Region Private Ltd.	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Max India Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-
Reimbursement of expenses received																
Max Medical Services Ltd	-	-	85	93	-	-	-	-	-	-	-	-	-	-	-	-
Alps Hospital Ltd	-	-	206	192	-	-	-	-	-	-	-	-	-	-	-	-
Max Neeman Medical International Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Max Healthstaff International Ltd.	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Malsi Estates Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nova Medical Centers NCR Region Private Ltd.	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Services received																
Max India Ltd	373	355	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Schedules annexed to and forming part of the accounts

Particulars	Holding Company		Subsidiaries		Joint Venture		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which key management personnel have significant influence		Employee Benefit Funds	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
b. Transaction with related parties during the year																
Alps Hospital Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmax Corporation Ltd	-	-	-	-	-	-	387	326	-	-	-	-	-	-	-	-
New Delhi House Services Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	154	140	-	-
Max India Foundation	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	-
Purchase of Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Max Medical Services Ltd	-	-	196	67	-	-	-	-	-	-	-	-	-	-	-	-
Expenses incurred by related party on our behalf																
Max India Ltd	49	42	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alps Hospital Ltd	-	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-
Max Neeman Medical International Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmax Corporation Ltd	-	-	-	-	-	-	3	17	-	-	-	-	-	-	-	-
Max Healthstaff International Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms.Piya Singh	-	-	-	-	-	-	-	-	-	-	5	5	-	-	-	-
Ms.Nira Singh	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
Max India Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-
Maisi Estates Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director's Remuneration																
Dr. Perviz Ahmed	-	-	-	-	-	-	-	-	345	389	-	-	-	-	-	-
Dr. Pradeep Crowley	-	-	-	-	-	-	-	-	65	22	-	-	-	-	8	32
Co's contribution to Superannuation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	262
Company's contribution to PF trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	308	-
Charity & Donation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Max India Foundation	-	-	-	-	-	-	-	-	-	-	-	-	67	53	-	-
Investment in Share Capital																
Max India Ltd	5,339	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hometrail Estate Private Ltd.	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Hometrail Buildtech Private Ltd.	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Nova Medical Centers \NCR Region Private Ltd.	-	-	-	-	422	-	-	-	-	-	-	-	-	-	-	-
Share Application money received																
Max India Ltd	2,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share Application money given																
Nova Medical Centers \NCR Region Private Ltd.	-	-	-	-	178	-	-	-	-	-	-	-	-	-	-	-
Balance Outstanding at the year end																
Investment																
Max Medical Services Ltd	-	-	-	2,094	-	-	-	-	-	-	-	-	-	-	-	-
Hometrail Estate Private Ltd.	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Hometrail Buildtech Private Ltd.	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-
Nova Medical Centers \NCR Region Private Ltd.	-	-	-	-	422	-	-	-	-	-	-	-	-	-	-	-
Share Application money given																
Nova Medical Centers \NCR Region Private Ltd.	-	-	-	-	178	-	-	-	-	-	-	-	-	-	-	-

Schedules annexed to and forming part of the accounts

Particulars		Holding Company		Subsidiaries		Joint Venture		Fellow Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which key management personnel have significant influence		Employee Benefit Funds	
		2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Corporate Guarantee																	
Max India Ltd	(39,000)	(39,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan and Advances																	
Max Medical Services Ltd	-	-	21,459	19,734	-	-	-	-	-	-	-	-	-	-	-	-	-
Alps Hospital Ltd	-	-	653	653	-	-	-	-	-	-	-	-	-	-	-	-	-
Hometrail Estate Private Ltd.	-	-	2,830	1,080	-	-	-	-	-	-	-	-	-	-	-	-	-
Hometrail BuldoTech Private Ltd.	-	-	2,611	948	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Receivable																	
Max Medical Services Ltd	-	-	5,637	3,781	-	-	-	-	-	-	-	-	-	-	-	-	-
Alps Hospital Ltd	-	-	95	97	-	-	-	-	-	-	-	-	-	-	-	-	-
Hometrail Estate Private Ltd.	-	-	43	43	-	-	-	-	-	-	-	-	-	-	-	-	-
Hometrail BuldoTech Private Ltd.	-	-	31	31	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receivable																	
Max Medical Services Ltd	-	-	135	45	-	-	-	-	-	-	-	-	-	-	-	-	-
Alps Hospital Ltd	-	-	723	894	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr.Pervez Ahmed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr.Praadeep Chowbey	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount Payable																	
Max India Ltd	(1,838)	(1,419)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Max Medical Services Ltd	-	-	(76)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmax Corporation Ltd	-	-	-	-	-	-	-	14	(9)	-	-	-	-	-	-	-	-
Max Bupa Health Insurance Company Ltd.	-	-	-	-	-	-	-	-	(8)	-	-	-	-	-	-	-	-
Ms.Piya Singh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Delhi House Services Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	(7)	-	-	-
Max India Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	(8)	(3)	-	(71)
Superannuation & PF Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(27)	-
Malsi Estates Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	(27)	(3)	-	-
Debtors																	
Alps Hospital Ltd	-	-	1,942	1,374	-	-	-	-	-	-	-	-	-	-	-	-	-
Max New York Life Insurance Company Ltd.	-	-	-	-	-	-	-	4	4	-	-	-	-	-	-	-	-
Max Neeman Medical International Ltd.	-	-	-	-	-	-	-	40	2	-	-	-	-	-	-	-	-
Max Healthstaff International Ltd.	-	-	-	-	-	-	-	4	4	-	-	-	-	-	-	-	-
Max Bupa Health Insurance Company Ltd.	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-
Max India Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Tara Singh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Piya Singh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mrs. Neelu Anajjit Singh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Veer Singh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Malsi Estates Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

b. Transaction with related parties during the year

(RS. IN LACS)

Schedules annexed to and forming part of the accounts

12. Leases

I. In case of asset given on lease

A. Finance Lease

i. Description of significant leasing arrangements

The Company has leased out medical equipments and other fixed assets to a down stream subsidiary. The lease period is July 01, 2007 to March 31, 2017. Upon the expiry of the term, the absolute and un-encumbered ownership of the equipment shall be transferred to the user at the guaranteed residual value.

ii. Reconciliation between the total gross investment in the lease and the present value of minimum lease payments receivable as at the balance sheet date.

Particulars	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Total Gross Investment in Lease	2,201	2,527
Less: Unearned Income	1,478	1,634
Less: Unguaranteed Residual Value	70	70
Present value of minimum lease payments discounted at 17.63%	653	823

iii. Gross investment in the lease for the period as at March 31, 2011:-

Particulars	Gross Investment in Lease (Rs. in Lacs)	Present value of minimum lease payments receivable (Rs in Lacs)
Not later than one year	347	154
	(327)	(171)
Later than one year and not later than five years	1,426	429
	(1,416)	(500)
Later than five years	358	71
	(715)	(153)

Figures in brackets represent previous year comparatives

B. Operating Lease

i) Description of significant leasing arrangements

The Company has leased out medical equipments on operating lease to a down stream subsidiary at lease rental of Rs. 4 Lacs per month for the initial period of two year with option to renew for a further term with mutual consent. There is no escalation clause in the lease agreement.

ii) Details of Assets given under operating lease are as under:

	Gross Carrying Amount (Rs. in Lacs)	Depreciation for the year (Rs. in Lacs)	Accumulated Depreciation (Rs. in Lacs)
Medical Equipments	660	47	417
	(660)	(47)	(371)

Figures in brackets represents previous year comparatives

Schedules annexed to and forming part of the accounts

The total of future minimum lease payments under non-cancellable leases is as follows:

Particulars	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Not later than one year	12	48
Later than one year and not later than five years	-	12
Later than five years	-	-
Total	12	60

II. In case of assets taken on Lease

A. Operating Lease

The Company has acquired vehicles on operating leases. The total minimum lease payments and maturity profile of operating leases at the Balance Sheet date, and the present value of the minimum lease payments as of March 31, 2011 are as follows:

Particulars	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Not later than one year	-	3
Later than one year and not later than five years	-	1
Later than five years	-	-
Total	-	4

B. Operating Lease (As a Lessee)

The Company has entered into operating lease agreements for office spaces and accommodation for its employees under operating lease agreements. The lease rental expense recognized in the Profit and Loss account for the year is Rs.1,061 lacs (Previous Year Rs.930 lacs)

Future minimum lease payments and the payment profile of non-cancellable operating leases are as follows:

Particulars	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Not later than one year	439	205
Later than one year and not later than five years	229	383
Later than five years	-	-
Total	668	588

13. Earnings Per Share

Calculation of EPS (Basic and Diluted)

Particulars	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Basic		
Profit/(Loss) after tax	57	(332)
Weighted average number of equity shares outstanding during the year	260,151,926	237,144,548
Basic Earnings Per Share (Rs.)	0.02	(0.14)
Diluted		
Weighted average number of equity shares having dilutive impact	15,649,782	238,385,832
- 2% Cumulative Convertible Preference Shares	13,753,099	238,385,832
- Share application money	1,896,683	-
Diluted Earnings per share (Rs.)	0.02	(0.35)

Schedules annexed to and forming part of the accounts

Note:-

- a. The Company has issued 2% Cumulative convertible preference shares to International Financial Corporation (IFC), Washington convertible to equity shares at the option of IFC financial year 2007-08. The preference shares are convertible at any time during the term of 8 years. To comply with the requirements of Accounting Standard-20 (Earnings Per Share) the underlying number of equity shares equivalent to 15,649,782 (Previous Year: 238,385,832) equity shares (computed on the basis of assumed IRR and fair value of share on March 31) have been considered for the purpose of computing potential number of equity shares.
- b. During the year the Company have received share application money for issue of compulsorily convertible preference shares with guaranteed internal rate of return of 12%. To comply with the requirements of Accounting Standard-20 (Earnings per Share) the underlying number of equity shares equivalent to 1,896,683 equity shares (computed on the basis of assumed IRR and fair value of share on the March 31, 2011) have been considered for the purpose of computing potential number of equity shares.

14. The components of deferred tax is given below:

Particulars	As at March 31, 2011 (Rs. in Lacs)	As at March 31, 2010 (Rs. in Lacs)
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	2,237	2,227
Gross Deferred Tax Liability	2,237	2,227
Deferred Tax Asset		
Carried forward business loss and Unabsorbed depreciation	4,188	4,671
Provision for doubtful debt and advances	597	557
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	65	264
Gross Deferred Tax Assets	4,850	5,492
Net Deferred Tax Asset / (Liability)	2,613	3,265

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

15. During the financial year 2008-2009, a Memorandum of Understanding (MOU) dated November 12, 2008 has been entered into amongst Government of Punjab ("GOP"), Max India Group and Others ("the Founder Supporters"), together with Indian School of Business, Hyderabad ("ISB"). As per the MOU, a second campus of ISB is purposed to be established in the Knowledge city at Mohali, with an equal contribution from each of the Founder Supporters. The Board of Directors recommended a contribution an amount not exceeding Rs. 1667 lacs to this initiative over a period of 3-4 years, subject to the shareholders approval, out of the total commitment of Rs.5000 lacs from Max India Group. Of the above a sum of Rs.550 lacs (Previous year Rs.388 lacs) has been contributed by the company during the year and included under the head Charity & Donation.

Schedules annexed to and forming part of the accounts

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4, 4B, 4C AND 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956:

16. Material consumed consists of items of varied nature. Accordingly it is not feasible to give details as required under part II of Schedule VI to the Companies Act, 1956.

	For the year ended March 31, 2011 (Rs. in Lacs)	For the year ended March 31, 2010 (Rs. in Lacs)
Value of Imports calculated on CIF Basis		
- Capital Goods	200	2
- Trading Goods	89	60
Total :	289	62
Expenditure in Foreign Currency (Accrual Basis)		
- Professional Fee	84	184
- Others	74	24
Total :	158	208
Income in Foreign Currency		
- Consultation fees	38	52
Total :	38	52

17. Auditors Remuneration

Particulars	For the year ended March 31, 2011 (Rs. in Lacs)	For the year ended March 31, 2010 (Rs. in Lacs)
Audit fees (including service tax)	22	19
Reimbursement of out of pocket expenses	-	1
Total :	22	20

18. Details of utilisation of Preferential Issue Proceeds is as follows:

Particulars	For the year ended March 31, 2011 (Rs. in Lacs) (Cumulative)	For the year ended March 31, 2010 (Rs. in Lacs) (Cumulative)
Amount received on preferential allotment of shares	30,000	30,000
Utilisation:		
Repayment of Loans	9,050	9,050
Working capital	2,514	2,332
Purchase of land (including Advances)	5,047	5,047
New Projects	2,790	2,485
Loan to subsidiaries	5,114	5,099
Loan to other healthcare services provider	5,485	5,444
Sub-total	30,000	29,457
Balance with Scheduled Banks		
- In Deposit	-	175
- In Current A/c	-	368

Schedules annexed to and forming part of the accounts

19. During the year the company has formed a Joint Venture along with Nova Medical Centres Private Limited based at Bangalore and invested a sum of Rs.600 Lacs at par by way of share capital, to acquire a 34% stake in the newly formed "Nova Medical Centres NCR Region Private Limited (Joint Venture Company)". The Joint Venture Company shall be in the business of operating multispecialty day care surgical centers in the National Capital Region. In this context the company has been allotted 42,20,000 no. of shares at the face value of Rs.10 each and the balance is pending for allotment. The Joint Venture Company has already initiated its operation as per the plans.

The extract of the company's share of the assets, liabilities, income and expenses of the jointly controlled entity are as follows at March 31, 2011.

Particulars	As at March 31, 2011 (Rs. in Lacs)
Assets	413
Liabilities	(413)
Revenue	114
Depreciation	(13)
Other Expenses	(288)
Loss before tax	(187)

20. a) The company has been issued a Notice of Award dated February 20, 2009 by Punjab Infrastructure Development Board, to set up Greenfield Super Speciality Hospital at Mohali, Punjab on Public Private Partnership (PPP) mode. Thereafter, the Company together with the Government of the state of Punjab and HEPL entered into a tripartite concession agreement for setting up the above mentioned hospital project. The company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein. HEPL has started setting up the above mentioned Project in financial year 2009-10 and an amount of Rs.2,873 lacs (Previous year Rs 1,080 lacs) has been given an Inter Corporate Deposit, which has been disclosed under Loans & Advances.
- b) The company has been issued a Notice of Award dated February 20, 2009 by Punjab Infrastructure Development Board, to set up Greenfield Super Speciality Hospital at Bathinda, Punjab on Public Private Partnership (PPP) mode. Thereafter, the Company together with the Government of the state of Punjab and HBPL entered into a tripartite concession agreement for setting up the above mentioned hospital project. The company is a confirming party to the concession agreement and has agreed to undertake and comply with the terms and conditions mentioned therein. HBPL has started setting up the above mentioned Project in financial year 2009-10 and an amount of Rs.2,642 lacs (Previous year Rs 949 lacs) has been given an Inter Corporate Deposit, which has been disclosed under Loans & Advances.

21. Pending Allocation of Pre-Operative expenses to Fixed Assets

Particulars	March 31, 2011 (Rs. in Lacs)	March 31, 2010 (Rs. in Lacs)
Salaries, wages and bonus	347	94
Power and fuel	101	10
Legal and professional	222	157
Miscellaneous expenses	138	78
Financial Expense	416	97
TOTAL	1,224	436

Schedules annexed to and forming part of the accounts

22. Previous year Comparatives

The figures of previous year were audited by a firm of Chartered accountants other than S.R. Batliboi & Co.
Previous year's figures have been regrouped where necessary to conform this year's classification.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 301003E
Chartered Accountants

per MANOJ GUPTA

Partner
Membership Number 83906

Gurgaon
May 12, 2011

For and on behalf of the Board of Directors of
Max Healthcare Institute Limited

DR. PERVEZ AHMED
CEO & Managing Director

K. NARASIMHA MURTHY
Director

S.L. NARAYANAN
CFO & Director-Strategic IT

ARVIND KAKAR
Deputy CFO

LALJI KUMAR
Company Secretary

New Delhi
May 12, 2011

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

1 1 1 3 1 3

State Code

5 5

Balance Sheet Date

3 1

Date

0 3

Month

2 0 1 1

Year

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

Public Issue

Nil

Bonus Issue

Nil

Rights Issue

Nil

Others

536,891

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

Total Liabilities

9,449,300

Total Assets

9,449,300

Sources of Fund

Paid-up Capital

5,408,300

Share Application Money

250,000

Unsecured Loans

500,000

Reserve and Surplus

351,600

Secured Loans

2,939,400

Deferred Tax Liability

-

Application of Funds

Net Fixed Assets

3,191,600

Net Current assets

4,704,300

Accumulated Losses

1,101,600

Investments

451,800

Misc. Expenditure

0

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)

4,531,700

Profit/Loss before tax

5,700

+	-
✓	

+	-
✓	

Total Expenditure

4,526,000

Profit/Loss after tax

5,700

Earning per share in Rs.

Basic

0.02

+	-
✓	

Dividend Rate (%)

NIL

+	-
✓	

Diluted

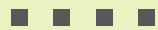
0.02

V Name of three Principal Products/Service of Company

Product Description

H	E	A	L	T	H	C	A	R	E										
R	E	L	A	T	E	D													
S	E	R	V	I	C	E	S												

Max Medical Services Limited





Directors' Report

Your Directors are pleased to present their Seventeenth Annual Report, along with the Audited Accounts for the financial year ended March 31, 2011.

OPERATIONS

The Company recorded operational revenue of Rs.53.43 crore during the year 2010-2011, which is Rs.11.26 crore lower than previous year revenue of Rs.64.69 crore. This is mainly due to decline in Construction and Trading activities undertaken by your company. During the year, your company incurred a loss of Rs.13.15 crore as against a previous year loss of Rs. 8.79 crore, primarily on account of increase in finance cost.

Further to this, your Company is also in the process of considering various options of financial restructuring which would adequately take care of the appropriate capital structure of the Company.

DIVIDEND

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

PARTICULARS OF DEPOSITS

During the year under review, your Company has not accepted any deposits from the public.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 (the Act'), Mrs. Sujatha Ratnam and Mr. Arvind Kakar are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDIT COMMITTEE

The Audit Committee of your Company currently comprises of Mr. Arvind Kakar, Mr. Mohit Talwar and Mrs. Sujatha Ratnam. The role and terms of reference of the Audit Committee covers the areas mentioned under Section 292A of the Act besides other terms, as may be referred to it by the Board of Directors of the Company.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retire and offer themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Act, to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The observations of the Auditors are explained wherever necessary in the appropriate notes to the accounts. In addition, the accounts have been prepared on going concern basis as the Directors consider that the Company would be able to realize its

assets and discharge its liabilities in the normal course of business. Further, the Company had to depend on short term funding due to non availability of long term funding at this point in time. The Company is regularly reviewing its current financing within the regulatory parameters.

ADDITIONAL INFORMATION

As your Company does not carry on any manufacturing activity, information in accordance with the provisions of Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not furnished herewith.

SUBSIDIARY COMPANY

Statement pursuant to Section 212 of the Act relating to Alps Hospital Limited, the subsidiary of your Company, is annexed to this Report as a separate Annexure.

PARTICULARS OF EMPLOYEES

The Company does not have any employee who is covered under the provisions of Section 217 (2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors had prepared the annual accounts on a going concern basis.

For and on Behalf of the Board of Directors

New Delhi
August 8, 2011

ARVIND KAKAR
SUJATHA RATNAM

Director
Director

Annexure - 'A'

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212(3) AND 212(5) OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	Financial Year to which Accounts relate	Holding Company's interest at the close of Financial year of Subsidiary Company	Net Aggregate amount of Subsidiary Company's profits after deducting, its losses or vice-versa, so far as it concerns Members of Holding Company which are not dealt within the Company's Account		Net Aggregate amount of Subsidiary Company's profits after deducting, its losses or vice-versa, so far as it concerns Members of Holding Company which are dealt within the Company's Account	Holding Company's Interest as at 31.03.2011 incorporating changes since close of financial year/period of Subsidiary Company
			For the Current Financial Year (Rs. Lacs)	For the Previous Financial Year (Rs. Lacs)		
Alps Hospital Limited	31.03.2011	(i) Shareholding 50,000 Equity Share of Rs. 10 each	(702.44)	(810.05)	NIL	100%

Figures in brackets indicate loss.

New Delhi
August 8, 2011

For and on Behalf of the Board of Directors

Arvind Kakar	Director
Sujatha Ratnam	Director

Auditors' Report

TO THE MEMBERS OF MAX MEDICAL SERVICES LIMITED

1. We have audited the attached Balance Sheet of Max Medical Services Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.

Firm registration number: 324982E

Chartered Accountants

per Sanjay Vij

Partner

Membership No.: 95169

Gurgoan

May 25, 2011

Auditors' Report

Annexure referred to in paragraph 3 of our report of even date
Re: Max Medical Services Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. (c) There was no disposal of a substantial part of fixed assets during the year.	(v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly the provisions of clause 4(v) (b) of the Order are not applicable to the Company and hence not commented upon. (vi) The Company has not accepted any deposits from the public.
(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.	(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon. (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.	(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the	(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Auditors' Report

(c)	According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.	(xvi)	The Company did not have any term loans outstanding during the year.
(x)	<i>The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the year and in the immediately preceding financial year.</i>	(xvii)	According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, <i>we report that funds amounting to Rs.1,049,512,000 raised on short term basis have been used for long-term investment representing acquisition of fixed assets and funding of losses.</i>
(xi)	Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.	(xviii)	The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
(xii)	According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	(xix)	The Company did not have any outstanding debentures during the year.
(xiii)	In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.	(xx)	The Company has not raised any money by public issues during the year.
(xiv)	In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.	(xxi)	Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.
(xv)	According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.		

For S.R. BATLIBOI & CO.

Firm registration number: 324982E

Chartered Accountants

per Sanjay Vij

Partner

Membership No.: 95169

Gurgoan

May 25, 2011

Balance Sheet as at March 31, 2011

		(RS. IN '000)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	141,425	141,425
Securities Premium		3,000	3,000
		144,425	144,425
Loan Funds			
Unsecured Loan	2	2,145,872	1,973,432
		2,145,872	1,973,432
Total		2,290,297	2,117,857
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	947,435	870,313
Less : Accumulated Depreciation/Amortisation		225,709	163,473
Net Block		721,726	706,840
Capital work in progress including capital advances		58,807	3,702
		780,533	710,542
Investments	4	134,759	134,759
Current Assets, Loans and Advances			
Inventories	5	676	18,984
Sundry Debtors	6	1,211,410	1,029,090
Cash and Bank Balances	7	6,758	16,426
Other Current Assets	8	121,545	85,947
Loans & Advances	9	480,436	498,781
Total (A)		1,820,825	1,649,228
Less : Current Liabilities and Provisions			
Current Liabilities	10	722,589	521,885
Provisions	11	1,877	1,877
Total (B)		724,466	523,762
Net Current Assets (A-B)		1,096,359	1,125,466
Miscellaneous Expenditure	12	-	1
(To the extent not written off or adjusted)			
Profit and Loss Account		278,646	147,089
Total		2,290,297	2,117,857
Notes to the accounts	20		

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

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No.:324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors
of Max Medical Services Limited

ARVIND KAKAR Director
SUJATHA RATNAM Director

ROHIT GANDHI Company Secretary

NEW DELHI
May 25, 2011

Profit and Loss Account for the year ended March 31, 2011

(RS. IN '000)

	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Income from lease & maintenance activities	13	155,851	101,807
Income from construction and trading activities	14	292,358	466,137
Other Income	15	86,128	78,981
		534,337	646,925
EXPENDITURE			
Construction cost and stores consumed	16	291,478	466,137
Personnel expenses	17	248	215
Administrative and other expenses	18	50,375	53,476
Financial expenses	19	261,557	174,711
Depreciation	3	62,236	40,320
		665,894	734,859
Loss before tax		(131,557)	(87,934)
Provision for Taxation			
- Deferred Tax		-	(5,913)
Loss after tax		(131,557)	(82,021)
Loss brought forward from previous year		(147,089)	(65,068)
Balance carry forward to the balance sheet		(278,646)	(147,089)
Earning Per Share (Rs per equity share of Rs 10/- each)			
- Basic		(9.30)	(5.80)
- Diluted		(9.30)	(5.80)
Notes to the accounts	20		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No.:324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors
of Max Medical Services Limited

ARVIND KAKAR Director
SUJATHA RATNAM Director

ROHIT GANDHI Company Secretary

NEW DELHI
May 25, 2011

Cash Flow Statement for the year ended March 31, 2011

(RS. IN '000)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation and extraordinary items	(131,557)	(87,934)
Adjustments for:		
Depreciation	62,236	40,320
Interest expense	261,530	204,898
Interest Income	(35,838)	(35,838)
Loss on sale of fixed assets	-	3,706
Miscellaneous expenditure written off	1	1
Deferred revenue expenditure written off	-	8,685
Operating profit before working capital changes	156,372	133,838
Adjustments for:		
Movements in working capital :		
Decrease / (Increase) Sundry debtors	(182,320)	(17,930)
Decrease / (Increase) Other current assets	12,749	(139,290)
Decrease / (Increase) Inventories	18,309	(18,954)
Decrease / (Increase) Current liabilities	15,129	60,983
Cash generated from (used in) operations	20,239	18,647
Direct taxes refunded - Net	5,598	18,578
Net cash from operating activities (A)	25,837	37,225
B. Cash flow from investing activities		
Purchase of fixed assets	(132,227)	(427,162)
Interest received	240	7,901
Cash used in investing activities (B)	(131,987)	(419,261)
C. Cash flow from financing activities		
Proceeds from Long term borrowings	172,440	570,797
Interest paid	(75,958)	(177,385)
Cash from financing activities (C)	96,482	393,412
Net increase/(decrease) in cash and cash equivalents(A+B+C)	(9,668)	11,376
Cash and cash equivalents at the beginning of the year	16,426	5,050
Cash and cash equivalents at the end of the year (Refer Schedule 7)	6,758	16,426

The Schedules referred to above and notes to accounts form an integral part of the Cash Flow Statements

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No.:324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors
of Max Medical Services Limited

ARVIND KAKAR Director
SUJATHA RATNAM Director

ROHIT GANDHI Company Secretary

NEW DELHI
May 25, 2011

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	As at March 31, 2011	As at March 31, 2010

SCHEDULE-1 SHARE CAPITAL

Authorised

35,000,000 (Previous year 35,000,000) equity shares of Rs 10/- each	350,000	350,000
	350,000	350,000

Issued, Subscribed & Paid Up

14,142,535 (Previous year 14,142,535) equity share of Rs 10/- each held by Max Healthcare Institute Limited (The Holding Company) and it's nominees	141,425	141,425
	141,425	141,425

SCHEDULE-2 UNSECURED LOANS

-From Max Healthcare Institute Ltd. (The Holding Company) (Repayable on Demand)	2,145,872	1,973,432
	2,145,872	1,973,432

SCHEDULE-3 Fixed Assets

(RS. IN '000)

Particulars	Gross Block				Depreciation			Net Block	
	As at April 1, 2010	Additions during the year	Deletion / Adjustment during the year	As at March 31, 2011	As at April 1, 2010	For the year Deletion/ Adjustments during the year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
TANGIBLE ASSETS									
Plant & Machinery	137,578	5,389	-	142,967	29,569	6,756	-	36,325	106,642
Medical Equipments	650,607	66,743	-	717,350	102,689	46,860	-	149,549	567,801
Office Equipments & Computers	40,070	1,645	-	41,715	14,243	4,584	-	18,827	22,888
Furniture & Fixtures	36,263	3,345	-	39,608	12,832	3,114	-	15,946	23,662
INTANGIBLE ASSETS									
Computer Software	5,795	-	-	5,795	4,140	922	-	5,062	733
TOTAL	870,313	77,122		947,435	163,473	62,236	-	225,709	721,726
Previous Year	438,080	438,216	5,983	870,313	124,597	40,320	1,444	163,473	
Capital Work in Progress including Capital Advances Rs. 613 Thousand (Previous year Rs. 976 Thousand)								58,807	3,702
								780,533	710,542

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE-4		
INVESTMENTS		
Subsidiary, at cost		
(Unquoted)		
Alps Hospital Limited, a Subsidiary Company		
50,000 (Previous year- 50,000) Equity Shares of Rs. 10/- each	134,759	134,759
	<u>134,759</u>	<u>134,759</u>
Aggregate value of unquoted investments	134,759	134,759
SCHEDULE-5		
Inventories (at lower of cost and net realisable value)		
- Stock of Medical Supplies	676	400
- Stock others	-	18,584
	<u>676</u>	<u>18,984</u>
SCHEDULE-6		
SUNDRY DEBTORS		
Debtors outstanding for a period exceeding six months		
-Unsecured, Considered Good	580,414	496,384
Other Debts		
-Unsecured, Considered Good	630,996	532,706
	<u>1,211,410</u>	<u>1,029,090</u>
SCHEDULE-7		
CASH AND BANK BALANCES		
Cash-in-hand	18	6
Cheques in Hand	3,679	-
Balance with scheduled banks		
- In Current Accounts	3,061	16,420
	<u>6,758</u>	<u>16,426</u>
SCHEDULE-8		
OTHER CURRENT ASSETS		
Interest Receivable *	121,545	85,947
	<u>121,545</u>	<u>85,947</u>
* Amount due from Subsidiary Company Rs. 117,858 Thousand (Previous year Rs. 85,886 Thousand)		

Schedules annexed to and forming part of the accounts

	(RS. IN '000)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE-9		
LOANS AND ADVANCES		
Unsecured, Considered good)		
Recoverable from Subsidiary Company*		
- Loan	257,056	257,056
Recoverable from other Healthcare services provider		
-Loan	29,647	29,647
-Deferred Credit	14,537	1,154
-Expenses Recoverable	87,985	107,726
-Security Deposits	78,300	78,300
Advances to suppliers	777	6,295
Prepaid Expenses	1,777	2,648
Tax Receivable	10,357	15,955
	480,436	498,781
* Amounts due from Subsidiary Company:		
For Loan Rs. 257,056 Thousand (Previous Year Rs. 257,056 Thousand)		
Maximum outstanding during the year from the subsidiary (ALPS Hospital Limited)		
For Loan Rs. 257,056 Thousand (Previous Year Rs. 257,056 Thousand)		
SCHEDULE-10		
CURRENT LIABILITIES		
Sundry Creditors		
-Total outstanding dues of Micro Enterprise & Small Enterprise		
-Total outstanding dues other than Micro Enterprise & Small Enterprise*	75,804	108,067
- Acceptances	48,152	-
-Interest Accrued	563,658	378,086
-Other Liabilities	34,975	35,732
	722,589	521,885
SCHEDULE-11		
PROVISIONS		
Provisions for Taxation	1,877	1,877
	1,877	1,877
SCHEDULE-12		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
- Preliminary Expenses	-	1
	-	1

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE-13		
INCOME FROM LEASE & MAINTENANCE ACTIVITIES		
Income from Lease*	95,908	62,650
Income from Maintenance of Healthcare facility **	59,943	39,157
	155,851	101,807
* Tax Deducted at Source Rs. 511 Thousand (Previous year Rs 167 Thousand)		
** Tax Deducted at Source Rs. 331 Thousand (Previous year Rs 107 Thousand)		
SCHEDULE-14		
INCOME FROM CONSTRUCTION & TRADING ACTIVITIES		
Income from Construction Activities*	59,632	190,605
Income from Trading Activities	232,726	275,532
	292,358	466,137
*Tax Deducted at Source Rs. 326 Thousand (Previous year Rs 521 Thousand)		
SCHEDULE-15		
OTHER INCOME		
Income from deffered credit *	43,349	31,735
Interest		
-On Loans **	35,838	35,838
-On Tax refund	639	1,555
Provision no longer required written back	4,403	256
Foreign exchange fluctuation (Net)	1,388	9,059
Miscellaneous income	511	538
	86,128	78,981
* Tax Deducted at Source Rs. 217 Thousand (Previous year Rs 79 Thousand)		
** Tax Deducted at Source Rs. 179 Thousand (Previous year Rs 89 Thousand)		
SCHEDULE-16		
CONSTRUCTION COST AND STORES CONSUMED		
Cost of trading goods sold	231,846	275,532
Cost of construction activities	59,632	190,605
	291,478	466,137
SCHEDULE-17		
PERSONNEL EXPENSES		
Salaries, Wages & Bonus	248	215
	248	215
SCHEDULE-18		
ADMINISTRATIVE & OTHER EXPENSES		
Legal & Professional	4,610	3,936
Rates & Taxes	80	515
Insurance	2,396	1,521
Donation	600	600
Repair & maintenance		
- Plant and machinery	17,740	16,576
- Others	24,191	17,308

Schedules annexed to and forming part of the accounts

	(RS. IN '000)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Lease rentals	132	132
Audit fees		
-Audit fees	496	450
-Out of pocket expenses	97	13
Miscellaneous expenses	32	33
Loss on sale of assets	-	3,706
Deffered revenue expenditure written off	1	8,686
	50,375	53,476
Schedule-19		
FINANCIAL EXPENSES		
Interest on inter corporate loans	261,530	173,880
Bank charges	27	831
	261,557	174,711

Schedules annexed to and forming part of the accounts

SCHEDULE-20 NOTES TO ACCOUNTS

A. NATURE OF OPERATIONS

The Company is in the business of construction of hospitals, leasing of medical and other equipment and trading of goods.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has started commercial operations in financial year 2004-2005 and the Company is in its gestation period. The Company has incurred significant losses of Rs.131,557 thousand (Previous year Rs. 82,021 thousand) in the current year, due to which accumulated loss has been posted at Rs. 278,646 thousand (Previous year Rs. 147,089 thousand) against Share Capital of Rs. 141,425 thousand as of March 31, 2011 (Previous year Rs. 141,425 thousand). The accumulated losses of the Company are envisaged and mainly due towards providing infrastructure to other healthcare service providers to support the long term growth plan of the company. In the opinion of the management, in view of the commitment of continued financial support by holding company, and on the basis of the Company's future business plans, the Company is continuing with a going concern assumption. Further, the Company does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business.

2. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use

4. Depreciation

- a) Depreciation is charged on the straight line method at the rates specified in schedule XIV of the Companies Act, 1956 on a pro-rata basis.
- b) Assets costing not more than Rs 5,000/- each individually have been depreciated at 100%.
- c) Software in the nature of intangible assets is depreciated over the period of six years.

Schedules annexed to and forming part of the accounts

5. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

6. Intangible Assets

Research costs are expensed as incurred. Development expenditure incurred on software implementation is recognized as an intangible asset when its future recoverability can reasonably be regarded as assured and are separately identifiable. Any expenditure so capitalised is amortized over their estimated useful lives of two to six years on straight line basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

7. Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated¹ over the shorter of the estimated useful life of the asset or the lease term. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Company is the lessor

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal amount received reduces the net investment in the lease and interest is recognised as revenue. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account.

8. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments.

9. Inventories

Inventories are valued as lower of cost and net realizable value. Cost comprises of purchase price including duties, taxes and other incidental cost necessary to bring the inventory to its saleable condition. Cost is determined on first in first out basis.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Schedules annexed to and forming part of the accounts

10. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Lease Income The Company is in the business leasing of medical and other equipments. Income from leasing activity is recognized on straight line basis over the period of contract. Contingent lease rent is recognized based on the occurrence of the contingency

Interest Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from Construction Activity Revenue from construction and sale of hospital buildings is recognized on percentage of completion method as prescribed under AS-7 issued by the Institute of Chartered Accountants of India.

11. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

12. Foreign currency translation

Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

13. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

14. Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; 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 its 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

Schedules annexed to and forming part of the accounts

15. Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

16. Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. Deferred income taxes 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

C. NOTES TO ACCOUNTS

1. Contingent liability not provided for

Letter of Credit outstanding as on 31.03.2011 Rs. 19,176 Thousand (Previous year Rs. 33,295 Thousand).

2. Capital Commitments

Particulars	(RS. IN '000)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Estimated value of Contracts remaining to be executed	3,200	44,280
Less: Capital Advances	613	976
Balance Value of Contracts	2,587	43,304

3. As at December 10, 2001 the Company had entered into an agreement with a healthcare service provider to construct a hospital building. The phase I of the construction was completed and handed over in financial year 2004-05 for a consideration of Rs. 243,100 Thousand. The said consideration is repayable in equal installments over 26.5 years from the handover date. Further, during the year, the Company has completed phase II of the construction and handed over the possession for a consideration of Rs. 352,001 Thousand. The said consideration is repayable in equal installments over 20.5 years from the handover date.

Schedules annexed to and forming part of the accounts

Since the receipt of the consideration is spread over 26.5 years and 20.5 years respectively for phase I and phase II, an income amounting to Rs. 43,349 Thousand (Previous year Rs. 31,735 Thousand), has been recognized based on a fixed percentage of the turnover of the healthcare service provider and disclosed under "Other Income" as income from deferred credit.

4. The Company had entered into a lease with a healthcare service provider on December 10, 2001 for supply of medical, other equipments and fixtures for an initial term of 30 years. Under the terms of the lease, the company is responsible for:
 - i. Acquisition of equipment including its repair and servicing;
 - ii. Ensuring adequate insurance coverage for the assets; and
 - iii. Replacement of any existing equipment or suitable equipment in lieu thereof.

As per terms, lease rentals based on a fixed percentage of the turnover of the healthcare service provider are due to the Company on a monthly basis. Accordingly, as at March 31, 2011 an amount of Rs. 95,908 Thousand (Previous year Rs. 62,650 Thousand) has been accrued as lease rentals for the current year. The lease rent is contingent on turnover, and therefore cannot be quantified for any future periods.

5. Performance Guarantee of Rs 78,300 Thousand had been deposited with the healthcare service provider, in earlier years, as per the agreements mentioned in point 3 and 4 above and disclosed under Loans & Advances.
6. All the movable fixed assets, book debts, operating cash flows, receivables and revenues are hypothecated and entire equity shareholding held in Alps Hospital Limited are pledged as first charge towards HDFC and EXIM against the loan availed by the holding Company.
7. The movement of provision for deferred taxes is given below:

Particulars	(RS. IN '000)	
	As at March 31, 2011	As at March 31, 2010
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	78,280	67,025
Effect of expenditure debited and incomes credited to profit and loss account in the current year but allowed for tax purposes in following years	440	-
Gross Deferred Tax Liability	78,720	67,025
Deferred Tax Assets		
Carried forward Unabsorbed depreciation	158,020	115,362
Gross Deferred Tax Assets	158,020	115,362
Net Deferred Tax Asset / (Liability)	79,300	48,337
Recognized Net Deferred Tax Assets	-	-

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences

Schedules annexed to and forming part of the accounts

8. Earning Per Share:

Particulars	(RS. IN '000)	
	As at March 31, 2011	As at March 31, 2010
a) Net profit as per profit and loss account excluding extra ordinary items	(131,557)	(82,021)
b) Weighted Average Number of Equity Shares for calculating Basic EPS	14,143	14,143
c) Basic Earning Per Share	(9.30)	(5.80)
d) Number of Shares Outstanding at the beginning of the Year	14,143	14,143
e) Number of Shares Outstanding at the end of the Year	14,143	14,143

9. Related Parties (as identified by the Management) are classified as under

Ultimate Holding Company	Max India Limited.
Holding Company	Max Healthcare Institute Limited.
Subsidiary Company	Alps Hospital Limited.
Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV Netherlands, Neeman Medical International NV Netherlands, Max Neeman Medical International Inc., USA, Max UK Ltd. UK, Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max Healthstaff International Ltd., Max Bupa Health Insurance Co. Ltd., Hometrail Buildtech Pvt. Ltd., Hometrail Estate Pvt. Ltd.

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by management) carried out in ordinary course of business are as follows:

(RS. IN '000)

S.No	Particulars	Holding company or group of individuals having control or significant influence over the Company and relatives of such individuals	Subsidiary Company	Fellow Subsidiary
1.	Loan Taken Max Healthcare Institute Limited	172,754 (570,797)	- (-)	- (-)
2.	Expenses: Services Received Max Healthcare Institute Limited Pharmax Corporation Limited	8,549 (9802) - (-)	- (-) - (-)	- (-) 132 (132)
3.	Sales Max Healthcare Institute Limited	20,555 (17,246)	- (-)	- (-)
4.	Interest Expenses(including interest capitalized)* Max Healthcare Institute Limited	263,577 (203,668)	- (-)	- (-)
5.	Interest Income Alps Hospital Limited	- (-)	32,132 (32,132)	- (-)
6.	Reimbursement of Expenses Max Healthcare Institute Limited	242 (-)	- (-)	- (-)
7.	Amount Outstanding a. Against Loan taken Max Healthcare Institute Limited b. Sundry Creditors Balance Max Healthcare Institute Limited c. Interest Payable Max Healthcare Institute Limited d. Against Loan Given Alps Hospital Limited e. Interest Receivable Alps Hospital Limited f. Debtors Max Healthcare Institute Limited	2,145,872 (1,973,432) 13,532 (4,515) 563,658 (378,086) - (-) - (-) 7,545 (-)	- (-) - (-) - (-) 257,056 (257,056) 117,858 (85,886) - (-)	- (-) - (-) - (-) - (-)

Schedules annexed to and forming part of the accounts

Previous years figures are given in brackets

*of which the interest capitalized amount of Rs. 2,047 Thousand (Previous Year Rs. 31,018 Thousand) payable to Max Healthcare Institute Ltd.

10. Leases

Accounting for leases has been made in accordance with Accounting Standard-19 issued by the Institute of Chartered Accountants of India. Following are the details of lease transactions for the year:

Operating Lease

Income from lease rentals recognized for the year is Rs. 95,908 Thousand (Previous Year Rs. 62,650 Thousand) As mentioned above, the company has entered into an agreement for supply of equipment on lease. The lease rent is entirely contingent on turnover, hence cannot be quantified for any future periods.

Details of Assets given under operating Lease are as under:

(RS. IN '000)			
Particulars	Gross Carrying Amount	Depreciation for the Year	Accumulated Depreciation
Assets	947,435	62,236	225,709
	(870,313)	(40,320)	(163,473)

11. The Company operates into three major segments: Trading, Construction and Leases. A description of the types of products and services provided by each reportable segment is as follows:

Trading Activity includes trading in medical instruments and equipments.

Construction Activity includes construction of hospital building for healthcare service provider.

Lease and Repair & Maintenance Income includes income from medical and other equipments given on lease to healthcare service provider.

Business Segment

				(RS. IN '000)	
S.No	Particulars	Segments			Total
		Trading	Construction	Leasing and Repair & Maintenance	
1	External Sales	232,726 (275,532)	59,632 (190,605)	155,851 (101,807)	448,209 (567,944)
2	Inter-Segment Sales	- (-)	- (-)	- (-)	- (-)
3	Total Revenue	232,726 (275,532)	59,632 (190,605)	155,851 (101,807)	448,209 (567,944)
4	Segment Result	500 (347)	- (-)	111,524 (62,696)	112,024 (62,349)
5	Unallocated Expenses				5916 (14,233)
6	Unallocated Incomes				49,651 (41,588)
7	Interest Incomes				36,477 (37,393)
8	Operating Profit				192,236 (127,097)

Schedules annexed to and forming part of the accounts

(RS. IN '000)

S.No	Particulars	Trading	Segments Construction	Leasing and Repair & Maintenance	Total
9	Depreciation			62,236 (40,320)	62,236 (40,320)
10	Operating Profit after depreciation				130,000 (86,777)
11	Financial Expenses				261,557 (174,711)
12	Profit before Tax				(131,557) (87,934)
13	Tax Expense				- (5,913)
14	Profit after Tax				(131,557) (82,021)
	Other Informations				
15	Segment Assets	26,062 (8,095)	684,306 (667,848)	1,451,090 (1,277,644)	2,161,458 (1,953,587)
16	Unallocated Assets				853,305 (688,032)
17	Total Assets				3,014,763 (2,641,619)
18	Segment Liabilities	48,127 (47,333)	676,119 (654,493)	1,003,275 (891,124)	1,727,521 (1,592,950)
19	Unallocated Liabilities				1,287,242 (1,048,669)
20	Total Liabilities				3,014,763 (2,641,619)

The Company operates in single geographical Segment.

12. During the year 2007-08, Alps Hospital Limited (the subsidiary company) has set up a multi specialty healthcare facility at Gurgaon on July 2, 2007. To fund the said project, an amount of Rs. 257,056 Thousand (Previous Year Rs. 257,056 Thousand) had been given to the subsidiary as unsecured loan till March 31, 2011.
13. Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. In order to comply with provisions of the Act, the company has floated letters seeking applicability of the Act to the creditors. As per the information received, none of the creditors are covered under this Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Schedules annexed to and forming part of the accounts

14. Additional Information pursuant to the provisions of paragraphs 3 of Part – II of Schedule VI of the Companies Act, 1956. Purchase, Sales and Stock of Goods Purchased for Sale. (As certified by the Management)

(RS. IN '000)

S.N.	Description	Opening Stock		Purchases		Sales		Closing Stock	
		Qty.	Rs.	Qty.	Rs.	Qty.	Rs.	Qty.	Rs.
1	Stent	-	-	2,294	120,608	2,294	121,764	-	-
		(1)	(30)	(2,798)	(163,827)	(2,799)	(163,857)	(-)	(-)
2	Medical Equipment	-	-	1	1,016	1	1,016	-	-
		(-)	(-)	(14)	(9,503)	(14)	(9,503)	(-)	(-)
3	IT Equipment	-	-	-	-	-	-	-	-
		(-)	(-)	(70)	(4,269)	(70)	(4,269)	(-)	(-)
4	Balloon	-	-	667	6,812	667	6,812	-	-
		(-)	(-)	(807)	(11,156)	(807)	(11,156)	(-)	(-)
5	Pacemakers	-	-	243	67,079	243	67,079	-	-
		(-)	(-)	(260)	(65,368)	(260)	(65,368)	(-)	(-)
6	Others	103	400	2,160	36,331	2,094	36,055	169	676
		(-)	(-)	(994)	(21,379)	(891)	(21,379)	(103)	(400)

* Previous year's figures have been given in brackets.

15. Value of Imports calculated on CIF basis

(RS. IN '000)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Capital Goods	65,701	180,249
Total	65,701	180,249

16. Expenditure in foreign currency (Accrual Basis).

(RS. IN '000)

Particulars	For the year ended March 31, 2011	For the year ended March 31, 2010
Professional Fee	-	427
Total	-	427

17. Previous Year Comparitives

The figures of previous year were audited by a firm of Chartered accountants other than S.R. Batliboi & Co.

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No.:324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors
of Max Medical Services Limited

ARVIND KAKAR Director
SUJATHA RATNAM Director

ROHIT GANDHI Company Secretary

NEW DELHI
May 25, 2011

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

		6	1	3	1	4

State Code

5	5

Balance Sheet Date

3	1

Date

0	3

Month

2	0	1	1

Year

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

Public Issue

NIL

Bonus Issue

NIL

Rights Issue

NIL

Others

NIL

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

Total Liabilities

2,290,297

Sources of Fund

Paid-up Capital

141,425

Secured Loans

-

Unsecured Loans

2,145,872

Application of Funds

Net Fixed Assets

780,533

Net Current assets

1,096,359

Accumulated Losses

278,646

Total Assets

2,290,297

Reserve and Surplus

3,000

Deferred Tax Liability

0

Investments

134,759

Misc. Expenditure

0

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)

534,337

Total Expenditure

665,894

+ -

	✓

Profit/Loss before tax

131,557

+ -

	✓

Profit/Loss after tax

131,557

Earning per share in Rs.

+ -

	✓

Basic and Diluted

9.30

Dividend Rate (%)

NIL

V Name of three Principal Products/Service of Company

Product Description

C	O	N	S	T	R	U	C	T	I	O	N			
L	E	A	S	I	N	G		Et						
T	R	A	D	I	N	G								

Alps Hospital Limited





Directors' Report

Your Directors are pleased to present their Twenty second Annual Report along with the Audited Accounts for the financial year ended March 31, 2011.

OPERATIONS

During the fourth year of operations of your Company, the income from healthcare services increased from Rs. 38.44 crore in 2009-10 to Rs.46.71 crore in 2010-11. Net loss for the year reduced to Rs. 7.02 crore as compared to previous year's loss of Rs. 8.10 crore.

The highlights of operations in 2010-11 are as under:

- The Company performed over 274 Ortho-surgeries, 809 Obstetrics & Gynaecology surgeries and over 1179 other procedures.
- The average occupancy has gone up from 49.1% to 58.5%.
- Number of patient episodes recorded over 3.76 lacs in 2010-11.

Your company is also in the process of considering various options of financial restructuring which would adequately take care of the appropriate capital structure of the Company.

DIVIDEND

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

DIRECTORS

In accordance with the provisions of the Act, Mr. Arvind Kakar is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retire and offer themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Companies Act, 1956 (the Act') to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The observations of the Auditors are explained wherever necessary in the appropriate notes to the accounts. In addition, the accounts have been prepared on going concern basis as the Directors consider that the Company would be able to realize its assets and discharge its liabilities in the normal course of business. Further, the Company had to depend on short term funding due to non availability of long term funding at this point in time. The Company is regularly reviewing its current financing within the regulatory parameters.

PARTICULARS OF DEPOSITS

During the year under review, your Company has not accepted any deposits from the public.

ADDITIONAL INFORMATION

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

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 & Development and Technology Absorption : Nil

C. Foreign Exchange Earnings and Outgo : Nil

PARTICULARS OF EMPLOYEES

The Company does not have any employee who is covered under the provisions of Section 217 (2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- In the preparation of annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- The Directors had prepared the annual accounts on a going concern basis.

For and on Behalf of the Board of Directors

New Delhi
August 8, 2011

ARVIND KAKAR
ROHIT GANDHI

Director
Director

Auditors' Report

TO THE MEMBERS OF ALPS HOSPITAL LIMITED

1. We have audited the attached Balance Sheet of Alps Hospital Limited ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause

(g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Re: Alps Hospital Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventories at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (v) (b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the year and in the immediately preceding financial year.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

Auditors' Report

- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs.585,332,000 raised on short term basis have been used for long-term investment representing acquisition of fixed assets and funding of losses.*
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Balance Sheet as at March 31, 2011

		(RS. IN '000)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	500	500
LOAN FUNDS			
Unsecured loan	2	394,626	411,690
Total		395,126	412,190
APPLICATION OF FUNDS			
FIXED ASSETS			
	3		
Gross Block		475,939	466,845
Less: Accumulated Depreciation/Amortization		90,758	67,302
Net Block		385,181	399,543
Capital work-In-progress including capital advances		561	1,594
		385,742	401,137
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	4	19,206	19,446
Sundry Debtors	5	38,952	32,464
Cash and Bank Balances	6	15,902	14,080
Other Current Assets	7	1,050	2,462
Loans & Advances	8	21,733	10,545
(A)		96,843	78,997
Less: Current Liabilities and Provisions			
Current Liabilities	9	356,892	267,590
Provisions	10	2,951	2,494
(B)		359,843	270,084
NET CURRENT ASSETS (A - B)		(263,000)	(191,087)
PROFIT & LOSS ACCOUNT			
Total		272,384	202,140
		395,126	412,190
Notes to Accounts	17		

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

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Alps Hospital Limited

ARVIND KAKAR
Director

ROHIT GANDHI
Director

GURGAON
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Profit and Loss Account for the year ended March 31, 2011

(RS. IN '000)

	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Income from Healthcare Services	11	466,107	383,005
Other Income	12	975	1,444
Total		467,082	384,449
EXPENDITURE			
Medical supplies consumed/traded	13	96,211	83,891
Personnel Expenses	14	85,765	82,829
Operating and Administrative expenses	15	273,218	222,008
Financial Expenses	16	58,676	53,532
Depreciation/amortization	3	23,456	23,194
Total		537,326	465,454
PROFIT /(LOSS) BEFORE TAX		(70,244)	(81,005)
Tax Expense		-	-
(LOSS) AFTER TAX		(70,244)	(81,005)
Balance brought forward from previous year		(202,140)	(121,135)
Loss carried forward to the balance sheet		(272,384)	(202,140)
Earning Per Share (Rs per equity share of Rs 10/- each)			
(Refer Note B13 and C4 of Schedule 17)			
- Basic and Diluted		(1,404.89)	(1,620.09)
Nominal Value of Shares		10.00	10.00

Notes to Accounts

17

The Schedules referred to above and the notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Alps Hospital Limited

ARVIND KAKAR
Director

ROHIT GANDHI
Director

GURGAON
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Cash Flow Statement for the year ended March 31, 2011

	(RS. IN '000)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. Cash Flow From Operating Activities		
Net Profit/(Loss) before tax and extraordinary items	(70,244)	(81,005)
Adjustments for:		
Depreciation	23,456	23,194
Interest Expense	55,898	51,494
Interest Income	(226)	(167)
Provision for Doubt ful Debts	5,521	1,853
Provision for Leave encashment and Gratuity	457	1,178
Operating Profit Before Working Capital Changes	14,862	(3,453)
Movement in working capital :		
Decrease / (increase) in sundry debtors	(12,009)	(14,324)
Decrease / (increase) in loans and advances	472	614
Decrease / (increase) in inventories	239	859
Decrease / (increase) in current liabilities	57,561	62,023
Cash Generated From Operations	61,125	45,719
Direct taxes paid (net of refunds)	(10,138)	(5,119)
Cash From / (Used in) Operating Activities	50,987	40,600
B. Cash Flow From Investing Activities		
Purchase of fixed assets	(8,061)	(5,522)
Interest received	117	23
Cash From/ (Used In) Investing Activities	(7,944)	(5,499)
C. Cash Flow From Financing Activities		
Interest Paid	(8,551)	(7,226)
Finance Lease Rent Payment	(17,064)	(16,256)
Interest on Finance Lease	(15,606)	(11,202)
Cash From/ (Used In) Financing Activities	(41,221)	(34,684)
Net increase/(decrease) in cash & cash equivalents (A + B + C)	1,822	416
Cash and cash equivalents at the beginning of the year	14,080	13,664
Cash and cash equivalents at the end of the year	15,902	14,080
Components of cash and cash equivalent	As at March 31, 2011	As at March 31, 2010
Cash in Hand	424	461
Fixed Deposits	3,288	2,200
Balance with Banks	12,190	11,419
Cash & Cash Equivalents in Cash Flow Statement	15,902	14,080

Notes to Accounts

17

The Schedules referred to above form an integral part of the Cash Flow Statement

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Alps Hospital Limited

ARVIND KAKAR
Director

NEW DELHI
MAY 25, 2011

ROHIT GANDHI
Director

Schedules annexed to and forming part of the accounts

(RS. IN '000)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
1,250,000 (Previous year 1,250,000) equity Shares of Rs. 10/- each	12,500	12,500
	12,500	12,500
ISSUED, SUBSCRIBED & PAID UP		
50,000 (Previous year 50,000) equity Share of Rs 10/- each fully paid up	500	500
	500	500
Of the above :		
(i) 50,000 (Previous year 50,000) Equity Shares are held by Max Medical Services Limited, the Holding Company and it's nominees.		
SCHEDULE 2		
UNSECURED LOANS		
Other Loans and Advances :		
-From Max Medical Services Limited, Holding Company *	257,056	257,056
-From Max Healthcare Institute Limited*	65,276	65,276
-Finance lease obligation **	72,294	89,358
(Refer Note C9 of Schedule 17)	394,626	411,690

* Repayable on Demand

** Repayable within one year Rs 15,426 thousand (Previous year Rs 17,064 thousand)

SCHEDULE 3: FIXED ASSETS

(Refer Notes B3, B4, B5, B6, B7 on Schedule 17)

(RS. IN '000)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2010	Additions	Deletion/ Adjustments	As at March 31, 2011	As at April 1, 2010	For the year	Deletion/ Adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
TOWNED ASSETS :										
Tangible Assets										
Building	206,011	863	-	206,874	8,893	3,380	-	12,273	194,601	197,118
Plant & Machinery	94,049	143	-	94,192	11,995	4,477	-	16,472	77,720	82,054
Furniture & Fixtures	17,316	126	-	17,442	6,474	843	-	7,317	10,125	10,842
Office Equipments & Computers	5,012	581	-	5,593	1,483	637	-	2,120	3,473	3,529
Medical Equipments	12,021	5,975	-	17,996	1,878	1,135	-	3,013	14,983	10,143
Vehicles	-	1,406	-	1,406	-	119	-	119	1,287	-
SUB TOTAL (A)	334,409	9,094	-	343,503	30,723	10,591	-	41,314	302,189	303,686
LEASED ASSETS:										
Tangible Assets										
Plant & Machinery	14,552	-	-	14,552	3,628	1,382	-	5,010	9,542	10,924
Furniture & Fixtures	10,408	-	-	10,408	4,498	754	-	5,252	5,156	5,910
Office Equipments & Computers	10,201	-	-	10,201	3,951	1,440	-	5,391	4,810	6,250
Medical Equipments	95,143	-	-	95,143	23,792	9,025	-	32,817	62,326	71,351
Vehicles	1,221	-	-	1,221	305	116	-	421	800	916
Intangible Assets										
Computer Software	911	-	-	911	405	148	-	553	358	506
SUB TOTAL (B)	132,436	-	-	132,436	36,579	12,865	-	49,444	82,992	95,857
TOTAL	466,845	9,094	-	475,939	67,302	23,456	-	90,758	385,181	399,543
Previous Year	462,235	4,611	-	466,845	44,109	23,194	-	67,302	399,543	
Capital Work in progress (including capital advances)									561	1,594
TOTAL									385,742	401,137

Notes : 1. Capital work in progress includes Capital Advances of Rs 561/- thousand (Previous year Rs 1594/- Thousand)

Schedules annexed to and forming part of the accounts

	(RS. IN '000)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 4		
INVENTORIES (at lower of cost and net realisable value)		
(Refer Note B8 of Schedule 17)		
Stock of medicines & consumables	8,683	9,143
Medical and surgical instruments	10,523	10,303
	19,206	19,446
SCHEDULE 5		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	8,933	4,648
Unsecured, considered doubtful	8,751	3,230
OTHER DEBTS		
Unsecured, considered good	30,019	27,816
	47,703	35,694
Less :-		
Provision for doubtful debts	(8,751)	(3,230)
	38,952	32,464
INCLUDED IN SUNDRY DEBTORS		
i) Due from companies under the same management:		
Max India Ltd.	12	6
Maximum amount outstanding Rs 12 thousand (Previous year Rs 6 thousand)		
Max New York Life Insurance Company Ltd.	17	16
Maximum amount outstanding Rs 17 thousand (Previous year Rs 16 thousand)		
Max India Foundation	43	41
Maximum amount outstanding Rs.43 thousand (Previous year Rs 41 thousand)		
Max Bupa Health Insurance Company Ltd	55	-
Maximum amount outstanding Rs 55 thousand (Previous year nil)		
SCHEDULE 6		
CASH AND BANK BALANCES		
Cash in hand	424	461
Balance with Scheduled Banks		
-On Current Accounts	12,190	11,419
-On Deposit Accounts*	3,288	2,200
	15,902	14,080

* Held under lien by various authorities Rs 3288 thousand (Previous year Rs 2200 thousand)

Schedules annexed to and forming part of the accounts

	(RS. IN '000)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 7		
OTHER CURRENT ASSETS		
Unbilled Revenue	760	2,281
Interest Accrued on Deposit and Margin Accounts	290	181
	1,050	2,462
SCHEDULE 8		
LOANS AND ADVANCES		
(Unsecured, consider good)		
Advances Recoverable in Cash or kind or Value to be Received	3,179	2,230
Advance Income Tax/ Tax deducted at source	15,998	5,859
Security Deposits	2,556	2,456
	21,733	10,545
SCHEDULE 9		
CURRENT LIABILITIES		
(Refer Notes C5 on Schedule 17)		
Sundry Creditors :		
(a) total outstanding dues of Micro ,Small and Medium Enterprises	-	-
(b) total outstanding dues of creditors other than Micro ,Small and Medium Enterprises	223,094	166,444
Advance from Customers	1,327	1,563
Interest Accrued and Due	127,421	95,680
Other Liabilities	5,050	3,903
	356,892	267,590
SCHEDULE 10		
PROVISIONS		
(Refer Note B11 and C7 on Schedule 17)		
Provision for Leave encashment	2,951	2,264
Provision for Gratuity	-	230
	2,951	2,494
		(RS. IN '000)
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE 11		
INCOME FROM HEALTHCARE SERVICES		
Revenue From Healthcare Facilities	428,925	354,360
Includes tax deducted at source Rs 10,115 thousand (Previous year 5100 thousand)		
Sale of drugs, pharmaceuticals and medical supplies	37,182	28,645
	466,107	383,005
SCHEDULE 12		
OTHER INCOME		
Interest on bank deposits	226	167
Includes tax deducted at source Rs 22 thousand (Previous year Rs 20 thousand)		
Miscellaneous income	749	928
Liabilities/provision no longer required written back	-	349
	975	1,444

Schedules annexed to and forming part of the accounts

	(RS. IN '000)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE 13		
MATERIAL AND SUPPLIES CONSUMED AND TRADED		
Consumption of medical consumables	67,862	62,051
Cost of traded goods sold :		
- Drugs, medicines & consumables	28,349	21,840
	96,211	83,891
SCHEDULE 14		
PERSONNEL EXPENSES		
(Refer Note C7 on Schedule 17)		
Salaries to Staff	76,348	74,213
Contribution to provident & other fund	3,533	3,633
Gratuity Expense	635	230
Staff welfare Expenses	5,249	4,753
	85,765	82,829
SCHEDULE 15		
OPERATING AND OTHER EXPENSES		
Professional and Consultancy fees	108,336	87,205
Outside Lab Investigations	20,086	17,230
Patient Catering	8,024	6,919
Rent	6,567	6,787
Insurance	1,123	770
Rates and Taxes	1,598	1,441
Repairs and Maintenance		
- Building	1,370	1,373
- Plant & Machinery	12,505	11,656
- Others	3,991	3,187
Facility Maintenance	23,569	19,243
Watch and Ward	3,025	3,313
Power and Fuel	15,562	13,884
Printing and Stationery	3,939	3,407
Travelling and Conveyance	1,807	1,706
Communication Costs	1,752	1,809
Provision for Doubtful debts	5,521	1,853
Legal and Professional Fees	6,705	6,748
Service Charge	45,000	30,309
Advertisement & Publicity	1,269	1,423
Equipment hiring Charges	289	148
Charity & Donation	-	600
Miscellaneous Expenses	1,180	997
	273,218	222,008
SCHEDULE 16		
FINANCIAL EXPENSES		
(Refer Note C9 (a) on Schedule 17)		
Interest :		
- on inter corporate loan	40,292	40,292
- on Finance Lease	15,606	11,202
Bank Charges	2,778	2,038
	58,676	53,532

Schedules annexed to and forming part of the accounts

SCHEDULE 17

NOTES TO THE ACCOUNTS

A. Nature of Operations

The company is engaged in the business of providing the medical services, in Gurgaon, Haryana. Healthcare facilities have long gestation periods, ranging from three to five years from the commencement of its operations and accordingly require significant cash outlay.

B. Statement of Significant Accounting Policies

1) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has started commercial operations in year 2007. The Company has incurred significant losses of Rs. 70,244 thousand (Previous year Rs. 81,005 thousand) in the current year, due to which accumulated loss has been posted at Rs. 272,384 thousand (Previous year Rs. 202,140 thousand) against Share Capital of Rs. 500 thousand as of March 31, 2011 (Previous year Rs. 500 thousand). The accumulated losses of the Company are envisaged and are owing to the long gestation nature of operation towards development of infrastructure to support the long term growth plan. In the opinion of the management, in view of the commitment of continued financial support by upstream holding company, and on the basis of the Company's future investment plans, the Company is continuing with a going concern assumption. Further, the Company does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Assets acquired under the business transfer agreement are stated at amounts based on a valuation report. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4) Depreciation

- (i) Depreciation is provided using Straight Line Method as per the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the lease term.
- (iii) Assets costing below Rs.5, 000 are depreciated at the rate of 100%.

5) Impairment

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Schedules annexed to and forming part of the accounts

6) Intangible Assets

Research costs are expensed as incurred. Development expenditure incurred on software implementation is recognized as an intangible asset when its future recoverability can reasonably be regarded as assured and are separately identifiable. Any expenditure so capitalised is amortized over their estimated useful lives of two to six years on straight line basis.

The carrying value of development costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

7) Leases

Where the Company is the lessee

Finance leases, which effectively transfer to the Company substantially all the risk and benefits incidental to the ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are expensed.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight line basis over the lease term.

8) Inventories

Inventories are valued as lower of cost and net realizable value. Cost comprises of purchase price including duties, taxes and other incidental cost necessary to bring the inventory to its saleable condition. Cost is determined on first in first out basis.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

9) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

10) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Sale of Goods

Revenue in respect of sale of drugs, pharmaceuticals and medical supplies is recognised when the significant risks and rewards of ownership of the goods is passed to the buyer. Sale is net of trade discounts and sales tax.

(ii) Revenue from healthcare facilities

Revenue from healthcare facilities is recognized on the performance of related services and includes service for patients undergoing treatment and pending for billing, which is shown as income accrued under loans and advances.

(iii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

11) Retirement and other employee benefits

(i) Provident fund

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit & loss a/c of the year when contributions for the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

(ii) Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected

Schedules annexed to and forming part of the accounts

unit credit method made at the end of each financial year. The Company has taken a policy with Max New York Life Insurance Co. Ltd. to cover the gratuity liability of the employees and contribution paid to the Max New York Life Insurance Co. Ltd. is charged to Profit & Loss Account. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with Max New York Life Insurance is provided for as liability in the books.

(iii) Compensated absences

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

(iv) Actuarial gains/ losses are immediately taken to Profit and Loss Account and are not deferred.

12) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

13) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares

14) Provisions

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 its present value and are determined based on best management 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.

15) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Schedules annexed to and forming part of the accounts

C. NOTES TO ACCOUNTS

1. Contingent Liabilities (not provided for) in respect of :

Particular	(RS. IN '000)	
	As at March 31, 2011	As at March 31, 2010
Claims against the Company not acknowledged as debts	1,000	1,000

Note:

Claims against the Company not acknowledged as debts represent the cases that are pending with Consumer Disputes Redressal Commissions / Courts. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.

2. Capital Commitment

Particular	(RS. IN '000)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,796	-
Less: Capital Advances	561	-
Balance Value of Contracts	9,235	-

3. The component of deferred tax is given below:

Particular	(RS. IN '000)	
	As at March 31, 2011	As at March 31, 2010
Deferred Tax Liability		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	27,250	21,806
Gross Deferred Tax Liability	27,250	21,806
Deferred Tax Asset		
Carried forward business loss and Unabsorbed depreciation	110,150	83,381
Other Provisions	13	-
Finance Lease related	47,983	57,231
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	3,808	998
Gross Deferred Tax Assets	161,954	141,610
Net Deferred Tax Asset / (Liability)	134,704	119,804
Recognised Net Deferred Tax Assets	-	-

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil and has been recognized only to the extent of deferred tax liability since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

Schedules annexed to and forming part of the accounts

4. Earnings Per Share Calculation of EPS (Basic and Diluted)

Particular	(RS. IN '000)	
	As at March 31, 2011	As at March 31, 2010
Basic		
Profit /(Loss) after tax (Rs. '000)	(70,244)	(81,005)
Weighted Average number of Equity Shares outstanding during the year	50,000	50,000
Basic Earnings Per Share (Rs.)	(1,404.89)	(1,620.09)
Diluted		
Weighted average number of equity shares having dilutive impact	-	-
Diluted Earnings per share (Rs.)	(1,404.89)	(1,620.09)

5. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. In order to comply with provisions of the Act, the company has floated letters seeking applicability of the Act to the creditors. As per the information received, none of the creditors are covered under this Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

6. All the movable fixed assets (excluding vehicles), book debts, operating cash flows, receivables and revenues are hypothecated as first charge on pari- passu basis towards HDFC and EXIM, against the loan availed by the parent company i.e. Max Healthcare Institute Limited of Holding company i.e. Max Medical Services Limited.

7. Employees Benefit

Gratuity Expenses

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the Profit and Loss Account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

	(RS. IN '000)	
	Gratuity	
	March 31, 2011	March 31, 2010
Current service cost	399	223
Interest cost on benefit obligation	34	17
Expected return on plan assets	(20)	(8)
Benefit Paid	-	(28)
Net actuarial(gain) / loss recognized in the year	222	26
Past service cost		
Net benefit expense	635	230
Actual return on plan assets		

Schedules annexed to and forming part of the accounts

Balance Sheet

Details of Provision for Gratuity

	(RS. IN '000)	
	Gratuity	
	March 31, 2011	March 31, 2010
Defined benefit obligation	(1028)	(450)
Fair value of plan assets	1,365	220
Less: Unrecognized past service cost	-	-
Plan asset /(liability)	336	(230)

Changes in the present value of the defined benefit obligation are as follows:

	(RS. IN '000)	
	Gratuity	
	March 31, 2011	March 31, 2010
Opening defined benefit obligation	450	212
Interest cost	34	17
Current service cost	399	223
Benefits paid	(85)	(28)
Actuarial (gains) / losses on obligation	230	26
Closing defined benefit obligation	1028	450

Changes in the fair value of plan assets are as follows:

	(RS. IN '000)	
	Gratuity	
	March 31, 2011	March 31, 2010
Opening fair value of plan assets	220	-
Expected return	20	8
Contributions by employer	1,117	212
Benefits paid	-	-
Actuarial gains / (losses)	8	-
Closing fair value of plan assets	1,365	220

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	March 31, 2011	March 31, 2010
	%	%
Investments with insurer	100	100

Schedules annexed to and forming part of the accounts

The principal assumptions used in determining benefit obligations for the Company's plans are shown below:

	(RS. IN '000)	
	Gratuity	
	March 31, 2011	March 31, 2010
	%	%
Discount rate	8.00	7.60
Expected rate of return on assets	6.26	9.04
Employee turnover	30	40
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		

Amounts for the current and previous two year are as follows:

	(RS. IN '000)		
	Gratuity		
	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	1,028	450	212
Plan assets	1,365	220	-
Surplus/ (deficit)	336	(230)	(212)
Experience adjustments on plan liabilities - (Loss)/Gain	(69)	6	3
Experience adjustments on plan assets - (Loss)/Gain	8	-	-

8. Segment Reporting

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

9. Leases

i. In case of assets taken on lease

a) Finance Lease

i. Description of significant leasing arrangements

The Company has taken medical equipments and other fixed assets from a upstream Holding Company. The lease period is of 10 years. Upon the expiry of the term, the absolute and un-encumbered ownership of the equipment shall be vest in the company at the guaranteed residual value.

Particulars	(RS. IN '000)		
	Minimum Lease Payments	Finance Lease Charges	Present value of minimum lease payments
Not Later than One Year	34,741	19,315	15,426
	(32,669)	(16,606)	(17,063)
Later than One Year but not later than Five Years	1,42,618	99,755	42,863
	(1,41,596)	(91,601)	(49,995)
Later than Five Years	35,763	28,711	7,051
	(71,526)	(56,181)	(15,345)

Figures in brackets represent previous year comparatives

b) Operating Lease

i. Description of significant leasing arrangements

The Company has taken medical equipments on operating lease from a upstream holding at lease rental of Rs. 400 thousand per month for the initial period of two year with option to renew for a further term with mutual consent. There is no escalation clause in the lease agreement.

Schedules annexed to and forming part of the accounts

Particular	(RS. IN '000)	
	As at March 31, 2011	At at March 31, 2010
Not later than One Year	1,200	4,800
Later than One Year not later than Five years	-	1,200
Later than Five Years	-	-
Total	1,200	6,000

- ii. The Company has entered into operating leases for employees residence that are renewal on a periodic basis and cancellable at Company's option. Lease rentals recognised in the profit & loss account for the year is Rs 6788 thousand (Previous year Rs 6567 thousand).

10. Related Parties

a. Names of related parties

Names of related parties where control exist irrespective of whether transactions have occurred or not

Ultimate Holding Company	Max India Limited
Holding Company	Max Medical Services Limited Max Healthcare Institute limited (Holding Company for Max Medical Services Limited)

Names of other related parties with whom transactions have taken place during the year

Fellow Subsidiaries	Max New York Life Insurance Company Limited Max Bupa Health Insurance Company Limited
Key Management Personnel	Mr. Analjit Singh Dr. Pervez Ahmed Dr. Pradeep Kumar Chowbey.
Enterprises owned or significantly influenced by key management personnel or their relatives	New Delhi House Services Limited Malsi Estates Limited Max India Foundation

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by management) carried out in ordinary course of business are as follows:

Particulars	Holding Company		Fellow Subsidiary		Enterprises owned or significantly influenced by key management personnel or their relatives	
	2011	2010	2011	2010	2011	2010
Finance Lease liability undertaken						
Max Healthcare Institute Limited	-	1,592	-	-	-	-
Finance Lease Installment *						
Max Healthcare Institute Limited	17,063	17,848	-	-	-	-
Operating Lease Installment **						
Max Healthcare Institute Limited	4,800	4,800	-	-	-	-
Expenses:						
Max Healthcare Institute Limited	20,830	36,019	-	-	-	-
For Management Services Received						
Max Healthcare Institute Limited	63,856	30,309	-	-	-	-
Purchases of Medicines & Consumables						
Max Healthcare Institute Limited	80,960	67,926	-	-	-	-
Interest Expense						
Max Healthcare Institute Limited	23,765	8,159	-	-	-	-
Max Medical Services Limited	32,132	32,132	-	-	-	-
Income:						
Max Healthcare Institute Limited	8	33	-	-	-	-
Max India Foundation	-	-	-	-	260	-
Max New York Life Insurance Co. Ltd.	-	-	38	-	-	-
Max Bupa Health Insurance Co. Ltd.	-	-	476	-	-	-
Amount Outstanding						
Against Loan taken						
Max Healthcare Institute Limited	65,276	65,276	-	-	-	-
Max Medical Services Limited	257,056	257,056	-	-	-	-
Finance Leased Assets Obligation						
Max Healthcare Institute Limited	72,294	89,358	-	-	-	-
Interest accrued but not due						
Max Healthcare Institute Limited	9,563	9,794	-	-	-	-
Max Medical Services Limited	117,858	85,886	-	-	-	-
Payable for Goods/ Services						
Max Healthcare Institute Limited	194,230	137,357	-	-	-	-
Max Medical Services Limited	-	1,128	-	-	-	-
Debtors						
Max New York Life Insurance Company Limited	-	-	17	16	-	-
Max Bupa Health Insurance Co. Ltd.	-	-	55	-	-	-
Max India Limited	12	6	-	-	-	-
Max India Foundation	-	-	-	-	43	41

*Excluding applicable taxes on Finance Lease installments amounting to Rs. 1,216/- Thousand, (Previous Year Rs. 994/- Thousand) and Interest shown separately Rs. 15,605/- Thousand (Previous Year . 11,201/- thousand)

**Excluding applicable taxes on Operating Lease installments amounting to Rs. 252/- thousand (Previous Year Rs. 192/- thousand)

Schedules annexed to and forming part of the accounts

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4, 4B, 4C AND 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956:

11. Material consumed consists of items of varied nature. Accordingly it is not feasible to give details as required under part II of Schedule VI to the Companies Act, 1956.

12. Auditors Remuneration

Particular	(RS. IN '000)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
Audit fees (including service tax)	660	441
Reimbursement of out of pocket expenses	35	22
Total	695	463

13. Comparative Figures

The figures of previous year were audited by a firm of Chartered accountant other than S. R. Batliboi & Co.

Previous year's figures have been regrouped where necessary to conform to this year's classification

For S.R. BATLIBOI & Co.
Firm Registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Alps Hospital Limited

ARVIND KAKAR
Director

NEW DELHI
MAY 25, 2011

ROHIT GANDHI
Director

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

		3	6	4	1	3

State Code

5	5

Balance Sheet Date

3	1

Date

0	3

Month

2	0	1	1

Year

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

Public Issue

NIL

Bonus Issue

NIL

Rights Issue

NIL

Others

NIL

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

Total Liabilities

395,126

Total Assets

395,126

Sources of Fund

Paid-up Capital

500

Secured Loans

-

Unsecured Loans

394,626

Reserve and Surplus

Deferred Tax Liability

Application of Funds

Net Fixed Assets

385,742

Net Current assets

(263,000)

Accumulated Losses

272,384

Investments

Misc. Expenditure

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)

467,082

Total Expenditure

537,326

+ -

	✓

Profit/Loss before tax

70,244

+ -

	✓

Profit/Loss after tax

70,244

Earning per share in Rs.

Basic and Diluted

1,404.89

Dividend Rate (%)

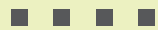
NIL

V Name of three Principal Products/Service of Company

Product Description

H	O	S	P	I	T	A	L							

Hometrail Estate Private Limited





Directors' Report

Your Directors are pleased to present their Third Annual Report along with Audited Accounts for the financial year ended March 31, 2011.

REVIEW OF OPERATIONS

Your company had entered into a concession agreement last year with Govt. of the Punjab for setting up Super specialty hospital in Mohali. Under the terms of the agreement, your Company has been allotted 3.15 acres of land on lease. Post entering into the agreement and possession of land, the Company has started setting up above mentioned hospital, the construction for which is in full swing. The Company is hopeful to complete the afore-mentioned construction activity and commence business operations by third quarter of FY 2011-12 and will be appropriately capitalized closer to the launch of the facilities.

DIVIDEND

Your Directors do not recommend any dividend, as the Company is yet to commence its operations.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposit from the public during the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 (the Act'), Mr. C.V. Raghu is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retire and offer themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Act, to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The observations of the Auditors are explained wherever necessary in the appropriate notes to the accounts. Further, the Company had to depend on short term funding due to temporary mismatch in the availability of long term funds. The Company is regularly reviewing its current financing within the regulatory parameters.

ADDITIONAL INFORMATION

As your Company does not carry on any manufacturing activity, information in accordance with the provisions of Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not furnished herewith.

PARTICULARS OF EMPLOYEES

The Company does not have any employee, who is covered under the provisions of Section 217 (2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv the Directors had prepared the annual accounts, on a going concern basis.

For and on Behalf of the Board of Directors

New Delhi
August 8, 2011

SUJATHA RATNAM
ARVIND KAKAR

Director
Director

Auditors' Report

TO THE MEMBERS OF HOMETRIAL ESTATE PRIVATE LIMITED

1. We have audited the attached Balance Sheet of Hometrial Estate Private Limited ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none

- of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Re: Hometrail Estate Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (b) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the provisions of clause 4(ii) (a) to (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of para 4 (v) (a) and (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The provisions relating to internal audit are not applicable to the Company.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the

Auditors' Report

Information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposit with banks payable on demand. The maximum amount if idle/surplus funds

invested during the year was Rs. 240,456,135 out of which Rs. 143,140,890 was outstanding during the year.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs.191,060,491 raised on short term basis have been used for long-term investment representing acquisition of fixed assets and funding of losses.*
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Balance Sheet as at March 31, 2011

	Schedules	As at March 31, 2011	(RUPEES) As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	100,000	100,000
LOAN FUNDS			
Secured loans	2	270,000,000	-
Unsecured loans	3	282,984,600	107,995,752
TOTAL		553,084,600	108,095,752
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	4	19,552	19,552
Less : Accumulated Depreciation		3,281	112
Net block		16,271	19,440
Capital work-in-progress including capital advances		446,820,014	100,635,820
		446,836,285	100,655,260
CURRENT ASSETS, LOANS & ADVANCES			
Cash and bank balances	5	147,082,261	2,455,798
Other Current Assets	6	974,663	-
Loans and advances	7	1,556,228	10,000
(A)		149,613,152	2,465,798
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	8	57,689,044	7,936,121
(B)		57,689,044	7,936,121
NET CURRENT ASSETS (A-B)		91,924,108	(5,470,323)
PROFIT & LOSS ACCOUNT			
TOTAL		14,324,207	12,910,815
		553,084,600	108,095,752
Notes to Accounts	12		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

For and on behalf of the Board of Directors of
Hometrial Estate Private Limited

SUJATHA RATNAM
Director

ARVIND KAKAR
Director

GURGAON
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Profit and Loss Account for the year ended March 31, 2011

		(RUPEES)	
	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Other income	9	9,400	-
TOTAL		9,400	
EXPENDITURE			
Administrative and other expenses	10	1,019,381	11,329,137
Financial expenses	11	400,242	1,581,566
Depreciation	4	3,169	112
TOTAL		1,422,792	12,910,815
(LOSS) BEFORE TAX		(1,413,392)	(12,910,815)
Tax expense		-	-
(LOSS) AFTER TAX		(1,413,392)	(12,910,815)
Balance brought forward from previous year		(12,910,815)	
Loss carried to Balance Sheet		(14,324,207)	(12,910,815)
Earnings per share			
Basic & Diluted [Nominal value of shares Rs.10 (Previous year Rs.10)] (RUPEES)			(141.34)
(1,291.08)			
Number of Shares used in computing Earning per Share			
Basic & Diluted		10,000	10,000
Notes to Accounts	12		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

For and on behalf of the Board of Directors of
Hometrial Estate Private Limited

SUJATHA RATNAM
Director

ARVIND KAKAR
Director

GURGAON
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Cash Flow Statement for the year ended March 31, 2011

	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. Cash flow from operating activities		
Net (Loss) before tax	(1,413,392)	(12,910,815)
Adjustments for:		
Depreciation	3,169	112
Interest expense	-	1,102,852
Interest income	(9,400)	-
Miscellaneous expenditure written off	-	15,950
Operating profit before working capital changes	(1,419,623)	(11,791,901)
Movements in working capital :		
(Increase) / Decrease in Loans and advances	(1,546,228)	(10,000)
Increase / (Decrease) Trade payables	-	-
(Increase) / Decrease Other current assets	-	-
Cash generated from operations	(2,965,851)	(11,801,901)
Net cash from operating activities	(2,965,851)	(11,801,901)
B. Cash flow from investing activities		
Purchase of fixed assets	-	(19,552)
Capital work-in-progress	(2,935,928,00)	(92,679,882)
Interest received	3,569,661	-
Net cash from investing activities	(290,023,139)	(92,699,434)
C. Cash flow from financing activities		
Proceeds from long term borrowings	444,988,848	107,995,752
Interest paid	(7,373,396)	(1,102,852)
Net cash from financing activities	437,615,452	106,892,900
Net increase in cash and cash equivalents	144,626,463	2,391,565
Cash and cash equivalents at the beginning of the year	2,455,798	64,233
Cash and cash equivalents at the end of the year	147,082,261	2,455,798
Net increase in cash and cash equivalents	144,626,463	2,391,565
	As at March 31, 2011	As at March 31, 2010
Cash on Hand		
Balance with scheduled banks ,		
- On Margin Accounts*	100,000	100,000
- On Deposit Accounts	143,140,890	-
- On Current Accounts	3,841,371	2,355,798
Total	147,082,261	2,455,798

* Not available for use by the Company since under lien.

Notes to Accounts

12

The Schedules referred to above forms an integral part of the Cash Flow Statement

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169
GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Hometrial Estate Private Limited

SUJATHA RATNAM
Director

NEW DELHI
MAY 25, 2011

ARVIND KAKAR
Director

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED	100,000	100,000
10,000 (Previous year: 10,000) equity shares of Rs 10/- each	100,000	100,000
ISSUED, SUBSCRIBED & PAID UP		
10,000 (Previous year: 10,000) equity shares of Rs 10/- each	100,000	100,000
Of the above the entire share capital is held by Max Healthcare Insitute Limited, the Holding Company and its nominee	100,000	100,000
SCHEDULE 2		
SECURED LOANS		
Term Loans from Financial Institutions	270,000,000	-
	270,000,000	-
SCHEDULE 3		
UNSECURED LOANS		
From Max Healthcare Institute Ltd., the holding company	282,984,600	107,995,752
	282,984,600	107,995,752

SCHEDULE 4 : FIXED ASSETS

	(RUPEES)									
Particulars	Gross Block				Depreciation				Net Block	
	As at April 1, 2010	Additions	Deletion/ Adjustments	As at March 31, 2011	As at April 1, 2010	Additions	Deletion/ Adjustments	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets										
Office Equipments										
- Others	19,552	-	-	19,552	112	3,169	-	3,281	16,271	19,440
Total	19,552	-	-	19,552	112	3,169	-	3,281	16,271	19,440
Previous Year		19,552	-	19,552	-	112	-	112		
Capital work-in-progress*									446,820,014	100,635,820
									446,836,284	100,655,260

Capital-work-in-progress includes:

- Capital advances of Rs.43,350,447 (Previous Year Rs. 4,990,145)
- Pre-operative expenses of Rs.30,791,436 (Previous Year Rs. 14,866,118); including borrowing cost amounting to Rs.6,191,158 (Previous year Rs.3,626,497)
- Upfront fee paid under concession agreement with Government of Punjab of Rs. 47,355,000 (Previous Year Rs.23,677,500)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 5		
CASH AND BANK BALANCES		
Balance with scheduled banks :		
- On Deposit Accounts	143,140,890	-
- On Margin Accounts	100,000	100,000
- On Current Accounts	3,841,371	2,355,798
	147,082,261	2,455,798

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 6		
OTHER CURRENT ASSETS		
Interest accrued on deposit and margin accounts	974,663	-
	974,663	-
SCHEDULE 7		
LOANS AND ADVANCES		
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	10,000	10,000
Security deposit	473,340	-
Tax deducted at source	454,244	-
Others	618,644	-
	1,556,228	10,000
SCHEDULE 8		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
-total outstanding dues of Micro Enterprise & Small Enterprise	-	-
-total outstanding dues other than Micro Enterprise & Small Enterprise	51,746,000	1,915,488
Interest Accrued to the holding company	4,256,414	4,256,414
Other Liabilities	1,686,630	1,764,219
	57,689,044	7,936,121
		(RUPEES)
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE 9		
OTHER INCOME		
Interest on:		
Bank deposits	9,400	-
	9,400	-
SCHEDULE 10		
ADMINISTRATIVE AND OTHER EXPENSES		
Project Development Fee	-	10,000,000
Audit Fees	330,900	250,000
Advertisement Expenses	323,000	1,063,187
Travelling and Conveyance	227,139	-
Miscellaneous Expenditure	138,342	15,950
	1,019,381	11,329,137
SCHEDULE 11		
FINANCIAL EXPENSE		
Interest on Loan	-	1,102,852
Bank Charges	400,242	478,714
	400,242	1,581,566

Schedules annexed to and forming part of the accounts

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE 12: NOTES TO ACCOUNTS

A. Nature of Operations

Hometrail Estate Private Limited was incorporated on April 21, 2008 and acquired by Max Healthcare Institute Limited (Holding Company) on April 2, 2009 with the objective of establishing, maintaining and running Super speciality hospital in Mohali in the state of Punjab.

B. Statement of Significant Accounting Policies

1) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4) Depreciation

- (i) Depreciation is provided using Straight Line Method as per the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) Assets costing Rs.5,000 or below are depreciated at the rate of 100%.

5) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

6) Foreign Currency Translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at

Schedules annexed to and forming part of the accounts

rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

7) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

8) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

9) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

10) Provisions

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 its present value and are determined based on best management 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.

Schedules annexed to and forming part of the accounts

C. NOTES TO THE ACCOUNTS

1. Contingent Liabilities not Provided for

		(RUPEES)	
SI No.	Particular	As at March 31, 2011	As at March 31, 2010
i.	Letters of credit opened by various banks in favour of domestic and foreign suppliers for medical equipment	69,298,062	Nil

2. Capital Commitments

		(RUPEES)	
		For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for		399,972,561	125,468,539
Less: Capital Advances		43,350,447	4,990,145
Balance Value of Contracts		356,622,114	120,478,394

3. Secured Loans

The Company has availed a term loan of Rs.2700 lacs (Previous year Rs. Nil) from L & T Infrastructure Finance Company Limited to finance its hospital projects, secured by way of:

- Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.
- First charge on movable fixed assets excluding vehicles, including movable Plant and Machinery, Machinery spares, tools and accessories, furniture, fixtures and all other movable assets.
- First charge on all the book debts, operating cash flows, receivables and revenue from the project, all current assets, commissions and revenue, present and future (subject to a prior charge in favour of working capital bankers restricted to the working capital limits of Rs.1200 lacs in aggregate).
- First charge on all intangibles.
- Corporate guarantee by the holding company.

4. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. In order to comply with provisions of the Act, the company has floated letters seeking applicability of the Act to the creditors. As per the information received, none of the creditors are covered under this Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

5. Related Parties

a. Names of related parties

Names of related parties where control exist irrespective of whether transactions have occurred or not

Ultimate Holding Company	Max India Limited
Holding Company	Max Healthcare Institute Limited
Names of related parties with whom transactions have taken place during the year	
Holding Company	Max Healthcare Institute Limited
Ultimate Holding Company	Max India Limited

Schedules annexed to and forming part of the accounts

b. Transaction with related parties during the year		(RUPEES)	
S.No.	Particulars	Max India Limited (Ultimate Holding Company)	Max Healthcare Institute Limited (Holding Company)
1.	Loan Taken	NIL (NIL)	(174,988,848) (107,995,752)
2.	Expenses: Service Received	917,761 (6,700)	NIL (NIL)
3.	Interest Expenses (including interest capitalized)	NIL (NIL)	(NIL) (42,56,414)
4.	Amount Outstanding		
a.	Amount Payable	503,567 (NIL)	282,984,600 (107,995,752)
b.	Interest Payable	NIL (NIL)	4,256,414 (4,256,414)

6. Deferred Tax

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss and unabsorbed depreciation as a major component. However, deferred tax asset has been considered nil since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4, 4B, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

7. CIF Value of Imports		(RUPEES)	
		For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Value of Imports calculated on CIF Basis			
- Capital Goods		9,464,960	-
Total		9,464,960	-
8. Pending Allocation of Pre-operative expenses to Fixed Assets		(RUPEES)	
Particulars		March 31, 2011	March 31, 2010
Opening Balance		14,866,118	-
Salaries, wages and bonus		12,077,149	1,915,396
Legal and professional		-	7,568,898
Miscellaneous expenses		4,277,612	1,755,327
Financial Expense		6,191,158	3,626,497
Less: transferred to capital work in progress		(6,620,601)	-
TOTAL		30,791,436	14,866,118

9. Comparative Figures

The figures of previous year were audited by a firm of Chartered accountant other than S. R. Batliboi & Co. Previous year's figures have been regrouped where necessary to conform to this year's classification.

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Hometrial Estate Private Limited

SUJATHA RATNAM
Director

NEW DELHI
MAY 25, 2011

ARVIND KAKAR
Director

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

	1	7	6	9	6	3

State Code

5	5

Balance Sheet Date

3	1

Date

0	3

Month

2	0	1	1

Year

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

Public Issue

Nil

Bonus Issue

Nil

Rights Issue

Nil

Others

Nil

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

Total Liabilities

553,084,600

Sources of Fund

Paid-up Capital

100,000

Secured Loans

270,000,000

Unsecured Loans

282,984,600

Application of Funds

Net Fixed Assets

446,836,285

Net Current assets

91,924,108

Accumulated Losses

14,324,207

Total Assets

553,084,600

Reserve and Surplus

-

Deferred Tax Liability

-

Investments

-

Misc. Expenditure

-

IV Performance of Company (Amount in Rs.)

Turnover (Total Income)

9,400

+	-
	✓

Profit/Loss before tax

1,413,392

Earning per share in Rs.

+	-
	✓

Basic

141.34

Diluted

141.34

Total Expenditure

1,422,792

+	-
	✓

Profit/Loss after tax

1,413,392

Dividend Rate (%)

NIL

V Name of three Principal Products/Service of Company

Product Description

H	E	A	L	T	H	C	A	R	E					
R	E	L	A	T	E	D								
S	E	R	V	I	C	E	S							

Hometrail Buildtech Private Limited





Directors' Report

Your Directors are pleased to present their Third Annual Report along with Audited Accounts for the financial year ended March 31, 2011.

REVIEW OF OPERATIONS

Your company has entered into a concession agreement last year with Govt. of the Punjab for setting up Super specialty hospital in Bathinda. Under the terms of the agreement, your Company has been allotted 4.80 acres of land on lease. Post entering into the agreement and possession of land, the Company has started setting up above mentioned hospital, the construction for which is in full swing. The Company is hopeful to complete the afore-mentioned construction activity and commence business operations by third quarter of FY 2011-12 and will be appropriately capitalized closer to the launch of the facilities.

DIVIDEND

Your Directors do not recommend any dividend, as the Company is yet to commence its operations.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposit from the public during the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 (the Act'), Mr. C.V. Raghu is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retire and offer themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Act, to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The observations of the Auditors are explained wherever necessary in the appropriate notes to the accounts. Further, the Company had to depend on short term funding due to temporary mismatch in the availability of long term funds. The Company

is regularly reviewing its current financing within the regulatory parameters.

ADDITIONAL INFORMATION

As your Company does not carry on any manufacturing activity, information in accordance with the provisions of Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not furnished herewith.

PARTICULARS OF EMPLOYEES

The Company does not have any employee, who is covered under the provisions of Section 217 (2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv the Directors had prepared the annual accounts, on a going concern basis.

For and on Behalf of the Board of Directors

New Delhi
August 8, 2011

SUJATHA RATNAM
ARVIND KAKAR

Director
Director

Auditors' Report

TO THE MEMBERS OF HOMETRIAL BUILDTECH PRIVATE LIMITED

1. We have audited the attached Balance Sheet of Hometrail Buildtech Private Limited ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section 3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that

none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Re: Hometrail Buildtech Private Limited ('the Company')

- (i) (a) According to the information and explanations given to us, the Company does not have any fixed assets. Accordingly, the provisions of clause 4 (i) (a) to (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (ii) (b) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the provisions of clause 4(ii) (a) to (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of para 4 (v) (a) and (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The provisions relating to internal audit are not applicable to the Company.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

Auditors' Report

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposit with banks payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 210,454,140 out of which Rs.111,890,370 was outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs.191,857,677 raised on short term basis have been used for long-term investment representing acquisition of fixed assets and funding of losses.*
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & CO.

Firm registration No. 324982E

Chartered Accountants

per SANJAY VIJ

Partner

Membership No.: 95169

Gurgaon

May 25, 2011

Balance Sheet as at March 31, 2011

	Schedules	As at March 31, 2011	(RUPEES) As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	100,000	100,000
LOAN FUNDS			
Secured loans	2	240,000,000	-
Unsecured loans	3	261,130,965	94,893,134
		501,230,965	94,993,134
APPLICATION OF FUNDS			
FIXED ASSETS			
Capital work-in-progress including capital advances	4	417,782,352	84,022,935
		417,782,352	84,022,935
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and bank balances	5	114,868,264	3,599,852
Other Current Assets	6	881,875	-
Loans and advances	7	1,453,247	-
(A)		117,203,386	3,599,852
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	8	47,930,098	5,721,400
(B)		47,930,098	5,721,400
NET CURRENT ASSETS (A-B)		69,273,288	(2,121,548)
Profit and Loss account		14,175,325	13,091,747
		501,230,965	94,993,134
Notes to Accounts	12		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Hometrial Buildtech Private Limited

SUJATHA RATNAM
Director

NEW DELHI
MAY 25, 2011

ARVIND KAKAR
Director

Profit and Loss Account for the year ended March 31, 2011

		(RUPEES)	
	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Other income	9	224,527	-
		224,527	
EXPENDITURE			
Administrative and other expenses	10	907,863	11,430,733
Financial expenses	11	400,242	1,661,014
		1,308,105	13,091,747
(LOSS) BEFORE TAX		(1,083,578)	(13,091,747)
Current tax			
(LOSS) AFTER TAX		(1,083,578)	(13,091,747)
Balance brought forward from previous year		(13,091,747)	
LOSS CARRIED TO BALANCE SHEET		(14,175,325)	(13,091,747)
EARNINGS PER SHARE			
Basic & Diluted [Nominal value of shares Rs.10 (Previous year Rs.10)] (Rs.)		(108.36)	(1,309.17)
Number of shares used in computing earning per share			
Basic		10,000	10,000
Notes to Accounts	12		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Hometrial Buildtech Private Limited

SUJATHA RATNAM
Director

NEW DELHI
MAY 25, 2011

ARVIND KAKAR
Director

Cash Flow Statement for the year ended March 31, 2011

		(RUPEES)	
Schedule	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net (Loss) before tax and extraordinary items	(1,083,578)	(13,091,747)	
Adjustments for:			
Interest expense	-	1,209,585	
Interest income	(9,378)	-	
Miscellaneous Expenditure Written Off	-	15,950	
Operating profit before working capital changes	(1,092,956)	(11,866,212)	
Movement in working capital :			
(Increase) / Decrease in Loans and advances	(1,453,247)	-	
Increase / (Decrease) Trade payables	-	-	
(Increase) / Decrease Other current assets	-	-	
Cash generated from operations	(2546204)	(11866212)	
Cash generated from / (used in) operating activities	(2546204)	(11866212)	
B. Cash flow from investing activities			
Capital work in progress	(287043296)	(78281718)	
Interest Received	2,786,656		
Cash generated from / (used in) investing activities	(281,256,640)	(78281718)	
C. Cash flow from financing activities			
Proceeds from long term borrowings	406,237,831	94,893,134	
Interest paid	(8,166,575)	(1,209,585)	
Cash generated from / (used in) financing activities	398,071,256	93,683,549	
Net increase in cash and cash equivalents (A+B+C)	111,268,412	3,535,619	
Cash and cash equivalents at the beginning of the year	3,599,852	64,233	
Cash and cash equivalents at the end of the year	114,868,264	3,599,852	
Net increase in cash and cash equivalents	111,268,412	3,535,619	
		(RUPEES)	
	As at March 31, 2011	As at March 31, 2010	
Cash on hand	-	-	
Balance with banks :			
- On Margin Accounts*	100,000	100,000	
- On Deposit Accounts	111,890,370	-	
- On Current Accounts	2,877,894	3,499,852	
Total	114,868,264	3,599,852	
* Not available for use by the Company since under lien.			
Notes to Accounts	12		

The Schedules referred to above and notes to accounts form an integral part of the Cash Flow Statement

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Hometrial Buildtech Private Limited

SUJATHA RATNAM
Director

NEW DELHI
MAY 25, 2011

ARVIND KAKAR
Director

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
10,000 (Previous year: 10,000) equity shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
ISSUED, SUBSCRIBED & PAID UP		
10,000 (Previous year: 10,000) equity shares of Rs 10/- each		
Of the above the entire share capital is held by Max Healthcare Institute Limited, the holding company and its nominee	100,000	100,000
	100,000	100,000
SCHEDULE 2		
SECURED LOANS		
Term Loans from Financial Institutions	240,000,000	-
	240,000,000	-
SCHEDULE 3		
UNSECURED LOANS		
From Max Healthcare Institute Ltd., the holding company	261,130,965	94,893,134
	261,130,965	94,893,134
SCHEDULE 4		
CAPITAL WORK IN PROGRESS		
Opening balance	84,022,935	25,332
Addition during the year	333,759,417	83,997,603
Closing balance	417,782,352	84,022,935
Note: Capital work-in-Progress includes :		
1. Capital Advances of Rs. 53,602,060 (Previous Year Rs. 18,916,269)		
2. Pre-operative Expenses of Rs. 28,873,308 (Previous Year Rs. 16,519,154) including borrowing cost amounting to Rs 4,507,423 (Previous year Rs.2,193,650)		
3. Upfront fee paid under concession agreement with Government of Punjab of Rs.11,891,250 (Previous Year Rs. 3,963,750)		
SCHEDULE 5		
CASH AND BANK BALANCES		
Balance with banks :		
On deposits accounts	111,890,370	-
On margin accounts	100,000	100,000
On current accounts	2,877,894	3,499,852
	114,868,264	3,599,852
SCHEDULE 6		
OTHER CURRENT ASSETS		
Interest accrued on deposit and margin accounts	881,875	-
	881,875	-

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 7		
LOANS AND ADVANCES		
Unsecured, considered good		
Security Deposit	507,090	-
Tax deducted at source	366,696	-
Other	579,461	-
	1,453,247	-
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
(a) total outstanding dues of Micro and Small Enterprises	-	-
(b) total outstanding dues of creditors other than Micro and Small Enterprises	43,770,579	1,678,854
Interest accrued to the holding company	3,062,912	3,062,912
Other liabilities	1,096,607	979,634
	47,930,098	5,721,400
		(RUPEES)
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE 9		
OTHER INCOME		
Interest on:		
Bank deposits	9,378	-
Miscellaneous income	215,149	-
	224,527	-
SCHEDULE 10		
ADMINISTRATIVE AND OTHER EXPENSES		
Project development fees	-	10,000,000
Audit fees	330,900	250,000
Advertisement expenses	298,000	1,164,783
Travelling and conveyance	257,081	-
Miscellaneous expenses	21,882	15,950
	907,863	11,430,733
SCHEDULE 11		
FINANCIAL EXPENSE		
Interest	-	1,209,585
Bank charges	400,242	451,429
	400,242	1,661,014

Schedules annexed to and forming part of the accounts

SCHEDULE 12 : NOTES TO THE ACCOUNTS

A. NATURE OF OPERATIONS

Hometrail Buildtech Private Limited was incorporated on April 21, 2008 and acquired by Max Healthcare Institute Limited (Holding Company) on April 2, 2009 with the objective of establishing, maintaining and running Super speciality hospital in Bathinda in the state of Punjab.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

5) Foreign Currency Translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

6) Earnings per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the year.

Schedules annexed to and forming part of the accounts

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

7) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

8) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

9) Provisions

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 its present value and are determined based on best management 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.

Schedules annexed to and forming part of the accounts

C. NOTES TO THE ACCOUNTS

1. Contingent Liabilities not Provided for

		(RUPEES)	
Sl No.	Particulars	As at	As at
		March 31, 2011	March 31, 2010
i.	Letters of credit opened by various banks in favour of domestic and foreign suppliers for medical equipment	69,949,315	Nil

2. Capital Commitments

21. Capital Commitments		(RUPEES)
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for	419,441,534	144,337,353
Less: Capital Advances	53,602,060	18,916,269
Balance Value of Contracts	365,839,474	125,421,084

3. Secured Loans

The Company has availed a term loan of Rs.2400 lacs (Previous year Rs. Nil) from L & T Infrastructure Finance Company Limited to finance its hospital projects, secured by way of:

- Assignment by way of security of all rights, titles, interests, benefits, claims and demands under the concession agreement, project documents and other contracts.
- First charge on movable fixed assets excluding vehicles, including movable Plant and Machinery, Machinery spares, tools and accessories, furniture, fixtures and all other movable assets.
- First charge on all the book debts, operating cash flows, receivables and revenue from the project, all current assets, commissions and revenue, present and future (subject to a prior charge in favour of working capital bankers restricted to the working capital limits of Rs.1,000 lacs in aggregate).
- First charge on all intangibles.
- Corporate guarantee by the holding company.

4. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. In order to comply with provisions of the Act, the company has floated letters seeking applicability of the Act to the creditors. As per the information received, none of the creditors are covered under this Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

5. Related Parties

a. Names of related parties

Names of related parties where control exist irrespective of whether transactions have occurred or not

Ultimate Holding Company	Max India Limited
Holding Company	Max Healthcare Institute Limited
Names of related parties with whom transactions have taken place during the year	
Holding Company	Max Healthcare Institute Limited

Schedules annexed to and forming part of the accounts

b. Transaction with related parties during the year

S.No.	Particulars	Max Healthcare Institute Limited (Holding Company)
1.	Loan Taken	166,237,831 (94,893,134)
2.	Interest Expenses (including interest capitalized)	NIL (30,62,912)
3.	Amount Outstanding	
a.	Amount Payable	261,130,965 (94,893,134)
b.	Interest Payable	30,62,912 (30,62,912)

- 6 The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss as a major component. However, deferred tax asset has been considered nil since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly

7. Company has prudently decided not to recognize deferred tax asset on such timing differences

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3, 4, 4B, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956:

8. Value of Imports calculated on CIF Basis

Particulars	(RUPEES)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
- Capital Goods	94,64,960	-
Total:	94,64,960	-

9. Pending Allocation of Pre-operative expenses to Fixed Assets

Particulars	(RUPEES)	
	March 31, 2011	March 31, 2010
Opening Balance	16,519,154	-
Salaries, wages and bonus	9,073,104	4,209,182
Legal and professional	-	7,006,379
Miscellaneous expenses	4,770,389	3,109,943
Financial Expense	4,507,423	2,193,650
Less: transferred to capital work in progress	(5,996,762)	-
TOTAL	28,873,308	16,519,154

10. Previous Year Comparative

The figures of previous year were audited by a firm of Chartered accountant other than S. R. Batliboi & Co.

Previous year's figures have been regrouped where necessary to conform to this year's classification

For S.R. BATLIBOI & Co. Firm Registration Number: 324982E Chartered Accountants	For and on behalf of the Board of Directors of Hometrial Buildtech Private Limited	
per SANJAY VIJ Partner Membership No. 95169	SUJATHA RATNAM Director	ARVIND KAKAR Director
GURGAON MAY 25, 2011	NEW DELHI MAY 25, 2011	

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

1 7 6 9 6 2

State Code

5 5

Balance Sheet Date

3 1

Date

0 3

Month

2 0 1 1

Year

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

Public Issue

Nil

Bonus Issue

Nil

Rights Issue

Nil

Others

Nil

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

Total Liabilities

501,230,965

Total Assets

501,230,965

Sources of Fund

Paid-up Capital

100,000

Secured Loans

240,000,000

Unsecured Loans

261,130,965

Reserve and Surplus

-

Deferred Tax Liability

-

Application of Funds

Net Fixed Assets

417,782,352

Net Current assets

69,273,288

Accumulated Losses

14,175,325

Investments

-

Misc. Expenditure

-

IV Performance of Company (Amount in Rs.)

Turnover (Total Income)

224,527

Total Expenditure

1,308,105

Profit/Loss before tax

1,083,578

Profit/Loss after tax

1,083,578

+ -
☒+ -
☒

Earning per share in Rs.

Basic

+ -
☒

108.36

Dividend Rate (%)

NIL

+ -
☒

Diluted

108.36

V Name of three Principal Products/Service of Company

Product Description

H	E	A	L	T	H	C	A	R	E								
R	E	L	A	T	E	D											
S	E	R	V	I	C	E	S										



CONTRACT RESEARCH

Improving... life

Max Neeman Medical
International Limited





Directors' Report

Your Directors are pleased to present their Twelfth Annual Report, along with the Audited Accounts for the financial year ended March 31, 2011.

FINANCIAL PERFORMANCE

As a business, your Company is still at a very early stage of development. Revenues increased from Rs.18.55 crore in 2009-10 to Rs.23.27 crore in 2010-11, while PBT grew from Rs.2.18 crore in 2009-10 to Rs.3.81 crore in 2010-11. The Company continues to increase its client base. It added 23 new clients during 2010-11 taking the total client base to 77.

OPERATIONS

With operations having stabilized, your Company now offers services across six fields within the CRO industry. These are (i) Site Management (ii) Site Monitoring (iii) Clinical Data Management (iv) Project Management (v) Medical Writing and (vi) Supply Chain Management of Clinical Trial Material. The Company also operates in Phase IV trials.

On the clinical research front, where it provides services in Phases II, III and IV of clinical trial studies, the Company now has access to over 1,350 ICH GCP trained investigators. A team of over 210 clinical research coordinators and associates with presence across 22 Indian cities gives the Company access to patients and investigators for various therapeutic areas. An automated workflow process ensures efficient and accurate data management. With its high quality operating standards, the Company successfully provided services to 32 clients over 64 new studies during 2010-11.

The Company's patient retention rate – a critical business driver in clinical trials – is 98% against an industry average of 65% to 70%. It caters to several prestigious customers that include Merck, GlaxoSmithKline, Bristol Myers Squibb, Sanofi-Aventis, Johnson & Johnson, Novartis, Pfizer, AstraZeneca, Pharmacosmos, Biogen Idec, Genzyme, NovoNordisk, and Wyeth as well as other medium sized companies such as Achillion, GlobeImmune, AP Pharma, ORA, KV Pharmaceuticals, Inspiration, Biotronik, West Ward, Orion, Octapharma, Ocular Therapeutics, SOV Therapeutics, Check Cap, Angel Med, Theracos, Trutek, Sun Pharma, Advaxis, Onyvax, Cardiogenesis, Akorn, Eyegate, Quintiles, Bio Cryst, Heart force, Viro Pharma, Nural Strem, Victhom, Premiere Research, Sintesi Research, Boston Scientific, Semler Research, Mardil, Medtronik, Surpass Medical, Vision Care, Amgen, Acrovan, Mediwound, Ethicon, Cure Tech, Corventis Medical, Capnia, and Onconova.

The Company follows a robust system of quality control. All its operational activities are governed by strict adherence to ICH-GCP guidelines. It is the first CRO in India whose five sites have been audited successfully by the USFDA. The Company has been certified for ISO 9001:2008 for site management, monitoring

and data management. All its activities and operations are governed by robust standard operating procedures (SOPs). The Company has also been certified organisation-wide for ISO 27001:2005 (Information Security Management System) and ISO 14155:2011 for Clinical Trial of Clinical Device Studies.

OUTLOOK, RISKS AND CONCERNS

The CRO industry is highly dependent on R&D expenditures of pharmaceutical and biotech companies. These expenditures vary in any given year. Operating results are also subject to volatility due to external constraints such as the commencement, completion, cancellation or delaying of contracts. Progress of ongoing projects, costs overruns and competitive industry conditions are also sources of risks. The ability to develop and market new services on a timely basis with changes in the service mix for various clients always remains a challenge. Equally, this provides an opportunity to increase client retention with the delivery of superior service skills and offerings.

In this business, there are potential product and conduct liability risks. There is also competition from in-house research departments of pharmaceuticals companies, universities and teaching hospitals, as well as other CROs.

DIVIDEND

Your Directors do not recommend any dividend for the year under review, in view of their decision to deploy the internal accruals towards the growth of the Company's operations.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposits from the public during the year under review. There were no unclaimed/overdue deposits as at March 31, 2011.

ADDITIONAL INFORMATION

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

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 & Development and Technology Absorption:

Nil

Directors' Report

C. Foreign Exchange Earnings and Outgo:

	(Rs. Crore)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
i) Foreign Exchange Earnings	12.86	10.24
ii) Foreign Exchange Outgo		
CIF Value of Imports		
- Capital Goods	Nil	Nil
- Trading Goods	Nil	Nil
Others	2.35	2.39

PARTICULARS OF EMPLOYEES

The particulars of employees as required under Section 217 (2A) of the Act are given in a separate annexure to this report. None of the employees listed in the said Annexure is a relative of any Director of the Company. None of the employees hold (by himself or along with his spouse and dependent children) more than 2% of the equity shares of the Company.

DIRECTORS

In accordance with the provisions of the Act, Mr. Analjit Singh and Dr. Pervez Ahmed are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- (iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- (iv) The Directors had prepared the annual accounts on a going concern basis.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retire and offer themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Act, to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The Auditors' Report read along with notes to accounts is self-explanatory and therefore does not call for any further comments.

COMPLIANCE CERTIFICATE UNDER THE COMPANIES ACT, 1956

A certificate issued by M/s. T Sharad & Associates, Company Secretaries in terms of the provisions of Section 383A of the Act, to the effect that the Company has complied with the applicable provisions of the Act is attached to this Report.

For and on Behalf of the Board of Directors

New Delhi
July 28, 2011

ANALJIT SINGH
Chairman

Compliance Certificate

Compliance Certificate FORM [SEE RULE 3]

Corporate Identification No. (CIN): U85199DL2003PLC119249
Nominal Capital : Rs. 4,35,00,000 (Rupees Four Crore Thirty Five Lacs only)

The Members
Max Neeman Medical International Limited,
Max House, Ground Floor, 1 Dr Jha Marg,
Okhla Phase_III, New Delhi, 110020

We have examined the registers, records, books and papers of **Max Neeman Medical International Limited** as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. the Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies / Regional Director / Central Government / Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. the Board of Directors duly met **Five (5)** times respectively on April 28, 2010, May 17, 2010, July 27, 2010, December 8, 2010 and March 8, 2011 as per information and Explanation given by the management, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
4. the Company was not required to close its Register of Members during the financial year.
5. the Annual General Meeting for the financial year ended on 31st March, 2010 was held on September 28, 2010 as per information and Explanation given by the management, the Company has given adequate notice to call the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
6. no Extra Ordinary General Meeting was held during the financial year.
7. the Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
8. the Company has not entered into any contracts falling within the purview of section 297 of the Act.
9. the Company has maintained the Register under section 301 of the Act and that no transaction was entered into by the Company which would entail applicability of Section 297 and 299 of the Act, which require entry in the said Register.
10. as there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
11. the Company has not issued any duplicate share certificates during the financial year.
12. the Company has :
 - (i) delivered all certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) the Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

Compliance Certificate

- (iii) the Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company was not required to transfer any amount on account of un-paid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained un-claimed or un-paid for a period of seven years to the Investor Education and Protection Fund.
 - (v) duly complied with the requirements of section 217 of the Act.
13. the Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
 14. the Company has not appointed any Managing Director/Whole time Director/ Manager during the financial year.
 15. the Company has not appointed any sole selling agents during the financial year.
 16. the Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
 17. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 18. the Company has not issued any shares or other securities during the financial year.
 19. the Company has not bought back any shares during the financial year.
 20. there was no redemption of preference shares or debentures during the financial year.
 21. there were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 22. the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
 23. the Company has not made any borrowings during the financial year ended 31st March, 2011
 24. the Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose
 25. the Company has not altered the provisions of Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
 26. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 27. the Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
 28. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 29. the Company has not altered its Articles of Association during the financial year.
 30. there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or

Compliance Certificate

any other punishment was imposed on the Company during the financial year for offenses under the Act.

31. the Company has not received any money as security from its employees during the year under certification.
32. the Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For T. Sharad & Associates
Company Secretaries

(F.C.S. Sharad Tyagi)
C.P. No. 6129
Date: 28th day of July, 2011
Place: New Delhi

Annexure 'A'

Registers as maintained by the Company

Statutory Registers

1. Register of member's u / s 150 of the Companies Act, 1956.
2. Minute Book u / s 193 of the Companies Act, 1956 containing minutes of
 - Board Meetings
 - General Meetings
3. Register of Directors, Managing Director / Manager / Secretary u / s 303 of the Companies Act, 1956.
4. Register of Director's Shareholding u/s 307.
5. Register and Returns u/s 163.
6. Register of Share Transfer.
7. Register of Contracts, Companies & Firms in which the Directors are interested u/s 301.
8. Books of Accounts u/s 209
9. Register for renewed and duplicate share certificates of the Companies (issue of share certificates) Rules, 1960

For T. Sharad & Associates
Company Secretaries

(F.C.S. Sharad Tyagi)
C.P. No. 6129
Date: 28th day of July, 2011
Place: New Delhi

Annexure B'

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the Period under review ending on 31st March 2011.

Sr.No.	Form/ Return	For the Matter	Date of filing	Remarks
1.	Form 32	Intimation for resignation of Company Secretary.	14/07/2010	Normal fee
2.	Form 32	Intimation for Change in designation of Director.	01/10/2010	Normal fee
3.	Form 23AC & 23ACA	Balance Sheet & P&L Account	22/10/2010	Normal fee
4.	Form 20B	Annual Return of the Company	22/10/2010	Normal fee

For T. Sharad & Associates
Company Secretaries

(F.C.S. Sharad Tyagi)
C.P. No. 6129
Date: 28th day of July, 2011
Place: New Delhi

Auditors' Report

TO THE MEMBERS OF MAX NEEMAN MEDICAL INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of Max Neeman Medical International Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none

of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.

Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ

Partner
Membership No.: 95169

Gurgaon

May 25, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Re: Max Neeman Medical International Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the provisions of clause 4(ii)(a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of para 4 (v) (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Auditors' Report

- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & CO.

Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ

Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Balance Sheet as at March 31, 2011

	Schedules	As at March 31, 2011	(RUPEES) As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	41,668,130	41,668,130
LOAN FUNDS			
Unsecured loans	2	93,364,421	90,997,412
TOTAL		135,032,551	132,665,542
APPLICATION OF FUNDS			
Fixed Assets	3		
Gross block		44,445,503	38,540,177
Less: Depreciation		28,001,824	20,538,517
Net block		16,443,679	18,001,660
INVESTMENTS	4	52,580,899	25,773,964
Deferred Tax Asset (Net)	5	7,790,557	6,888,983
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry debtors	6	93,816,908	57,801,840
Cash and bank balances	7	9,156,181	5,087,460
Other current assets	8	35,946,694	23,626,335
Loans and advances	9	10,971,959	18,789,479
(A)		149,891,742	105,305,115
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	10	97,035,573	56,114,117
Provisions	11	10,298,811	7,400,721
(B)		107,334,384	63,514,838
NET CURRENT ASSETS (A-B)		42,557,358	41,790,276
PROFIT AND LOSS ACCOUNT		15,660,058	40,210,659
TOTAL		135,032,551	132,665,542
Notes to Accounts	17		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors of
Max Neeman Medical International Limited

SUJATHA RATNAM
C. V. RAGHU

Director
Director

NEW DELHI
May 25, 2011

Profit and Loss Account for the year ended March 31, 2011

		(RUPEES)	
	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Income from operations	12	220,366,784	181,607,819
Other income	13	12,353,725	3,862,876
TOTAL		232,720,509	185,470,695
EXPENDITURE			
Personnel expenses	14	113,059,747	85,868,944
Operating and other expenses	15	73,964,209	71,798,798
Financial expenses	16	84,218	17,113
Depreciation	3	7,463,307	5,986,357
TOTAL		194,571,481	163,671,212
PROFIT BEFORE TAX		38,149,028	21,799,483
Provision for tax			
Current tax		14,500,000	4,172,075
Deferred tax charge		(901,573)	(2,983,342)
PROFIT AFTER TAX		24,550,601	20,610,750
Balance brought forward from previous year		(40,210,659)	(60,821,409)
Surplus carried to Balance Sheet		(15,660,058)	(40,210,659)
Earnings per share			
Basic & Diluted (nominal value of shares Rs. 10) (Rs.)		5.89	4.95
Number of shares used in computing earning per share			
Basic and Diluted		4,166,813	4,166,813
Notes to Accounts	17		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors of
Max Neeman Medical International Limited

SUJATHA RATNAM
C. V. RAGHU

Director
Director

NEW DELHI
May 25, 2011

Cash Flow Statement for the year ended March 31, 2011

	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. Cash flow from operating activities		
Net profit before taxation, and extraordinary items	38,149,028	21,799,483
Adjustments for:		
Depreciation	7,463,307	5,986,357
Interest expense	-	-
Interest income	(171,623)	(158,540)
Dividend income	(1,806,935)	(773,964)
Unrealised foreign exchange loss	635,907	635,907
Other provisions	2,898,090	2,268,605
Operating profit before working capital changes	47,167,774	29,757,848
Movements in working capital :		
Trade receivables	(36,650,975)	16,667,084
Other receivables	(13,221,931)	(18,979,856)
Trade payables	40,921,455	(412,402)
Other current assets	7,817,520	(5,350,839)
Cash generated from operations	46,033,843	21,681,835
Direct taxes paid	(13,598,427)	(1,188,732)
Net cash generated from / (used) from operating activities	32,435,416	20,493,103
B. Cash flows from investing activities		
Purchase of fixed assets	(5,905,327)	(5,125,839)
Proceeds from sale of investments	25,773,964	
Purchase of investments	(52,580,899)	(25,773,964)
Interest received	171,623	158,540
Dividend received	1,806,935	773,964
Net cash generated from / (used) in investing activities	(30,733,704)	(29,967,299)
C. Cash flows from financing activities		
Redemption of preference share capital	-	(500,000)
Unsecured loans	2,367,009	2,192,425
Net cash generated from / (used) financing activities	2,367,009	1,692,425
Net increase in cash and cash equivalents	4,068,721	(7,781,771)
Cash and cash equivalents at the beginning of the year	5,087,460	12,869,231
Cash and cash equivalents at the end of the year	9,156,181	5,087,460
	As at	As at
Components of cash and cash equivalents	March 31, 2011	March 31, 2010
Cash and cheques on hand	144,757	164,327
With banks - on current account	6,971,360	32,196,59
- on deposit account	2,040,064	17,034,74
Cash & Cash Equivalents in Cash Flow Statement	9,156,181	5,087,460
Notes to Accounts	17	

The Schedules referred to above and notes to accounts form an integral part of the Cash Flow Statement
As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors of
Max Neeman Medical International Limited

SUJATHA RATNAM
C. V. RAGHU

Director
Director

NEW DELHI
May 25, 2011

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
4,250,000 (Previous year 4,250,000) Equity Shares of Rs 10/- each	42,500,000	42,500,000
1,00,000 (Previous year 100,000) 13% Non-Cumulative Redeemable Preference Share of Rs. 10/- each	1,000,000	1,000,000
Issued, Subscribed & Paid up		
4,166,813 (Previous year 4,166,813) Equity Shares of Rs 10/- each (held by Max India Limited, the holding company)	41,668,130	41,668,130
	41,668,130	41,668,130
SCHEDULE 2		
UNSECURED LOANS		
From Max India Ltd., the holding company (Repayable on demand)	93,364,421	90,997,412
	93,364,421	90,997,412

**SCHEDULE 3
FIXED ASSETS**

Particulars	Gross Block			Depreciation				Net Block	
	As at April 1, 2010	Additions during year	As at March 31, 2011	As at April 1, 2010	For the year	Deletion/ Adjustments during the year	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets									
Leasehold Improvements	3,381,972	1,752,768	5,134,740	2,894,638	947,195	-	3,841,833	1,292,907	487,334
Plant and Machinery	718,166	-	718,166	98,594	33,988	-	132,582	585,584	619,572
Furniture and Fixtures	1,383,416	679,644	2,063,060	619,686	670,062	-	1,289,748	773,312	763,730
Office Equipment	3,103,274	831,510	3,934,784	630,916	182,908	-	813,824	3,120,960	2,472,358
Computers	10,705,995	1,971,369	12,677,364	4,563,167	1,794,547	-	6,357,714	6,319,650	6,142,828
Intangible Assets									
Software	13,518,510	670,035	14,188,545	7,820,206	2,688,838	-	10,509,044	3,679,501	5,698,304
Technical Know-How	5,728,844	-	5,728,844	3,911,310	1,145,769	-	5,057,079	671,765	1,817,534
Total	38,540,177	5,905,326	44,445,503	20,538,517	7,463,307	-	28,001,824	16,443,679	18,001,660
Previous year	33,414,338	5,125,839	38,540,177	14,552,160	5,986,357	-	20,538,517	18,001,660	

Note: Leasehold improvements include civil and other improvements at Company's Office.

**SCHEDULE 4
INVESTMENTS****Current Non Trade (Unquoted), at Cost**

Units in Mutual Fund

5,216,462 (Previous Year 2,556,991) Kotak Floater Long Term Daily Dividend of Rs.10 each

Aggregate value of unquoted investments

The following investments were purchased during the year

2,659,371 (Previous Year 2,556,991) Kotak Floater Long Term Daily Dividend of Rs.10 each

	52,580,899	25,773,964
	52,580,899	25,773,964
	26,806,935	25,773,964

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	March 31, 2010
SCHEDULE 5		
DEFERRED TAX ASSETS (NET)		
Deferred Tax Liabilities		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	825,937	1,976,646
Deferred Tax Liabilities	825,937	1,976,646
Deferred Tax Assets		
Provision for doubtful debt and advances	284,312	3,690,650
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	8,332,182	5,174,979
Deferred Tax Assets	8,616,494	8,865,629
Net Deferred Tax Asset	7,790,557	6,888,983
SCHEDULE 6		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding six months		
Unsecured, considered good	2,834,053	4,308,411
Unsecured, considered doubtful	855,910	2,732,650
Other debts		
Unsecured, considered good	90,982,855	53,493,429
	94,672,818	60,534,490
Less: Provision for doubtful debts	(855,910)	(2,732,650)
	93,816,908	57,801,840
SCHEDULE 7		
CASH AND BANK BALANCES		
Cash in hand	144,757	164,327
Balances with scheduled banks		
In current accounts	6,971,360	3,219,659
In deposit accounts	2,040,064	1,703,474
	9,156,181	5,087,460
SCHEDULE 8		
OTHER CURRENT ASSETS		
Unbilled revenue	35,869,994	23,373,488
Interest receivable	76,700	252,847
	35,946,694	23,626,335
SCHEDULE 9		
LOANS AND ADVANCES		
Unsecured, considered good		
Advances Recoverable in Cash or kind or Value to be Received	3,408,217	4,530,144
Advance income tax [net of provision for tax]	3,727,747	10,750,797
Capital Advance	200,000	-
Prepaid Expenses	2,876,413	2,751,156
Security Deposits	759,582	757,382
	10,971,959	18,789,479

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 10		
CURRENT LIABILITIES		
Sundry Creditors		
a) total outstanding dues of Micro, Medium and Small Enterprises	-	-
b) total outstanding dues of other than Micro, Medium and Small Enterprises	66,169,964	28,428,144
Advance from customers	26,385,396	25,052,183
Other Liabilities	4,480,213	2,633,790
	97,035,573	56,114,117
SCHEDULE 11		
PROVISIONS		
Provision for gratuity	1,605,841	1,150,210
Provision for leave encashment	8,692,970	6,250,511
	10,298,811	7,400,721
	For the year Ended March 31, 2011	For the year Ended March 31, 2010
SCHEDULE 12		
INCOME FROM OPERATIONS		
Clinical Trial Services *	202,800,683	170,928,183
Clinical Data Management Services	12,264,892	6,227,553
Others	5,301,209	4,452,083
	220,366,784	181,607,819
* Tax deducted at source of Rs. 7,467,644 (Previous year Rs. 8,034,282)		
SCHEDULE 13		
OTHER INCOME		
Interest on:		
Fixed Deposits*	169,748	158,540
Others	1,875	-
Dividend income from Non Trade Investments-Current	1,806,935	773,964
Liabilities/provisions no longer required written back	6,451,701	-
Miscellaneous income	3,923,466	2,930,372
	12,353,725	3,862,876
*Tax deducted at source of Rs.16,794 (Previous year Rs. 15,854)		
SCHEDULE 14		
PERSONNEL EXPENSES		
Salaries, wages and bonus	106,280,694	80,245,361
Contribution to provident and other funds	3,357,600	2,788,566
Staff welfare	2,968,606	2,709,692
Recruitment expenses	452,847	125,325
	113,059,747	85,868,944

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	For the year Ended March 31, 2011	For the year Ended March 31, 2010
SCHEDULE 15		
OPERATING AND OTHER EXPENSE		
Rent	6,327,982	5,846,593
Electricity and water	1,700,500	1,509,692
Repairs and maintenance- others	8,192,567	7,929,055
Legal and professional	9,620,842	4,662,905
Printing and stationery	2,752,824	2,331,952
Business promotion	531,922	653,249
Travelling and conveyance	8,397,731	5,829,650
Communication	5,771,407	5,008,508
Training and seminar expenses	251,230	19,290
Insurance	2,350,555	2,081,003
Audit fee	110,300	82,725
Rates and taxes	1,808,653	24,240
Charity and donation	364,416	280,606
License Fee-software	2,300,722	2,018,554
Business development fee	19,196,692	22,644,326
Commission	1,234,108	-
Provision for doubtful debts	-	1,221,000
Provision for doubtful advances	2,525,682	1,690,100
Loss on foreign exchange fluctuation	434,901	7,850,282
Membership & subscription	91,175	107,698
Miscellaneous expenses	-	7,370
	73,964,209	71,798,798
SCHEDULE 16		
FINANCIAL EXPENSES		
Interest - Others	-	3,709
Bank Charges	84,218	13,404
	84,218	17,113

Schedules annexed to and forming part of the accounts

SCHEDULE: 17

A. NATURE OF OPERATIONS

Max Neeman Medical International Limited is a value added contract research organization providing a broad range clinical research services to global pharmaceuticals, device and biotechnology companies.

B. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Assets acquired under the business transfer agreement are stated at amounts based on a valuation report. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

4) Depreciation

Depreciation is provided using Straight Line Method as per the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956.

Leasehold improvements are depreciated over the the lease term or useful life whichever is lower.

Assets costing Rs.5,000 or below are depreciated at the rate of 100%.

Software/Technical Know-how in the nature of intangible assets are depreciated over a period of five years.

5) Intangible assets

Intangible assets are recognized if they are separately identifiable and the company controls the future economic benefits arising out of them . All other expenses on intangible items are charged to the Profit and Loss account.

Intangible assets are stated at cost less accumulated amortisation and impairment.

6) Leases

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to Profit and Loss Account on a straight-line basis over the period of the lease.

7) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current

Schedules annexed to and forming part of the accounts

investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments.

8) Revenue Recognition

Revenue from clinical trial services is recognised with reference to the stage of completion of clinical study projects subscribed with pharmaceutical companies.

Revenue from clinical data management services is recognised with reference to the stage of completion of clinical data management service projects subscribed with pharmaceutical companies.

9) Foreign currency translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

10) Retirement and other employee benefits

(i) Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides gratuity, a benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, based upon which, the Company contributes to a Master policy with the Life insurance Corporation of India.

(ii) Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. The Company makes contributions under Provident Fund to "Regional Provident Fund Commissioner". Both the employee and the Company make monthly contributions to the above said office equal to a specific percentage of the covered employee's salary.

(iii) Compensated absences

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

Actuarial gains/ losses are taken to Profit and Loss Account for the year.

11) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian 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.

Schedules annexed to and forming part of the accounts

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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company reassesses deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

12) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

13) Provision and Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of a resource will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

Contingent liabilities are disclosed after an evaluation of the fact and legal aspects of the matter involved.

14) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

B. NOTES TO ACCOUNTS

1. Leases

Lease rentals recognized in the Profit and Loss account for the year are Rs.6,327,982/- (Previous year Rs. 5,846,593).

- The company has entered into operating leases for its office and for employees' residence that are renewable on a periodic basis and cancelable at Company's option. The company has not entered into sublease agreements in respect of these leases.
- There are no future commitments for lease payments for any of the above mentioned lease agreements.

2. Related Parties

(i) Name of related parties

Names of related parties where control exist irrespective of whether transactions have occurred or not

Holding Company	Max India Limited
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	Max New York Life Insurance Company Limited. Max Neeman Medical International Inc. USA Pharmax Corporation Limited Max Healthcare Institute Limited Max Healthstaff International Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	New Delhi House Services Limited Max India Foundation

Schedules annexed to and forming part of the accounts

(ii) Transactions with related party during the year:

(RUPEES)

Particulars	Holding Company	Fellow Subsidiaries	Enterprises owned or significantly influenced by key management personnel or their relatives
Expenses			
Rent Expense			
Pharmax Corporation Limited		5,317,669 (4,945,584)	
Max India Limited	- (54,000)		
Business Development Fee			
Neeman Medical International Inc. USA		19,196,692 (22,644,326)	
Other Expenses			
Pharmax Corporation Limited		534,123 (1,833,822)	
Max Healthcare Institute Limited		370,120 (442,620)	
Max New York Life Insurance Company Limited		51,230 (-)	
New Delhi House Services Limited			6,373,580 (5,578,821)
Expenses Reimbursed			
Max India Limited	2,367,009 (2,138,425)		
Purchase of Fixed Assets			
Max Healthstaff International Limited		- (250,205)	
Loans taken			
Max India Limited	2,367,009 (2,192,945)		
Amount outstanding			
Against loan taken			
- Max India Limited	93,364,421 (90,997,412)		
Other payables			
- New Delhi House Services Limited			229,070 (-)
- Neeman Medical International Inc USA		8,337,623 (7,546,570)	
- Pharmax Corporation Limited		- (509,395)	
- Max Healthcare Institute Limited		3,968,733 (197,560)	

Figures in brackets are for previous year.

Schedules annexed to and forming part of the accounts

3. Expenditure/Earning in Foreign Currency (Accrual basis)

Particulars	(RUPEES)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
(a) Expenditure in Foreign Currency		
Professional Fee and Business Development Fee	19,196,692	22,644,326
Commission	1,234,108	-
Travelling	3,093,390	1,229,822
(b) Earning in Foreign Currency		
-Service Income	128,583,198	102,438,122

4. Segment Reporting

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole

(i) Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

(ii) Inter segment Transfers

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

(iii) Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

(iv) Unallocated items :

Includes general corporate income and expense items which are not allocated to any business segment.

(v) Segment Policies :

a) Business Segment: The Company has considered business segment as the primary segment for disclosure. The services considered are Clinical Research and Clinical Data Management Services.

b) Geographical Segment: The Company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, the revenues are bifurcated based on location of customers in India and outside India.

Schedules annexed to and forming part of the accounts

SEGMENT INFORMATION

Primary Segmen

(RUPEES)

	Particulars	Clinical Research	Clinical Data Management Services	Total
a)	Segment Revenue from:			
	- Service income from external customers	208,101,892 (175,380,266)	12,264,892 (6,227,553)	220,366,784 (181,607,819)
	Total Segment Revenue	208,101,892 (175,380,266)	12,264,892 (6,227,553)	220,366,784 (181,607,819)
	Add : Unallocated Income Dividend, Interest Income and other Incomes			12,353,725 (3,862,876)
	Total Revenue			232,720,509 (185,470,695)
b)	Segment Results	144,281,491 (32,030,341)	(35,393,140) (13,809,419)	108,888,351 (18,220,922)
	Add : Un allocated Income			12,182,102 (3,704,336)
	Less : Unallocated Expenses			83,093,049 (280,606)
	Operating Profit			37,977,405 (21,644,652)
	Interest expenses			- (3,709)
	Interest Income			171,623 (158,540)
	Income taxes			13,598,427 (1,188,733)
	Profit from ordinary activities			24,550,601 (20,610,750)
	Net Profit			24,550,601 (20,610,750)
c)	Carrying amount of segment assets	138,965,936 (99,477,596)	10,041,057 (18,488,870)	149,006,993 (117,966,466)
	Add: Unallocated Assets			77,699,884 (38,003,254)
	Total Assets			226,706,877 (155,969,720)
d)	Segment Liabilities	79,726,586 (60,978,302)	4,773,560 (2,536,536)	84,500,146 (63,514,838)
	Add: Unallocated Liabilities			116,198,659 (90,997,412)
	Total Liabilities			200,698,805 (154,512,250)
e)	Cost to acquire tangible and intangible fixed assets during the year	5,706,464 (2,398,595)	198,862 (2,727,244)	5,905,326 (5,125,839)
f)	Depreciation and amortisation expense	2,560,699 (1,571,335)	4,902,608 (4,415,022)	7,463,307 (5,986,357)

Schedules annexed to and forming part of the accounts

Secondary Segment

(RUPEES)

	Particulars	India	Europe, North America, Israel, South Korea and Singapore	Total
a)	Revenue from external customers	91,783,586 (79,169,697)	128,583,198 (102,438,122)	220,366,784 (181,607,819)
b)	Carrying amount of segment assets by location of assets	133,772,042 (100,243,124)	92,934,834 (55,726,596)	226,706,877 (155,969,720)
c)	Cost to acquire tangible and intangible fixed assets by location of assets	5,905,326 (5,125,839)	- (-)	5,905,326 (5,125,839)
	Note: Figures in bracket are for previous year			

5. Employee Benefits

Gratuity:

The company has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Company of India in form of a qualifying insurance policy.

The following table summarises the component of net benefit expense recognised in Profit and Loss account, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Profit and Loss account

Net employee benefit expense (recognized in Employee Cost)

(RUPEES)

	Gratuity	
	March 31, 2011	March 31, 2010
Current Service Cost	1,096,683	934,899
Interest cost on benefit obligation	211,205	129,090
Expected return on plan assets	174,001	43,114
Net actuarial (gain)/ loss recognized in the year	(127,979)	(129,857)
Past Service cost	-	-
Net benefit expense	(96,154)	-
Actual return on plan assets	174,001	109,891

Balance sheet

Details of Provision for gratuity

(RUPEES)

	Gratuity	
	March 31, 2011	March 31, 2010
Defined benefit obligation	3,723,818	2,655,906
Fair value of plan assets	2,117,977	1,505,696
Funded Status	(1,605,841)	(1,150,210)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	1,605,841	1,150,210

Schedules annexed to and forming part of the accounts

Changes in the present value of the defined benefit obligation are as follows:

(RUPEES)

	Gratuity	
	March 31, 2011	March 31, 2010
Opening defined benefit obligation	2,640,063	1,654,997
Interest cost	211,205	129,090
Current service cost	1,096,683	934,899
Benefits paid	(96,154)	-
Actuarial (gains) / losses on obligation	(127,979)	(63,080)
Closing defined benefit obligation	3,723,818	2,655,906

Changes in the value of plan assets are as follows:

(RUPEES)

	Gratuity	
	March 31, 2011	March 31, 2010
Opening fair value of plan assets	1,505,696	471,194
Expected return	174,001	43,114
Contributions by employer	534,434	924,611
Benefits paid	(96,154)	-
Actuarial gains / (losses)	-	66,777
Closing fair value of plan assets	2,117,977	1,505,696

The Company expects to contribute Rs. Nil to gratuity in 2011-12.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	March 31, 2011	March 31, 2010
	%	%
Life Insurance Corporation of India	100	100

The principal assumptions used in determining benefit obligations for the Company's plans are shown below:

(RUPEES)

	Gratuity	
	March 31, 2011	March 31, 2010
	%	%
Discount rate	8.00	8.00
Expected rate of return on assets	9.00	9.00
Retirement Age	58 Years	58 Years
Employee turnover		
- Upto 30 Years	10%	10%
- 31 to 44 years	10%	10%
- Above 44 years	5%	5%

Schedules annexed to and forming part of the accounts

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current and previous three years are as follows:

(RUPEES)

	March 31, 2011	March 31, 2010	March 31, 2009
Defined benefit obligation	3,723,818	2,655,906	1,654,997
Plan assets	2,117,977	1,505,696	471,194
Surplus / (deficit)	(1,605,841)	(1,150,210)	(1,183,803)
Experience adjustments on plan liabilities	127,979	(5,731)	(255,648)
Experience adjustments on plan assets	-	-	12,612

6. Previous year Comparatives

The figures of previous year were audited by a firm of Chartered accountants other than S. R. Batliboi & Co.

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors of
Max Neeman Medical International Limited

SUJATHA RATNAM Director
C. V. RAGHU Director

NEW DELHI
May 25, 2011

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

1	0	2	1	4	9

 State Code

5	5

Balance Sheet Date

3	1

0	3

2	0	1	1

Date Month Year

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue										Rights Issue									
				N	I	L								N	I	L			
Bonus Issue										Private Placement									
				N	I	L								N	I	L			

III Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities										Total Assets									
				1	3	5	0	3	3					1	3	5	0	3	3
Sources of Fund																			
Paid-up Capital										Reserves & Surplus									
					4	1	6	6	8					N	I	L			
Secured Loans										Unsecured Loans									
				N	I	L								9	3	3	6	5	
Share Application Money										Deferred Tax Liability									
				N	I	L								N	I	L			

Application of Funds

Net Fixed Assets										Investments									
					1	6	4	4	4					5	2	5	8	1	
Net Current assets										Misc. Expenditure									
					4	2	5	5	7					N	I	L			
Accumulated Losses										Deferred Tax Asset									
					1	5	6	6	0						7	7	9	1	

IV Performance of Company (Amount in Rs. Thousands)

Turnover										Total Expenditure										
					2	3	2	7	2	1					1	9	4	5	7	2
Profit/Loss before tax										Profit/Loss after tax										
					3	8	1	4	9						2	4	5	5	1	
Earning per Share in Rs.										Dividend Rate (%)										
						5	.	8	9	N I L										

V Generic Names of Three Principal Products/Services of Company

Product Description

C	L	I	N	I	C	A	L		T	R	I	A	L		S	E	R	V	I	C	E	S	
C	L	I	N	I	C	A	L		D	A	T	A		M	A	N	A	G	E	M	E	N	T



CONTRACT RESEARCH

Improving... life

Max Neeman Medical
International Inc., Usa





Directors' Report

Your Directors have pleasure in presenting their Annual Report along with the Audited Accounts of the Company for the financial year ended March 31, 2011

PRINCIPAL ACTIVITY /OPERATIONS

The Principal activity of your Company is to develop new business opportunities in the field of Clinical Trials for Contract Research Organizations (CRO) and provide business development support in US, Europe and Canada to Max Neeman Medical International Limited ("Max Neeman"), a group company, which is also a CRO. Your Company's business developments efforts brought lots of valuable clients to Max Neeman in various therapeutic areas such as oncology, cardiology, infectious diseases, endocrinology, medical devices, ophthalmology and rescue studies amounting to approx. US\$ 3 million. Your Company continues to find business partners in USA and Europe for Max Neeman.

During the year under review, your Company earned a profit of Rs. 72.2 lacs as against previous year Profit of Rs.5.5 lacs.

DIVIDEND

Your Directors do not recommend any dividend for the year under review, in view of their decision to deploy the internal accruals towards the growth of the Company's operations.

DIRECTORS

The Board currently comprises of Mr. C.V. Raghu and Mr. Pradeep Pal Chadha.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retire and offer themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Indian Companies Act, 1956 (the Act') to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The observations of the Auditors are explained wherever necessary, in the appropriate notes to the accounts. In addition,

the accounts have been prepared on going concern basis as the Directors consider that the Company has enough financial support of its ultimate holding company to meet its financial obligations.

PARTICULARS OF DEPOSITS

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

OTHER PARTICULARS

Information pertaining to Section 217 (1) (e) and 217 (2A) of the Act are not applicable to your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors had prepared the annual accounts, on a going concern basis.

For and on Behalf of the Board of Directors

New Delhi
May 25, 2011

PRADEEP PAL CHADHA
C.V. RAGHU

Director
Director

Auditors' Report

THE MEMBERS OF MAX NEEMAN MEDICAL INTERNATIONAL Inc.

1. We have audited the attached Balance Sheet of Max Neeman Medical International Inc ('the Company') as at March 31, 2011 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.

Firm registration number: 324982E
Chartered Accountants

per SANJAY VIJ

Partner
Membership No.:95169

Gurgaon
May 25, 2011

Auditors' Report

Annexure referred to in paragraph 3 of our report of even date
Re: Max Neeman Medical International Inc. ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification. (c) There was no disposal of a substantial part of fixed assets during the year. (ii) (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the provisions of clause 4(ii)(a) to (c) of the Order are not applicable to the Company and hence not commented upon. (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon. (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon. (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas. (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the	Companies Act, 1956. Accordingly, the provision of clause 4(v)(a) to (b) of the Order are not applicable to the Company and hence not commented upon. (vi) The Company has not accepted any deposits from the public. (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company. (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same. (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute. (x) <i>The Company's accumulated losses at the end of the financial year are more than fifty percent of</i>

Auditors' Report

- its net worth and have incurred cash losses in the current year.* In the immediately preceding financial year, the Company has not incurred cash losses.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to Rs. 321,189,193 raised on short term basis have been used for long-term investments representing funding of losses.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO.

Firm registration number: 324982E

Chartered Accountants

per SANJAY VIJ

Partner

Membership No.:95169

Gurgaon

May 25, 2011

Balance Sheet as at March 31, 2011

		(RUPEES)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	36,607,500	36,607,500
Foreign currency translation reserve	2	1,913,854	(589,410)
Loan funds			
Unsecured loans	3	329,333,593	332,137,170
TOTAL		367,854,947	368,155,260
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	4	3,422,892	3,451,996
Less: Accumulated Depreciation		3,387,973	3,254,238
Net block		34,919	197,758
Current Assets, Loans and Advances			
Sundry debtors	5	8,337,623	7,546,559
Cash and bank balances	6	441,661	1,448,941
Loans and advances	7	419,369	449,928
	(A)	9,198,653	9,445,428
Less: Current Liabilities and Provisions			
Current liabilities	8	1,054,253	8,386,991
	(B)	1,054,253	8,386,991
Net Current Assets	(A-B)	8,144,400	1,058,437
Profit and Loss account		359,675,628	366,899,065
TOTAL		367,854,947	368,155,260
Notes to Accounts	13		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors of
Max Neeman Medical International Inc.

C. V. RAGHU
(Director)

NEW DELHI
May 25, 2011

PRADEEP PAL CHADHA
(Director)

Profit and Loss Account for the year ended March 31, 2011

(RUPEES)

	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Service income	9	19,196,692	22,645,058
Other income	10	7,776,756	1,031,203
		26,973,448	23,676,261
EXPENDITURE			
Personnel expenses	11	9,333,387	13,736,373
Operating and other expenses	12	10,252,185	9,182,588
Depreciation	4	164,439	206,759
		19,750,011	23,125,720
Profit before tax		7,223,437	550,541
Tax expense		-	-
Profit after tax		7,223,437	550,541
Balance brought forward from previous year		(366,899,065)	(367,449,606)
Surplus carried to Balance Sheet		(359,675,628)	(366,899,065)
Earnings per share			
Basic and diluted [Nominal value of shares NIL (Previous year : NIL)] (Rs)		22,226	1,694
Number of Shares used in computing Earning per Share			
Basic & Diluted		325	325
Notes to Accounts	13		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors of
Max Neeman Medical International Inc.

C. V. RAGHU
(Director)

NEW DELHI
May 25, 2011

PRADEEP PAL CHADHA
(Director)

Cash Flow Statement for the year ended March 31, 2011

	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. Cash flow from operating activities		
Net profit before taxation, and extraordinary items	7,223,437	550,541
Adjustments for:		
Depreciation	164,439	206,759
Liabilities written back	(7,752,593)	-
Debit balances written off		-
Operating profit/(loss) before working capital changes	(364,717)	757,300
Movements in working capital :		
Increase in trade payables	332,908	(1,248,634)
Increase in debtors	30,560	880,547
Net cash used in operating activities	(1,249)	389,213
B. Cash flows from financing activities		
Advances from group companies	-	(52,694,850)
Net cash used in financing activities	-	(52,694,850)
Net decrease in cash and cash equivalents	(1,249)	(52,305,637)
Impact of foreign exchange translation	(1,006,031)	52,766,700
	(1,007,280)	461,063
Cash and cash equivalents at the beginning of the year	1,448,941	987,878
Cash and cash equivalents at the end of the year	441,661	1,448,941

Components of cash and cash equivalents

	As at March 31, 2011	As at March 31, 2010
Cash in hand	5,353	-
With banks - on current account	436,308	1448941
Cash & Cash Equivalents in Cash Flow Statement	441,661	1,448,941

The schedules referred to above and notes to accounts form an integral part of the Cash flow statement

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors of
Max Neeman Medical International Inc.

C. V. RAGHU
(Director)

NEW DELHI
May 25, 2011

PRADEEP PAL CHADHA
(Director)

Schedules annexed to and forming part of the accounts

(RUPEES)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
1,500 (Previous year : 1,500) equity shares having no par value	-	-
Issued, Subscribed & Paid up		
325 (Previous year : 325) equity shares having no par value	36,607,500	36,607,500
Of the above entire share capital is held by Neeman Medical International, NV (The ultimate holding company is Max India Limited)		
	36,607,500	36,607,500
SCHEDULE 2		
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance as per last account	(589,410)	(53,306,784)
Add : Exchange difference during the year	2,503,264	52,717,374
	1,913,854	(589,410)
SCHEDULE 3		
UNSECURED LOANS		
Unsecured loan from the holding company (Repayable on demand)	329,333,593	332,137,170
	329,333,593	332,137,170

**SCHEDULE 4
FIXED ASSETS**

	Gross Block					Depreciation					Net Block	
	As at April 1, 2010	Additions during the year	Deletions during the year	Translation Reserve	As at March 31, 2011	As at April 1, 2010	Additions during the year	Deletions during the year	Translation Reserve	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets												
Computers	1,624,806	-	-	(13,683)	1,611,123	1,582,593	11,376	-	(13,599)	1,580,370	30,753	42,213
Furniture and Fittings	1,827,190	-	-	(15,421)	1,811,769	1,671,645	153,063	-	(17,105)	1,807,603	4,166	155,545
Total	3,451,996	-	-	(29,104)	3,422,892	3,254,238	164,439	-	(30,704)	3,387,973	34,919	197,758
Previous year	3,999,661	-	-	(547,665)	3,451,996	3,545,818	206,759	-	(498,339)	3,254,238	197,758	

(RUPEES)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 5		
SUNDRY DEBTORS		
Unsecured, considered good		
Other debts	8,337,623	7,546,559
	8,337,623	7,546,559
Included in Sundry Debtors are :		
i. Dues from companies under the same management		
Max Neeman Medical International Limited	8,337,623	7,546,559
(Maximum amount outstanding during the year Rs. 8,337,623 (Previous year Rs. 7,949,395))		

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 6		
CASH AND BANK BALANCES		
Cash on hand	5,353	-
Balances with other banks		
- Wachovia Bank, North Carolina, USA	436,308	1,448,941
	441,661	1,448,941
Maximum balance during the year Rs. 3,660,980 (Previous year : Rs. 8,391,258)		
SCHEDULE 7		
LOANS AND ADVANCES		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	-	11,894
Security deposits	99,826	100,676
Prepaid expenses	319,543	337,358
	419,369	449,928
SCHEDULE 8		
CURRENT LIABILITIES		
Sundry creditors		
- Total outstanding dues of creditors other than Micro and Small Enterprises	1,054,253	721,346
Advance from customers	-	7,665,645
	1,054,253	8,386,991
	For the year ended March 31, 2011	For the year ended March 31, 2011
SCHEDULE 9		
SERVICE INCOME		
Business development services	19,196,692	22,645,058
	19,196,692	22,645,058
SCHEDULE 10		
OTHER INCOME		
Liabilities no longer required written back	7,752,593	-
Miscellaneous income	24,163	1,031,203
	7,776,756	1,031,203
SCHEDULE 11		
PERSONNEL EXPENSES		
Salaries, wages and bonus	8,615,022	13,109,777
Employee benefits and taxes	707,928	584,747
Staff welfare	10,437	41,849
	9,333,387	13,736,373
SCHEDULE 12		
OPERATING AND OTHER EXPENSES		
Rent	1,368,571	1,416,118
Repair and maintenance-others	905,541	981,801
Legal and professional	387,211	382,448
Printing and stationery	37,895	57,180
Membership and subscription	4,671,179	1,734,891
Travelling and conveyance	602,827	2,685,802
Communication	504,890	744,709
Insurance	1,057,833	1,179,639
Bank charges	7,696	-
Miscellaneous expenses	708,542	-
	10,252,185	9,182,588

Schedules annexed to and forming part of the accounts

SCHEDULE 13: NOTES TO ACCOUNTS

1. (a) Nature of Operations

Max Neeman Medical International Inc. is a company whose principal activity is to develop new business opportunities in the field of Clinical Trials for Contract Research Organisations (CRO) and provide business development support in US, Europe and Canada to Max Neeman Medical International limited.

(b) Country of Incorporation

Max Neeman Medical International Inc. is incorporated and operates under the applicable laws of The United States of America.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company is engaged in procuring orders for conducting clinical research on behalf of its fellow subsidiary, Neeman Medical International Limited in India. The Company is operating on cost plus model where in it charges business support services to its fellow subsidiary company. The Company has earned a profit of Rs. 7,223,437 (previous year Rs 550,541) in the current year, due to which accumulated loss has been posted at 359,675,628 (previous year Rs 366,899,065) against Share Capital of Rs. 36,607,500 as of March 31, 2011 (previous year Rs. 36,607,500). In the opinion of the management, in view of the commitment of continued financial support by ultimate holding company, and as per the business plans of Max Neeman Medical International Limited, the Company is continuing with a going concern assumption. Further, the Company does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(d) Depreciation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management as follows:

	Rates SLM	Schedule XIV Rates
Furniture and fixtures	10%	6.33%
Computer equipment	20%	16.21%
Equipment	10%	4.75%
Vehicles	33.33%	9.5%

Schedules annexed to and forming part of the accounts

(e) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight line basis over the lease term.

(f) Revenue Recognition

Revenue from clinical trial services is recognised by reference to the stage of completion of clinical study projects subscribed with pharmaceutical companies.

Revenue from business development services is recognised on accrual basis.

(g) Foreign Currency Translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise

(iv) Foreign Exchange Translation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(h) Employee Benefits

The Company provides a comprehensive benefits package to all employees, which consist of health, life and disability insurance.

(i) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities. 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that

Schedules annexed to and forming part of the accounts

sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company reassesses deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(j) Provisions

A provision is recognised when an enterprise 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 its present value and are determined based on best management 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 management estimates.

3. Segment Reporting

The Company operates only in one business segment viz. Business Development Services in United States of America. Accordingly there are no reportable business segments.

4. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand.

5. Lease

The Company have taken on lease a corporate office under an operating lease agreement for initial term of the lease term. The initial lease term is of 24 months. Lease rentals recognized in the Profit and Loss account for the year are Rs. 1,368,571 (Previous year – Rs. 1,416,118).

Minimum lease payments

	(RUPEES)	
	March 31, 2011	March 31, 2010
Not later than one year	1,222,143	1,285,511
Later than one year and not later than five years	1,043,787	303,110
Total Minimum Rentals	2,265,930	1,588,621

6. Deferred Taxes

The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss as a major component. Accordingly, deferred tax asset has been considered as nil since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

Schedules annexed to and forming part of the accounts

7. Related Parties:

(i) Name of related parties

Names of related parties where control exist irrespective of whether transactions have occurred or not

Holding Company Max India Limited

Names of other related parties with whom transactions have taken place during the year

Fellow Subsidiaries Neeman Medical International Limited

(ii) Transactions with related party during the year*:

(RUPEES)		
Particulars	Holding company	Fellow subsidiary
Service fees	- (-)	19,196,692 (22,645,058)
Amount outstanding		
- Other receivables	- (-)	8,337,623 (7,546,559)
- Unsecured loan	329,333,593 (332,137,170)	- (-)

Note:-

(a) The increase/decrease in unsecured loan is due to forex exchange fluctuation.

(b) * Figures in bracket represents previous year figures.

8. Previous year comparatives

The figures of previous year were audited by a firm of Chartered accountants other than S.R. Batliboi & Co.

Previous year's figures have been regrouped where necessary to conform to this year's classification.

As per our report of even date

For S.R. Batliboi & Co.
Firm Registration No. 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership No. 95169

GURGAON
May 25, 2011

For and on behalf of the Board of Directors of
Max Neeman Medical International Inc.

C. V. RAGHU
(Director)

NEW DELHI
May 25, 2011

PRADEEP PAL CHADHA
(Director)

Balancesheet Abstract and company's general business profile

I Registration Details :

Registration No.

				0	5	6	5	2	5	5

State Code

N	A

Balance Sheet Date

3	1

0	3

2	0	1	1

Date Month Year

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

Public Issue

			N	I	L		

Bonus Issue

			N	I	L		

Rights Issue

			N	I	L		

Private Placement/Others

			N	I	L		

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

Total Liabilities

			3	6	7	8	5	5

Sources of Fund

Paid-up Capital

				3	6	6	0	8

Secured Loans

				N	I	L		

Application of Funds

Net Fixed Assets

							3	5

+	-
✓	

Net Current assets

					8	1	4	4

Accumulated Losses

			3	5	9	6	7	6

Total Assets

			3	6	7	8	5	5

Foreign Currency Translation Reserve

					1	9	1	4

Unsecured Loans

			3	2	9	3	3	3

Investments

			N	I	L			

Misc. Expenditure

			N	I	L			

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)

				2	6	9	7	3

+	-
	✓

Profit/Loss before tax

					7	2	2	3

+	-
	✓

Total Expenditure

				1	9	7	5	0

Profit/Loss after tax

					7	2	2	3

+	-
	✓

Earning per share in Rs.

	2	2	2	2	6

Basic

	✓

Diluted

	✓

	2	2	2	2	6

Dividend Rate (%)

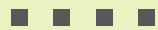
			N	I	L

V Name of three Principal Products/Service of Company

Product Description

B	U	S	I	N	E	S	S		D	E	V	E	L	O	P	M	E	N	T

Pharmax Corporation Limited





Directors' Report

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Twenty Second Annual Report of the Company together with the Audited Annual Accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

During the year under review, your Company earned a total income amounting to Rs.393.44 lacs against Rs. 708.53 lacs in previous year. The Company posted a profit after tax of Rs. 164.43 lacs for the year ended March 31, 2011. Key highlights of the financial results for the year under review are as follows:

	(Rs. Lacs)	
	Year ended March 31, 2011	Year ended March 31, 2010
Rental income	383.48	402.27
Other Income	9.96	306.27
Total Income	393.44	708.54
Total Expenditure	157.21	441.85
Profit / (Loss) before tax	236.23	266.69
Provision for Taxation	71.80	72.02
Profit / (Loss) after tax	164.43	194.67

DIVIDEND

In view of carry forward losses, your Directors do not recommend any dividend either on Equity Shares or on Preference Shares.

ADDITIONAL INFORMATION

Disclosure of information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 ('the Act') is not applicable to your Company.

PARTICULARS OF DEPOSITS

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

PARTICULARS OF EMPLOYEES

As the Company had no employee on its roll, the provisions of Section 217(2A) of the Act read with the Companies (Particulars of Employees Rules) 1975 are not applicable.

DIRECTORS

In accordance with the provisions of the Act and Article 143 of the Articles of Association of the Company, Mr. K.S. Ramsinghaney

and Mrs. Sujatha Ratnam retire by rotation at the ensuing Annual General Meeting, and being eligible offers themselves for re-appointment.

AUDIT COMMITTEE

Currently the Audit Committee of the Company comprises of Mrs. Sujatha Ratnam, Mr. K.S. Ramsinghaney and Mr. Mohit Talwar. The current terms of reference of this Committee fully conform to the requirements of Section 292A of the Act.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors had prepared the annual accounts, on a going concern basis.

AUDITORS

Nangia & Company, Chartered Accountants, the Statutory Auditors of the Company, cease to hold office at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment. The Company has received from them a Certificate to the effect that their re-appointment, if made, would be in conformity with the limits specified under Section 224(1B) of the Act.

For and on Behalf of the Board of Directors

New Delhi
July 27, 2011

P. DWARAKANATH
SUJATHA RATNAM

Director
Director

Auditors' Report

1. We have audited the attached Balance Sheet of **Pharmax Corporation Limited** as at March 31, 2011 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government in terms of sub-section 4A of section 227 of the Companies Act, 1956, (*hereinafter referred to as the 'Act'*) we give in an annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the requirements of Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable.
 - (e) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with 'Significant Accounting Policies & Notes to Accounts' in Schedule '10', give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Rakesh Nangia
Partner,
Membership # 070776

For & on behalf of
Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

New Delhi
May 16, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2011.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we report that: –

- 1 (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between book records and the physical inventory have been noticed on such verification.
- (c) During the year, the Company has not disposed off a substantial part of the fixed assets. Based on the information and explanation given by the management of the Company and on the basis of audit checks performed by us, we are of the opinion that the sale of fixed assets during the year has not affected the going concern status of the Company.
- 2 The Company being in the field of management of real estate, carries no inventories, hence the provisions of Clause 4(ii)(a) to 4(ii)(c) of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable.
- 3 (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act.
- (b) As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act, the provisions of clause 4(iii)(b), 4(iii)(c) & 4(iii)(d) are not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies,

firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for sales of services. Further, on the basis of our examination and according to the explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system of the Company.
- 5 Based on the information and explanations given to us, there are no transactions with Parties covered under section 301 of the Act.
- 6 In our opinion and according to information given to us, the Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- 7 In our opinion, the Company has an internal audit system, which is commensurate with the size and nature of its business.
- 8 The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act, for any of the products of the Company.
- 9 (a) In our opinion and according to the information and explanations given to us and according to the books and records as produced and examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Cess and any other statutory dues as applicable, outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, there are no dues of Provident Fund, Employees' State Insurance,

Auditors' Report

Income-tax, Service Tax, Cess and any other statutory dues as applicable to it, which have not been deposited on account of any dispute.

- 10 In our opinion the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred any cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of its dues of any financial institution or bank during the year.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
- 13 The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- 14 Based on our examination of the records and documents of the Company, and according to the information and explanation given to us, we are of the opinion that the Company is not dealing or trading in shares, securities, debentures and other investments, and therefore clause (xiv) of The Companies (Auditors' Report) (Amendment) Order, 2004 is not applicable to the Company.
- 15 In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interests of the Company.
- 16 Based on the information and explanations given to us by the management, the Company has utilized the long-term

loan availed from Canara Bank for the purpose for which it was borrowed.

- 17 Based on the information and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment or vice versa.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised any money by public issue during the year.
- 21 Based upon audit procedures performed and information and explanations given by the management of the Company, we report no fraud on or by the Company has been noticed or reported during the course of our audit.

Rakesh Nangia
Partner,
Membership # 070776

For & on behalf of
Nangia & Co.
Chartered Accountants
Firm Registration No.: 002391C

New Delhi
May 16, 2011

Balance Sheet as at March 31, 2011

		(RUPEES)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	205,576,787	205,576,787
LOAN FUNDS			
Secured Loans	2	41,307,335	64,283,246
Unsecured Loans		49,300,000	49,300,000
		296,184,122	319,160,033
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	250,457,208	250,457,208
Less : Accumulated Depreciation		66,832,035	60,263,339
Net Block		183,625,173	190,193,869
Capital Work in Progress		2,303,129	-
		185,928,302	190,193,869
INVESTMENTS	4	57,721,368	60,575,000
CURRENT ASSETS, LOANS AND ADVANCES			
Sundry Debtors	5	13,669,312	5,175,298
Cash and Bank Balances		18,987,321	16,010,498
Loans and Advances		21,310,397	21,272,581
		53,967,030	42,458,377
Less: CURRENT LIABILITIES AND PROVISIONS	6		
Current Liabilities		37,711,952	26,789,929
		37,711,952	26,789,929
NET CURRENT ASSETS		16,255,078	15,668,448
PROFIT AND LOSS ACCOUNT		36,279,374	52,722,716
		296,184,122	319,160,033
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	10		

Schedule 1 to 10 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Co.
Chartered Accountants
Firm Registration No. 002391C

For and on behalf of the Board of Directors

RAKESH NANGIA
FCA, Partner
Membership No.: 70776

P. DWARAKANATH
(Director)

SUJATHA RATNAM
(Director)

NEW DELHI,
May 16, 2011

PARDEEP K. GUPTA
(Company Secretary)

Profit and Loss Account for the year ended March 31, 2011

(RUPEES)

	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Lease Rentals*		38,348,265	40,226,693
Other Income	7	995,867	30,627,176
{* Tax Deducted at Source Rs. 3,817,650 (Previous Year Rs. 6,568,327)}		39,344,132	70,853,869
EXPENDITURE			
Administrative Expenses	8	2,729,118	1,859,538
Financial Expenses	9	6,422,976	35,756,444
Depreciation	3	6,568,696	6,568,696
		15,720,790	44,184,678
PROFIT BEFORE TAX		23,623,342	26,669,191
PROVISION FOR TAX		7,180,000	7,202,000
		7,180,000	7,202,000
PROFIT AFTER TAX		16,443,342	19,467,191
(LOSS) BROUGHT FORWARD		(52,722,716)	(72,189,907)
(LOSS) CARRIED FORWARD TO THE BALANCE SHEET		(36,279,374)	(52,722,716)
Earnings Per Share (Re. per equity share of Re. 1 each)			
-Basic		0.30	0.35
-Diluted		0.29	0.35
Number of Shares used in computing earnings per share			
-Basic		55,305,852	55,305,852
-Diluted		55,939,952	55,939,952
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	10		

Schedule 1 to 10 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Co.
Chartered Accountants
Firm Registration No. 002391C

For and on behalf of the Board of Directors

RAKESH NANGIA
FCA, Partner
Membership No.: 70776

P. DWARAKANATH
(Director)

SUJATHA RATNAM
(Director)

NEW DELHI,
May 16, 2011

PARDEEP K. GUPTA
(Company Secretary)

Cash Flow Statement for the year ended March 31, 2011

	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	23,623,342	26,669,191
Adjustments for:		
Depreciation	6,568,696	6,568,696
Net (Profit) / Loss on Sale of Investments	(146,368)	(1,636,525)
Interest Expense	10,636,756	38,617,023
Interest Income	(849,499)	(10,912,815)
TDS on Service/other Operating Income	(5,693,838)	(11,469,778)
Operating Profit Before Working Capital Changes	34,139,089	47,835,792
Adjustments for:		
Trade and Other Receivables	(10,017,992)	96,834,417
Trade Payables	10,922,023	(15,204,819)
Cash Generated From/ (Used In) Operations	35,043,120	129,465,390
Direct Taxes Refunded / (Paid)	-	(7,876,450)
Cash From / (Used In) Operating Activities	35,043,120	121,588,940
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(520,000,000)
Sale of Investments	3,000,000	533,213,888
Interest and Dividend Received (Net)	849,499	10,912,815
Purchase of Fixed Assets	(2,303,129)	-
Cash From / (Used In) Investing Activities	1,546,370	24,126,703
CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(10,636,756)	(38,617,023)
Repayment of Long Term Loans	(22,975,911)	(100,519,331)
Cash From / (Used In) Financing Activities	(33,612,667)	(139,136,354)
Net Increase / (Decrease) In Cash and Cash Equivalents	2,976,823	6,579,289
Cash and Cash Equivalents As At March 31, 2010	16,010,498	9,431,209
Cash and Cash Equivalents As At March 31, 2011	18,987,321	16,010,498
Net Increase / (Decrease) In Cash and Cash Equivalents	2,976,823	6,579,289

Notes

- The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the end of the year consist of Cash, Cheques in Hand, Fixed Deposits and Balances with Banks.

	As at March 31, 2011	As at March 31, 2010
Cash in Hand	7,135	22,644
Cheques in Hand	26,460	-
Fixed Deposits	13,252,201	10,010,172
Balances with Banks	5,701,525	5,977,682
	18,987,321	16,010,498

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 10

Schedule 1 to 10 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Co.
Chartered Accountants
Firm Registration No. 002391C

For and on behalf of the Board of Directors

RAKESH NANGIA
FCA, Partner
Membership No.: 70776

P. DWARAKANATH
(Director)

SUJATHA RATNAM
(Director)

NEW DELHI,
May 16, 2011

PARDEEP K. GUPTA
(Company Secretary)

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised Capital		
60,000,000 Equity Shares of Re. 1/- each (Previous Year 60,000,000 Equity Shares of Re. 1/- each)	60,000,000	60,000,000
10% 470,000 Cumulative Convertible Preference Shares of Rs. 100/- each (Previous Year 10% 470,000 Cumulative Convertible Preference Shares of Rs. 100/- each)	47,000,000	47,000,000
9% 1,500,000 Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous Year 9% 1,500,000 Cumulative Redeemable Preference Shares of Rs. 100/- each)	150,000,000	150,000,000
	257,000,000	257,000,000
Issued, Subscribed and Paid Up:		
55,305,852 Equity Shares of Re 1/- each fully paid up (Previous Year 55,305,852 Equity Shares of Re 1/- each fully paid up) (Of the above Shares 9,113,982 Equity Shares were allotted as fully paid up for consideration other than cash in terms of a Scheme of Arrangement approved by the Hon'ble High Court of Punjab and Haryana in the year 1990-91) (Of the above Shares 47,117,247 (Previous Year 47,117,247) Equity Shares are held by Max India Limited, the Holding Company)	55,305,852	55,305,852
6,341 10% Cumulative Convertible Preference Shares of Rs. 100/- each (Previous Year 6,341 10% Cumulative Convertible Preference Shares of Rs. 100/- each)	634,100	634,100
Less: Allotment Money To Be Received (Refer Note 2 of Schedule 10B)	(363,165)	(363,165)
1,500,000 9% Cumulative Redeemable Preference Shares of Rs. 100/- each (Previous year 1,500,000 9% Cumulative Redeemable Preference Shares of Rs. 100/- each) Redeemable at par on or before 31st March, 2019 at the discretion of the board (Held by Max India Ltd., the Holding Company)	150,000,000	150,000,000
	205,576,787	205,576,787
SCHEDULE 2		
LOAN FUNDS		
SECURED LOANS		
Loans From Banks (Secured against charge of monthly lease rentals receivable from various lessees) {Amount payable within one year Rs. 25,355,324 (Previous Year Rs. 23,712,795)}	41,307,335	64,283,246
	41,307,335	64,283,246
UNSECURED LOANS		
Other Loans		
From Holding Company	33,800,000	33,800,000
From Others	15,500,000	15,500,000
{Amount payable within one year Rs.NIL (Previous Year Rs. Nil)}	49,300,000	49,300,000

Schedules annexed to and forming part of the accounts

SCHEDULE 3 FIXED ASSETS

(RUPEES)

	Gross Block				Depreciation				Net Block	
	As at	Additions	Deletions	As at	As at	Additions	Deletions	As at	As at	As at
	April 1, 2010			March 31, 2011	April 1, 2010			March 31, 2011	March 31, 2011	March 31, 2010
Land (Freehold)	84,296	-	-	84,296	-	-	-	-	84,296	84,296
Land (Leasehold)	182,365	-	-	182,365	-	-	-	-	182,365	182,365
Building	174,619,212	-	-	174,619,212	20,645,933	2,845,378	-	23,491,311	151,127,901	153,973,279
Plant & Machinery	70,042,639	-	-	70,042,639	38,032,967	3,327,025	-	41,359,992	28,682,647	32,009,672
Furniture and Fixtures	4,918,081	-	-	4,918,081	1,198,110	309,794	-	1,507,904	3,410,177	3,719,971
Computers	610,615	-	-	610,615	386,329	86,499	-	472,828	137,787	224,286
Total	250,457,208	-	-	250,457,208	60,263,339	6,568,696	-	66,832,035	183,625,173	190,193,869
Capital Work in Progress	-	-	-	-	-	-	-	-	2,303,129	-
									185,928,302	190,193,869
Previous Year	250,457,208	-	-	250,457,208	53,694,643	6,568,696	-	60,263,339		

Refer Note No. c, d, f, h of Schedule 10A and Note 3 of Schedule 10B.

(RUPEES)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 4 INVESTMENTS		
Current Non Trade, (Unquoted), at cost		
(Refer Note e of Schedule 10A and Note 5 of Schedule 10B)		
Tata Floater Fund-Growth	12,146,368	15,000,000
(No. of units 890,777.005 Previous Year -1,100,053.536)		
	12,146,368	15,000,000
Long Term-Trade, (Unquoted), at cost		
Equity Shares	45,575,000	45,575,000
	45,575,000	45,575,000
	57,721,368	60,575,000

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 5		
CURRENT ASSETS, LOANS AND ADVANCES		
Sundry Debtors *		
(Unsecured, Considered Good)		
Debts exceeding six months	-	-
Other Debts	13,669,312	5,175,298
	13,669,312	5,175,298
Cash and Bank Balances		
Cash in Hand	7,135	22,644
Cheques in Hand	26,460	-
Balances with Scheduled Banks		
In Current Accounts	5,701,525	5,977,682
In Fixed Deposit Accounts	13,252,201	10,010,172
	18,987,321	16,010,498
Loans and Advances		
(Unsecured, Considered Good)		
Advances Recoverable In Cash or in Kind or For Value to be Received	7,222,581	5,678,228
Loans	3,800,000	3,800,000
Interest Receivable	82,891	111,340
Prepaid Expenses	39,931	31,857
Security Deposits	378,138	378,138
Advance Income Tax	42,960,856	44,307,018
Less: Provision for Income Tax	(33,174,000)	(33,034,000)
	21,310,397	21,272,581
*Includes debt due from companies under the same management		
Max Healthcare Institute Ltd.	1,418,624	901,923
Max New York Life Insurance Company Ltd.	1,445,772	1,185,561
Max Bupa Health Insurance Company Ltd.	-	957,626
Max India Ltd.	1,118,249	1,369,366
Max Medical Services Ltd.	-	12,360
Max Neeman Medical International Ltd.	-	509,395
Maximum amount outstanding during the year from companies under the same management		
Max India Ltd.	2,571,724	1,632,217
Max Healthcare Institute Ltd.	2,000,094	4,838,185
Max New York Life Insurance Company Ltd.	4,700,414	4,749,647
Max Healthstaff International Ltd.	-	24,990
Max Neeman Medical International Ltd.	726,393	509,395
Max Bupa Health Insurance Company Ltd.	-	957,626
Max Medical Services Ltd.	34,420	12,360

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	At at March 31, 2011	At at March 31, 2010
SCHEDULE 6		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors*		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9,933,783	5,862,677
Other Liabilities	676,647	5,294,612
Security Deposit Received	27,101,522	15,632,640
	37,711,952	26,789,929
*There are no dues to creditors under the definition of micro enterprises and small enterprises as at March 31, 2011 and March 31, 2010		
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 7		
OTHER INCOME		
Interest on Loans (Gross)*	304,001	10,030,193
Other Interest*	545,498	882,622
Other Income*	-	18,000,000
Miscellaneous Income	-	77,836
Net profit on sale of Units	146,368	1,636,525
	995,867	30,627,176
* Tax Deducted at Source Rs. 84,778 (Previous Year Rs. 2,854,640)		
SCHEDULE 8		
ADMINISTRATIVE EXPENSES		
Rates & Taxes	1,614,730	1,076,007
Insurance	130,340	123,742
Legal & Professional (Refer Note 6 of Schedule 10B)	8,066,970	10,149,761
Filing Fee	4,972	9,000
Repair & Maintenance - Building	602,747	4,870,901
Repair & Maintenance - Others	515	25,467
Printing & Stationery	267,710	204,995
Miscellaneous	43,881	26,883
Less Overheads Recovery* (Refer Note 9 on Schedule 10B)	(8,002,747)	(14,627,218)
	2,729,118	1,859,538
*Tax deducted at source Rs. 785,818 (Previous Year Rs. 798,756)		
SCHEDULE 9		
FINANCIAL EXPENSES		
Interest on Term Loans	6,109,257	24,510,783
Other Interest	285,000	9,863,741
Finance Charges	-	1,378,750
Bank Charges	28,719	3,170
	6,422,976	35,756,444

Schedules annexed to and forming part of the accounts

SCHEDULE – 10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Basis and Convention

The accompanying financial statements are prepared in accordance with Generally Accepted Accounting Principles in India ("GAAP"), under the historical cost convention, on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

b. Revenue Recognition

- (i) The revenue from lease rentals is recognised proportionately over the period of the related agreements.
- (ii) The interest is recognized on time proportionate basis, taking into the account the amount outstanding and the rates applicable.

c. Fixed Assets

Fixed assets are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation less accumulated depreciation.

d. Depreciation

- (i) Depreciation on fixed assets is charged on straight-line method on a pro-rata basis at rates prescribed under schedule XIV to the Companies Act, 1956.
- (ii) Assets costing less than Rs. 5,000/- each individually are depreciated at 100% in the year of capitalization.

e. Investments

- (i) Investments are classified into current investments and long-term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties.
- (ii) Long-term investments are valued at cost. Provision for diminution is made to recognize a decline, other than temporary.

f. Accounting For Leases

The assets given under operating lease are shown in the Balance Sheet under fixed assets and depreciated on a basis consistent with the depreciation policy of the Company. The lease income is recognised in the Profit and Loss account on accrual basis. The initial direct cost incurred for finalising the lease arrangement is recognised as expense immediately in the Profit and Loss account.

g. Taxation

Provision for tax consists of current tax & deferred tax, which is computed for current income based on the tax liability after considering allowances and exemptions. Deferred tax assets and liabilities when applicable are computed on timing difference at the balance sheet date between the carrying amount of assets and liabilities and their respective tax bases. Deferred tax assets are recognised based on management estimates of available future taxable income and assessing its certainty.

h. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of the qualifying assets are capitalized as part of the cost of that asset in accordance with Accounting Standard 16 issued by ICAI on "Borrowing Costs". Other borrowing costs are recognized as an expense in the period in which they are incurred.

Schedules annexed to and forming part of the accounts

B. NOTES TO THE ACCOUNTS

1 Contingent liabilities

- (i) (a) Arrears of dividend on 10% Cumulative Convertible Preference Share is Rs. 340.34 Lacs (Previous Year Rs. 339.70 Lacs). Corporate Dividend Tax thereon is Rs. 57.84 Lacs (Previous Year Rs. 57.73 Lacs)
- (b) Arrears of dividend on 9% Cumulative Redeemable Preference Share is Rs. 1,485.00 Lacs (Previous Year Rs. 1,350.00 Lacs). Corporate dividend tax thereon is Rs. 252.37 Lacs (Previous Year Rs. 229.43 Lacs).
- (ii) Claims against the Company not acknowledged as debts is Rs. Nil (Previous Year Rs. Nil)
- (iii) The Company has given a Corporate Guarantee of Rs. 11,500 Lacs (Previous Year Rs. 11,500 Lacs) to various lenders for securing Term Loan facilities to MAX Balaji Medical & Diagnostic Research Centre.
- (iv) Estimated amount of contracts remaining to be executed on capital account and not provided (net off capital advances) is Rs. Nil (Previous Year Rs. Nil).

- 2 Pending reconciliation of the allotment money receivable for remaining 6,341 10% Cumulative Convertible Preference Share of Rs. 100/- each, the conversion will be taken up at a later date to be decided by the Board.

3 Leases

Accounting for leases has been done in accordance with Accounting Standard -19 issued by the Institute of Chartered accountants of India. Following are the details of the transactions for the year.

a) Finance Lease:

The Company does not have any finance lease arrangement.

b) Operating lease Income

- i) Details of assets given under operating lease are as under: (RUPEES)

Particulars	Gross value as at April 01, 2010	Additions/ (deletion) during the year	Total value of assets given on lease	Depreciation during the year	Depreciation reserve upto March 31, 2011	Net value of assets as at March 31, 2011
Land	266,661	-	266,661	NIL	NIL	266,661
Building	154,757,605	2,788,189	157,545,794	2,345,616	19,365,302	138,180,492
Plant & Machinery	51,390,604	1,118,389	52,508,993	2,742,667	34,095,531	18,413,462
Total	206,414,870	3,906,578	210,321,448	5,088,283	53,460,833	156,860,615
Previous Year	206,414,870	-	206,414,870	4,462,905	42,427,298	163,987,572

- ii) There are no leases entered into by the company, which are classified as non-cancelable lease.

- iii) The company has entered into lease contracts (cancelable) for its assets as mentioned above with various parties including group companies as under:

Name of Lessee

Max Medical Services Ltd.
Max India Ltd. (the holding company)
Malsi Estates Ltd.
Max Healthcare Institute Ltd.
Max Neeman Medical International Ltd.
Max & Company Ventures Pvt. Ltd.

Schedules annexed to and forming part of the accounts

iv) Description of the significant leasing arrangements

The Company has given its assets on operating lease to different parties for various periods, renewable on mutual agreement. A list of the significant lease arrangements is given below:

(RUPEES)

Name of Lessee	Lease Rent (Per Month)	Lease Period
Max Medical Services Ltd.	10,000	01.04.10 to 31.03.11
Max India Ltd. (the holding company)	1,145,283	01.12.10 to 31.11.11
Malsi Estates Ltd.	107,914	01.04.10 to 31.03.11
Max Healthcare Institute Ltd.	1,343,104	01.04.10 to 31.03.11
Max Neeman Medical International Ltd.	452,132	01.04.10 to 31.03.11
Max Et Company Ventures Pvt. Ltd.	1,099,380	01.03.11 to 31.01.12

4 Deferred Tax

- (a) Since the main income of the company (Lease Rentals) is taxed under the head "Income from House Property" and the expenses are not claimed as business expenses therefore, there are no timing differences at the balance sheet date between carrying amount of assets and liabilities and their respective tax bases. Thus, no deferred tax Liability/Asset has been created.
- (b) No deferred tax asset has been created on account of the carry-forward business losses as there is no reasonable certainty of utilizing them at a future date.

5 Movement in Current Non Trade Investments (Unquoted)

Name of the Investment	Face Value (Rupees)	Units (Numbers)	Purchases		Sales	
			Value (Rupees)	Units (Numbers)	Value (Rupees)	Value (Rupees)
Tata Floater Fund- Growth	10	-	-	209,276.531	3,000,000	
	(10)	(38,382,110.657)	(520,000,000)	(39,315,613.600)	(533,213,888)	

Figures in bracket are for previous year.

6 Auditors' Remuneration (included under Legal & Professional Charges in Schedule 8):

(RUPEES)

Description	Current Year	Previous Year
Audit Fees (including service tax)	44,120	44,120
Other Fees (Including service tax)	-	22,060
Total	44,120	66,180

7 Segment Reporting

The Company operates in single business segment viz Leasing of Estates. In view of general clarifications issued by the Institute of Chartered Accountants of India for Companies operating in single segment, the disclosure requirements as per Accounting Standard 17 "Segment Reporting" are not applicable.

Schedules annexed to and forming part of the accounts

8 Related Parties (as identified by the management) are classified as:

Holding Company	Max India Ltd.
Fellow subsidiaries	Max New York Life Insurance Company Ltd.; Max Ateev Ltd.; Neeman Medical International BV; Neeman Medical International NV; Max Neeman Medical International Inc. USA; Max Neeman Medical International Ltd.; Max Medical Services Ltd.; Max Healthcare Institute Ltd.; Max UK Ltd.; Max Healthstaff International Ltd.; Alps Hospital Ltd.; Max Bupa Health Insurance Company Ltd.*; Hometrail Estate Pvt. Ltd.**; Hometrail Buildtech Private Ltd.**

*With effect from 17.12.2009, **With effect from 02.04.2009,

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business:

		(RUPEES)	
S. No.	Particulars	Holding	Fellow Subsidiaries
1	Loans taken	- (-)	- (-)
2	Loans Refunded	- (80,000,000)	- (-)
3	Incomes and reimbursement		
	- Lease Income	14,049,180 (13,813,236)	21,792,018 (17,197,756)
	- Reimbursement of expenses	17,729,162 (16,680,068)	30,901,556 (35,086,829)
4	Expense		
	- Interest paid	2,535,000 (12,113,741)	- (-)
5	Amount outstanding		
	- Against loan taken	33,800,000 (33,800,000)	- (-)
	- Other receivable	1,118,249 (1,369,366)	2,864,396 (3,566,865)
	- Other payable	12,079,500 (12,079,500)	6,431,700 (3,517,140)

Figure in bracket are for previous year

9. During the year, the Company shared the services of some of its facilities with group Companies. Consequently, the share of cost attributable to these Companies has been charged in accordance with the respective service agreements.
10. No liability has been provided for Leave encashment and other retirement benefits since there is no employee in the Company.
- 11 **Earnings Per Share (EPS)**
Calculation of EPS (Basic and Diluted)

Particulars	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
Basic		
Profit / (Loss) after tax (Rupees)	16,443,342	19,467,191
Weighted average number of Equity Shares (Nos)	55,305,852	55,305,852
EPS (Rupees)	0.30	0.35

Schedules annexed to and forming part of the accounts

Particulars	For the Year Ended March 31,2011	For the Year Ended March 31, 2010
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	55,305,852	55,305,852
Issued during the year	-	-
Outstanding as at the end of the year	55,305,852	55,305,852
Diluted		
Profit after Tax (Rupees)	16,443,342	19,467,191
Weighted average number of Equity Shares (Nos)	55,939,952	55,939,952
EPS (Rupees)	0.29	0.35

Reconciliation of denominators used for calculating basic and diluted earning per share

Particulars	For the Year Ended March 31,2011	For the Year Ended March 31, 2010
Denominator used for computing basic Earning Per Share	55,305,852	55,305,852
Add : Dilutive impact of :		
(i) Convertible preference Shares	634,100	634,100
Denominator used for Computing diluted Earning per Share	55,939,952	55,939,952

12 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

13 Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

Schedule 1 to 10 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Co.
Chartered Accountants
Firm Registration No. 002391C

For and on behalf of the Board of Directors

RAKESH NANGIA
FCA, Partner
Membership No.: 70776

P. DWARAKANATH
(Director)

SUJATHA RATNAM
(Director)

NEW DELHI,
May 16, 2011

PARDEEP K. GUPTA
(Company Secretary)

Balance Sheet Abstract and company's general business profile

I Registration Details

Registration No.

0 0 0 9 7 4 1

1 6

Balance Sheet Date

3 1

Date

0 3

Month

1 1

Year

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities (including share capital)

296,184

Total Assets

296,184

Sources of Funds

Paid-Up Capital

205,577

Reserves and Surplus

NIL

Secured Loans

41,307

Unsecured Loans

49,300

Application of Funds

Net Fixed Assets

185,928

Investments

57,721

Net Current Assets

16,255

Miscellaneous Expenditure

NIL

Accumulated Losses

36,279

IV Performance of Company (Amount in Rs. Thousands)

Turnover

39,344

Total Expenditure

15,721

+ -
✓

Profit/Loss Before Tax

23,623

+ -
✓

Profit/Loss After Tax

16,443

+ -
✓

Basic Earning per share in Rs.

0.30

Dividend Rate %

Not Applicable

+ -
✓

Diluted Earning per share in Rs.

0.29

V Name of three principal products / services of the company.

Item Code Number

Not Applicable

Product description

Leasing of Estates



CONTRACT RESEARCH

Improving... life

Neeman Medical
International B.V.





Directors' Report

Your Directors have pleasure in presenting their Annual Report along with the Audited Accounts of the Company for the financial year ended March 31, 2011.

OPERATIONS

The principal activity of the Company was that of an intermediate holding company for a group that provides clinical research services to various pharmaceutical companies around the world. During the year under review, the Company reported a net loss of Rs.10.34 lacs (previous year net loss was Rs. 7.91 lacs).

DIVIDEND

Your Directors do not recommend any dividend for the year under review.

DIRECTORS

The Board currently comprises of Mr. C V Raghu and Maprima Management BV represented by Mr. Roland Rompelberg.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retire and offer themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Indian Companies Act, 1956 (the Act) to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The observations of the Auditors are explained wherever necessary, in the appropriate notes to the accounts. In addition, the accounts have been prepared on going concern basis as the Directors consider that the Company has enough financial support of its holding company to meet its financial obligations.

PARTICULARS OF DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors had prepared the annual accounts, on a going concern basis.

Other particulars

Information pertaining to Section 217 (1) (e) and 217 (2A) of the Act are not applicable to your Company.

For and on Behalf of the Board of Directors

New Delhi
May 25, 2011

C.V. RAGHU
ROLAND ROMPELBERG

Director
Director

Auditors' Report

TO THE MEMBERS OF NEEMAN MEDICAL INTERNATIONAL B.V.

1. We have audited the attached Balance Sheet of Neeman Medical International B.V. ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011

from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Re: Neeman Medical International B.V. ('the Company')

- (i) (a) According to the information and explanations given to us, the Company does not have fixed assets. Accordingly, the provisions of clause 4(i) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the provisions of clause 4(ii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (v) (b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company is covered as a part of the internal audit function operated by its parent company, which commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and have incurred cash losses in the current year and in the immediately preceding financial year.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

Auditors' Report

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Balance Sheet as at March 31, 2011

		(RUPEES)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	825,994	825,994
Share Application Money Pending Allotment		72,324,900	72,324,900
Reserves and Surplus	2	1,000,896,148	1,000,896,148
Total		1,074,047,042	1,074,047,042
APPLICATION OF FUNDS			
INVESTMENTS			
	3	421,220,950	424,806,752
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	4	294,683	845,696
Loans and Advances	5	68,236,161	69,429,073
(A)		68,530,844	70,274,769
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities (B)	6	998,938	1,145,417
Net Current Assets (A-B)		67,531,906	69,129,352
PROFIT AND LOSS ACCOUNT			
		542,357,935	541,323,783
Foreign Currency Translation Reserve	7	42,936,251	38,787,155
Total		1,074,047,042	1,074,047,042
Notes to accounts	10		

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

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Neeman Medical International B.V.

ROLAND F.C.M. ROMPELBERG
Director

C.V. RAGHU
Director

GURGAON
MAY 25, 2011

NETHERLANDS
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Profit and Loss Account for the year ended March 31, 2011

		(RUPEES)	
	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Interest Income		80	46
Gain on foreign exchange fluctuation		72,940	-
		73,020	46
EXPENDITURE			
Administrative and Other Expenses	8	1,083,890	784,066
Financial Expenses	9	23,282	7,075
		1,107,172	791,141
Profit/(loss) before tax		(1,034,152)	(791,095)
Loss brought forward from previous year		(541,323,783)	(540,532,688)
Loss carried forward to the balance sheet		(542,357,935)	(541,323,783)
Earnings per Share			
(Refer note no C5 of schedule 10)			
- Basic and Diluted		(27,215)	(20,818)
Notes to Accounts	10		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account
As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants
per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Neeman Medical International B.V.

ROLAND F.C.M. ROMPELBERG
Director

C.V. RAGHU
Director

GURGAON
MAY 25, 2011

NETHERLANDS
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Cash Flow Statement for the year ended March 31, 2011

	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. Cash flow from operating activities		
Net Profit/(Loss) before tax and extraordinary items	(1,034,152)	(791,095)
Adjustments for:		
Interest Expense	-	505
Interest Income	(80)	(46)
Unrealised Foreign Exchange (Gain)/Loss	-	34,336
Operating Profit/(Loss) Before Working Capital Changes	(1,034,232)	(756,300)
Movement in working capital :		
Decrease / (increase) in loans and advances	(154,658)	157,843
(Decrease) / increase in current liabilities	(146,479)	43,524
Cash Generated From Operations	(1,335,369)	(554,933)
Cash From / (Used in) Operating Activities	(1,335,369)	(554,933)
B. Cash Flow From Investing Activities		
Interest Received	80	46
Receipt of refund of share application money given	776,768	959,994
Cash From/ (Used In) Investing Activities	776,848	960,040
C. Cash Flow From Financing Activities		
Interest Expense	-	(505)
Cash From/ (Used In) Financing Activities	-	(505)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(558,521)	404,602
Impact of Foreign exchange translation	7,508	37,161
Net Increase/(Decrease) in Cash and Cash Equivalents	(551,013)	441,763
Cash and Cash Equivalents – Opening Balance	845,696	403,933
Cash and Cash Equivalents – Closing Balance (For details refer Schedule 4)	294,683	845,696
Net Increase/(Decrease) in Cash and Cash Equivalents	(551,013)	441,763

The Schedules referred to above and notes to accounts form an integral part of the Cash Flow Statement

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Neeman Medical International B.V.

ROLAND F.C.M. ROMPELBERG
Director

C.V. RAGHU
Director

GURGAON
MAY 25, 2011

NETHERLANDS
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Schedules annexed to and forming part of the accounts

		(RUPEES)	
		As at March 31, 2011	As at March 31, 2010
SCHEDULE – 1			
SHARE CAPITAL			
Authorised			
180 (Previous year : 180) Ordinary Shares of Euro 500/- each		3,837,376	3,837,376
Issued, Subscribed & Paid up			
38 (Previous year : 38) Ordinary Shares of Euro 500/- each			
Of the above the entire share capital is held by			
Max India Limited, holding company		825,994	825,994
		825,994	825,994
SCHEDULE – 2			
RESERVES AND SURPLUS			
Securities Premium			
Foreign Currency Translation Reserve		1,000,896,148	1,000,896,148
		1,000,896,148	1,000,896,148
SCHEDULE – 3			
INVESTMENTS			
Long Term Investments (At cost)			
Trade (Unquoted)			
In Subsidiary Companies			
Neeman Medical International NV			
125 (Previous year : 125) Ordinary Shares of Euro 500/- each	1,056,281,738		1,065,273,735
Less : Provision For Diminution	(635,060,788)	421,220,950	(640,466,983)
		421,220,950	424,806,752
SCHEDULE – 4			
CASH AND BANK BALANCES			
Balances with non scheduled banks			
In current accounts			
- ING Bank NV*		294,683	-
- Rabo Bank NV**		-	845,696
		294,683	845,696
* Maximum amount outstanding during the year Rs. 294,683/- (Previous year Rs. Nil)			
** Maximum amount outstanding during the year Rs. Nil (Previous year Rs. 845,696/-)			
SCHEDULE – 5			
LOANS AND ADVANCES			
(Unsecured, Considered Good)			
Share application money pending allotment		68,074,823	69,422,393
Prepaid Expenses		161,338	6,680
		68,236,161	69,429,073

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
Included in Loans and Advances are:		
Due from companies under the same management:		
Neeman Medical International N.V.	68,074,823	69,422,393
* Maximum amount outstanding during the year Rs 69,422,393/- (Previous year Rs. 69,422,393/-)		
SCHEDULE - 6		
CURRENT LIABILITIES		
Sundry Creditors		
(a) total outstanding dues of Micro and Small Enterprises	-	-
(b) total outstanding dues of other than Micro and Small Enterprises	998,938	1,145,417
	998,938	1,145,417
SCHEDULE - 7		
FOREIGN CURRENCY TRANSLATION RESERVE		
Foreign Currency Translation Reserve		
Balance as per last account	38,787,155	(39,646,528)
Add: Additions during the year	4,149,096	-
Less: Utilisations during the year	-	78,433,683
Closing Balance	42,936,251	38,787,155
	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE - 8		
ADMINISTRATIVE AND OTHER EXPENSES		
Legal and Professional	1,027,640	723,234
Auditor's Remuneration		
- Audit fee	56,250	26,496
Loss on foreign exchange fluctuation (net)	-	34,336
	1,083,890	784,066
SCHEDULE - 9		
FINANCIAL EXPENSES		
Bank Interest	-	505
Bank Charges	23,282	6,570
	23,282	7,075

Schedules annexed to and forming part of the accounts

SCHEDULE 10: NOTES TO ACCOUNTS

A. Nature of Operations

The company is engaged in the business of providing of clinical trial services with pharmaceutical companies. Neeman Medical International B.V. ("Neeman B.V.") is incorporated and operates under the applicable laws of The Netherlands.

B. Statement of Significant Accounting Policies

1) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has started in year 2001. The Company has incurred a loss of Rs. 1,034,152 (previous year Rs 791,095) in the current year, due to which accumulated loss has been posted at Rs. 542,357,935 (previous year Rs 541,323,783) against Share Capital of Rs. 73,150,894 (including share application money pending allotment Rs 72,324,900) (previous year Rs 73,150,894 (including share application money pending allotment Rs 72,324,900)). The accumulated losses are envisaged due to write off of investments in subsidiary company which is also a pass through entity to main business of Clinical Research being conducted by Max Neeman Medical International Inc, which provides business support services to Max Neeman Medical International Limited in conducting clinical research in India. In the opinion of the management, in view of the commitment of continued financial support by holding company, and on the basis of the Company's future investment plans, the Company is continuing with a going concern assumption. Further, the Company does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3) Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments.

4) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Revenue from clinical trial

Revenue from clinical trial services is recognised by reference to the stage of completion of clinical study projects subscribed with pharmaceutical companies.

(ii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Schedules annexed to and forming part of the accounts

5) Foreign Currency Translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

(iv) Translation of Non-integral foreign operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

6) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities. Deferred income taxes 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

7) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

Schedules annexed to and forming part of the accounts

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares

8) Provisions

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 its present value and are determined based on best management 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.

9) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

C. NOTES TO THE ACCOUNTS

1. Country of Incorporation

Neeman Medical International B.V. is incorporated and operates under the applicable laws of The Netherlands.

2. Basis of Preparation and Translation into Indian Rupees

These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (RUPEES) in accordance with Accounting Standard-11 issued by ICAI on 'The Effects of Changes in Foreign Exchange Rates'. The functional currency of the Company is United States Dollar (US\$).

The translation of foreign currency into Rs. has been carried out:

- a) For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date (1US\$ = Rs. 44.65 as at March 31, 2011 and 1US\$ = Rs. 45.03 as at March 31, 2010).
- b) For revenues and expenses using average exchange rates prevailing during the reporting period (1US\$ = Rs. 45.54 for the year April 1, 2010 to March 31, 2011 and 1US\$ = Rs. 47.99 for the year April 1, 2009 to March 31, 2010).
- c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3. Segment Reporting

The Company operates in a single business segment, viz. Clinical Research. In view of the general clarification issued by the Institute of Chartered Accountants of India for companies in single segment, the disclosure requirements as per Accounting Standard – 17 on "Segment Reporting" are not applicable.

4. Due to losses, the company has deferred tax asset, however, deferred tax asset has been considered nil, since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

Schedules annexed to and forming part of the accounts

5. Earnings Per Share

Calculation of EPS (Basic and Diluted)

Particular	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
Basic		
Profit /(Loss) after tax (RUPEES)	(1,034,152)	(791,095)
Weighted Average number of Equity Shares outstanding during the year	38	38
Basic Earnings Per Share (RUPEES)		
Diluted	(27,215)	(20,818)
Weighted average number of equity shares having dilutive impact	-	-
Diluted Earnings per share (RUPEES)	(27,215)	(20,818)

6. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. In order to comply with provisions of the Act, the company has floated letters seeking applicability of the Act to the creditors. As per the information received, none of the creditors are covered under this Act.

7. Related Parties

a. Names of related parties

Names of related parties where control exist irrespective of whether transactions have occurred or not

Holding Company	Max India Limited
Subsidiaries	Neeman Medical International N.V.

Summary of significant related party transactions:

Particulars	Holding Company		Subsidiary Companies	
	2011	2010	2011	2010
Refund of Share Application Money Received				
Neeman Medical International NV	-	-	776,768	959,994
Amount Outstanding				
Share Application Money Pending allotment (given)				
Neeman Medical International NV	-	-	68,074,823	(69,422,393)
Share Application Money Pending allotment (received)				
Max India Limited	72,324,900	(72,324,900)	-	-

Schedules annexed to and forming part of the accounts

8. Comparative Figures

The figures of previous year were audited by a firm of Chartered accountant other than S. R. Batliboi & Co.

Previous year's figures have been regrouped where necessary to conform to this year's classification

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per SANJAY VIJ

Partner

Membership Number: 95169

For and on behalf of the Board of Directors of
Neeman Medical International B.V.

ROLAND F.C.M. ROMPELBERG

Director

C.V. RAGHU

Director

GURGAON
MAY 25, 2011

NETHERLANDS
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

8	1	0	7	.	3	3	.	8	8	2

State Code

N	A

Balance Sheet Date

3	1

0	3

2	0	1	1

Date Month Year

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

Public Issue									Rights Issue								
			N	I	L							N	I	L			
Bonus Issue									Private Placement/Others								
			N	I	L							N	I	L			

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

Total Liabilities									Total Assets									
		1	0	7	4	0	4	7			1	0	7	4	0	4	7	
Sources of Funds																		
Paid-up Capital									Share Application Money									
						8	2	6					7	2	3	2	5	
Reserves and Surplus									Unsecured Loans									
		1	0	0	0	8	9	6					N	I	L			
Application of Funds																		
Net Fixed Assets									Investments									
			N	I	L								4	2	1	2	2	1
Net Current assets									Misc. Expenditure									
				6	7	5	3	2					N	I	L			
Accumulated Losses									Foreign Currency Translation Reserve									
			5	4	2	3	5	8					4	2	9	3	6	

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)								Total Expenditure								
						7	3					1	1	0	7	
Profit/Loss for the Year								Exceptional Items								
+	-					1	0	3	4	+	-					
	✓												N	I	L	
Earning per share in Rs.								Dividend Rate (%)								
+	-					2	7	2	1	5				N	I	L
	✓															

V Name of three Principal Products/Service of Company

Product Description

C	L	I	N	I	C	A	L		R	E	S	E	A	R	C	H



CONTRACT RESEARCH

Improving... life

Neeman Medical
International N.V.





Directors' Report

Your Directors have pleasure in presenting their Annual Report along with the Audited Accounts of the Company for the financial year ended March 31, 2011

OPERATIONS

Your Company's principal activity is that of an intermediate holding company for a group that provides clinical research services to various pharmaceutical companies around the world. During the year under review, your Company incurred a net loss of Rs.11.42 lacs (previous year loss was Rs. 23.68 lacs).

DIVIDEND

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

DIRECTORS

The Board currently comprises of Mr. C V Raghu and Maprima Management BV represented by Mr. Roland Rompelberg.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retire and offer themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Indian Companies Act, 1956 (the Act') to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The observations of the Auditors are explained wherever necessary, in the appropriate notes to the accounts. In addition, the accounts have been prepared on going concern basis as the Directors consider that the Company has enough financial support of its ultimate holding company to meet its financial obligations.

PARTICULARS OF DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors had prepared the annual accounts, on a going concern basis.

OTHER PARTICULARS

Information pertaining to Section 217 (1) (e) and 217 (2A) of the Act are not applicable to your Company.

For and on Behalf of the Board of Directors

New Delhi
May 25, 2011

C.V. RAGHU
ROLAND ROMPELBERG

Director
Director

Auditors' Report

TO THE MEMBERS OF NEEMAN MEDICAL INTERNATIONAL N.V.

1. We have audited the attached Balance Sheet of Neeman Medical International N.V. ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being

appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

Re: Neeman Medical International N.V. ('the Company')

- (i) (a) According to the information and explanations given to us, the Company does not have fixed assets. Accordingly, the provisions of clause 4(i) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (ii) (a) According to the information and explanations given to us, the Company does not have inventory. Accordingly, the provisions of clause 4(ii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (v) (b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company is covered as a part of the internal audit function operated by its parent company, which commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and have incurred cash losses in the current year and in the immediately preceding financial year.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

Auditors' Report

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S. R. BATLIBOI & CO.
Firm registration No. 324982E
Chartered Accountants

per SANJAY VIJ
Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Balance Sheet as at March 31, 2011

		(RUPEES)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	2,680,703	2,680,703
Share Application Money Pending Allotment		68,859,345	69,632,146
Reserves and Surplus	2	1,097,542,697	1,097,542,697
Total		1,169,082,745	1,169,855,546
APPLICATION OF FUNDS			
INVESTMENTS			
	3	33,487,500	33,772,575
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	4	1,553,885	3,198,473
Loans and Advances	5	252,812,498	254,808,628
(A)		254,366,383	258,007,101
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	6	14,572,950	14,275,524
(B)		14,572,950	14,275,524
Net Current Assets (A-B)		239,793,433	243,731,577
PROFIT AND LOSS ACCOUNT			
Foreign Currency Translation Reserve	7	865,672,262	864,530,704
Total		30,129,550	27,820,690
		1,169,082,745	1,169,855,546
Notes to accounts	11		

The Schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Neeman Medical International N.V.

ROLAND F.C.M. ROMPELBERG
Director

C.V. RAGHU
Director

GURGAON
MAY 25, 2011

NETHERLANDS
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Profit and Loss Account for the year ended March 31, 2011

		(RUPEES)	
	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Other Income	8	101,217	-
		101,217	-
EXPENDITURE			
Administration and Other Expenses	9	1,198,229	2,355,924
Financial Expenses	10	44,546	12,350
		1,242,775	2,368,274
Profit/(loss) before tax		(1,141,558)	(2,368,274)
Loss brought forward from previous year		(864,530,704)	(862,162,430)
Loss carried forward to the balance sheet		(865,672,262)	(864,530,704)
Earnings per Share (Refer Note C4 on Schedule 11)			
- Basic and Diluted		(9,132)	(18,946)

Notes to accounts

11

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Neeman Medical International N.V.

ROLAND F.C.M. ROMPELBERG
Director

C.V. RAGHU
Director

GURGAON
MAY 25, 2011

NETHERLANDS
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Cash Flow Statement for the year ended March 31, 2011

	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. Cash flow from operating activities		
Net Profit/(Loss) before tax and extraordinary items	(1,141,558)	(2,368,274)
Adjustments for:		
Interest Income	(2,821)	-
Unrealised Foreign Exchange (Gain)/Loss	-	1,678,483
Operating Profit/(Loss) Before Working Capital Changes	(1,144,379)	(689,791)
Movement in working capital :		
Decrease / (increase) in loans and advances	(154,659)	40,583,161
(Decrease) / increase in current liabilities	297,426	(4,996,013)
Cash Generated From Operations	(1,001,612)	34,897,357
Cash From / (Used in) Operating Activities	(1,001,612)	34,897,357
B. Cash Flow From Investing Activities		
Interest Received	2,821	-
Cash From/ (Used In) Investing Activities	2,821	-
C. Cash Flow From Financing Activities		
Share Application Money Received /(Refunded)	(776,768)	(959,994)
Cash From/ (Used In) Financing Activities	(776,768)	(959,994)
Net increase/(decrease) in cash & cash equivalents (A + B + C)	(1,775,559)	33,937,363
Impact of Foreign exchange translation	130,971	(39,055,767)
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,644,588)	(5,118,404)
Cash and Cash Equivalents – Opening Balance	3,198,473	8,316,877
Cash and Cash Equivalents – Closing Balance (For details refer Schedule 4)	1,553,885	3,198,473
Net Increase/(Decrease) in Cash and Cash Equivalents	(1,644,588)	(5,118,404)

The Schedules referred to above forms an integral part of the Cash Flow Statement

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants
per SANJAY VIJ
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Neeman Medical International N.V.

ROLAND F.C.M. ROMPELBERG
Director

C.V. RAGHU
Director

GURGAON
MAY 25, 2011

NETHERLANDS
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
225 (Previous year : 225) Ordinary Shares of Euro 500/- each	4,796,660	4,796,660
Issued, Subscribed & Paid up		
125 (Previous year : 125) Ordinary Shares of Euro 500/- each	2,680,703	2,680,703
Of the above entire share capital is held by Neeman Medical International BV, Holding Company		
	2,680,703	2,680,703
SCHEDULE 2		
RESERVES AND SURPLUS		
Securities Premium Account	1,097,542,697	1,097,542,697
	1,097,542,697	1,097,542,697
SCHEDULE 3		
INVESTMENTS		
Long Term Investments, Trade (Unquoted)		
In Subsidiary Companies (At Cost)		
Max Neeman Medical International Inc.		
325 (Previous year 325) shares	33,487,500	33,772,575
	33,487,500	33,772,575
Aggregate value of unquoted investments Rs. 33,487,500 (Previous year Rs. 33,772,575)		
SCHEDULE 4		
CASH AND BANK BALANCES		
Balances with non scheduled banks		
In current accounts		
ING Bank NV*	1,553,885	-
Rabo Bank NV**	-	3,198,473
	1,553,885	3,198,473
* Maximum amount outstanding during the year Rs. 1,553,885/- (Previous year Rs. Nil)		
** Maximum amount outstanding during the year Rs. 3,198,473/- (Previous year Rs. 8,056,306/-)		
SCHEDULE 5		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Share Application Money Pending For Allotment		
- Max Neeman Medical International Inc.	329,333,593	332,137,170
Less: Provision for Diminution	(76,682,433)	(77,335,221)
Prepaid Expenses	161,338	6,679
	252,812,498	254,808,628
Included in Loans and Advances are:		
Due from companies under the same management:		
Max Neeman Medical International Inc.	329,333,593	332,137,170
Maximum amount outstanding Rs. 332,137,170/- (Previous year Rs. 332,137,170/-)		

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE 6		
CURRENT LIABILITIES		
Sundry Creditors		
(a) total outstanding dues of Micro, Medium and Small Enterprises	-	-
(b) total outstanding dues of other than Micro, Medium and Small Enterprises	14,100,214	13,820,508
Other Liabilities	472,736	455,016
	14,572,950	14,275,524
SCHEDULE 7		
FOREIGN CURRENCY TRANSLATION RESERVE		
Foreign Currency Translation Reserve		
Balance as per last account	27,820,690	(16,498,742)
Add: Additions during the year	2,308,860	-
Less: Utilisations during the year	-	44,319,432
Closing Balance	30,129,550	27,820,690
		(RUPEES)
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE 8		
OTHER INCOME		
Interest on		
- Others	2,821	-
Gain on foreign exchange fluctuation (net)	98,396	-
	101,217	-
SCHEDULE 9		
ADMINISTRATIVE AND OTHER EXPENSES		
Legal and Professional	1,141,979	650,945
Auditors' Remuneration		
-Audit fee	56,250	26,496
Loss on foreign exchange fluctuation	-	1,678,483
	1,198,229	2,355,924
SCHEDULE 10		
FINANCIAL EXPENSE		
Bank Charges	44,546	12,350
	44,546	12,350

Schedules annexed to and forming part of the accounts

SCHEDULE 11: NOTES TO ACCOUNTS

A. Nature of Operations

The company is engaged in the business of providing of clinical trial services with pharmaceutical companies. Neeman Medical International N.V. is incorporated and operates under the applicable laws of The Netherlands.

B. Statement of Significant Accounting Policies

1) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The Company has started operations in year 2001. The Company has incurred a loss of Rs. 1,141,558 (previous year Rs 2,368,274) in the current year, due to which accumulated loss has been posted at 865,672,262 (previous year Rs 864,530,704) against Share Capital of Rs. 71,540,048 (including share application money pending allotment Rs 68,859,345) (previous year Rs 72,312,849 (including share application money pending allotment Rs 69,632,146)). The accumulated losses are due to write off of investments in equity and term loans to its subsidiary Companies which provides business support to Max Neeman Medical International Limited (Neeman Asia) in conducting Clinical Research in India. In the opinion of the management, in view of the commitment of continued financial support by ultimate holding company, and on the basis of the business plans of Neeman Asia, the Company is continuing with a going concern assumption. Further, the Company does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3) Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution in the value is made to recognise a decline other than temporary in the value of the investments.

4) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

5) Foreign Currency Translation

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Schedules annexed to and forming part of the accounts

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on a monetary item that, in substance, form part of the company's net investment in a non-integral foreign operation is accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

(iv) Translation of Non-integral foreign operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

6) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities. Deferred income taxes 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

7) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

8) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow

Schedules annexed to and forming part of the accounts

of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best management 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.

9) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

C. NOTES TO THE ACCOUNTS

1. Basis of Preparation and Translation into Indian Rupees

- i. These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (RUPEES) in accordance with Accounting Standard-11 issued by Institute of Chartered Accountant of India on 'The Effects of Changes in Foreign Exchange Rates'. The functional currency of the Company is United States Dollar (US\$).
- ii. The translation of foreign currency into Rs. has been carried out:
 - a) For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date (1US\$ = Rs. 44.65 as at March 31, 2011 and previous year Rs. 45.03 as at March 31, 2010).
 - b) For revenues and expenses using average exchange rates prevailing during the reporting period (1US\$ = Rs. 45.54 for the year April 1, 2010 to March 31, 2011 and previous year Rs. 47.99 for the year April 1, 2009 to March 31, 2010).
 - c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

2. Segment Reporting

The Company operates in a single business segment, viz. Clinical Research. In view of the general clarification issued by the Institute of Chartered Accountants of India for companies in single segment, the disclosure requirements as per Accounting Standard – 17 on "Segment Reporting" are not applicable.

3. Due to losses, the company has deferred tax asset, however, deferred tax asset has been considered nil, since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly Company has prudently decided not to recognize deferred tax asset on such timing differences.

Schedules annexed to and forming part of the accounts

4. Earnings Per Share

Calculation of EPS (Basic and Diluted)

Particular	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
Basic		
Profit /(Loss) after tax (RUPEES)	(1,141,558)	(2,368,274)
Weighted Average number of Equity Shares outstanding during the year	125	125
Basic Earnings Per Share (RUPEES)	(9,132)	(18,946)
Diluted		
Weighted average number of equity shares having dilutive impact	-	-
Diluted Earnings per share (RUPEES)	(9,132)	(18,946)

5. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. In order to comply with provisions of the Act, the company has floated letters seeking applicability of the Act to the creditors. As per the information received, none of the creditors are covered under this Act.

6. Related Parties

a. Names of related parties

Names of related parties where control exist irrespective of whether transactions have occurred or not

Ultimate Holding Company	Max India Limited
Holding Company	Neeman Medical International BV, Netherlands
Subsidiary Company	Max Neeman Medical International Inc., USA,
Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiary	Max UK Ltd.

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by management) carried out in ordinary course of business are as follows:

Particulars	Holding Company		Subsidiary		Fellow Subsidiary	
	2011	2010	2011	2010	2011	2010
Share Application Money Refunded						
Neeman Medical International BV, Netherlands	776,768	959,994	-	-	-	-
Amount Outstanding						
Advances						
Max Neeman Medical International Inc.	-	-	329,333,593	332,137,170	-	-
Provision for Advance						
Max Neeman Medical International Inc.			76,682,433	77,335,221	-	-
Payable for Goods/ Services						
Max India Limited	9,256,986	9,256,986	-	-	-	-
Max UK Ltd.	-	-	-	-	3,665,089	3,474,954
Payable against Share Application Money						
Neeman Medical International BV, Netherlands	68,859,345	69,632,146	-	-	-	-

7. Comparative Figures

The figures of previous year were audited by a firm of Chartered accountant other than S. R. Batliboi & Co.

Previous year's figures have been regrouped where necessary to conform to this year's classification

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Neeman Medical International N.V.

ROLAND F.C.M. ROMPELBERG
Director

NETHERLANDS
MAY 25, 2011

C.V. RAGHU
Director

NEW DELHI
MAY 25, 2011

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

1	.	1	8	4	.	3	6	3

State Code

N	A

Balance Sheet Date

3	1

0	3

2	0	1	1

Date Month Year

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

Public Issue

			N	I	L			

Bonus Issue

			N	I	L			

Rights Issue

			N	I	L			

Private Placement/Others

			N	I	L			

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

Total Liabilities

		1	1	6	9	0	8	3

Sources of Funds

Paid-up Capital

					2	6	8	1

Reserves & Surplus

		1	0	9	7	5	4	3

Application of Funds

Net Fixed Assets

			N	I	L			

Net Current assets

			2	3	9	7	9	3

Accumulated Losses

			8	6	5	6	7	2

Total Assets

		1	1	6	9	0	8	3

Share Application Money

				6	8	8	5	9

Unsecured Loans

			N	I	L			

Investments

				3	3	4	8	8

Misc. Expenditure

			N	I	L			

Foreign Currency Translation Reserve

				3	0	1	3	0

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)

						1	0	1

+ - Profit For the Year

	✓

					1	1	4	2

+ - Earning per share in Rs.
Basic

	✓

			9	1	3	2

Diluted

	✓

			9	1	3	2

Total Expenditure

				1	2	4	3

Dividend Rate (%)

			N	I	L

V Name of three Principal Products/Service of Company

Product Description

C	L	I	N	I	C	A	L	R	E	S	E	A	R	C	H

Max UK Limited, UK





Directors' Report

The Directors present their report and the financial statements of the Company for the year ended 31st March 2011.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Your Company has been providing business and administrative support services to officials of various group companies of Max India Limited, the parent company at UK.

RESULTS AND DIVIDENDS

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. During the year under review, your Company earned a revenue of Rs.53.78 lacs and a net profit of Rs. 0.11 lacs as against previous year revenue of Rs. 57.70 lacs and net profit of Rs. 1.46 lacs. The directors do not recommend a dividend.

DIRECTORS

The current directors of the Company are Mr. Neeraj Basur and Ms. K. Stanley. None of the directors hold any interest in the shares of the Company.

PARTICULARS OF DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- ii the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv the Directors had prepared the annual accounts, on a going concern basis.

OTHER PARTICULARS

Information pertaining to Section 217 (1) (e) and 217 (2A) of the Act are not applicable to the Company.

AUDITORS

M/s K.K. Mankeshwar & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

For and on Behalf of the Board of Directors

New Delhi
April 20, 2011

KARIN STANLEY
NEERAJ BASUR

Director
Director

Auditors' Report

TO THE MEMBERS OF MAX UK LIMITED

1. We have audited the attached Balance Sheet of MAX UK LIMITED as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we further report that:
 - i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - ii. The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
 - iii. During the year, the Company has not disposed off a major part of the fixed assets
 - iv. The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - v. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of fixed assets and for sale of services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
 - vi. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - vii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
 - viii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues, investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. As informed, the provisions relating to Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees State Insurance are not applicable to the company.
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
 - ix. The company has accumulated losses, as at March 31, 2011 more than fifty percent of its net worth and it has incurred cash losses in the current financial year but it not has incurred any cash losses in the immediately preceding financial year.
 - x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Auditors' Report

- xi. The other clauses of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.
4. Further to our comments in paragraph 3 above, we report that:
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

DINESH K BACHCHAS

Partner

Membership No. 97820

For and on Behalf of
K K MANKESHWAR & CO.

Chartered Accountants

FRN: - 106009W

New Delhi

April 20, 2011

Balance Sheet as at March 31, 2011

		(RUPEES)	
	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	21,300,000	21,300,000
Reserves and Surplus	2	1,385,230	898,730
		22,685,230	22,198,730
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	842,934	777,773
Less: Depreciation		829,987	777,773
Net Block		12,947	-
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	4	2,996,990	2,681,756
Sundry Debtors		3,682,832	3,474,935
Loans and Advances		3,059,711	2,957,235
		9,739,533	9,113,926
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	5	1,126,479	962,918
Provisions		-	22,261
		1,126,479	985,179
NET CURRENT ASSETS		8,613,054	8,128,747
PROFIT AND LOSS ACCOUNT		14,059,229	14,069,983
		22,685,230	22,198,730
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS		9	

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

DINESH K BACHCHAS

Partner

Membership No: 097820

For and on Behalf of
K K Mankeshwar & CO.

Chartered Accountants

FRN: - 106009W

New Delhi

April 20, 2011

For and on behalf of the Board of Directors

NEERAJ BASUR

Director

KARIN STANLEY

Director

Profit and Loss Account for the year ended March 31, 2011

	Schedule	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
(RUPEES)			
INCOME			
Overheads Recovered		5,377,676	5,764,585
Other Income	6	849	6,220
		5,378,525	5,770,805
EXPENDITURE			
Administration and Other Expenses	7	5,354,185	5,589,068
Financial Expenses	8	7,996	10,771
Depreciation	3	5,590	-
		5,367,771	5,599,839
PROFIT BEFORE TAX		10,754	170,966
Provision for Taxation		-	24,879
PROFIT AFTER TAX		10,754	146,087
(LOSS) BROUGHT FORWARD		(14,069,983)	(14,216,070)
(LOSS) CARRIED FORWARD TO BALANCE SHEET		(14,059,229)	(14,069,983)
Basic and Diluted earnings per share			
Profit after tax		10,754	146,087
Weighted average number of ordinary shares		299,742	299,742
Earning per ordinary share of GBP 1/- each		0.04	0.49
Number of Shares used in computing earnings per share		299,742	299,742
Outstanding at the beginning of the year		299,742	299,742
Outstanding at the end of the year		299,742	299,742

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 9

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

DINESH K BACHCHAS
Partner
Membership No: 097820

For and on behalf of the Board of Directors

For and on Behalf of
K K Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

NEERAJ BASUR
Director

KARIN STANLEY
Director

New Delhi
April 20, 2011

Cash Flow Statement for the year ended March 31, 2011

	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	10,754	170,966
Adjustments for:		
Depreciation	5,590	-
Interest Income	(849)	(531)
Operating Profit Before Working Capital Changes	15,495	170,435
Adjustments for:		
Other Receivables	(310,373)	2,150,494
Trade Payables	163,561	3,760
Cash Generated From/(Used in) Operations	(131,317)	2,324,689
Direct Taxes (Paid)	(22,261)	(68,693)
Cash From/(Used in) Operating Activities	(153,578)	2,255,996
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(18,537)	-
Cash From/(Used in) Investing Activities	(18,537)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest received on Deposit with Bank	849	531
Cash From/(Used in) Financing Activities	849	531
Net Increase/(Decrease) in Cash and Cash Equivalents	(171,266)	2,256,527
Foreign Currency Translation Reserve	486,500	(756,552)
	315,234	1,499,975
Cash and Cash Equivalents As At March 31, 2010	2,681,756	1,181,781
Cash and Cash Equivalents As At March 31, 2011	2,996,990	2,681,756
Net Increase/(Decrease) in Cash and Cash Equivalents	315,234	1,499,975

Notes:

- The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statements' issued by The Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the end of the year consist of Cash and Balances with Bank:

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
- Cash in Hand	2,518	1,222
- Balance with Bank	2,994,472	2,680,534
	2,996,990	2,681,756

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 9

The Schedules referred to above form an integral part of the Cash Flow Statement

This is the Cash Flow Statement referred to in our report of even date

DINESH K BACHCHAS

Partner

Membership No: 097820

For and on Behalf of
K K Mankeshwar & CO.

Chartered Accountants

FRN: - 106009W

New Delhi

April 20, 2011

For and on behalf of the Board of Directors

NEERAJ BASUR

Director

KARIN STANLEY

Director

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
SCHEDULE – 1		
SHARE CAPITAL		
AUTHORISED		
1,000,000 (Previous year 1,000,000) Ordinary shares of GBP 1/- each	71,061,111	71,061,111
ISSUED, SUBSCRIBED AND PAID UP		
299,742 (Previous year 299,742) Ordinary Shares of GBP 1/- each	21,300,000	21,300,000
(held by Max India Limited, the Holding Company)	21,300,000	21,300,000
SCHEDULE – 2		
RESERVE AND SURPLUS		
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening Balance	898,730	1,655,282
Additions during the year	486,500	(756,552)
Closing Balance	1,385,230	898,730

SCHEDULE 3

FIXED ASSETS

(Refer Notes A4 and A5 on schedule 9)

(RUPEES)

Particulars	Gross Block					Depreciation					Net Block	
	As at April 1, 2010	Additions	Deletion	Translation Reserve	As on March 31, 2011	As at April 1, 2010	Additions	Deletion	Translation Reserve	As on March 31, 2011	As at March 31, 2011	As at March 31, 2010
Furniture, Fixture and Equipments												
- Furniture and Fixture	426,214	-	-	25,499	451,713	426,214	-	-	25,499	451,713	-	-
- Office Equipment	351,559	18,327	-	21,335	391,221	351,559	5,590	-	21,125	378,274	12,947	-
Total	777,773	18,327	-	46,834	842,934	777,773	5,590	-	46,624	829,987	12,947	-
Previous year	849,850	-	-	(72,077)	777,773	849,850	-	-	(72,077)	777,773		

SCHEDULE – 4

CURRENT ASSETS, LOANS AND ADVANCES

CASH AND BANK BALANCES

Cash in Hand

With Non-Scheduled Bank

- in Current Account (Barclays Bank Plc.)*

	As at March 31, 2011	As at March 31, 2011
Cash in Hand	2,518	1,222
With Non-Scheduled Bank		
- in Current Account (Barclays Bank Plc.)*	2,994,472	2,680,534
	2,996,990	2,681,756

* Maximum balance outstanding during the year Rs. 7,467,412/- (Previous year Rs. 6,540,828/-)

SUNDRY DEBTORS (Unsecured **)

Debts exceeding six months

- Considered Good

Other Debts

- Considered Good

Debts exceeding six months		
- Considered Good	3,682,832	3,474,935
Other Debts		
- Considered Good	-	-
	3,682,832	3,474,935

** Amounts due from companies under the same management

- Neeman Medical International NV Rs. 3,682,832/- (Previous year Rs. 3,474,935/-)

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	As at March 31, 2011	As at March 31, 2010
Maximum amount outstanding during the year from companies under the same management		
- Max India Limited Rs. 3,226,606/- (Previous year Rs. 3,135,859/-)		
- Max Healthcare Institute Limited Nil (Previous year Rs. 1,620,378/-)		
- Neeman Medical International NV Rs. 3,682,832/- (Previous year Rs. 3,796,931/-)		
LOANS AND ADVANCES		
Unsecured, Considered Good		
Advances recoverable in cash or in kind or for value to be received	2,891,757	2,728,518
Prepaid Expenses	167,954	228,717
	3,059,711	2,957,235
	9,739,533	9,113,926
SCHEDULE - 5		
CURRENT LIABILITIES		
Sundry Creditors***		
Total outstanding dues of creditors other than micro enterprises and small enterprises	551,047	475,283
Other Liabilities	575,432	487,635
	1,126,479	962,918
*** There are no dues to creditors coming under the definition of Micro Enterprises and Small Enterprises as at March 31, 2011 and March 31, 2010		
	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE - 6		
OTHER INCOME		
Interest on Fixed Deposit with Bank	849	531
Miscellaneous Income	-	5,689
	849	6,220
SCHEDULE - 7		
ADMINISTRATION AND OTHER EXPENSES		
PERSONNEL		
(Refer Note B6 on Schedule 9)		
Salaries and Wages	3,113,392	3,261,541
ADMINISTRATION & OTHER EXPENSES		
Power and Fuel	18,468	22,072
Legal and Professional	721,529	763,580
Travelling and Conveyance	-	4,475
Rent	592,252	634,863
Communication	386,273	331,615
Rates and Taxes	26,393	58,404
Printing and Stationery	44,295	31,098
Repairs and Maintenance-Others	33,044	35,422
Insurance	382,593	398,970
Miscellaneous Expenses	35,946	47,028
	5,354,185	5,589,068
SCHEDULE - 8		
FINANCIAL EXPENSES		
Bank Charges	7,996	10,771
	7,996	10,771

Schedules annexed to and forming part of the accounts

SCHEDULE-9

A. SIGNIFICANT ACCOUNTING POLICIES

- 1 The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.
- 2 **Revenue Recognition**
 - (i) Revenue represents amounts invoiced during the year, exclusive of value added tax.
 - (ii) Dividend is recognized as income as and when the right to receive such payment is established.
- 3 **Expenditure**
Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities.
- 4 **Fixed Assets**
Fixed Assets are stated at their original cost.
- 5 **Depreciation**
Depreciation is charged on straight-line method on a pro-rata basis at rates estimated by the management based on the economic useful life of the assets, which are not lower than the rates prescribed under Schedule XIV to the Companies Act, 1956.
- 6 **Taxation**
Provision for tax consists of current tax and deferred tax. Current tax provision is computed for current income based on the tax liability after considering allowances and exemptions. Deferred tax assets and liabilities are computed on the timing differences at the balance sheet date between the carrying amount of assets and liabilities and their respective tax basis. Deferred tax assets are recognized based on management estimates of available future taxable income and assessing its certainty.
- 7 **Foreign Exchange Transactions**
 - (i) Monetary assets and liabilities related to foreign transactions remaining unsettled at the end of the year are translated at year-end rates.
 - (ii) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions, are recognized in the Profit and Loss account.
- 8 **Leases**
Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to Profit and Loss Account on a straight-line basis over the period of the lease.

Schedules annexed to and forming part of the accounts

B. NOTES TO THE ACCOUNTS

1 Country of Incorporation

Max UK Limited is incorporated and operates under the applicable laws of England and Wales.

2 Basis of Preparation and Translation into Indian Rupees

- (i) These financial statements have been prepared for the purpose of compliance with the provisions of Section 211 and Section 212 of the Indian Companies Act, 1956 and have been translated to Indian Rupees (Rs.) in accordance with Accounting Standard-11 issued by ICAI on 'The Effects of Changes in Foreign Rates'. The functional currency of the Company is Pound Sterling (GBP).
- (ii) The translation of foreign currency into Rs. has been carried out:
 - a) For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance sheet date (1GBP = Rs. 71.9289 as on March 31, 2011 and 1GBP = Rs. 67.8685 as on March 31, 2010).
 - b) For revenues and expenses using average exchange rates prevailing during the reporting period (1GBP = Rs. 70.7589 for the period April 1, 2010 to March 31, 2011 and 1GBP = Rs. 75.8498 for the period April 1, 2009 to March 31, 2010).
 - c) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

3 Contingent Liabilities – Nil

4 Leases

Accounting for leases has been done in accordance with Accounting Standard-19 issued by the ICAI. Following are the details of lease transactions for the year:

a) Finance Lease

The Company does not have any finance lease arrangement.

b) Operating Lease

- (i) Lease rentals recognised in the profit and loss account for the year is Rs. 592,252 (Previous year Rs. 634,863).
- (ii) The Company has entered into operating leases that are renewable on a periodic basis and cancellable at Company's option. The Company has not entered into sublease agreements in respect of these leases.
- (iii) The total of future minimum lease payments under non-cancellable leases are as follows:

	(RUPEES)	
	March 31, 2011	March 31, 2010
Not later than one year	296,126	317,431

5 Segment Reporting:

The Company operates only in one business segment viz. to work as a representative office of Max Group companies. Accordingly there are no reportable business segments.

6 Salaries and wages include an amount of Rs. 3,113,392 (Previous year Rs. 3,261,541) paid to a director of the Company.

7 Deferred Tax:

The net deferred tax asset has not been recognized due to virtual uncertainty regarding future taxable profits.

Schedules annexed to and forming part of the accounts

8. Related Parties (as identified by the management) are classified as:

(i) Holding Company	Max India Limited, India
(ii) Fellow Subsidiaries	Max New York Life Insurance Company Ltd., Max Ateev Ltd., Neeman Medical International BV, Neeman Medical International NV, Max Neeman Medical International Inc., USA, Max Medical Services Ltd., Max Healthcare Institute Ltd., Alps Hospital Ltd., Pharmax Corporation Ltd., Max Neeman Medical International Ltd., Max HealthStaff International Ltd., Hometrail Estate Pvt. Ltd. (Effective April 2, 2009), Hometrail Buildtech Pvt. Ltd. (Effective April 2, 2009), Max Bupa Health Insurance Company Ltd. (Effective December 17, 2009)
(iii) Key Management Personnel	Ms. Karin Stanley

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business are as follows:

	Holding Company	Fellow Subsidiaries	Key Management Personnel
(i) Income			
- Overhead Recovered	5,377,676 (5,764,585)	- (-)	- (-)
(ii) Salaries and Wages	- (-)	- (-)	3,113,392 (3,261,541)
(ii) Amount Outstanding			
- Other Receivable	- (-)	3,682,832 (3,474,935)	- (-)

9 Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

10 Auditors' Remuneration

	(RUPEES)	
	Current Year	Previous Year
Audit Fees	275,960	295,814

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

DINESH K BACHCHAS
Partner
Membership No: 097820

For and on Behalf of
K K Mankeshwar & CO.
Chartered Accountants
FRN: - 106009W

New Delhi
April 20, 2011

For and on behalf of the Board of Directors

NEERAJ BASUR
Director

KARIN STANLEY
Director

Schedules and company's general business profile

I Registration Details :

Registration No.

				3	6	2	5	9	0	4

State Code

N	A

Balance Sheet Date

3	1

Date

0	3

Month

2	0	1	1

Year

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

Public Issue

				N	I	L				

Bonus Issue

				N	I	L				

Rights Issue

				N	I	L				

Private Placement/Others

				N	I	L				

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

Total Liabilities

				2	2	6	8	5

Sources of Fund

Paid-up Capital

				2	1	3	0	0

Secured Loans

				N	I	L				

Application of Funds

Net Fixed Assets

								1	3

Net Current assets

					8	6	1	3

Accumulated Losses

				1	4	0	5	9

Total Assets

				2	2	6	8	5

Reserve and Surplus

					1	3	8	5

Unsecured Loans

				N	I	L				

Investments

				N	I	L				

Misc. Expenditure

				N	I	L				

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)

					5	3	7	9

Total Expenditure

					5	3	6	8

+	-
✓	

Profit/Loss before tax

							1	1

+	-
✓	

Profit/Loss after tax

							1	1

Basic	✓	
Diluted	✓	

+	-
✓	

Earning per share in Rs.

	0	.	0	4
	0	.	0	4

Dividend Rate (%)

			N	I	L

V Name of three Principal Products/Service of Company

Product Description

		N	O	T		A	P	P	L	I	C	A	B	L	E		

Max Ateev Limited





Directors' Report

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Seventeenth Annual Report along with the Audited Accounts for the financial year ended March 31, 2011.

OPERATIONS

During the year under review, your Company incurred a loss of Rs.3.10 lacs. Currently, the Company is not pursuing any business/commercial operations. However, the Directors are evaluating potential business opportunities for the Company.

DIVIDEND

In view of the losses, your Directors are unable to recommend any dividend for the year under review.

PARTICULARS OF DEPOSITS

Your Company has not accepted any deposit from the public during the year under review. There were no unclaimed /over due deposit as at March 31, 2011.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 (the Act') Mrs. Sujatha Ratnam and Mr. Arvind Kakar are due to retire by rotation and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE

The Audit Committee currently comprises of Mrs. Sujatha Ratnam, Mr. Arvind Kakar and Mr. Rohit Gandhi. The terms of reference of the Audit Committee fully conform to the requirements of Section 292A of the Act.

AUDITORS

S.R. Batliboi & Co., Statutory Auditors of your Company, retires and offers themselves for re-appointment. Your Company has received from them, a certificate required under Section 224(1-B) of the Act, to the effect that their re-appointment, if made, would be in conformity with the limits specified in that Section.

The observations of the Auditors are explained wherever necessary, in the appropriate notes to the accounts. In addition,

the accounts have been prepared on going concern basis as the Directors consider that the Company has enough financial support of its holding company to meet its financial obligations. Further, the Directors consider that the Company would be able to realize its assets and discharge its liabilities in the normal course of business.

ADDITIONAL INFORMATION

As your Company does not carry on any operations, information in accordance with the provisions of Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not furnished herewith.

PARTICULARS OF EMPLOYEES

The Company had no employee during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors had prepared the annual accounts, on a going concern basis.

For and on Behalf of the Board of Directors

New Delhi	SUJATHA RATNAM	Director
August 8, 2011	V. KRISHNAN	Managing Director

Auditors' Report

TO THE MEMBERS OF MAX ATEEV LIMITED

1. We have audited the attached Balance Sheet of Max Ateev Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken

on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the loss for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.

Firm registration number: 324982E
Chartered Accountants

Per SANJAY VIJ

Partner
Membership No.: 95169

Gurgaon
May 25, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE Max Ateev Limited (the Company')

- (i) (a) The company does not have any fixed assets. Accordingly the provisions of clause 4 (i) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (c) During the year, the Company has disposed off substantial part of the fixed assets. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said part of fixed asset has not affected the going concern status of the Company.
- (ii) (a) The company does not have any inventory, Accordingly the provisions of clause 4 (ii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provisions of clause 4 (v) (b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company is covered as a part of the internal audit function operated by its parent company, which commensurate with the size of the Company and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the products of the Company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss during the year and in the immediately preceding financial year.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

Auditors' Report

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, *we report that funds amounting to Rs. 66,957,537 raised on short term basis have been used for long term investment representing funding of losses.*
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & CO.

Firm registration number: 324982E

Chartered Accountants

per SANJAY VIJ

Partner

Membership No.: 95169

Gurgaon

May 25, 2011

Balance Sheet as at March 31, 2011

		(RUPEES)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS'S FUNDS			
Share Capital	1	314,436,000	314,436,000
		314,436,000	314,436,000
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	2	-	2,650,784
Less: Accumulated Depreciation		-	2,650,784
Net Block		-	-
Current Assets, Loans and Advances			
Cash and bank balances	3	118,884	118,384
Loans and advances	4	1,195,645	1,236,645
(A)		1,314,529	1,355,029
Less: Current Liabilities and Provisions			
Current liabilities	5	68,272,066	68,002,562
(B)		68,272,066	68,002,562
Net Current Assets (A – B)		(66,957,537)	(66,647,533)
Profit and Loss Account		381,393,537	381,083,533
		314,436,000	314,436,000
Significant accounting policies and notes to accounts		8	

The schedules referred to above and notes to accounts forming integral part of the Balance Sheet.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

GURGAON
MAY 25, 2011

For and on behalf of the Board of Directors of
Max Ateev Limited

V. KRISHNAN
Managing Director

VISHAL GARG
Company Secretary

NEW DELHI
MAY 25, 2011

SUJATHA RATNAM
Director

Profit and Loss Account for the year ended March 31, 2011

	Schedules	(RUPEES)	
		For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Other income	6	26,627	523,677
		26,627	523,677
EXPENDITURE			
Administration and other expenses	7	336,631	1,095,804
Depreciation	2	-	31,540
		336,631	1,127,344
(Loss) for the year		(310,004)	(603,667)
(Loss) Brought Forward		(381,083,533)	(380,479,866)
Balance carried to Balance Sheet		(381,393,537)	(381,083,533)
Earnings per share			
- Basic and Diluted (In Rs.)		(0.01)	(0.02)
- Nominal value per share (In Rs.)		10	10

Significant accounting policies and notes to accounts

8

The schedules referred to above and notes to accounts forming integral part of the Profit & Loss Account.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Max Ateev Limited

V. KRISHNAN
Managing Director

SUJATHA RATNAM
Director

VISHAL GARG
Company Secretary

GURGAON
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Cash Flow Statement for the year ended March 31, 2011

	(RUPEES)	
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) for the year	(310,004)	(603,667)
Adjustments for:		
Depreciation	-	31,540
(Profit) / Loss on sale of fixed assets	(14,000)	635,839
Liabilities no longer required written back	(12,627)	(523,677)
Doubtful advances written off	41,000	-
Operating profit / (loss) before working capital changes	(295,631)	(459,964)
Movement in working capital:		
Increase/ (Decrease) in current liabilities	282,131	113,954
Cash generated from / (used in) operations	(13,500)	(346,010)
Direct taxes paid (net of refunds)	-	-
Net cash from / (used in) operating activities	(13,500)	(346,010)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	14,000	54,308
Net cash from / (used in) Investing activities	14,000	54,308
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (Repayment) of Loan	-	291,702
	-	291,702
Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	500	-
Cash and cash equivalents at the beginning of the year	118,384	118,384
Cash and cash equivalents at the end of the year	118,884	118,384
Components of cash and cash equivalents	As at	As at
	March 31, 2011	March 31, 2010
Balance with scheduled banks		
- On current accounts	118,884	118,384
	118,884	118,384

The schedules referred to above and notes to accounts form an integral part of the Cash Flow Statement.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per **SANJAY VIJ**
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Max Ateev Limited

V. KRISHNAN
Managing Director

SUJATHA RATNAM
Director

VISHAL GARG
Company Secretary

GURGAON
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Schedules annexed to and forming part of the accounts

(RUPEES)

										As at March 31, 2011	As at March 31, 2010
SCHEDULE 1											
SHARE CAPITAL											
AUTHORISED											
31,500,000 (Previous year 31,500,000) equity shares of Rs. 10/- each										315,000,000	315,000,000
ISSUED, SUBSCRIBED AND PAID UP											
31,443,600 (Previous year 31,443,600) equity shares of Rs.10/- each fully paid up										314,436,000	314,436,000
										314,436,000	314,436,000
(Of the above 31,443,580 equity shares are held by Max India Limited, the holding company and 20 equity shares are held by its nominees)											
SCHEDULE 2 : FIXED ASSETS											
Particulars	Gross Block				Depreciation				Net Block		
	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at April 1, 2010	During the Year	Deletions	As at March 31, 2011	As at March 31, 2011	As at March 31, 2010	
Computers	2,650,784	-	2,650,784	-	2,650,784	-	2,650,784	-	-	-	
Total	2,650,784	-	2,650,784	-	2,650,784	-	2,650,784	-	-	-	
Previous Year	76,727,846	-	74,077,061	2,650,784	76,006,158	31,540	73,386,914	2,650,784	-	-	
SCHEDULE 3											
CASH AND BANK											
Balances with Scheduled Banks											
- in current accounts										118,884	118,384
										118,884	118,384
SCHEDULE 4											
LOANS AND ADVANCES											
(Unsecured, considered good)											
Security deposits										-	41,000
Advance Income Tax / Tax deducted at source										1,195,645	1,195,645
										1,195,645	1,236,645
SCHEDULE 5											
CURRENT LIABILITIES											
Sundry Creditors											
-Total outstanding dues of Micro and Small creditors										-	-
-Total outstanding dues of creditors other than Micro Et Small Enterprises										123,612	268,891
Amount payable to Holding Company										68,137,709	67,698,173
Other Liabilities										10,745	35,498
										68,272,066	68,002,562
											(RUPEES)
										For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 6											
OTHER INCOME											
Profit on sale of fixed assets										14,000	-
Liabilities no longer required written back										12,627	523,677
										26,627	523,677

Schedules annexed to and forming part of the accounts

	(RUPEES)	
	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE 7		
ADMINISTRATIVE AND OTHER EXPENSES		
Legal and professional expenses	227,191	435,780
Auditor's remuneration:		
- As audit fee	55,150	22,060
Rates and taxes	13,290	2,124
Loss on sale of fixed assets	-	635,839
Doubtful advances written off	41,000	-
	336,631	1,095,803

SCHEDULE 8

NOTES TO ACCOUNTS

A. Statement of Significant Accounting Policies

1) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

During the year the Company has incurred losses of Rs 310,004 (Previous year Rs 603,667). As at March 31, 2011, the accumulated losses of the Company are Rs 381,393,537 (Previous year Rs 381,083,533) as against the share holders fund of Rs. 314,436,000 (Previous year Rs. 314,436,000). The Company has scaled down its operations and currently there is no steady stream of revenue. The Company is dependent on its holding company, Max India Limited for financial support. In the opinion of the management, in view of the commitment of continued financial support by holding company, and on the basis of the Company's future investment plans, the Company is continuing with a going concern assumption. Further, the Company does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business.

2) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3) Fixed Assets

- (i) Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (ii) Depreciation on fixed assets is provided under the straight-line method on a pro-rata basis at rates prescribed by Schedule XIV to the Companies Act, 1956 except on computers which are depreciated over a period of three years i.e. useful life of asset as estimated by the management and on Leasehold Improvements, which are depreciated over the period of the lease.
- (iii) The technology fee capitalized is depreciated over a period of three years.

4) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes 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.

Schedules annexed to and forming part of the accounts

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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

5) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

6) Provisions

A provision is recognized when an enterprise 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 its present value and are determined based on best management 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.

7) Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Schedules annexed to and forming part of the accounts

B. NOTES TO ACCOUNTS

1. Contingent liabilities (not provided for) in respect of:

(RUPEES)

S. No.	Particulars	March 31, 2011	March 31, 2010
a)	Claims against the Company not acknowledged as debts.	244,000	244,000
b)	Demand raised by Income Tax authorities being disputed by the Company in respect of assessment year 2001-02.	573,230	-

The Company is hopeful that the above appeal will be disposed off in its favour.

2. The Company follows Accounting Standard (AS-22) "Accounting for taxes on Income", as notified by Companies Accounting Standards Rules, 2006. Due to losses, the company has deferred tax asset with loss as a major component. However, deferred tax asset has been considered nil since there is no convincing evidence which demonstrates virtual certainty of realization of such deferred tax asset in the near future, accordingly

3. Related Party Disclosures

Names of related parties where control exist irrespective of whether transactions have occurred or not:

Relationship	Name of the Company
Holding Company	- Max India Limited

(RUPEES)

Nature of Transactions	Holding Company	
Sale of fixed assets - Max India Limited	-	42,100
Reimbursement of expenses - Max India Limited	439,537	333,802
Amount payable - Max India Limited	68,137,709	67,698,173

4. Earnings per share:

Particulars	March 31, 2011	March 31, 2010
Loss for the year (RUPEES)	(310,004)	(603,667)
Number of equity shares at the beginning of the year	31,443,600	31,443,600
Total number of average equity shares outstanding at the end of the year for Basic EPS	31,443,600	31,443,600
Total number of average equity shares outstanding at the end of the year for Diluted EPS	31,443,600	31,443,600
Basic earnings per share (RUPEES)	(0.01)	(0.02)
Diluted earnings per share (RUPEES)	(0.01)	(0.02)

Schedules annexed to and forming part of the accounts

5. Previous Year Comparatives

The figures of previous year were audited by a firm of Chartered Accountants other than S.R. Batliboi & Co.

Previous Year's figures have been regrouped and/or rearranged wherever necessary to conform to this year's classifications.

As per our report of even date

For S.R. BATLIBOI & Co.
Firm Registration Number: 324982E
Chartered Accountants

per SANJAY VIJ
Partner
Membership Number: 95169

For and on behalf of the Board of Directors of
Max Ateev Limited

V. KRISHNAN
Managing Director

SUJATHA RATNAM
Director

VISHAL GARG
Company Secretary

GURGAON
MAY 25, 2011

NEW DELHI
MAY 25, 2011

Balance Sheet Abstract and company's general business profile

I Registration Details :

Registration No.

		6	0	7	0	0

State Code

5	5

Balance Sheet Date

3	1
Date	

0	3
Month	

2	0	1	1
Year			

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

Public Issue

			N	I	L				

Bonus Issue

			N	I	L				

Rights Issue

			N	I	L				

Private Placement/Others

			N	I	L				

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

Total Liabilities

			3	1	4	4	3	6

Sources of Funds

Paid-up Capital

			3	1	4	4	3	6

Secured Loans

				N	I	L			

Application of Funds

Net Fixed Assets

				N	I	L			

+	-
	✓

Net Current assets

				6	6	9	5	8

Accumulated Losses

			3	8	1	3	9	4

Total Assets

			3	1	4	4	3	6

Reserve & Surplus

			N	I	L				

Unsecured Loans

			N	I	L				

Investments

			N	I	L				

Misc. Expenditure

					-				

IV Performance of Company (Amount in Rs. Thousand)

Turnover (Total Income)

							2	7

+	-
	✓

Profit/Loss before tax

						3	1	0

+	-
	✓

Earning per share in Rs.

				0	.	0	1

Total Expenditure

						3	3	7

+	-
	✓

Profit/Loss after tax

						3	1	0

Dividend Rate (%)

			N	I	L

V Name of three Principal Products/Service of Company

Product Description

S	O	F	T	W	A	R	E		S	E	R	V	I	C	E	S

Max Healthstaff
International Limited





Directors' Report

Your Directors have pleasure in presenting their Eighth Annual Report along with the Audited Accounts for the year ended March 31, 2011.

OPERATIONS

As was reported in last year, the Company has scaled down its operations considerably till the clarity on US immigration laws emerges which has impacted Company's operations. The Holding Company, Max India Limited had been extending financial support to sustain its operations. The Holding Company has confirmed its commitment to continue to fund the operations and liabilities of the Company in the future and accordingly, the financial statements have been prepared using the Going Concern assumption.

FINANCIAL RESULTS

Gross revenue for the year under review was Rs. 2.54 lacs against Rs. 19.44 lacs in the previous year. The Company incurred a net loss after tax of Rs.59.50 lacs during the current year against a loss of Rs. 18.87 lacs in the previous year.

DIVIDEND

In view of the accumulated losses, your Directors are unable to recommend any dividend for the year under review.

PARTICULARS OF DEPOSITS

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 (the Act) and the Company's Articles of Association, Mrs. Sujatha Ratnam and Mr. P. Dwarakanath are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS

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

The observations of the Auditors are explained wherever necessary, in the appropriate notes to the accounts. In addition, the accounts have been prepared on going concern basis as the Directors consider that the Company has enough financial support of its holding company to meet its financial obligations

and potential business opportunities are being evaluated, as already explained in the operations section.

ADDITIONAL INFORMATION

As your Company does not carry on any operations, information in accordance with the provisions of Section 217(1)(e) of the Act, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is not furnished herewith.

PARTICULARS OF EMPLOYEES

The Company does not have any employee, who is covered under the provisions of Section 217 (2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv the Directors had prepared the annual accounts, on a going concern basis.

COMPLIANCE CERTIFICATE UNDER THE ACT.

A certificate issued by M/s. T Sharad & Associates, Company Secretaries in terms of the provisions of Section 383A of the Act, to the effect that the Company has complied with the applicable provisions of the Act is attached to this Report.

For and on Behalf of the Board of Directors

New Delhi
July 28, 2011

P. DWARAKANATH
SUJATHA RATNAM

Director
Director

Compliance Certificate

Corporate Identification No. (CIN): U85199DL2003PLC119249
Nominal Capital : Rs. 50,000,000.00 (Rupees Five Crore only)

The Members
Max Healthstaff International Limited,
Max House, 1 Dr Jha Marg, Okhla,
New Delhi, 110020

We have examined the registers, records, books and papers of Max Healthstaff International Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. the Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. the Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies / Regional Director / Central Government / Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. the Board of Directors duly met **Four (4) times** respectively on May 17, 2010, July 26, 2010, December 16, 2010 and March 7, 2011 as per information and Explanation given by the management, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
4. the Company was not required to close its Register of Members during the financial year.
5. the Annual General Meeting for the financial year ended on 31st March, 2010 was held on September 28, 2010 as per information and Explanation given by the management, the Company has given adequate notice to call the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
6. no Extra Ordinary General Meeting was held during the financial year.
7. the Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
8. the Company has not entered into any contracts falling within the purview of section 297 of the Act.
9. the Company has maintained the Register under section 301 of the Act and that no transaction was entered into by the Company which would entail applicability of Section 297 and 299 of the Act, which require entry in the said Register.
10. as there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
11. the Company has not issued any duplicate share certificates during the financial year.
12. the Company has :
 - (i) delivered all certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - (ii) the Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.

Compliance Certificate

- (iii) the Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
- (iv) The Company was not required to transfer any amount on account of un-paid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained un-claimed or un-paid for a period of seven years to the Investor Education and Protection Fund.
- (v) duly complied with the requirements of section 217 of the Act.
- 13. the Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
- 14. the Company has not appointed any Managing Director/Whole time Director/ Manager during the financial year.
- 15. the Company has not appointed any sole selling agents during the financial year.
- 16. the Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
- 17. the directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
- 18. the Company has not issued any shares or other securities during the financial year.
- 19. the Company has not bought back any shares during the financial year.
- 20. there was no redemption of preference shares or debentures during the financial year.
- 21. there were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 22. the Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
- 23. the Company has not made any borrowings during the financial year ended 31st March, 2011
- 24. the Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose
- 25. the Company has not altered the provisions of Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny
- 26. the Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- 27. the Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
- 28. the Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 29. the Company has not altered its Articles of Association during the financial year.
- 30. there was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties

Compliance Certificate

or any other punishment was imposed on the Company during the financial year for offenses under the Act.

31. the Company has not received any money as security from its employees during the year under certification.
32. the Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For T. Sharad & Associates
Company Secretaries

(F.C.S. Sharad Tyagi)
C.P. No. 6129
Date: 28th day of July, 2011
Place: New Delhi

Annexure 'A'

Registers as maintained by the Company

Statutory Registers

1. Register of member's u / s 150 of the Companies Act, 1956.
2. Minute Book u / s 193 of the Companies Act, 1956 containing minutes of
 - Board Meetings
 - General Meetings
3. Register of Directors, Managing Director / Manager / Secretary u / s 303 of the Companies Act, 1956.
4. Register of Director's Shareholding u/s 307.
5. Register and Returns u/s 163.
6. Register of Share Transfer.
7. Register of Contracts, Companies & Firms in which the Directors are interested u/s 301.
8. Books of Accounts u/s 209
9. Register for renewed and duplicate share certificates of the Companies (issue of share certificates) Rules, 1960

For T. Sharad & Associates
Company Secretaries

(F.C.S. Sharad Tyagi)
C.P. No. 6129
Date: 28th day of July, 2011
Place: New Delhi

Annexure B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011

Sr.No.	Form/ Return	For the Matter	Date of filing	Remarks
1.	Form 66	Submission of compliance certificate with the Registrar	13-10-2010	Normal fee
2.	Form 32	Intimation for Change in designation of Director.	01/10/2010	Normal fee
3.	Form 23AC & 23ACA	Balance Sheet & P&L Account	13/10/2010	Normal fee
4.	Form 20B	Annual Return of the Company	13/10/2010	Normal fee

For T. Sharad & Associates
Company Secretaries

(F.C.S. Sharad Tyagi)
C.P. No. 6129
Date: 28th day of July, 2011
Place: New Delhi

Auditors' Report

TO THE MEMBERS OF MAX HEALTHSTAFF INTERNATIONAL LIMITED

- 1 We have audited the attached Balance Sheet of **Max HealthStaff International Limited, New Delhi** as at March 31, 2011 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 We draw your attention to Note II(a) on Schedule '12' of Notes to Accounts, regarding the appropriateness of the "going concern" basis used for preparation of these accounts, because the cumulative losses of the company are more than 50% of its "net worth" and the validity of the "going concern" basis would depend upon the continuance of the existing financial support by the Holding Company. These accounts do not include any adjustments that would result from the discontinuance of the existing financial support by the Holding Company.
- 4 As required by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government in terms of sub-section 4A of section 227 of the Companies Act, 1956, (*hereinafter referred to as the 'Act'*) we give in an annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable.
- 5 Further to our comments in the annexure referred to in paragraph (3) above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the requirements of Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable.
 - (e) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a Director of the Company in terms of clause (g) of sub-section (1) of Section 274 of the Act.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with 'Significant Accounting Policies & Notes to Accounts' in Schedule '12', give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Rakesh Nangia

Partner,

Membership # 070776

For & on behalf of

Nangia & Co.

Chartered Accountants

Firm Registration No.: 002391C

New Delhi

May 16, 2011

Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2011.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we report that: –

- 1 (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management according to a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between book records and the physical inventory have been noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has been disposed off / sold during the year covered by our report and the validity of the "*going concern*" basis would depend upon the continuance of the existing financial support by the Holding Company.
- 2 The Company being a Service Company engaged in the field of Health-care Staffing, carries no inventories, hence the provisions of Clause 4(ii)(a) to 4(ii)(c) of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable.
- 3 (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act.
- (b) As the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Act, the provisions of clause 4(iii)(b), 4(iii)(c) & 4(iii)(d) are not applicable.
- (c) In our opinion and according to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register

maintained under Section 301 of the Companies Act, 1956.

- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for sales of services. Further, on the basis of our examination and according to the explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system of the Company.
- 5 Based on the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of the Act.
- 6 In our opinion and according to information given to us, the Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under.
- 7 In our opinion, the Company has an internal audit system, which is commensurate with the size and nature of its business.
- 8 The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act, for any of the products of the Company.
- 9 (a) In our opinion and according to the information and explanations given to us and according to the books and records as produced and examined by us, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Cess and any other statutory dues as applicable with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Service Tax, Cess and any other statutory dues as applicable, outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, there are no dues of Provident Fund, Employees' State Insurance,

Auditors' Report

Income-tax, Service Tax, Cess and any other statutory dues as applicable to it, which have not been deposited on account of any dispute.

- 10 The Company has accumulated losses as at March 31, 2011 more than fifty percent of its networth and it has incurred cash losses during the financial year covered by our audit and during the immediately preceding financial year.
- 11 Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of its dues of any financial institution or bank during the year.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares and other securities.
- 13 The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- 14 Based on our examination of the records and documents of the Company, and according to the information and explanation given to us, we are of the opinion that the Company is not dealing or trading in shares, securities, debentures and other investments, and therefore clause (xiv) of The Companies (Auditors' Report) (Amendment) Order, 2004 is not applicable to the Company.
- 15 Based on our examination of the records of the Company and according to the information and explanation given to us, we are of the opinion that the Company has not given guarantee for loans taken by others from banks or financial institutions.
- 16 The Company has not obtained any term loans that were not applied for the purposes for which these were raised.
- 17 Based on the information and according to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment or vice versa.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised any money by public issue during the year.
- 21 Based upon audit procedures performed and information and explanations given by the management of the Company, we report no fraud on or by the Company has been noticed or reported during the course of our audit.

Rakesh Nangia

Partner,

Membership # 070776

For & on behalf of

Nangia & Co.

Chartered Accountants

Firm Registration No.: 002391C

New Delhi

May 16, 2011

Balance Sheet as at March 31, 2011

		(RUPEES)	
	Schedules	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	39,450,000	39,450,000
Loan Funds			
Unsecured Loans	2	184,098,604	182,281,604
Deferred Tax Liability (Net)		-	-
(Refer Note II (e) on Schedule 12)			
		223,548,604	221,731,604
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	2,721,518	17,894,662
Less : Accumulated Depreciation		1,461,425	15,743,248
Net Block		1,260,093	2,151,414
CURRENT ASSETS, LOANS AND ADVANCES			
Interest Accrued on Investment	4	388,514	308,411
Sundry Debtors		-	3,133,372
Cash and Bank Balances		1,096,317	1,066,926
Loans and Advances		1,710,608	1,713,459
		3,195,439	6,222,168
Less : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	5	4,774,848	4,631,447
Provisions		244,615	172,730
		5,019,463	4,804,177
NET CURRENT ASSETS		(1,824,024)	1,417,991
Profit and Loss Account		224,112,535	218,162,199
		223,548,604	221,731,604
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS			
	12		

Schedule 1 to 12 form an integral part of Accounts.

For Nangia and Co.
Chartered Accountants
Firm Registration # 002391C

(RAKESH NANGIA)
FCA, Partner
Membership No. 70776

New Delhi
May 16, 2011

For and on behalf of the Board of Directors

SUJATHA RATNAM
(Director)

P.DWARAKANATH
(Director)

Profit and Loss Account for the year ended March 31, 2011

(RUPEES)

	Schedules	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
INCOME			
Income From Operations	6	-	67,443
Other Income	7	253,575	1,877,048
		253,575	1,944,491
EXPENDITURE			
Candidate Related Expenses	8	-	70,256
Personnel Expenses	9	1,525,212	1,602,334
General and Administrative Expenses	10	4,189,072	1,679,705
Financial Expenses	11	16,363	5,127
Depreciation	3	473,264	474,178
		6,203,911	3,831,600
LOSS BEFORE TAX		5,950,336	1,887,109
TAX EXPENSE			
Provision for Income Tax		-	-
LOSS AFTER TAX		5,950,336	1,887,109
Loss Brought Forward		218,162,199	216,275,090
LOSS CARRIED FORWARD TO THE BALANCE SHEET		224,112,535	218,162,199
Earning Per Share (Rs. per equity share of Rs. 10 each) (Refer Note II (f) on Schedule 12)			
-Basic and Diluted		(1.51)	(0.48)
Number of Shares used in computing earning per share			
-Basic and Diluted		3,945,000	3,945,000

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 12

Schedule 1 to 12 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Co.
Chartered Accountants
Firm Registration # 002391C

(RAKESH NANGIA)
FCA, Partner
Membership No. 70776

New Delhi
May 16, 2011

For and on behalf of the Board of Directors

SUJATHA RATNAM
(Director)

P.DWARAKANATH
(Director)

Cash Flow Statement for the year ended March 31, 2011

(RUPEES)

	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before Tax	(5,950,336)	(1,887,109)
Adjustments for:		
Depreciation	473,264	474,178
Provision for Gratuity	52,610	(32,218)
Provision for Leave Encashment	19,275	(29,255)
Provision for Doubtful Debt	2,681,452	25,000
Net Loss on Sale of Fixed Assets	-	303,994
Interest Income	(89,003)	(78,360)
Assets Written Off	418,057	-
Liability/Provision no Longer Required Written Back	1,148,976	(1,153,965)
Unrealised Foreign Exchange Loss/ (Gain)	(18,198)	615,335
Operating Loss Before Working Capital Changes	(1,263,903)	(1,762,400)
Adjustments for:		
Accounts Receivable	475,098	(208,106)
Other Current Assets	(52,080)	58,099
Accounts Payable and Accrued Expenses	(1,010,554)	196,331
Cash Used In Operations	(1,851,439)	(1,716,076)
Direct Taxes Paid	63,830	(7,662)
Cash Used In Operating Activities	(1,787,609)	(1,723,738)
CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	473,404
Cash Used In Investing Activities	-	473,404
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from Parent Company	1,817,000	852,900
Cash From Financing Activities	1,817,000	852,900
Increase In Cash and Cash Equivalents	29,391	(397,434)
Cash And Cash Equivalents At The Beginning Of The Year	66,926	464,360
Cash and Cash Equivalents At The End Of The Year	96,317	66,926

Notes:

- The above Cash Flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the end of the year consist of Cash and Balances with Banks (Refer Schedule-4).

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS 12

Schedule 1 to 12 form an integral part of Accounts.

As per our report of even date attached

For Nangia and Co.
Chartered Accountants
Firm Registration # 002391C

(RAKESH NANGIA)
FCA, Partner
Membership No. 70776

New Delhi
May 16, 2011

For and on behalf of the Board of Directors

SUJATHA RATNAM
(Director)

P.DWARAKANATH
(Director)

Schedules annexed to and forming part of the accounts

(RUPEES)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorized Capital		
5,000,000 Equity Shares of Rs. 10/- each (Previous year 5,000,000 Equity Shares of Rs. 10/- each)	50,000,000	50,000,000
Issued, Subscribed and Paid up:		
3,945,000 Equity Shares of Rs. 10/- each fully paid up (Previous year 3,945,000 Equity Shares of Rs. 10/- fully paid up)	39,450,000	39,450,000
(Of the above, 3,945,000 (Previous year 3,945,000) equity shares are held by Max India Limited, the holding company)		
	39,450,000	39,450,000
SCHEDULE 2		
UNSECURED LOANS		
Loan from Max India Limited (the holding company) (Repayable on demand)	184,098,604	182,281,604
	184,098,604	182,281,604

SCHEDULE 3
FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Deletions	As at	As at	Additions	Deletions	As at	As at	As at
	April 1, 2010			March 31, 2011	April 1, 2010			March 31, 2011	March 31, 2011	March 31, 2010
Tangible assets										
Computers	1,153,890	-	-	1,153,890	674,018	177,011	-	851,029	302,861	479,872
Furniture and Fixtures	336,963	-	-	336,963	232,908	8,740	-	241,648	95,315	104,055
Office Equipments	1,230,665	-	-	1,230,665	314,568	54,180	-	368,748	861,917	916,097
Intangible Assets										
Business Development	13,773,144	-	13,773,144	-	13,773,144	-	13,773,144	-	-	-
Software	1,400,000	-	1,400,000	-	748,610	233,333	981,943	-	-	651,390
TOTAL	17,894,662	-	15,173,144	2,721,518	15,743,248	473,264	14,755,087	1,461,425	1,260,093	2,151,414
Previous year	19,114,155	-	1,219,493	17,894,662	15,711,165	474,178	442,095	15,743,248	2,151,414	3,402,990

Schedules annexed to and forming part of the accounts

(RUPEES)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 4		
CURRENT ASSETS, LOANS AND ADVANCES		
Interest Accrued on Investment	388,514	308,411
Sundry Debtors (Unsecured)		
Debts exceeding six months		
- Considered good	-	3,406,804
- Considered doubtful	2,954,883	-
Other Debts		
- Considered good	-	-
	2,954,883	3,406,804
Less Provision for Doubtful Debt	2,954,883	273,432
	-	3,133,372
Cash and Bank Balances		
Cash in Hand	2,509	4,735
Balances with Scheduled Banks		
- In Current Accounts	93,808	62,191
- In Fixed Deposit Accounts*	1,000,000	1,000,000
	1,096,317	1,066,926
Loans and Advances		
(Considered Good, unless otherwise stated)		
Unsecured		
Advances recoverable in cash or in kind or for value to be received	787,909	788,127
Income Tax	141,332	196,262
Prepaid Expenses	1,670	3,630
Gratuity Fund Value (Net)	692,078	634,934
(Refer Note II (j) on Schedule 12)		
Security Deposits	87,619	90,506
	1,710,608	1,713,459
Total	3,195,439	6,222,168
Note:		
* Fixed Deposits are held under lien by Canara Bank against guarantees given to The President of India, acting through the Protector General of Emigrants, Ministry of Overseas Indian Affairs, New Delhi		
Amounts due from companies under the same management	-	-
Maximum amount outstanding during the year from companies under the same management		
Max Neeman Medical International Limited	-	250,205
Max Bupa Health Insurance Company Limited	-	221,800

Schedules annexed to and forming part of the accounts

(RUPEES)

	As at March 31, 2011	As at March 31, 2010
SCHEDULE 5		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors		
- Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	4,232,604	4,092,554
Other Liabilities	34,939	31,588
Security Deposit Received	507,305	507,305
	4,774,848	4,631,447
Provisions		
(Refer Note II (j) on Schedule 12)		
Leave Encashment	132,133	112,858
Gratuity	112,482	59,872
	244,615	172,730
Total	5,019,463	4,804,177
* There are no dues to creditors under the definition of micro enterprises and small enterprises as at March 31, 2011 and March 31, 2010		
	For the Year Ended March 31, 2011	For the Year Ended March 31, 2010
SCHEDULE 6		
INCOME FROM OPERATIONS		
Placement Revenue	-	67,443
(Tax deducted at source Rs.NIL (previous year Rs.7662))	-	67,443
SCHEDULE 7		
OTHER INCOME		
Interest on Fixed Deposits with Bank	89,003	78,360
(Tax Deducted at Source Rs.8,900 (Previous Year Rs 7,837))		
Liabilities/Provisions No Longer Required Written Back	38,914	1,147,035
Gain on Foreign Exchange Fluctuation	105,338	110,316
Miscellaneous Income	20,320	500,484
Unclaimed Balance Written Back	-	40,853
Total	253,575	1,877,048
SCHEDULE 8		
CANDIDATE RELATED EXPENSES		
Examination Fees	-	41,418
Immigration Costs	-	28,838
Total	-	70,256
SCHEDULE 9		
PERSONNEL EXPENSES		
Salaries, Wages and Bonus	1,453,607	1,535,997
Contribution to Provident and Other Funds	54,750	60,510
Staff Welfare	16,855	5,827
Total	1,525,212	1,602,334

Schedules annexed to and forming part of the accounts

(RUPEES)

	For the Year Ended March 31, 2011	For the Year ended March 31, 2010
SCHEDULE 10		
GENERAL AND ADMINISTRATIVE EXPENSES		
Rent	144,000	144,000
Repairs and Maintenance- Others	31,593	52,756
Insurance	31,898	98,889
Electricity and Water Charges	14,780	22,892
Printing and Stationery	5,354	1,671
Traveling and Conveyance	695	6,382
Communication Expenses	112,536	157,723
Legal and Professional Expenses	283,837	288,073
Business Promotion	-	18,894
Advertisement and Publicity	-	12,000
Books and Periodicals	3,132	3,030
Assets Written Off	418,057	-
Loss on Foreign Exchange Fluctuation	461,168	510,046
Loss on sale/disposal of Fixed Assets	-	303,994
Rates & Taxes	570	431
Prov.for Doubtfull Debts & Advances (Expense)	2,681,452	25,000
Debit Balance Written Off	-	33,924
Total	4,189,072	1,679,705
SCHEDULE 11		
FINANCIAL EXPENSES		
Bank Charges	16,363	5,127
Total	16,363	5,127

Schedules annexed to and forming part of the accounts

SCHEDULE '12'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES:

a) Accounting basis and convention

The accompanying financial statements are prepared in accordance with Generally Accepted Accounting Principles in India ("GAAP"), under the historical cost convention, on the accrual basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India ("ICAI") and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

b) Revenue Recognition

- a) Revenue from overseas placement of Healthcare staff is recognized on the basis of time sheets received from Alliance Partners on accrual basis.
- b) Revenue from Training is recognized at the time of enrolment on accrual basis.
- c) Interest Income is recognized on a time proportion basis taking into account the amounts invested and the rate of interest. Income is stated in full with the tax thereon being accounted for under advance tax.

c) Fixed Assets

- a) Fixed Assets are stated at their original cost including freight, duties (net of CENVAT), taxes and other incidental expenses relating to acquisition and installation.
- b) Expenses of revenue nature, which can be regarded as incidental and related to project set-up, are transferred to "Preoperative expenses pending capitalization". These expenses are allocated to fixed assets in the year of commencement of the related project.

d) Intangible Assets

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 issued by the Institute of Chartered Accountants of India and are amortized as follows –

- (a) The expenses incurred for purposes of business development including consultancy (commercial, legal and technical) and overseas traveling (market related) is capitalized under the Head "**Business Development**" as an intangible asset, to be amortized proportionately over a period of five years.
- (b) Costs relating to acquisition of computer software are capitalized as Intangible Asset and amortized on a straight line basis over a period of six years.

e) Borrowing Costs

Borrowing costs, other than those that are directly attributable to the acquisition, construction or production of a qualifying asset, are recognized as an expense in the period in which they are incurred.

f) Depreciation

- a) Depreciation is charged on straight-line method on a pro-rata basis at rates prescribed under Schedule XIV to the Companies Act, 1956.
- b) Leasehold improvements are depreciated over the respective lease periods.
- c) Assets costing not more than Rs. 5,000/- each are depreciated at hundred percent in the year of capitalization.

g) Taxation

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. Provision for tax consists of current tax and deferred tax. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Schedules annexed to and forming part of the accounts

The differences that result between the profit offered for income tax and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

h) Employee benefits

a) Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. The Company makes contributions under Provident Fund to "Max India Limited Employees Provident Fund Trust". Both the employee and the Company make monthly contributions to the provident fund trust equal to a specified percentage of the covered employee's salary.

b) Gratuity

In accordance with the Payment of Gratuity Act 1972, the Company provides gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, based upon which, the Company contributes to a Master policy with Life Insurance Corporation of India.

c) Leave Encashment

Accrual for leave encashment is made on the basis of actuarial valuation done at the year end. The company recognises actuarial gains and losses as and when the same arise. The charge in respect of the same is taken to the Profit and Loss account.

i) Foreign Exchange Transactions

a) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.

b) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Profit and Loss account.

j) Miscellaneous Expenditure

Preliminary expenses are amortized over a period of 5 years.

k) Leases

Leases of assets under which the lessor effectively retains all the risks and benefits of ownership are classified as operating lease. Payments made under operating lease are charged to Profit and Loss Account on a straight-line basis over the period of lease.

II. NOTES TO ACCOUNTS

a) Going Concern

Max HealthStaff International Limited, a wholly owned subsidiary of Max India Limited is engaged in healthcare staffing in India and abroad, more particularly in USA. The placement of healthcare personnel in USA is subject to availability of immigrant visas which are currently unavailable given the visa retrogression in force. Accordingly the company has scaled down its operations and its cumulative losses are greater than 50% of its net worth. Thus the Company is dependent on financial support from its holding company for sustenance of its operations. The Holding Company has confirmed its commitment to continue to fund the operations and liabilities of the Company in the future and accordingly, the financial statements have been prepared using the Going Concern assumption.

Schedules annexed to and forming part of the accounts

b) Contingent Liabilities not provided for in respect of

(RUPEES)		
Particulars	Current Year	Previous Year
Bank Guarantees	1,000,000	1,000,000
Claims against the Company not acknowledged as Debts#	15,851,500	15,736,000
#(USD 350,000 @ Rs 45.29)		

c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for Nil (Previous Year: Rs. Nil).

d) Leases

Accounting for leases has been done in accordance with the Accounting Standard 19 issued by the Institute of Chartered Accountants of India. Following are the details of lease transactions for the year.

a. Financial Lease

The company does not have any Finance Lease arrangement.

b. Operating Lease

(RUPEES)		
Particulars	Current Year	Previous Year
Lease rentals recognized in the Profit and Loss Account	144,000	144,000
The total of future minimum lease payments under non-cancellable leases is Nil		

e) No deferred tax assets has been created on account of the Carry-forward business losses as there is no reasonable certainty of utilizing them at a future date

f) Earnings per Share

(RUPEES)		
Particulars	Current Year	Previous Year
Basic and Diluted		
- Loss After Tax (Rs.)	5,950,336	1,887,109
- Weighted average number of equity shares	3,945,000	3,945,000
- EPS (Rs.)	(1.51)	(0.48)
Equity Share Details (Nos)		
Outstanding as at the beginning of the year	3,945,000	3,945,000
Outstanding as at the end of the year	3,945,000	3,945,000

g) There are no sums payable to Micro Enterprises and Small Enterprises which are overdue. Payments against supplies from Micro Enterprises and Small Enterprises, if any, are made in accordance with agreed terms. Accordingly, no interest is paid or accrued and remaining unpaid to these suppliers.

h) Related Parties (as identified by the management) are classified as

Holding company	Max India Ltd.
Fellow subsidiaries	Max New York Life Insurance Co Ltd., Max Healthcare Institute Ltd., Max Medical Services Ltd., Neeman Medical International BV, Netherlands, Neeman Medical International NV, Netherlands, Max Neeman Medical International Inc, USA, Max Neeman Medical International Ltd, Pharmax Corporation Ltd, Max Ateev Ltd, Max UK Ltd. UK, ALPS Hospital Ltd., Hometrail Estate Pvt Ltd., Hometrail Buildtech Pvt.Ltd., Max Bupa Health Insurance Co. Ltd.
Employee Benefit Fund	Max India Ltd Employees Provident Fund Trust

Schedules annexed to and forming part of the accounts

Summary of significant related party transactions (as identified by the management) carried out in ordinary course of business:

(RUPEES)				
S. No.	Particulars	Holding Company	Fellow Subsidiaries	Employee benefit fund
1	Fixed Assets Purchased	- (-)	- (-)	- (-)
2	Fixed Asset Sold	- (-)	- (473,405)	- (-)
3	Loans taken	1,817,000 (845,000)	- (-)	- (-)
4	Incomes and reimbursement - Reimbursement of expenses	- (-)	- (17,751)	- (-)
5	Expense - Interest paid - Other expenses	- (-) (7,900)	- (57,115) (-)	- (-) (-)
6	Company's contribution to PF Trust	- (-)	- (-)	37,644 (41,103)
7	Amount outstanding - Against loan taken - Other payable	184,098,604 (182,281,604) -	- (-) 376,770	- (-) -
		(-)	(376,770)	(-)

Figures in bracket are for previous year.

- i) Additional information pursuant to the provisions of paragraph 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956, together with notes thereon:

a) Expenditure in Foreign Currency:

(RUPEES)		
Particulars	Current Year	Previous Year
Other matters:		
Examination Fees	-	32,841
Immigration Expenses (Visa Screen Expenses)	-	28,838
Communication Expenses	51,047	48,749
Total	51,047	110,428

b) Amount paid / payable to Auditors:

(RUPEES)		
Particulars	Current Year	Previous Year
Audit / Other Fees	27,575	47,575
Tax Audit Fees	11,030	11,030

Schedules annexed to and forming part of the accounts

j) Employee Benefits

Defined Benefit Plans

The Company has adopted Accounting Standard, AS-15 (revised 2005), on employee benefits with effect from April 1, 2007. The following table sets out disclosures in respect of defined benefit plans:

	(RUPEES)	
	Gratuity	Leave Encashment
Reconciliation of present value of the defined benefits obligation :		
Obligations as at April 1, 2010	59,872	112,858
Service Cost	22,496	24,103
Interest cost	4,670	8,803
Benefits settled	-	-
Actuarial (gain)/loss	25,444	(13,631)
Obligations as at March 31, 2011	112,482	132,133
Change in plan assets		
Fair value of plan assets as at April 1, 2010	634,934	-
Expected return on plan assets	57,144	-
Actuarial gain/(loss)	-	-
Contribution	-	-
Benefits paid	-	-
Fair value of plan assets as at March 31, 2011	692,078	-
Reconciliation of present value of the obligation and fair value of the plan assets :		
Fair value of plan assets as at March 31, 2011	692,078	-
Present value of the obligation as at March 31, 2011	112,482	132,133
(Asset)/Liability recognized as at March 31, 2011	(579,596)	132,133
Cost for the year		
Service cost	22,496	24,103
Interest cost	4,670	8,803
Expected return on plan assets	(57,144)	-
Actuarial (gain)/loss	25,444	(13,631)
Net cost	(4,534)	19,275
Assumptions		
Interest rate	8%	8%
Discount rate	8%	8%
Estimated rate of return on plan assets	9%	-
Salary Increase	10%	10%
Leave availment in the service	-	-
Retirement age	58	58

Schedules annexed to and forming part of the accounts

Defined Contribution Plan

During the year, the Company contributed Rs.53,808/- (Previous year Rs.57,899/-) for provident fund which represents contribution to defined contribution plan.

- k) Other disclosure requirements of Schedule VI to the Companies Act, 1956 are not applicable to the Company.
- l) Previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

As per our report of even date attached

For Nangia and Co.
Chartered Accountants
Firm Registration # 002391C

(RAKESH NANGIA)
FCA, Partner
Membership No. 70776

New Delhi
May 16, 2011

For and on behalf of the Board of Directors

SUJATHA RATNAM
(Director)

P.DWARAKANATH
(Director)

Balance Sheet Abstract and company's general business profile

I Registration Details

Registration No.

0	1	1	9	2	4	9

 State Code

5	5

Balance Sheet Date

3	1

0	3

2	0	1	1

Date Month Year

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue <table border="1" style="display: inline-table;"><tr><td>N</td><td>I</td><td>L</td></tr></table> Bonus Issue <table border="1" style="display: inline-table;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	N	I	L	Rights Issue <table border="1" style="display: inline-table;"><tr><td>N</td><td>I</td><td>L</td></tr></table> Private Placement <table border="1" style="display: inline-table;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	N	I	L
N	I	L											
N	I	L											
N	I	L											
N	I	L											

III Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities (including share capital) <table border="1" style="width: 100%; text-align: right;"><tr><td>223,549</td></tr></table> Sources of Funds Paid-Up Capital <table border="1" style="width: 100%; text-align: right;"><tr><td>39,450</td></tr></table> Secured Loans <table border="1" style="width: 100%; text-align: right;"><tr><td>NIL</td></tr></table> Application of Funds Net Fixed Assets <table border="1" style="width: 100%; text-align: right;"><tr><td>1,260</td></tr></table> + - Net Current Assets <table border="1" style="width: 100%; text-align: right;"><tr><td>1,824</td></tr></table> Accumulated Losses <table border="1" style="width: 100%; text-align: right;"><tr><td>224,113</td></tr></table>	223,549	39,450	NIL	1,260	1,824	224,113	Total Assets <table border="1" style="width: 100%; text-align: right;"><tr><td>223,549</td></tr></table> Reserves and Surplus <table border="1" style="width: 100%; text-align: right;"><tr><td>NIL</td></tr></table> Unsecured Loans <table border="1" style="width: 100%; text-align: right;"><tr><td>184,099</td></tr></table> Investments <table border="1" style="width: 100%; text-align: right;"><tr><td>NIL</td></tr></table> Miscellaneous Expenditure <table border="1" style="width: 100%; text-align: right;"><tr><td>NIL</td></tr></table>	223,549	NIL	184,099	NIL	NIL
223,549												
39,450												
NIL												
1,260												
1,824												
224,113												
223,549												
NIL												
184,099												
NIL												
NIL												

IV Performance of Company (Amount in Rs. Thousands)

Turnover <table border="1" style="width: 100%; text-align: right;"><tr><td>254</td></tr></table> + - Profit/Loss Before Tax <table border="1" style="width: 100%; text-align: right;"><tr><td>5,950</td></tr></table> + - Basic Earning per share in Rs. <table border="1" style="width: 100%; text-align: right;"><tr><td>1.51</td></tr></table> + - Diluted Earning per share in Rs. <table border="1" style="width: 100%; text-align: right;"><tr><td>1.51</td></tr></table>	254	5,950	1.51	1.51	Total Expenditure <table border="1" style="width: 100%; text-align: right;"><tr><td>6,204</td></tr></table> + - Profit/Loss After Tax <table border="1" style="width: 100%; text-align: right;"><tr><td>5,950</td></tr></table> Dividend Rate % <table border="1" style="width: 100%; text-align: right;"><tr><td>Not Applicable</td></tr></table>	6,204	5,950	Not Applicable
254								
5,950								
1.51								
1.51								
6,204								
5,950								
Not Applicable								

V Name of three principal products / services of the company.

Item Code Number <table border="1" style="display: inline-table;"><tr><td>85,199</td></tr></table>	85,199	Product description <table border="1" style="display: inline-table;"><tr><td>Healthcare Staffing</td></tr></table>	Healthcare Staffing
85,199			
Healthcare Staffing			



Max India Limited

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New Delhi - 110 020
Tel: +91 11 42598000

▶ www.maxindia.com



▶ www.maxnewyorklife.com



Caring for you... for life

▶ www.maxhealthcare.in



A Max India Joint Venture

▶ www.maxbupa.com



Enhancing quality... always

▶ www.maxspecialityproducts.com



Improving... life

▶ www.neeman-medical.com



Making a difference... to life

▶ www.maxindiafoundation.org